



**PENSION  
AND  
LIFE ASSURANCE  
SCHEMES BOOKLET**

<b>CONTENTS</b>	Page Number
<b>General Introduction</b>	3
<b>Scheme Eligibility</b>	3
Introduction	3
Membership	3
Opting out	4
<b>Contributions</b>	3/4
Examples of costs	3/4/5/6
Maximum contributions	3
Tax relief	6
Other tax advantages	6
<b>Investment</b>	6
Default investment	6
<b>Retirement Benefits</b>	7
When do I retire?	7
What happens when I take the benefits?	7
What pension will I receive?	7
What if I retire early?	7
What happens if I die?	7
Leaving the Plan	7/8
<b>The State Pension Scheme</b>	8
What does it provide?	8
<b>Charges</b>	8/9
<b>Other Information</b>	9
What documentation will I receive?	9
Who is my Pension provider?	9
If I have a query, whom should I contact?	9
What do I need to do now?	9

## GENERAL INTRODUCTION

The information provided in this booklet is based on our current understanding of pensions and Revenue and Customs legislation.

This booklet outlines the pension benefits which are being offered to you.

These benefits are extremely valuable and enhance your remuneration "package" with East Anglia's Children's Hospices (EACH).

EACH hopes that you will take advantage of the offer explained within this booklet.

EACH reserves the right to amend this benefits package in the future.

## SCHEME ELIGIBILITY

### Introduction

As an employee of EACH you are able to join either: -

- The EACH Aviva Group Personal Pension Scheme  
or
- The EACH Aviva Auto-Enrolment Scheme (Qualifying Workplace Pension Scheme, QWPS)  
or
- Remain a member of the NHS Pension Scheme

## Scheme Membership

### EACH Aviva Group Personal Pension Scheme

#### Contributions

Membership of this scheme is voluntary. You can contribute any amount to this scheme. EACH will match this contribution up to a maximum of 7% of salary. This type of scheme is basically a collection of employee-owned policies, to which EACH agrees to contribute whilst you are in our employment.

#### Maximum Contributions

Your contributions will qualify for tax relief provided your total contributions, including any contributions made by EACH, do not exceed £40,000 for the tax year 2016-2017. These rules apply to all pension funds not exceeding the Lifetime Allowance. For the tax year 2016-2017 this is £1 million.

## EXAMPLES OF COSTS

Some examples of the **monthly** contributions you may make are given below: -

EACH contributing 5%, employee contributing 5% (4% with tax relief)

Employee earning	£18,000	£25,000	£30,000	£40,000
EACH contributes	£75	£104.16	£125	£166.67
Amount deducted from Employee net pay	£60	£83.33	£100	£133.34
Tax Relief claimed by Aviva	£15	£20.83	£25	£33.33
Total invested	£150	£208.32	£250	£333.34

EACH contributing 7%, employee contributing 7% (5.6% with tax relief)

Employee earning	£18,000	£25,000	£30,000	£40,000
EACH contributes	£105	£145.83	£175	£233.33
Amount deducted from Employee net pay	£84	£116.66	£140	£186.66
Tax Relief claimed by Aviva	£21	£29.17	£35	£46.67
Total invested	£210	£291.66	£350	£466.66

You may request a personalised illustration based on your specific income and contribution percentages. If this is required please contact the EACH HR department.

### **ELIGIBILITY FOR MEMBERSHIP**

You are able to join this scheme immediately you commence employment with EACH.

### **EACH Aviva Auto-Enrolment Scheme (QWPS)**

The Government now require employers of EACH's size to auto-enrol their employees, subject to certain conditions, into a QWPS. Furthermore, they require EACH to contribute to this pension. This type of scheme is also a collection of employee-owned policies, to which EACH agrees to contribute whilst you are in our employment.

As required under the Government's Auto-Enrolment rules we will automatically enrol all qualifying staff into our QWPS with Aviva, unless you have elected to join the Group Personal Pension Scheme, or are a member of the NHS scheme, 3 months after your employment with EACH commences. A qualifying employee is broadly one who: -

- Earns over £10,000 per annum
- Is aged 22 or over; and
- Is under State Pension age

### **Contributions**

The contribution levels, expressed as a % of earnings (see below), applicable while you are an auto-enrolled member of the Aviva QWPS are as follows: -

<b>Date</b>	<b>Your contribution</b>	<b>EACH contribution</b>
Up to September 2017	1%	1%
October 2017 to September 2018	3%	3%
October 2018 onwards	5%	5%

### **OPTING-OUT**

Although you will be automatically enrolled in the Aviva QWPS you do have the right to opt-out of the scheme. If you choose to opt-out EACH will not make any contribution on your behalf.

For employees who choose to opt-out, EACH are legally obliged to re auto-enrol them three years after they elected to opt-out.

### **IMPORTANT NOTICE**

**If you have not joined the EACH Group Personal Pension Scheme or are a member of the NHS Pension Scheme you will be automatically enrolled into the EACH Auto-Enrolment Scheme (QWPS) and have contributions deducted from your salary once you have completed 3 months service with EACH. If you do not wish to remain auto enrolled you will need to inform us as soon after you have been auto-enrolled as possible.**

## EXAMPLES OF COSTS

Some examples of the **monthly** contributions you may make are given below: -

EACH contributing 1%, employee contributing 1% (0.8% with tax relief)

Employee earning	£18,000	£25,000	£30,000	£40,000
EACH contributes	£15	£20.83	£25	£33.33
Amount deducted from Employee net pay	£12	£16.66	£20	£26.66
Tax Relief claimed by Aviva	£3	£4.17	£5	£6.67
Total invested	£30	£41.66	£50	£66.66

EACH contributing 3%, employee contributing 3% (2.4% with tax relief) – from October 2017

Employee earning	£18,000	£25,000	£30,000	£40,000
EACH contributes	£45	£62.50	£75	£100
Amount deducted from Employee net pay	£36	£50	£60	£80
Tax Relief claimed by Aviva	£9	£12.50	£15	£20
Total invested	£90	£125	£150	£200

EACH contributing 5%, employee contributing 5% (4% with tax relief) – from October 2018

Employee earning	£18,000	£25,000	£30,000	£40,000
EACH contributes	£75	£104.16	£125	£166.67
Amount deducted from Employee net pay	£60	£83.38	£100	£133.34
Tax Relief claimed by Aviva	£15	£20.78	£25	£33.33
Total invested	£150	£208.32	£250	£333.34

### Tax relief

Tax relief is available on pension contributions within the limits described above. You will receive full tax relief on your contributions at the highest rate paid. Tax relief is granted for the EACH GPP and EACH QWPS at source, i.e. contributions are paid net of the standard rate of tax (20% as at 6<sup>th</sup> April 2016) and are deducted from your taxed salary. The 20% relief is then claimed directly by the Aviva from the Inland Revenue.

**If you are a higher rate taxpayer you will be able to obtain extra relief via your tax coding. In this case please contact Gibbs Denley for advice and information.**

If you are a member of the NHS Pension Scheme you will receive full tax relief because your contributions are deducted from gross pay before calculation of your tax liability.

### Are there any other tax advantages?

Your contributions (and any contributions your employer makes) are invested in pension investment funds which are free of UK tax on capital gains and investment income (apart from dividends on which tax credits are not reclaimable). Some overseas investments may be liable to foreign tax. (In addition to these tax advantages part of your retirement benefits may be taken as a tax-free lump sum on your retirement).

## **NHS PENSION SCHEME**

EACH are a Directions Employer for the NHS Pension Scheme. Therefore any new employee who joins EACH from employment within the NHS and was a current member of the NHS Pension Scheme can continue to enjoy full membership of the NHS Pension Scheme.

This option will only be available to you if your last NHS pensionable employment was within 12 months of joining EACH and you have not taken benefits from the scheme.

**If this option is available to you it is very likely that it will be to your advantage to maintain your membership of the NHS Pension Scheme.**

If you have been a member of the NHS Pension Scheme you will, in the past, have been supplied with full details. You will recall that this type of scheme is referred to as a Final Salary of Defined Benefit scheme.

This means that the final benefits you will receive will depend on your length of service and the level of your earnings during your employment.

To maintain your membership of the NHS scheme you will be required to contribute a minimum of 5% of your salary. You can contribute more than this amount.

The NHS Pension Scheme determines the level of pension contribution required by EACH. From 1<sup>st</sup> April 2015 EACH are required to contribute 14.3% into the NHS Pension Scheme.

## **INVESTMENT**

### **EACH Aviva Group Personal Pension Scheme (GPPS)**

With this scheme most members choose the default 'Balanced Investment Lifestyle Strategy' approach. This means that Aviva will automatically switch investments, free of charge, over the term of the plan into progressively more secure funds. This means that potentially you benefit from higher returns during the earlier years of your plan while increasing the security of the investment in the years immediately before retirement automatically without the need to involve you in any decision making process about individual investment funds. However, you can make a bespoke fund selection based on you attitude to pension investment risk. Our appointed Financial Adviser, David Ellis of Gibbs Denley Financial Services Limited, is available to assist should you wish to take this approach.

### **EACH Aviva Auto-Enrolment Scheme (QWPS)**

You will automatically be invested in the QWPS default investment, which is the Future Focus 2 Lifestage Approach. This means that Aviva will automatically switch investments, free of charge, over the term of the plan into progressively more secure funds. This means that potentially you benefit from higher returns during the earlier years of your plan while increasing the security of the investment in the years immediately before retirement automatically without the need to involve you in any decision making process about individual investment funds.

## **RETIREMENT BENEFITS GPPS and QWPS**

### **When do I retire?**

Under all 3 pension options the earliest you can take benefits is age 55. This applies whether or not you actually retire. Obviously if you wish to take the benefits prior to leaving service the fund will not be as great as it would have been if contributions had continued to retirement date.

### **What happens when I take the benefits? – GPPS and QWPS**

Recent changes to pension legislation, referred to as Pension Freedom rules, have significantly altered how you can take benefits from your pension plan.

Benefits from either the GPPS or QWPS administered by EACH can be taken at any time from age 55 onwards.

Usually up to 25% of the fund value can be taken tax-free. This can be taken as a lump sum or in a series of payments.

The remainder of the pension fund can be taken in a number of ways either to provide a regular income or to provide one off payments.

However when benefits are taken from the remainder of the fund it must be remembered that these payments will be subject to income tax which is usually deducted at source.

Advice should be sought from an Independent Financial Adviser before any benefits are taken from a pension plan.

### **What Amount of Benefit will I receive? – GPPS and QWPS**

The benefit that you receive will depend upon the investment fund that has built up. The circumstances at your retirement date will dictate the way in which you choose to take your benefits.

### **RETIREMENT BENEFITS – NHS PENSION SCHEME**

The earliest you can take benefits under the NHS Pension Scheme is age 55. Obviously if you wish to take benefits early the pension benefits will not be as great as if they had been taken at the normal retirement date.

#### **What amount of benefit will I receive?**

This will depend on the length of your qualifying service, your earnings level during your career and any additional contributions you have made.

For an estimate of your NHS pension visit their website at: -

<http://www.nhsbsa.nhs.uk/Pensions/4202.aspx>

### **LEAVING EMPLOYMENT – GPPS and QWPS**

If you leave the employment of EACH you may continue to contribute into your plan and so may your future employer if he is prepared to do so provided all the relevant eligibility conditions are met.

### **LEAVING EMPLOYMENT – NHS SCHEME**

If you re-join the NHS or another Directions Employer you will be able to continue membership of the NHS Pension Scheme.

If you join another employer you will have the following options: -

1. Leave benefits within the NHS scheme as a deferred member
2. Transfer benefits to a Personal Pension Plan
3. Transfer benefits to a new employers pension scheme

Independent Financial advice should be sought before any transfer is made from the NHS Pension Scheme.

## **What happens if I die? – GPPS and QWPS**

The full value of the policy will be payable and you are advised to nominate the beneficiary/ies.

EACH also provide you with membership of a Group Life Assurance scheme providing a benefit of 2 times salary. See Appendix 1 for full details.

## **What happens if I die – NHS Pension Scheme**

The family of members of the NHS Pension Scheme will receive a lump sum of 2 times earnings plus an Adult Survivor Pension of 33.75% of the members pension.

## **THE STATE PENSION SCHEME**

### **What does it provide?**

For those who pay full National Insurance contributions, there are currently two parts to the State Pension Scheme:

- The State Basic Pension Scheme
- and
- The Additional State Pension

Both pensions are payable from State Pension Age. As you may be aware, the state pension age and the amount you will receive as a state pension are changing. To find out how much you may receive and from when it is payable visit: [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension). If you do not have access to the internet please contact Gibbs Denley, who can provide a paper form.

Your entitlement to both parts of the state pension is unaffected by contributing to the EACH Aviva Group Personal Pension or the EACH Aviva Auto-Enrolment Scheme (QWPS) Scheme.

## **CHARGES**

For members of the GPPS and QWPS Aviva will deduct 0.55% per annum of your fund value for administering your pension. There are no implicit charges within the NHS Pension Scheme.

EACH pays a regular fee to Gibbs Denley Financial Services Limited in order that they will be available to provide our employees with independent financial advice in relation to all three of our pension schemes.

## **OTHER INFORMATION**

### **What documentation will I receive?**

For members of the GPPS and QWPS, you will receive a policy document initially. Each year you will receive a statement of benefits detailing exactly how much has accumulated within your policy. Members of the NHS Pension Scheme will receive periodic benefit statements.

### **Who is my Pension provider?**

For members of the GPPS and QWPS, Aviva provides around 31 million customers worldwide with pension, savings, investment and insurance products. They are the UK's largest insurer and one of Europe's leading providers of life and general insurance.

**Where can I obtain further details?**

a) For GPPS and QWPS members details can be found at the following website: -

**<http://www.aviva.co.uk/existing-customers/>**

b) For NHS Pension Scheme members details can be found at the following website: -

**<http://www.nhsbsa.nhs.uk/Pensions.aspx>**

**What do I need to do now?**

If you wish to join the Aviva GPP please complete the attached form and return it to HR Department as soon as possible.

If you wish to remain a member of the NHS Pension Scheme please advise HR Department as soon as possible.

Remember if, after 3 months employment with EACH, you do not become a member of either of the above schemes you will be auto-enrolled into the Aviva QWPS. If you do not wish to remain auto-enrolled you must inform us as soon as possible after you have been auto-enrolled.

# **APPENDIX 1**

## **EAST ANGLIA'S CHILDREN'S HOSPICES**

### **Group Life Assurance Scheme Benefits**

- The scheme is currently insured by Legal and General, one of the largest life insurance companies in the UK, and administered by Gibbs Denley Financial Services Ltd.
- You are included in the scheme if you have joined the Aviva Group Personal Pension or the Aviva Auto-Enrolment Scheme and are aged over 18.
- The cover will cease when you leave employment of EACH or reach age 75, whichever is sooner.
- The scheme provides cover in the event of your death of 2 x times your basic salary as at the date of death.
- You are covered whether you are at work or not, wherever you are in the world, 24 hours per day, 365 days per year.
- You are encouraged to nominate your beneficiary/ies to receive the death benefit in the unfortunate event of your death. A form is available from the HR department for this purpose.
- If the event of a claim the benefit is paid to EACH and passed on to your nominated beneficiaries. The payment is tax free.

**East Anglia's Children's Hospices  
GROUP PERSONAL PENSION PLAN**

**REPLY SLIP - To be completed in all circumstances**

Please complete in block letters

Name: .....

**STATEMENT OF JOINING**

I authorise my employer (including its agents, and any agents of mine) to arrange for me to join the above scheme and to pass any information about me which might reasonably be needed to set up a policy for me under the scheme to Aviva and to any financial adviser connected with this employer's scheme.

I authorise the employer to deduct from my earnings any contributions payable by me under the scheme, for forwarding on to Aviva for investment in the scheme in line with the default investment option.

The Default scheme terms are:

Fund choice:	Aviva Future Focus 2 Drawdown Approach with Balanced Lifestyling Investment Approach
Retirement age:	65
Employee % contribution:	7% of salary gross

Please make any amendments to these terms below:

Please set my % contribution to \_\_\_\_\_ %

Please amend my fund choice from the default to:

Please amend my retirement age to:

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

OR

**Statement of declination**

I do not wish to join the above scheme and I fully understand that I am giving up a contribution that would have been paid by the employer towards my pension fund.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_