



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. In 2010 a new law meant 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.

[CLICK HERE](#)

**EVERY
DAY
MATTERS.®**





INTRODUCTION.

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 DO I NEED TO BE AUTOMATICALLY ENROLLED?

The Government wants 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 Flat-Rate Pension. The box below shows what someone who is entitled to the full Basic Flat-Rate 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 FLAT-RATE PENSION

(per person, per week)

£155.65*

* For the 2016/2017 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.

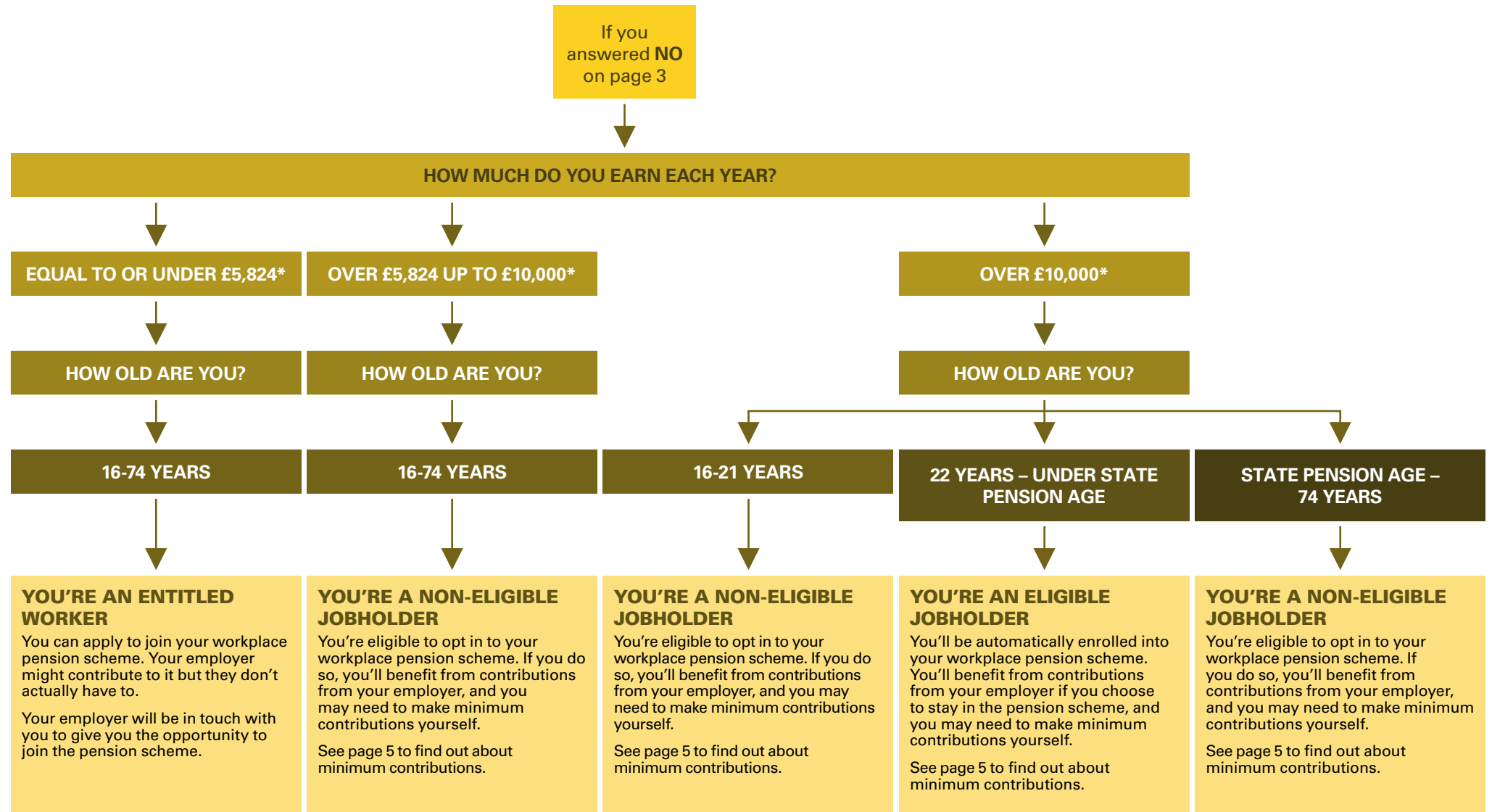
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FIND OUT IF YOU'RE ELIGIBLE FOR AUTOMATIC ENROLMENT

Turn to page 4 for more information.



▶ ARE YOU ELIGIBLE FOR AUTOMATIC ENROLMENT?



* For the 2016/2017 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 £5,824 and £43,000 (for tax year 2016/2017).

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%

At the time of publication, the government has announced their intention to change these dates. Instead of the minimum contributions increasing in October 2017 and October 2018, the proposal is that this will happen in April 2018 and April 2019.

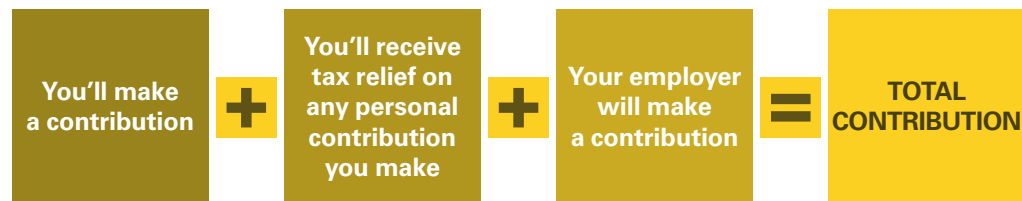
Your employer might decide to pay more than the minimum shown above, and maybe even expect you to pay less. All that matters is that the total contribution meets, or exceeds, the total minimum contributions providing your employer pays the minimum required.

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.



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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.

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 and the sooner you start paying, the more the value of your pension pot could be. You can start to access your pension pot at any time from age 55 although you don't have to stop working before you do this. From the age of 55, you can:

- Select some or all of your pension pot, and take up to 25% of the amount selected as a tax free cash sum, and the rest of this amount as a taxable income. You can choose to receive this income on a regular or occasional basis from your pension pot (flexi-access drawdown), or for regular income, by using your pension pot to buy an annuity.
- Take all of your pension pot as one lump sum or take several smaller lump sums on a regular or occasional basis. 25% of each lump sum is tax free and you'll pay tax on the rest.

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.



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:

www.gov.uk/workplace-pensions



Calculate what you might receive in State pension at:

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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