



Auto-enrolment (AE) contributions will increase in April

To encourage people to save more for their future, AE contributions will increase in April 2019. If you are an AE Section member, this means that:

- ➔ You'll pay more towards your retirement savings, but you'll also benefit from an increased contribution from the Company.
- ➔ An increase in contributions (from you and the Company) should mean you'll have more in your pension pot when you come to retire.
- ➔ If you are a taxpayer, because of tax and National Insurance (NI) relief on your pension contributions, you should see a difference of less than 2% in your take-home pay.

	April 2018	April 2019
Your contribution	3%	5%
The Company's contribution	2%	3%
Total	5%	8%



You can find lots more information about the AE Section on our pensions website: www.ahb-ukpensionportal.co.uk

Frequently Asked Questions

➔ Why is this happening?

People are living longer, many don't save enough for retirement and the State Pension is unlikely to meet their current living standards.

The Government wants to encourage everyone to save for the future, so has set minimum contribution rates which all UK businesses must comply with.

➔ What's changing?

Automatic enrolment has been in place since 2012 and the Government always said contribution levels would increase. The first increase took place in April 2018.

If you're a member of the AE Section, you're contributing 3% and from April 2019 you'll start paying 5%. The Company's contribution will also go up, from 2% currently to 3%.

➔ Do I need to do anything?

No, the increase will be automatically processed through Payroll from the April 2019 pay period onwards.

➔ How will this affect my take-home pay?

If you pay tax, the difference to your take-home pay should be less than the extra 2% after tax and NI savings on your pension contributions. You will see this on your payslip.

➔ Are contributions based on my salary?

Contributions are based on monthly qualifying earnings (not just basic pay) between £511 and £4,167 for the 2019/20 tax year, so this will include things like overtime, bonuses and Statutory Sick/ Maternity/Paternity Pay. Employees are able to receive tax and NI savings on their contributions through 'Salary Sacrifice' (SMART).

➔ What is Salary Sacrifice (SMART)?

It's when you 'give up' part of your gross salary in return for the Company paying in an extra amount, on top of its usual contributions. Your salary is reduced by this amount because of the pension contribution, but your actual take-home pay will be boosted as you end up paying less tax and NI.

➔ What happens if I don't want to pay more?

This is the minimum set by the Government. You can opt out of the AE Section if you want to.

If you want to continue paying at a lower rate 3% or 4% of your Retirement Savings Pay, you can join the Base Section of the AHBRSP.

To do so you must complete the **Application Form** on our pensions website www.ahb-ukpensionportal.co.uk

You should give the decision careful thought as opting out would mean you'll have less in your pension pot when you come to retire.

➔ How do I opt out?

If you want to leave the AE Section, you'll need to complete the **Request to Leave AE Section Form** on our website.

➔ Can I pay more?

Yes, you'll need to join the Standard Section of the AHBRSP in order to do so.

➔ How much is in my pension pot?

You can check your progress anytime by logging into **Manage Your Account (MYA)** and once a year Legal & General will provide an annual benefit statement.

➔ Where can I find out more?

There is lots of information about the **AE Section** and the **AHBRSP** on our **pensions website**.

You can also visit the **Pensions Advisory Service** or call them on 0800 011 3797 (9am to 5pm, Monday to Friday).