



Workers 'can't afford 4% personal accounts contribution'.

In 2012 the Government has proposed the introduction of a National Account for pension savings. A major plank of the proposals is for a compulsory 4% employee's contribution, however the proportion of UK workers concerned they will not be able to afford the 4% contribution to a personal account has risen, a study suggests.

According to research by Building & Civil Engineering Trades (B&CE Benefit Schemes), 28% of workers say they can't, or don't know if they can, afford the contribution, compared with 19% in a similar study in February.

B&CE says general support for the scheme, set to be introduced in 2012, remains strong but adds only a third of workers believe it will provide a reasonable retirement income.

For most individuals experience has taught me that when money is tight there are always more pressing things to do with your wages than put it in a pension.

If a scheme is going to be successful it has to have the support of both individuals and employers - people who save for their retirement should always be demonstrably better off than those who do not. And this is the key issue that the Government is avoiding addressing at the moment.

UK workers will be automatically enrolled into a personal account unless their employer already offers a better scheme. The employee will have around 4% of their take-home salary automatically paid into the scheme, with 3% contributed by their employer and a further 1% contributed in the form of tax relief. Employees can opt-out of the scheme.

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