

# NOW: Pensions

The future is now



# Member Booklet



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# A very warm welcome :)

**Your employer has set up this pension scheme to help you save for your retirement. And whether you're retiring in four years or forty, we're delighted to welcome you to NOW: Pensions.**

At its heart, a pension scheme is simply a savings plan that has special tax advantages. There are some rules and regulations that can make pensions seem complicated, but this document will help you understand the importance of saving for retirement, where your money is invested, the charges we make and what you can do with your money when you retire.

Each year you'll receive a Benefit Statement that shows you how much your pension is worth. It's a good opportunity to consider whether you should be saving more towards your retirement, especially if your circumstances have changed.

Please read this document carefully and keep it somewhere safe, as it may be useful in the future. If you need more information about your pension call us on **+44 (0)330 100 3334**, email **membersupport@nowpensions.com** or visit our website at **www.nowpensions.com**.

We look forward to supporting you as you save for your retirement.

**Joanne Segars,**  
**Interim Chair, NOW: Pensions Trust**

# About your pension

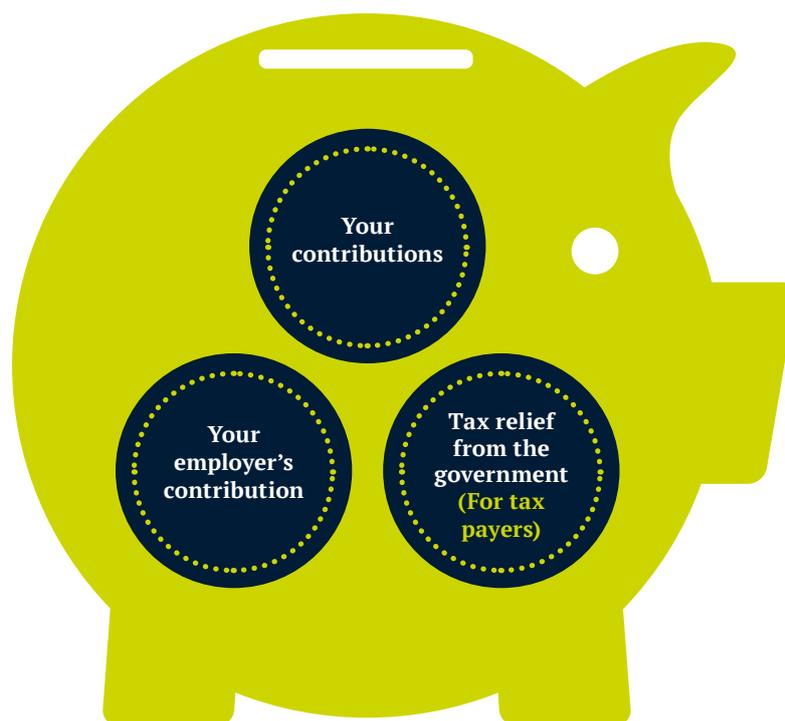
**A while back, the government decided that all employers had to provide a workplace pension for their employees, and contribute towards that pension. Your employer has chosen NOW: Pensions to run the workplace pension at your company.**

NOW: Pensions provides a pension for over 30,000 employers and 1.7 million employees from many different industries.

You may have asked to join the Scheme, or you may have been automatically enrolled or contractually enrolled, but as a member of your workplace pension, in most instances you and your employer will contribute regularly to your individual pension account. And if you pay income tax, the government will also contribute. Your employer will let you know how much will be taken from your pay and also how much they are contributing.

This money has the potential to build up over time and becomes available to you any time after the age of 55.

## Your retirement savings



**Saving to provide an income in retirement can considerably improve your future standard of living.**

If you're in your 20s or 30s, a little bit saved now will have time to accumulate over the many years before you retire. And if you're in your 40s or 50s, it's never too late to make a difference. After all, you can carry on contributing to your pension as long as you like.

# What's so great about a workplace pension?

You may already know that pensions are a very tax-efficient way of saving. If you are an income taxpayer, any tax you would normally pay on contributions you make into your pension is added to your pension pot by the government.

## Automatic tax relief on your contributions

NOW: Pensions operates a net pay arrangement. This means that your pension contributions are collected before income tax. So, if you're a basic rate tax payer and you want to contribute £75 a month to your pension, £60 of your contribution comes directly from your pay, and the additional £15 is the tax you would have paid on your £75 contribution. This means for income taxpayers, full tax relief at the highest rate is applied automatically and no income tax is paid on the contributions to your pension.

This is how it might work in practice.

	Non taxpayer	Basic rate (20%) taxpayer	Higher rate (40%) taxpayer
Pension contribution shown on your payslip	£75	£75	£75
+ Contribution from your take home pay	£75	£60	£45
+ Contribution from the government	£0	£15	£30
+ Contribution from your employer	£75	£75	£75
= Total contribution to your pension pot	£150	£150	£150

As you will see from the table above, if you do not pay income tax, you will not benefit from a contribution from the government while you are paying into the NOW: Pensions Trust.

Members of pension schemes who don't pay income tax, are nonetheless permitted to basic rate tax relief (20%) on pension contributions up to £2,880 a year.

However, this tax relief is only available where the pension scheme operates on a relief at source basis. It is not available for schemes that operate a net pay arrangement like NOW: Pensions. To address this inequality, NOW: Pensions offers a tax top up for members of its scheme who aren't taxpayers (typically those earning less than £12,500 for the 2019/2020 tax year) and are currently missing out on the tax relief that they would receive in a relief at source scheme. More information about this can be found [here](#).

## Your employer contributes too

While you are saving with NOW: Pensions, your employer will usually pay into your pension pot. This money is put into your individual pension account and is in addition to your normal pay. You will not pay tax on this contribution either, you only pay tax when you withdraw your money. So, as you can see from the table above, the total contribution to your pension pot, together with contributions from your employer and the government, adds up to significantly more than just your own contribution.

## Tax-free growth on your savings

You might also like to know that any growth in the value of your pension between now and your retirement will not be taxed. So, your pot will grow tax-free, regardless of your own tax position. You only pay tax on your pension savings when you take them as an income.

Whilst you are an active member of the Scheme you may also choose to pay additional lump sums; in pensions these are referred to as “Additional Voluntary Contributions” or AVCs for short. These must be paid through your pay in the same way as the regular contributions and will be invested in the same way as the regular contributions.

## How much will I have to contribute?

The majority of employers calculate your contributions as a percentage of your qualifying earnings. For the 2019/20 tax year the qualifying earnings are a band of earnings between £6,136 and £50,000. This means the first £6,136 of your earnings does not count for the purposes of auto enrolment contributions. In addition, earnings over £50,000 are excluded. So if you earn £20,000 a year, the amount your employer would calculate your pension on would be £13,864. Alternatively, your employer can choose to pay a percentage of your pensionable earnings and they may choose to exceed the minimum percentage contributions. Entitled workers who want to join should check with their employer about the basis of pensionable earnings as if the scheme operates on a qualifying earnings basis, no contribution would be paid into your pension.



**Before 6th April, 2019: 5%** of qualifying earnings (of which your employer must pay at least 2%)  
**From 6th April, 2019: 8%** of qualifying earnings (of which your employer must pay at least 3%)

## How your money is invested

**Your contributions, together with your tax relief and contributions from your employer are invested in a variety of assets that spread the risk of investing. We work to balance growing your pension pot and protecting your savings over time. After all, the more your savings grow and are secured, the more you'll receive when you retire.**

When your personal pension account is first set up, depending on how long you have left until you retire, we invest your savings into the Diversified Growth Fund. This fund aims to provide stable growth over the long term.

When you are ten years away from retirement, you will enter what we call the 'glidepath' towards retirement. From this point, we gradually start moving your savings into the Retirement Countdown Fund. This fund provides a safer environment for your savings so that you can start planning your retirement with confidence knowing your money is secure.



The chart below shows how your savings are moved as you approach retirement.



This glidepath towards retirement is sometimes referred to as lifestyling. The gradual movement of your funds towards a safer environment is designed to reduce the chances of you experiencing sudden movements in the value of your fund as you approach retirement.

The glidepath will begin 10 years from your selected retirement age. If you know that you do not want to gradually move towards low risk funds, you should alter your retirement age. For instance, if your selected retirement age is 75, we will not introduce your funds to the glidepath process until you reach age 65. If you want to change your retirement age, just tell us by calling on +44 (0)330 100 3334 or by email: [membersupport@nowpensions.com](mailto:membersupport@nowpensions.com).

However, it is important that you are aware of any disadvantages as well as the advantages:

## Advantages

The glidepath is designed to reduce investment volatility as you approach your selected retirement age. It's an automatic process, so you don't have to make any decisions or take any action yourself. The movement of your fund takes place gradually. This avoids any possibility of your fund being moved in one go, at a time when markets are low.

## Disadvantages

The glidepath still cannot guarantee the value of your pension fund. The final investment choice may not be appropriate if you don't retire, or don't plan to access your fund at your selected retirement age. This is because we would be moving your investment to low risk funds when you may want to continue investing for growth. More information about our investment approach can be found in '[A member's guide to investments](#)' which is available to download from our website.

# Transferring other pension savings to NOW: Pensions

If you have pension savings elsewhere it's often possible to transfer them to us, so they're all in one place.

There are some good reasons to consider transferring:



**Control** – your pension savings will be in one place, making it easier to keep track of how much you've saved for retirement.



**Cost** – if your other pension providers charge more to administer your pension, you could save money by transferring it to NOW: Pensions. NOW: Pensions is particularly cost-effective for slightly larger pots so you could end up with more in your retirement pot. Find out more [here](#).



**Choice** – if you have one large pension pot when you retire, rather than several small ones, you may find you have more choices about how to take your money when you need it.

Before transferring any pension savings, make sure you fully understand the implications or speak to a financial adviser. You may be giving up certain benefits if you transfer a final salary pension or if you hold certain types of investments. There is no guarantee that you will end up with more savings or a better pension income if you transfer.

You can find out more about transferring pensions at the [Money Advice Service](#) and [The Pensions Advisory Service](#).

To find a financial adviser, visit [unbiased.co.uk](http://unbiased.co.uk) or the [Money Advice Service](#).

If you would like to know how to transfer other pension savings into NOW: Pensions call us on 0330 100 3334.

## Lost pensions

If you've changed jobs several times, it's easy to lose track of all your pensions. If you think you have lost a pension, The Pension Tracing Service may be able to help you locate it. This is a free service. Complete the form online at [www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension).

# Making changes to your pension

To change the amount you contribute to your pension you will need to log in to your online member account or contact your employer directly and confirm in writing the amount you would like to pay. However, if your employer is using this pension to meet auto enrolment requirements there are minimum contributions amounts that need to be met as mentioned in the 'How much will I have to contribute' section of this booklet. To change who you want to leave your savings to or to change your retirement date, please call our support team on +44 (0)330 100 3334 or email [membersupport@nowpensions.com](mailto:membersupport@nowpensions.com).



## Online member account

You will receive an account created email with your contract ID and a URL link to activate your account. If you didn't, then please contact your employer or if you have any queries please call **+44 (0)330 100 3334** or email **membersupport@nowpensions.com**. Please have your National Insurance number to hand so we can find your details quickly.

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## Annual statement

Once a year we will also send you a Benefit Statement that shows the value of your savings as at 31st March together with a projection of the value of your pension at your chosen retirement date and the income it may provide.

# Charges

## Current members of the pension

The amount of money you pay for the management of your pension can make a big difference to how much you get back when you retire. Paying just an extra half of one per cent can reduce your pension savings by 20% over 25 years.

At NOW: Pensions, we've developed a charging structure that's fair and transparent. As you can see from the table below, there are no hidden or additional charges, just an administration charge that pays for the day-to-day administration of your pension and an investment charge that pays for looking after the investments in your pension. When you stop paying contributions into the scheme you become a deferred member. You can leave your pension invested with us until your chosen retirement, or you can choose to transfer your pot to another Registered Pensions Scheme or a Qualifying Registered Overseas Pension Scheme at no cost. This may be a sensible thing to do, especially if you are leaving a very small pension pot with just a few hundred pounds as charges continue to apply. If you don't move your money, the charges could mean that you have nothing left in your fund by the time you retire.

Find out more about our charges for members [here](#).

If you have pension savings elsewhere it's often possible to transfer them to us, so they're all in one place and you can take advantage of our low charges for slightly larger pots. There is no charge for transfers into or out of the scheme.

## Member charges

Monthly administration charge	£1.50
	+
Annual investment charge	0.3% of fund

# Taking your pension

**You don't have to actually retire to get access to your pension savings; you can take your pension at any point after your 55th birthday.**

However, we will normally record your retirement date as the same date as your State Pension Age unless your employer has told us differently. So, if you are planning to take your pension either before or after your State Pension Age, please tell us. We can then make sure you are at the right stage on the glidepath to retirement and that any projections we prepare for you are based on your chosen retirement date.

The value of your pension will depend on several factors including the amount of the contributions paid, the performance of investments, any charges payable and the cost of converting the benefit into an annuity if you choose this option. Please remember that the earlier you retire, the smaller your pension pot is likely to be. It will have received fewer contributions and have had less time to grow. Plus, if you plan to use your savings to provide an income for your retirement, that income may need to last longer.

## What are my options at retirement?

**There are several ways to access your pension savings with NOW: Pensions. They fall under four main headings:**

### 1. Stay where you are

There's no rush. If you're happy to leave your money where it is for now or if you're not in a position to make a decision, then your pension pot will simply stay invested. Deciding what to do with your maturing savings requires consideration – please don't be rushed into making a decision.

### 2. Take your whole pension as a cash lump sum

This may sound like an enticing option, but it could prove costly, as you will be receiving all of your money at once. When you take your pension savings, 25% is normally payable tax-free. The remainder is taxed at your marginal rate of income tax for the tax year in which your pension is paid to you, so by taking your lump sum in one go you could end up paying more tax than you expected.

You can spend your money as you please or invest it – however, you can't take out another pension with the same cash. If you choose to invest, be sure to check for any associated charges and investment risks. If you spend it, make sure you have other income you can use in retirement.

### 3. Use your pension to buy a retirement income

You can use the whole amount to buy a guaranteed income for the rest of your life, known as an annuity. Or you can decide to take a tax-free lump sum of up to 25% of your fund and then use the remaining amount to buy the annuity.

### 4. Transfer to another provider

You can also access other financial solutions such as Flexible Income Drawdown. To do so you will need to transfer your fund to another provider, as we don't offer these types of products. We don't make any charge to transfer your savings, but please check with your new provider for ongoing costs.

## Deciding what's best for you

It's always advisable to seek professional advice or guidance before deciding what to do with your pension savings.

**Pension Wise** is a government-backed pension guidance service. The service provides impartial guidance to people aged 50 and over who are heading towards retirement and is completely free of charge. Visit Pension Wise online at [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk).



## Financial advice

If you need actual advice about what to do with your savings, speak to a financial adviser. They may charge for their service. You can find a financial adviser at [unbiased.co.uk](http://unbiased.co.uk) or [Money Advice Service](#).

As you get closer to your retirement date, we will also be in touch with more information about your options. If you would like information before this time please refer to our online member help centre or contact us on **+44 (0)330 100 3334**. Please note that the information given will be that in force at the current time: what will actually be available when you retire will depend on the regulations in place at the time and the value of your pension pot.

## When the time comes to benefit from your pensions pot

Here at NOW: Pensions we won't deduct any extra amounts from your pension pot simply because it's time to pay you. To calculate the value of your pot we will look at the current value of the units that you hold so there are no nasty surprises.



# Your questions answered



## What happens if I die before I take my pension savings?

The value of your pension savings will be paid as a lump sum to your beneficiary or beneficiaries at the discretion of the Trustee. Usually your beneficiaries won't pay any personal or inheritance tax on the sum they receive.

The Trustee will decide how to share it out but may be guided by your wishes. Initially, the Trustees will make suitable enquires to identify potential beneficiaries. They will then consider all circumstances including:

- Any nomination made by you on an Expression of Wish Form;
- The contents of your final Will;
- Whether there are there any other relevant circumstances, such as the beneficiary's age and needs?
- Whether any beneficiaries were financially dependent on the member during his or her lifetime or at the date of the member's death?
- Have the beneficiaries been provided for financially by the member in another way?
- The Trustees don't have a set priority list in which money should be distributed. However, they are likely to have a regard to individuals who were most dependent on you during your lifetime.

If you would like to guide the Trustee by nominating beneficiaries, please complete an Expression of Wish Form which you can find [here](#).

A beneficiary can be anyone you choose or even an organisation, like a charity.

If you make a nomination, by filling in an Expression of Wish form, it is extremely important to keep this up to date to make sure it reflects any changes in your personal circumstances over time. This is particularly important if a nominee dies before you, or if your relationship with a nominee changes. There are many life events that may trigger a review of a nomination. These include:

- A marriage or civil partnership.
- Separation, dissolution or divorce.
- The birth or adoption of a child.
- The death of a nominee.

Your nomination detailed on your Expression of Wish form is not binding on the Trustee, although it provides an indication of your wishes at the time the nomination was made. You can nominate your beneficiaries by completing an [Expression of Wish Form](#) and posting it back to the address on the form.



## What happens to my contributions if I'm on maternity leave, paternity leave, parental leave or adoptive leave?

Your employer will be able to tell you how your contributions and membership will be affected by maternity, paternity, parental or adoptive leave.



### What happens to my contributions if I'm absent from work due to illness?

Your employer will be able to tell you how your, and your employer's contributions are affected if you are absent due to illness.



### What happens if I leave my employer?

Once your employer has told us about your leaving date we'll write to you at your home address.

Contributions will no longer be paid into your pension fund, but your pension savings will remain invested. A Benefit Statement detailing the value of your pension savings will be produced for you once a year.

You can leave your pension savings invested until you choose to retire. Alternatively, you can transfer your pension savings to another pension provider. Please make sure you let us know about any changes to your contact details so we can keep in touch with you.



### How can I opt out?

You can choose to leave your employer's scheme at any time. If you have been enrolled into the scheme as a result of auto enrolment you will have been given opt out rights. These provide a one month window from the date on the joining letter for you to ask your employer to stop contributions and fully refund all contributions. If not, you can ask your employer to stop paying any more contributions to the scheme. Whichever of these you may want to do, it can simply be done through your online member account or by contacting us on **+44 (0)330 100 3334** or by email at **membersupport@nowpensions.com**.

If you do stop contributing, your pensions savings will remain invested with us until you retire. If your circumstances change you may choose to start contributing again or your employer may re-enrol you into the plan (this can happen once every three years).

Alternatively, the value can be transferred to another pension provider. This may be a sensible thing to do, especially if you are leaving a very small pension pot with just a few hundred pounds because the charges continue to apply. If you don't move your money, the charges could mean that you have nothing left in your fund by the time you retire. Visit [www.nowpensions.com](http://www.nowpensions.com) for more information.

# About NOW: Pensions

## *Looking after your interests*

**NOW: Pensions is an independent, multi-employer master trust. NOW: Pensions Limited is one entity, NOW: Pension Trustee Ltd is another entity.**

The master trust structure enables members to benefit from independent governance, without the charges normally associated with a company run trust-based scheme.

The NOW: Pensions Scheme is an occupational pension scheme established in the United Kingdom which is registered with HM Revenue and Customs under the Finance Act 2004. The NOW: Pensions Scheme allows for an employer's workers to be enrolled into the Scheme automatically, without the workers needing to express any choice or provide any information on any matter. The Scheme is capable of acting as an auto enrolment scheme. In order to act as an auto enrolment scheme, certain contribution requirements must be satisfied by the employer.

NOW: Pensions prides itself on its governance structure and has a Commercial Board concerned with the day to day running of NOW: Pensions Limited and a Trustee Board which has a statutory duty to ensure that the scheme is run in the best interests of members at all times.

NOW: Pension Trustee Ltd oversees decisions on all crucial scheme issues such as charges, investment strategy and administration. They closely monitor the performance of the management team and investment manager, taking action to safeguard members' interests when required.

NOW: Pension Trustee Ltd comprises a wide variety of well-known industry figures with extensive expertise in their respective fields.



***Joanne Segars***

Former Chief Executive,  
Pensions and Lifetime  
Savings Association



***Jocelyn Blackwell***

Founder of Dunnett Shaw  
and Raising Standards  
in Pensions Administration



***Christopher Daykin***

The former Government  
Actuary



***Adrian Kennett***

on behalf of  
Dalriada Trustees



***Matthew Simms***

Fellow of the Institute and  
Faculty of Actuaries

## An experienced pension provider

NOW: Pensions is a multi employer trust serving over 30,000 of employers and over 1.7 million employees from a wide range of sectors.

A company owned by Danish pension scheme ATP, one of Europe's largest pension funds, NOW: Pensions offers a simple and cost effective workplace pension designed specifically with the auto enrolment market in mind. The master trust structure enables employers of all sizes to benefit from independent governance without incurring the costs normally associated with establishing and running a single employer trust based scheme.

## How to contact us

If you have any questions or would like more information about your pension, please contact us:



+44 (0)330 100 3334



membersupport@nowpensions.com



www.nowpensions.com

## Resolving your concerns

The aim of NOW: Pensions is to provide you with good service at all times, but if you are at all unhappy please contact us and we will try to resolve the issue. If you remain dissatisfied with the outcome, you can formalise your complaint via our Internal Dispute Resolution Procedure (IDRP) that provides a step by step escalation process involving, as needed, the Trustees and The Pensions Ombudsman.

All the details, with downloadable forms, can be found on our website at '[www.nowpensions.com/help-centre/company/your\\_pension\\_scheme/employee-complaints-process](http://www.nowpensions.com/help-centre/company/your_pension_scheme/employee-complaints-process)'. If you are unable to access our website you can contact us and we will be able to help you.

The Pensions Ombudsman may investigate and determine certain complaints or disputes about pensions that are referred to the Ombudsman in accordance with the 1993 Act, and the Regulator may intervene in the running of schemes where trustees, managers, employers or professional advisers have failed in their duties.

# Potential future changes to the Scheme

Changes may be necessary if there is an amendment to, or the introduction of, additional UK legislation. It is up to your employer if they choose to notify you of any changes made to your contributions.

# Contract provisions and HMRC rules

Your membership of the pension scheme is subject to the Scheme's Trust Deed and Rules. In the event of a discrepancy the Scheme's Trust Deed and Rules will determine your rights.

This booklet is current at the date of writing. The Scheme's annual report is available on request.

# Data protection

You can find our privacy policy on our website here: [www.nowpensions.com/privacy-policy](http://www.nowpensions.com/privacy-policy)

# Need more information?

**For general information about pensions go to:**

**The Money Advice Service**

Holborn Centre

120 Holborn

London, EC1N 2TD

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

**The Pensions Advisory Service**

11 Belgrave Road

London, SW1V 1RB

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

**The Pensions Regulator**

Napier House

Trafalgar Place

Brighton, BN1 4DW

[www.thepensionsregulator.gov.uk/individuals.aspx](http://www.thepensionsregulator.gov.uk/individuals.aspx)

**The Pensions Ombudsman**

11 Belgrave Road

London, SW1V 1RB

[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

# **NOW:** Pensions

**The future is now**

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NOW: Pensions is a UK occupational pension plan. This is written as a general guide only. It should not be relied upon as a substitute for specific professional advice.

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