



Hill & Smith Mastertrust Pension Scheme

April 2019





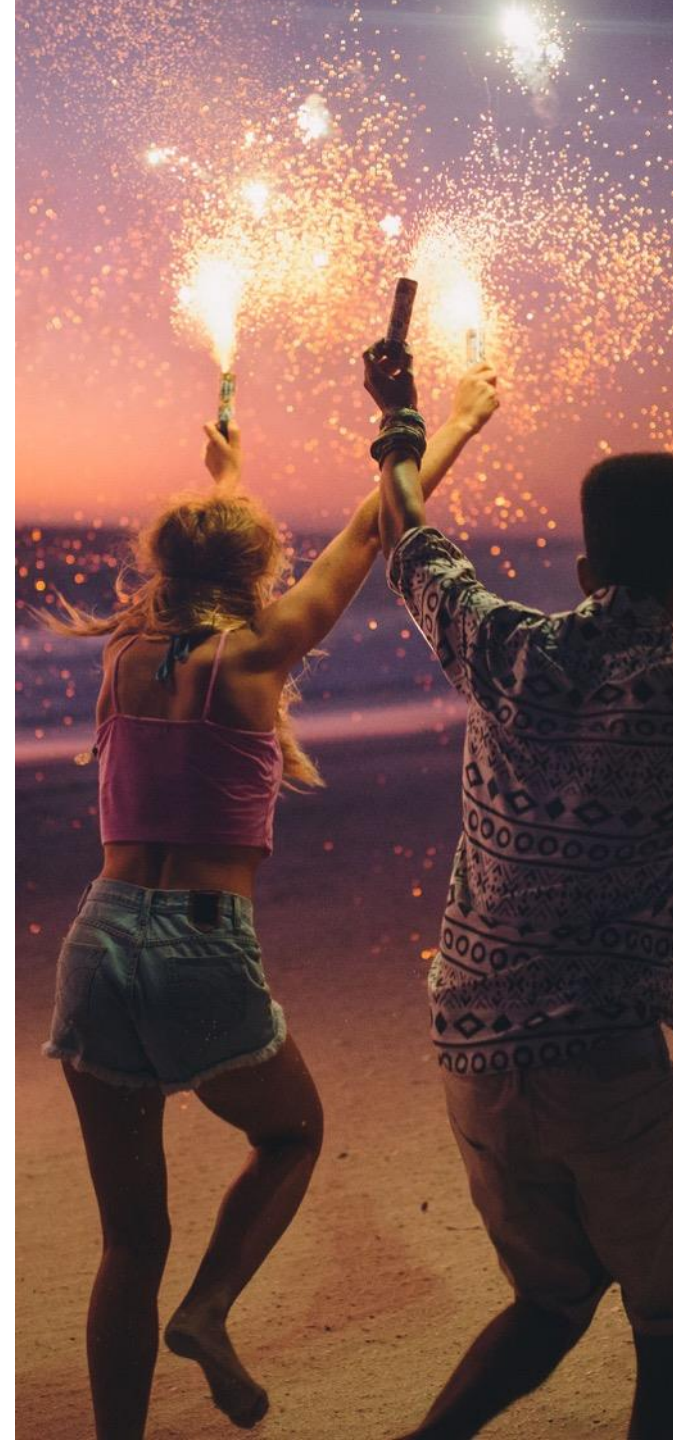
Welcome to your workplace pension

Wherever you are on your savings journey, whether you're paying into a pension for the first time or topping up your existing savings, we want to make sure you have access to the tools and information you need to help you create your future.

The Hill & Smith Mastertrust Pension Scheme is a savings plan that's designed to help you build up a [pension pot](#) which you can use to take an income and lump sums from age 55 or the date you plan to access your pension savings.

Throughout this booklet, when we refer to 'the Plan' we are referring to Hill & Smith Mastertrust Pension Scheme.

This guide explains how it works and how to make the most of it. Where we've had to use a term that you might not be familiar with, we've highlighted it in [blue](#) the first time the term is mentioned on a page. You'll find a definition of each of these terms on page 33 of this guide.





What your workplace pension can do for you



Contributions

You and [your employer](#) pay in, so you can build up your [pension savings](#) faster.



Tax relief

The government helps out too in the form of [tax relief](#). You can find out more about how this works for you under 'contributions' on page 8.



Access to your money

You can access the money you've built up from age 55 or at a later date that you choose. You'll get some of it tax-free as well.



A portable pension

You can take it with you if you change employment. You may also be able to transfer in any pension savings you may have from other jobs. Find out more about transferring on page 16.





Reasons to start saving now

The earlier you start saving, the better your chance of having enough to fund the lifestyle you want when you come to take your money.

It's likely that by the time you want to use the money you've saved, the cost of day-to-day things like food and travel will have increased, so you need to make sure your [pension pot](#) is big enough to last.

The amount you'll get will depend on a number of factors including:

- How soon you start
- How much you pay in
- How well your chosen funds perform
- How much is taken out in charges
- How you choose to take your money and when

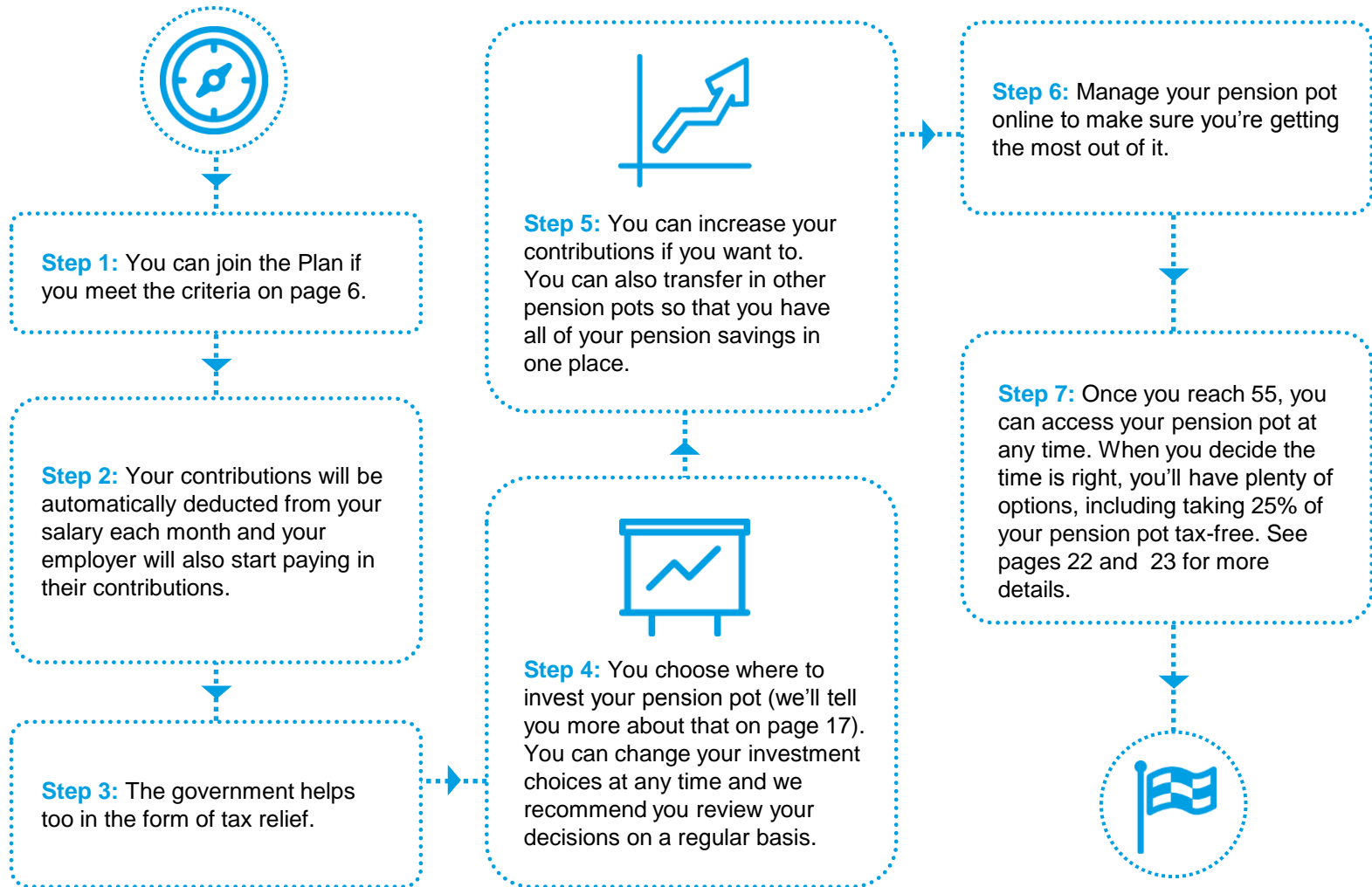
Don't put it off

The longer you wait to start saving into a pension pot, the more you'll have to contribute later to make sure you've saved enough money to afford the life you want. Even if it's just a small contribution, starting now will really help in the long run.

We know that balancing your needs today with what you might need in the future is not always easy. We've got tools to help you work out how. You will find them on your Plan website.



How your pension pot works





Joining the Plan

You can join the Plan if you're aged over 16. There are two ways to join.

1. By automatic enrolment

You'll be automatically enrolled into the Plan if you meet the following requirements:

- You're over 22
- You're below state pension age
- You work or usually work in the UK
- You earn more than the [earnings threshold](#). You can find out what this is in the Tax Year Rates and Allowances Sheet on your Plan website.

2. By submitting a request

If you don't meet all the requirements, you may still apply to join the Plan.

You can apply to join the Plan by contacting [your employer](#) directly and asking them to enrol you into the Plan. Your letter must contain your signature or, if applying by email, you must include the phrase "I confirm I have personally submitted this application to join the company pension scheme."

For details of who to contact, please go to Contact Information on page 30.



If you decide you don't want to be in the Plan

If you are automatically enrolled but decide it's not for you, you can opt out.

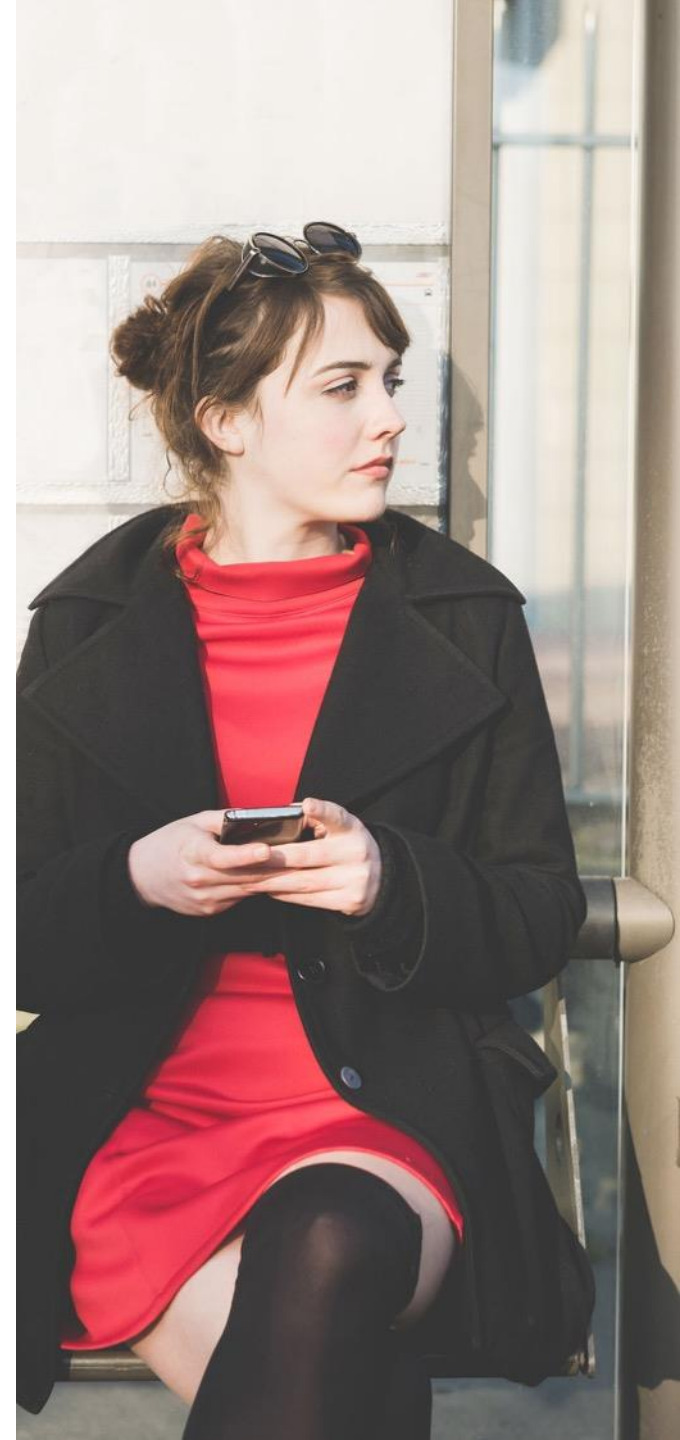
If you opt out within one month of joining, you'll get back any money that you've paid in and you'll be treated as if you never joined. Your joining letter will explain how to do it.

If you leave the Plan at any other time, your money must stay invested until you are at least 55. You don't have to stay with us; you may be able to transfer your [pension savings](#) to another pension provider.

Remember

If you stop paying in, your employer will stop too.

Eligible employees who leave the Plan must be automatically re-enrolled every three years but may continue to opt out if they so wish.





Contributions

The best way to make sure you get the most out of your pension is to make regular contributions. It means you'll get the benefit of a contribution from [your employer](#), and help from the government in the form of [tax relief](#).

The earlier you can start the better chance you'll have of building up the savings you'll need for when you come to take your benefits.

Your pension contributions will be taken from your pay before tax and paid to Legal & General through your employer's payroll.

If your earnings are below the starting rate for income tax you will not benefit from the tax relief that a taxpayer would receive.





Contributions: Auto enrolment section

The contributions **your employer** will make and the minimum contributions you make are shown below. These are shown as a percentage of qualifying earnings.

Once you have been in service for one full tax year your employer will invite you to join the Age Related Section* on the following 6 April. Please contact your local HR team/Payroll Department if you require more information.

*This may differ for Senior Managers and Directors who, at their employer's discretion, may be invited to join on a different contribution basis.

Contributions deducted from pay	You pay	Your employer pays	Total
	5%	3%	8%



Example: Auto enrolment section

In this example, you contribute 5% of your qualifying earnings. [Your employer](#) contributes 3%.

Based on earnings of £20,000 a year, the monthly contribution to your pension would be:



For a full breakdown of how this example has been calculated, please refer to page 34.



Contributions: Age related section

The contributions you and [your employer](#) will make are shown below. These are shown as a percentage of pensionable pay.

Contributions deducted from pay	Your age	You pay	Your employer pays	Total
	29 and under	5%	3%	8%
	30 – 39	5%	3% - 3.5%	8%-8.5%
	40 – 49	5%	3% - 4.5%	8% - 9.5%
	50 - 59	5% - 5.5%	3% - 5.5%	8% - 11%
	60 and over	5% - 6.5%	3% - 6.5%	8% - 13%

You may pay more than the maximum into your pension, however the company will only pay up to the maximum in each band.



Example: Age related section

In this example, you contribute 5% of your pensionable pay. *Your employer* also contributes 5%.

Based on earnings of £20,000 a year, the monthly contribution to your pension would be:



For a full breakdown of how this example has been calculated, please refer to page 35.



Contributions explained

What are qualifying earnings?

To have qualifying earnings, your pay must be at least equal to the lower qualifying earnings limit. Contributions to your pension will be calculated on your earnings between this amount and the upper qualifying earnings limit. To find out what these limits are, in the current tax year, please see the Tax Year Rates and Allowances Sheet on your Plan website.

What is pensionable pay?

This is your basic earnings together with any other earnings and relevant deductions, which, in the opinion of [your employer](#), are considered to form pensionable pay.

Quick tip

The more you pay into your pension pot and the longer you pay, the more you're likely to have when you come to take your money. Although, you'll need to remember that the amount you'll have isn't guaranteed and that the value of your pension savings can go down as well as up.

We understand that your pension savings are unlikely to be your only financial commitment, but you should regularly review how much you are paying to make sure that you are staying on track for the retirement you want.





Tax relief limits

You'll receive [tax relief](#) on your pension contributions up to the [annual allowance](#) as set by the government. Any payments above the annual allowance will be subject to a tax charge.

You can find more information on tax relief and allowances in the Tax Year Rates and Allowances Sheet on your Plan website.

Any contributions you make to the Plan after age 75 won't receive tax relief.

Important note

Understanding the annual allowance and how it could affect you is really important for keeping your pension savings on track. If you think your contributions might exceed the annual allowance, we would recommend speaking to a financial adviser.





Changing your contributions

You can change any regular monthly amounts you pay once a year, on the 6th April. You will need to notify your local HR team/Payroll Department of any changes by 5th March.

You can make additional contributions into the Plan through payroll (including bonus payments if requested), although [your employer](#) will only pay in up to the contribution levels set out in the tables on pages 9 and 11.

Contributing occasional lump sums

You can make additional one-off contributions direct to Legal & General. If you'd like to make additional payments at any time, just contact us at the address shown on page 30.

Remember to claim your [tax relief](#) through self-assessment if appropriate.

If you're away from work

If you have a prolonged period away from work due to sickness, injury or maternity leave, your employer may continue their pension contributions depending on their HR policy.

Check with your employer for details. For details of who to contact, please go to Contact Information on page 30.





Transfers

Transferring other pension benefits into the Plan

If you have built up [pension savings](#) from previous employment, you can normally transfer them into your new Plan if you wish.

Keeping your pension savings in one place could make them easier to manage but there are a few things you need to consider before you make a decision such as the charges for each plan and whether there are any guarantees you might lose if you move your money.

We would always recommend taking financial advice to make sure that transferring is the right thing for you. This is particularly important if you are transferring benefits from a final salary scheme.

If you do decide you want to transfer, contact Legal & General for help with the process. For details of who to contact, please go to Contact Information on page 30.

How do I transfer?



Before you decide to transfer any benefits from another pension plan you should consider taking financial advice.



If you decide to transfer, you can provide your previous pension plan details to Legal & General.



Legal & General will contact your old pension provider.



Your existing pension pot will be transferred into your new Plan.



Investing your pension savings

When you join the Plan, your savings will be invested in the **Legal & General (PMC) Multi-Asset Fund 3**.

The fund has been chosen by the Trustees as it aims to provide investment growth over the long term and is judged to be suitable for most [members](#).

If you would like to make your own investment decisions, you can find more information about the choices available to you in the Investment Guide on your Plan website.

There is now more flexibility than ever before when you come to take your money, so it's important to review your investment choice regularly to make sure it matches your retirement goals.

As you approach your chosen retirement age, we'll write to you about moving your pension savings into funds that are more closely aligned with how you want to take your money when the time comes.

Changing where your pension savings are invested

You can change where your [pension savings](#) are invested at any time:

- Online: go to the Plan website, and log in to **Manage Your Account**. You can see the different funds and change the way your pension savings are invested
- By phone: you can call Legal & General direct on **0345 070 8686**. Call charges will vary and calls may be recorded and monitored.

Quick Tip

If you are thinking about switching funds, you may wish to talk to an independent financial adviser to make sure the funds you invest in are right for you and your future plans.



Charges

There are two charges we apply to your [pension pot](#). To keep it running smoothly and manage the funds you're invested in.

- **Annual management charge (AMC):** of 0.17% of the value of your pension pot up to and including £50,000, and 0.12% on any part of your pension pot over this amount. The charge covers the cost of running your pension plan as agreed with [your employer](#). The AMC is calculated daily and deducted once a month by selling units in your pension savings.
- **Fund management charge (FMC):** covers the cost of managing the fund or funds you're invested in. This charge is included in the unit price. Unit prices are calculated daily and the charge is reflected in the value of your pension savings.

You'll only see the AMC deductions on your annual statements. The FMC is included in the price of units in your chosen fund(s).

Here's an example of what the total charge could look like if you are making regular contributions:

If your pension pot is worth £10,000 throughout the year, and you're invested in the Legal & General (PMC) Multi-Asset Fund 3, you'll pay the following charges:

AMC	0.17%	£17
FMC	0.13%	£13
Total for the year	0.30%	£30

If your pension pot is worth £70,000 throughout the year, and you're invested in the Legal & General (PMC) Multi-Asset Fund 3, you'll pay the following charges:

AMC (up to £50,00)	0.17%	£85
AMC (amount over £50,000)	0.12%	£24
FMC	0.13%	£91
Total for the year	0.29%	£200



Keeping track of your savings

You can check the value of your [pension savings](#) and review your fund(s) at any time by going to the Plan website and logging in to **Manage Your Account**.

Each year we'll create a statement for you. Your statement will be available online in **Manage Your Account** and we'll let you know when it's available to view.

The statement will set out:

- the current value of your pension savings
- the fund(s) it is invested in
- a projection of the benefits at your expected retirement age
- the transfer value if you were to move your pension savings to another pension plan
- total contributions paid into the Plan for you during the previous 12 months.

Your Plan website address is:

www.legalandgeneral.com/workplacebenefits/microsites/hill-and-smith/





Accessing your pension savings

Choosing to take your money from your pension pot is one of life's 'big decisions'. You've worked hard and paid quite a bit of money in over the years, and you'll want to be sure you're making the right choice so that your future is secure, and you've got what you need to make the most of your retirement.

We can help you with our planning tools and information on your Plan website to make sure you understand all the options available and make the right decision for you.

Your right to guidance when deciding how to use your pension savings

The government guarantees that all individuals with a pension plan like yours will be offered free and impartial guidance. This:

- covers a range of options to help you make informed decisions and take action, whether that's seeking further advice or purchasing a product;
- tells you about the different types of benefits and what you can do with your [pension savings](#) - what's tax-free and what's not;
- is offered face to face by the Citizens Advice Bureau or by phone from The Pensions Advisory Service; and
- is available from age 50 or when you access your pension savings.

Visit www.pensionwise.gov.uk to register your interest and arrange an appointment.

If you're still unsure about your options we recommend you speak to a financial adviser. You can find one in your local area by visiting: www.unbiased.co.uk.

Whilst financial advisers will usually charge a fee for their services they can help you make the right decision about the best option for you and your circumstances.

Facilitated Adviser Charging

The Plan offers you a way of paying your financial adviser directly from your pension pot – this is called a facilitated adviser charge. The advice you receive must be related to your pensions saving from this Plan and it's from this Plan that we'll take the adviser charge. You must have enough money in your pot to pay for this.

The Facilitated Adviser Charge Guide explains how this service works. Please go to www.legalandgeneral.com/adviserchargeguide and www.legalandgeneral.com/adviserchargeform for more information. For details of who to contact, please go to Contact Information on page 30.



When can I take my pension savings?

You can access your [pension savings](#) at any time from age 55 regardless of whether or not you've stopped working. You'll need to think carefully about when is the right time so you can make sure your pension pot is big enough to last.

Unless you tell us something different, we'll assume you're going to take your benefits at 67. If you're over 67 when you join the Plan, we'll assume you're going to take your benefits at 70.

You can change your retirement age at any time. It's important that you choose an age that realistically reflects when you expect to take your benefits, for two reasons:

1. We'll use your retirement age to estimate the value of your pension pot, so when we send you our yearly forecasts, they'll be more realistic.
2. If you decide to invest in a 'lifestyle strategy', it will automatically adjust your investment depending on how far away you are from your chosen retirement age. If this isn't the age you actually want to access your pension savings, the investment strategy will be less effective.

The most important consideration as you approach retirement is that your investments are right for you and reflect how you want to take your money when the time comes.

We'll write to you ten years and four years before you reach your chosen retirement date to prompt you to review your plans for taking your money and to consider whether your current investment strategy is still suitable.

Four months before you reach retirement, we'll send you a pack setting out all of the options available to you.

You can always change your retirement age as your future plans become clearer. You can do this by logging into **Manage Your Account** and sending us a secure email.

Remember

Your annual statement will show estimates of your projected benefits at retirement so you can see if you're on track and make changes if you need to.

Helpful hint

You can check the value of your pension pot online using **Manage Your Account**.



Your options when the time is right



Take your whole pension pot in one go

You can take the whole amount in one go. A quarter can be taken tax-free – the rest will be taxed as income. If you're considering this option, you may need to plan how you will provide an income for the rest of your lifetime.



Take your pension pot as a number of lump sums

You can leave your money in your [pension pot](#) and take lump sums from it as and when you wish until your money runs out. You can decide how much to take out and when. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow but it could go down in value too.

You can take up to a quarter of your pension savings as a tax free lump sum and any further lump sums or income will be subject to income tax.



Get a flexible retirement income

You can leave your money in your pension pot and take a regular income from it. Any money left in your pension pot remains invested, which may give your pension pot a chance to grow but it could go down in value too.

A quarter of your pension pot can be taken tax-free first, and then any other withdrawals will be taxed.



Your options when the time is right



Get a guaranteed income

You can use your [pension pot](#) to buy a lifelong, regular income - also known as an [annuity](#) - to provide you with a guarantee that the money will last as long as you live or for a fixed term. You can also choose a guaranteed income that increases with inflation and/or continues to provide an income for a [dependant](#).

A quarter of your pension pot can be taken tax-free and any other income you take from it will be taxed.

If you choose this option you can't change your mind later.



You can choose a combination of one or more options

You can also choose to take your pension using a combination of one or more of these options. If you have more than one pot, you can use the different options for each pot.



Your state pension

Your benefits from the Plan will be payable in addition to any State Pension you will be entitled to.

Important

Whichever option(s) you choose, the first 25% is usually tax free and the remainder is taxed as income.

When you take your benefits, the value of your pension pot will be tested against the lifetime allowance as set by the government. This is the maximum amount of pension benefits you can build up without paying a tax charge.

If your total pension benefits (not just the value in your employer's Plan) exceed the lifetime allowance, a tax charge will be payable from your pension pot before benefits are paid to you.

You can find out more about tax rates and allowances in the Tax Year Rates and Allowances Sheet on your Plan website.



If things don't go to plan

If you can't work due to illness or injury

If you become seriously ill or incapacitated and unable to carry out your normal occupation, you may be able to take your pension benefits before age 55.

You will need to provide written evidence from a registered medical practitioner which confirms you're unable to perform your role because of physical or mental impairment.

In cases of limited life expectancy, which is defined as less than one year, it may be possible to have your entire [pension pot](#) paid out as a cash lump sum.

The payment of your pension savings under these circumstances would currently be made tax-free, as long as it didn't exceed the [lifetime allowance](#), and you were under 75 when it was paid out. No other benefits would be payable to you or your [dependants](#) from the Plan.

If you die before taking your benefits

When you join the pension Plan, you will be invited to nominate the person you'd wish to receive the benefits you have built up in the Plan in the event of your death.

You can choose as many beneficiaries as you like and we'd recommend you review your choices on a regular basis.

The 'Nomination of [Beneficiary](#)' form can be found on your Plan website and should be completed and returned to us as soon as possible.

Important

The Trustees aren't bound by your choice of beneficiary but they will use your completed form as a guide.



If things don't go to plan

For instance, if you die with **dependants** under 18 at the time of your death, the Trustees may pay the benefits into a trust fund which your dependants can only access when they turn 18.

Similarly, the Trustees may choose to use all or part of your **pension pot** to secure a guaranteed income for your dependants. This decision would be made if the Trustees felt a regular income was more appropriate for your dependants than a one-off lump sum.

Divorce or dissolution

If you're involved in a divorce or the dissolution of a registered civil partnership, your pension pot will be taken into account by the courts when deciding upon any settlement.





Leaving the Plan

If you decide you want to leave the Plan or stop paying in, there are a number of options available to you.

Your Options

Option 1	Leave your pension savings in the Plan Leave your pension pot invested with us until you choose to take your money (which can be at any time from age 55). You can continue to choose which funds to invest your pension pot in but you can't make any more contributions into it. If you choose this option, Options 2 and 3 below will continue to be available to you in future.
Option 2	Transfer your pension pot Transfer the value of your pension pot to another pension plan. You can do this any time before you access your pension savings.
Option 3	Access your pension pot If you are 55 or over you will be able to access your pension savings if you so wish. See pages 22 and 23 in this guide for the options open to you.

If you want to leave the Plan or stop paying in, contact your HR department.

Important note

If you choose to stop making payments to your pension pot, your employer will stop contributing too. This could have a significant impact on the value of your benefits when you come to retire so you should think very carefully before leaving the Plan.



Important information

The Trustees

The Plan is part of the Legal & General Mastertrust (the Scheme). The Mastertrust is a Defined Contribution (or money purchase) pension scheme which different employers can join. It is overseen by a board of Trustees who are legally bound to look after your money and put your best interests first.

The current Trustees are:

- Legal & General Trustees Limited,
- PTL Governance Limited, and
- BESTrustees Limited.

If you'd like more information on how the Mastertrust works you can visit the Mastertrust website:

<http://www.legalandgeneral.com/workplacebenefitsResp/mastertrust/>

The Trustees appoint Legal & General Assurance Society Limited to administer the Scheme on their behalf.

Your employer has joined the Mastertrust by deed of participation.

The Pension Scheme Tax Reference (PSTR) is 00773690RX.

Scheme documents

The following documents are available on request. For details of who to contact, please go to Contact Information on page 30.

- The Trustees' Annual Report which contains general information about the Scheme
- The Trust Deed and Rules
- Deed of Participation
- Statement of Investment Principles which describes the Trustees' investment strategy

Scheme changes

Your employer may, with the consent of the Trustees, amend the terms of the Scheme at any time if they wish, in accordance with what's known as their 'Deed of Participation'.

The Scheme Rules may change in future – you'll be notified of any changes that may affect you.

Your employer plans to continue the Scheme indefinitely. However, it's always possible that things will change in the future that lead to the Scheme being discontinued.

The Trustees also have the power to wind up the Scheme which would mean your employer could no longer participate in it. These decisions aren't taken lightly and should it ever happen, you will be notified well in advance with details of all your options.



Important information

Changing your personal details

Make sure your personal details are up-to-date so you always receive your annual statement and other important communications.

You can make your changes by using our online **Manage Your Account** facility or by contacting us directly using the contact details on page 28.

Remember to keep your nominated **beneficiary** up-to-date too.

Questions and complaints

If after reading this booklet you have any questions or comments, please call the helpline on the number shown on page 28.

If we're unable to resolve your queries, or if there's something you don't agree with, there's a formal dispute procedure you can follow. The helpline can give you all the details. Formal complaints must be made in writing.

The Financial Services

Compensation Scheme (FSCS)

The FSCS is designed to pay customers compensation if they lose money because a firm is unable to pay them what they owe for any reason.

In the event of a failure of the Investments held in the Legal and General WorkSave Mastertrust, the Trustees may, on your behalf, be entitled to claim compensation. The maximum compensation available from the FSCS is 100%, without limit, of a valid claim for any loss incurred.

You can find out more about the FSCS on its website at www.fscs.org.uk or by calling 0800 678 1100.

Legal note

This booklet is intended as a summary of the terms and conditions of the Scheme. If the information in the Scheme Rules and this booklet ever conflict with each other, the Rules will be overriding. You can contact Legal & General for a copy of the Rules if you'd like to see them.

The information in this guide is based on the Trustees' and Legal & General's understanding of current legislation, and HMRC practice. These can change without notice but the Trustees will let you know as soon as they can if a change is made that significantly impacts you.



Important information

Data protection

Legal & General and the Trustees may use the personal information that you or [your employer](#) has provided to us for (amongst other things):

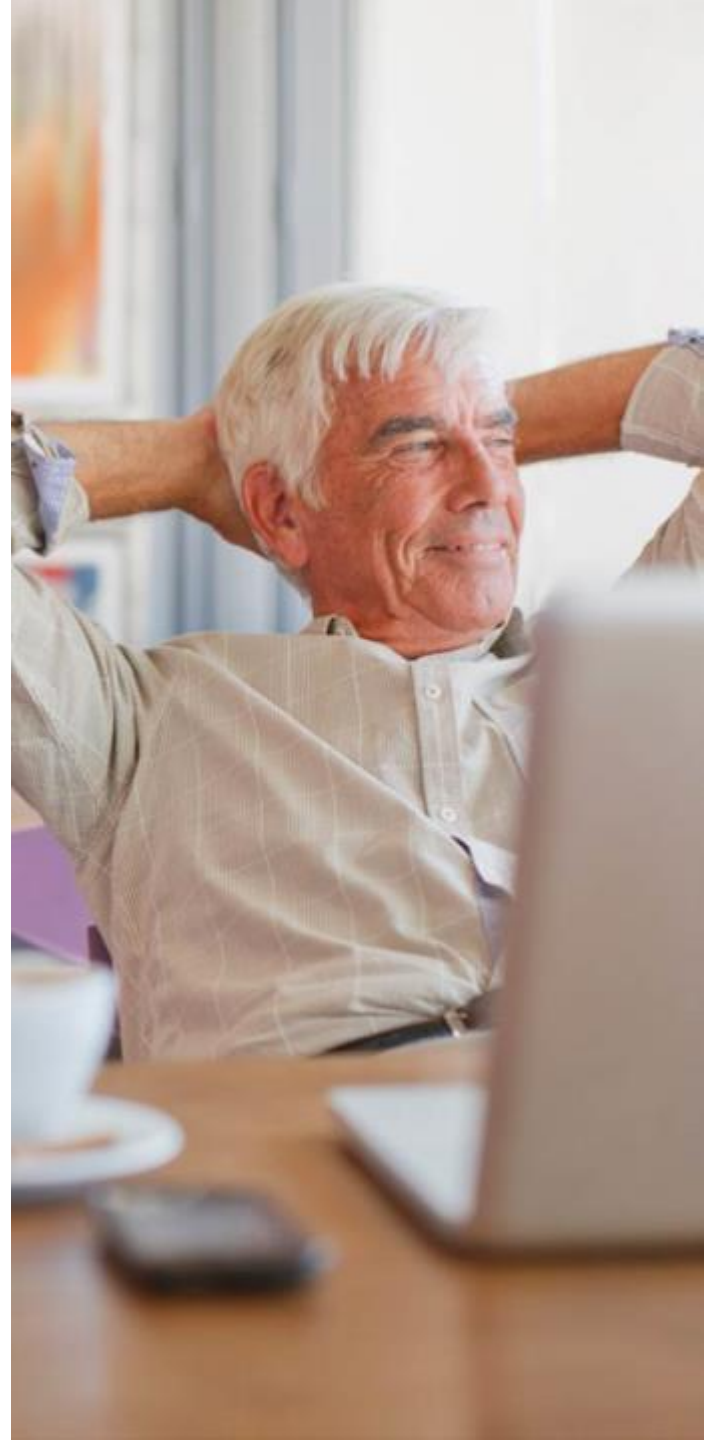
- dealing with your enquiries and requests for products and/or services from Legal & General,
- administering your plan and processing any claims, and/or
- carrying out market research, statistical analysis and customer profiling.

Our privacy policies set out more detailed information on how we use your personal information (including, our processing activities, the lawful basis for our processing, how we transfer and share your information and/or any information prescribed by data protection law). A copy of the Legal & General privacy policy is available at <https://www.legalandgeneral.com/privacy-policy/> or otherwise upon request; the Trustees have their own privacy policy and that is available at <http://www.legalandgeneral.com/workplacebenefitsResp/mastertrust/news-events/> Any changes to these privacy policies will be posted on the respective websites from time to time.

If you make a claim, we and Legal & General may share your information (including personal information) with other insurance companies to prevent fraudulent claims. Your details will also be checked with fraud prevention agencies and if fraud is detected we will share the relevant details with fraud prevention agencies. Law enforcement agencies may also access and use this information. Legal & General and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:

- checking details on applications for credit and credit-related accounts or facilities or otherwise,
- managing credit and credit-related accounts or facilities,
- recovering debt,
- checking details on proposals and claims for all types of insurance, and/or
- checking details of job applicants and employees.

If you would like to receive details of the relevant fraud prevention agencies, then please write to us at: Legal & General Group Financial Crime, Brunel House, 2 Fitzalan Road, Cardiff, CF24 0EB.





Contact information

Plan administrator contacts:

First Contact
Legal & General
Ground Floor Knox Court
10 Fitzalan Place
Cardiff
CF24 0EB
Tel: 0345 070 8686

Opening times:

Monday to Friday 8.30am – 7.00pm
Saturday 9.00am to midday

Call charges will vary and the calls may be monitored or recorded.

Email: employerdedicatedteam@landg.com

Employer contacts:

Please contact your local HR team/Payroll Department.





Useful websites



www.gov.uk

The government's site for information on pensions – including the state pension, pension credit, taxation, pension allowances and a lot more.

The PENSIONS Advisory Service

www.pensionsadvisoryservice.org.uk

The Pensions Advisory Service (TPAS) is available to assist members and beneficiaries with any general pension queries they may have, or any difficulties they have failed to resolve with plan trustees or administrators through the internal disputes resolution procedure.

TPAS can be contacted at:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB
Tel: 0800 011 3797



www.pensions-ombudsman.org.uk

An independent organisation set up by law to investigate and resolve complaints and disputes arising from pension schemes.

The Pensions Ombudsman can be contacted at:

The Office of the Pensions Ombudsman
10 South Colonnade
Canary Wharf E14 4PU
Tel: 0207 630 2200



Useful websites

The Pensions Regulator

www.thepensionsregulator.gov.uk

The Pensions Regulator regulates workplace pension schemes and it can step in where it feels that a scheme is not being run properly or where it has evidence that members' benefits are endangered. The Plan's administrators and professional advisers have a duty to report to The Pensions Regulator if they believe there have been any irregularities in the running of the Plan. The Pensions Regulator can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW
Tel: 0345 600 0707



www.pensionwise.gov.uk

The government's free and impartial guidance service on the options for taking your **pension savings** at retirement. Pension Wise can be contacted at:

Pension Wise
PO Box 10404
Ashby de la Zouch
Leicestershire LE65 9EH
Tel: 0300 330 1001



www.gov.uk/find-lost-pension

The government's tracing service if you're unable to find pensions left with previous employers. The Pension Tracing Service can be contacted at:

The Pension Service 9
Mail Handling Site A
Wolverhampton WV98 1LU
Tel: 0345 600 2537



What do the blue terms mean

Annual allowance

The maximum amount set by HMRC that can be paid into a pension without incurring a tax charge. For more details, please see the Tax Year Rates and Allowances Sheet on your Plan website.

Annuity

An insurance policy that uses the value of your pension savings to provide you with an income, which can be payable for the rest of your life, depending on the type of annuity you buy. The amount you receive will depend on a number of things including the value of your pension savings, your age, your health and the annuity rates available when you purchase one.

Beneficiary

The person(s) you wish to benefit from your pension savings, should you die.

Dependant

Your spouse, registered civil partner or any other person who in the opinion of the Trustees is financially dependent upon you.

Earnings threshold

The minimum amount you must earn to qualify for automatic enrolment. For more details, please see the Tax Year Rates and Allowances Sheet on your Plan website.

Lifetime allowance

The maximum amount of pension savings you can build up without incurring a tax charge.

If your pension savings exceed the lifetime allowance, you will have to pay a lifetime allowance charge on the excess. For more details, please see the Tax Year Rates and Allowances Sheet on your Plan website.

Member

An employee, or ex-employee, who is entitled to benefits in the Plan.

Pension savings/pension pot

The value of all your contributions plus any investment growth, less charges.

Tax relief

Some of your money that would have gone to the Government as tax goes into your pension savings instead.

Your employer

This means one of the following companies you have a contract of employment with: Asset International Ltd, Barkers Engineering Ltd, Birtley Group Ltd, Hill & Smith Ltd, Hill & Smith Holdings PLC, Joseph Ash Ltd, Lionweld Kennedy Flooring Ltd, Mallatite Ltd, Pipe Supports Ltd, Varley & Gulliver Ltd, Medway Galvanising Company Ltd and CA Traffic Ltd.



Example explained

On page 10 we provided a summary example based on your qualifying earnings. The below shows how your contribution is calculated.

In this example, you contribute 5% of your qualifying earnings. Your employer contributes 3%. Based on earnings of £20,000 a year, here's how to work out:

1. What is are your qualifying earnings :

Your annual earnings	£20,000
Less the lower qualifying earnings limit*	-£6,136
Your qualifying earnings	£13,864

2. What you pay:

Your contribution rate	5%
Your contribution per year	£693.24
Your contribution per month	£57.77

*In the 2019/20 tax year.

3. The impact of tax relief at source. Each month:

Your contribution	£57.77
Tax relief at the basic rate (20%)	£11.55
The net cost to you	£46.22

4. What your employer pays:

Your employer's contribution rate	3%
Your employer's contribution per year (3% x £13,864)	£415.92
Your employer's contribution per month	£34.66

5. The value of your monthly contribution:

The net cost to you	£46.22
The benefit of tax relief	£11.55
Your employer pays	£34.66
Your pension pot receives	£92.43



Example explained

On page 12 we provided a summary example based on pensionable pay. The below shows how your contribution is calculated. In this example, you contribute 5% of your pensionable pay and [your employer](#) contributes 5%. Based on a basic rate* taxpayer earning £20,000 a year, here's how to work it out:

1. What you pay:	
Your contribution rate	5%
Your contribution amount	£1,000
Your monthly contribution	£83.33

2. What your employer pays:	
Your employer's contribution rate	5%
Your employer's contribution per year	£1,000
Your employer's contribution per month	£83.33

3. The impact of tax relief at source. Each month:	
Your contribution	£83.33
Tax relief at the basic rate (20%)	£16.67
The net cost to you	£66.66

4. The value of your monthly contribution:	
The net cost to you	£66.66
The benefit of tax relief	£16.67
Your employer pays	£83.33
Your pension pot receives	£166.66

* Basic rate tax relief is 20% in the 2019/20 tax year.