

PUZZLED BY PENSIONS?

ALLIANCE HEALTHCARE AND BOOTS RETIREMENT SAVINGS PLAN (AHRSP)



The AHRSP has three sections:

Standard Section

You pay	Company pays	Total	Life cover	What you need to know
5%	5%	10%	Company will pay Death in Service lump sum of 4x Retirement Savings pay (increasing to 5x after five years in the scheme).	<ul style="list-style-type: none"> – Most generous section, you pay more, but so does the company. – Pension contributions are based on a bigger portion of your annual pay. – No planned changes to this section. – You can apply to join this section at anytime.
OR				
6%*	6%	12%		

*After three years in the scheme if you pay 6% and continue to do so, the company will increase its contribution to 7%

Base Section

You pay	Company pays	Total	Life cover	What you need to know
3%	3%	6%	Same terms as in the Standard Section above.	<ul style="list-style-type: none"> – Not as generous as the Standard Section but the company will still match your contributions. – Pension contributions are based on a bigger portion of your annual pay. – Changes will more than likely apply in 2022 when you may be automatically moved to the Auto-enrolment Section. However, you can apply to stay in this section at that time. – You can apply to join this section at anytime.
OR				
4%	4%	8%		

Auto-enrolment Section

You pay	Company pays	Total	Life cover	What you need to know
5%	3%	8%	No Death in Service lump sum is available.	<ul style="list-style-type: none"> – Employer pays a lower contribution. – All contributions based on a lower portion of your total pay. – You can apply to join the other sections at anytime.

Continued overleaf ...

Usdaw
Union of Shop, Distributive
and Allied Workers



How much should I pay?

This is something we are asked about often and will obviously depend on what you can afford.

See the example below which is based on someone who earns £15,000 a year (Basic Pay).

Standard Section

Employee contribution:	6%
Employer contribution:	6%
	Per month
You pay	£60.00
Employer pays	£75.00
Government top up (ie tax relief)	£15.00
	£150.00

Your contribution is £60.00 but a total amount of £150 is being invested in your pension pot.

Base Section

Employee contribution:	4%
Employer contribution:	4%
	Per month
You pay	£40.00
Employer pays	£50.00
Government top up (ie tax relief)	£10.00
	£100.00

Your contribution is £40.00 but a total amount of £100 is being invested in your pension pot.

Auto-enrolment Section

Employee contribution:	5%
Employer contribution:	3%
	Per month
You pay	£29.56
Employer pays	£22.17
Government top up (ie tax relief)	£7.39
	£59.12

Your contribution is £29.56 but a total amount of £59.12 is being invested in your pension pot.

You will see in the example opposite that although a total of 8% is being paid into both the Base and Auto-enrolment Sections, less money is actually building up in your pension pot in the Auto-enrolment Section. This is because the definition of 'pensionable pay' is different.

You will pay more if you join the Standard or Base Sections but remember your employer will match what you pay and will also provide free Death in Service cover in the event of your death.

How much will I get at retirement?

Saving for your retirement is incredibly important. The size of your pot will depend on many things - how long you pay in for, how well your money is invested and how you take your benefits, however, one of the key factors will be the amount of money that is paid in.

Pensions are still the best way to save long term because of the tax advantages you receive and your employer also contributes for you.

If you are considering saving more, find out what a higher contribution might cost you and if you would like to join the Base or Standard Sections you can complete a change of contributions form. This can be downloaded from the pension website at www.ahb-ukpensionportal.com

If you are an Usdaw member and would like to find out more please contact us on 0161 224 2804 or email us at pensions@usdaw.org.uk



Usdaw
Union of Shop, Distributive
and Allied Workers

