



AUTOMATIC ENROLMENT



BEING PREPARED.

With people living longer, it's important that you save for the future to continue to enjoy the things you like when you retire. The Government have introduced a new pensions law which means that if you're not already a member of your employer's pension scheme then there's a fair chance you'll be enrolled into it. It's called automatic enrolment and as one of the top pension providers in the UK we're here to support you through this change.

[CLICK HERE](#)

**EVERY
DAY
MATTERS.®**





INTRODUCTION.

Under the new pensions law, your employer may need to automatically enrol you into their workplace pension scheme if you're not already a member of it and are eligible. This makes it an easy way to save while you're working.

If you aren't eligible, however, you can still ask to join the pension scheme if you wish.

WHY IS THIS HAPPENING?

The Government has introduced this law to help people save for their retirement. This is because more of us are now living longer so the number of pensioners is increasing, as is their time in retirement. Many people either don't save enough or believe that they'll be able to rely solely on income from the State.

The State currently offers benefits to provide retirement income, most of which is made up of the basic State Pension. The box below shows what someone who is entitled to the full basic State Pension would receive if they retired now. Your State Pension may be lower if there are any gaps in your National Insurance payments, but in certain circumstances you might be entitled to additional State benefits.

BASIC STATE PENSION

(per person, per week)

£113.10*

* For the 2014/2015 tax year.

With automatic enrolment, you'll still receive a State Pension at retirement but you'll also receive extra income from the contributions you pay into your company pension scheme.



➤ ARE YOU ELIGIBLE FOR AUTOMATIC ENROLMENT?

DO YOU OR YOUR EMPLOYER CURRENTLY CONTRIBUTE TO A WORKPLACE PENSION SCHEME?

YES

YOU'RE ALREADY IN A WORKPLACE PENSION SCHEME

If you're already contributing the minimum amounts required under automatic enrolment then you won't be affected. If you're contributing less than the minimum amounts required you may need to be automatically enrolled at the higher rate of contributions.

Go to page 5 to find out about minimum contributions.

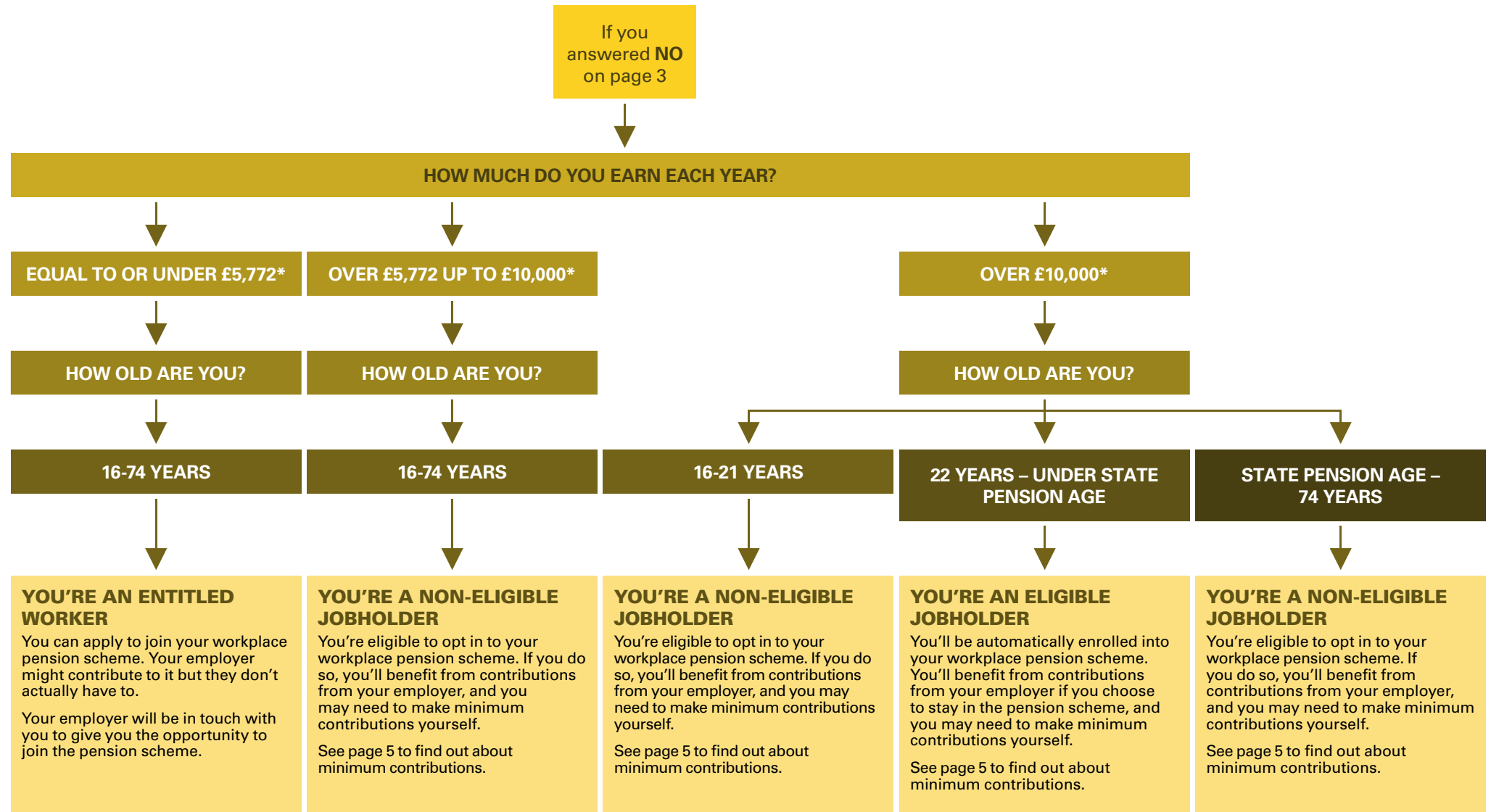
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FIND OUT IF YOU'RE ELIGIBLE FOR AUTOMATIC ENROLMENT

Turn to page 4 for more information.



► ARE YOU ELIGIBLE FOR AUTOMATIC ENROLMENT?



* For the 2014/2015 tax year.



➤ CONTRIBUTIONS.

If you're automatically enrolled or you're a non-eligible jobholder and opt in to the pension scheme, a minimum percentage of your qualifying earnings* must be paid into your pension pot.

*Earnings falling between £5,772 and £41,865 (for tax year 2014/2015).

PHASING MINIMUM CONTRIBUTIONS

Your employer is allowed to phase in your contributions until 2018. This would mean that your contributions start at a lower level and work their way up, as shown in the table below. Your employer will tell you if they have chosen to do this.

MINIMUM CONTRIBUTION LEVELS			
Period	Your contribution (including tax relief)	Employer contribution	Total contribution
October 2012 – September 2017	1%	1%	2%
October 2017 – September 2018	3%	2%	5%
From October 2018 onwards	5%	3%	8%

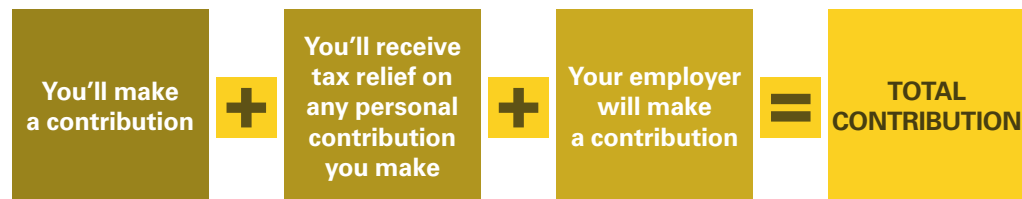
Your employer might decide to pay more than the minimum shown above, and maybe even expect you to pay less. All that matters is that the total contribution meets, or exceeds, the total minimum contributions.

You may also be able to contribute more. Just speak to your employer if you wish to do this.



EXAMPLE

Every time you get paid, contributions will be made to your pension pot like this:



The contribution amounts will vary depending on how much you earn, the contribution levels that your employer has chosen and the way your pension scheme is set up.

CAN I STAY IN THE PENSION SCHEME IF I WANT TO PAY LESS THAN THE MINIMUM CONTRIBUTION LEVELS?

You'll need to talk to your employer about this as it's up to them whether they let you stay in and pay a lower level of contributions, and whether they'll also contribute.



Tax relief means that some of the money that goes to the Government from your pay in the form of income tax then goes to your pension pot. It's based on the current basic rate of income tax which may be subject to change. If you're a higher rate taxpayer you can claim additional tax relief through your self assessment tax return.

BEING ENROLLED.

Automatic enrolment makes joining a pension scheme as easy as possible for you. Your employer will assess your eligibility and if you're eligible they'll enrol you into their pension scheme. When you've been enrolled you'll receive an enrolment notification which will tell you:

- The date you became a member of the pension scheme (your enrolment date)
- How much you and your employer will be contributing
- Where your money will be invested
- Information about staying in the pension scheme
- How to opt out of the pension scheme

You'll also have access to other information about your pension scheme, how pensions work and automatic enrolment.

POSTPONING YOUR ENROLMENT

Your employer may postpone your enrolment into the pension scheme by up to three months from the date you become eligible.

If they do they'll be in touch with you before your enrolment date to let you know what's happening. You can apply to join the scheme during this period if you want to start saving straight away.



STAYING IN THE PENSION SCHEME.

If you choose to stay in the pension scheme, any contributions you need to make will be taken from your pay on a regular basis and paid into your pension pot, together with any contributions from your employer.

INVESTMENTS

Your contributions will be automatically invested in the pension scheme's default investment option. The default option must meet the needs of most people but you can change where your contributions are invested at any time. We can provide you with information on how investments work and the other investment options we offer.

CHANGING JOBS

If you change jobs you can take your pension pot with you and combine it with your pension in your new employer's scheme. You'll be able to organise this with your next employer, or you can leave it where it is if you prefer.



▶ OPTING OUT OF THE PENSION SCHEME.

If you're automatically enrolled into the pension scheme you have the right to opt out of it within one month of receiving your enrolment notification. You can opt out by completing our opt-out form and sending it back to us, or you may be able to opt out online.

If you do opt out by this date, any contributions that have already been taken from your pay will be returned to you and you'll be treated as if you had never joined the pension scheme.

LEAVING THE PENSION SCHEME AT A LATER DATE

You can stop contributing to the pension scheme at any time. But, if you do this, both your contributions and any made by your employer up to that point will remain invested in your pension pot until you take your benefits.

RE-ENROLMENT

If you opt out, or leave the pension scheme, the law says that your employer has to enrol you again at a later date if you're still eligible. They'll do this roughly every three years from the date they had to start complying with the government's new law.

If you decide you want to rejoin your employer's pension scheme before this time, they'll give you the chance to do so at least once a year. You must speak to your employer directly to rejoin their scheme.



➤ REACHING RETIREMENT.

The more you pay into your pension pot, and the sooner you start paying, the more your final retirement income could be. You can take your retirement benefits at any time from age 55 although you don't have to stop working before you take them. When you take your benefits you can use your pension pot to provide you with an income. One way to do this is to buy an annuity which is what most people think of as their pension. In simple terms, some or all of your pension pot is paid to an annuity provider in exchange for a regular income which is guaranteed for life.

Alternatively, you can take up to 25% of your pension pot as a tax-free cash lump sum and use the rest to provide a smaller pension income.

You'll normally have to pay tax on your income but the amount depends on your individual circumstances. You should be aware that the law relating to the taxation of pension benefits could change in the future.

We'll give you more information on the options and choices available to you when you're nearer to your retirement date.

The value of your pension pot can go down as well as up and is not guaranteed.





LEGAL & GENERAL

We've been working closely with employers to ensure that we can provide their employees with a good quality pension scheme to help them save for retirement.

We're here to help make sure the enrolment process goes as smoothly as possible and is easy to understand. You'll be pleased to hear we were awarded Automatic Enrolment Provider of the Year 2013 by the FT Pension and Investment Provider Awards, so we know what we're talking about.



For more information about us, visit
www.legalandgeneral.com/workplacebenefits



FIND OUT MORE.

You can visit www.legalandgeneral.com/workplacebenefits to learn about:

- How pensions work,
- Automatic enrolment, and
- Legal & General.

For general information about pensions:

Go to the government website:

<https://www.gov.uk/browse/working/workplace-personal-pensions>

Calculate what you might receive in State pension at:

<https://www.gov.uk/browse/working/state-pension>





CONTACT US

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Call charges will vary. We may record and monitor calls.



www.legalandgeneral.com/workplacebenefits



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