

# Puzzled By Pensions?

## Sainsbury's Retirement Savings Plan



### What Is the Sainsbury's Retirement Savings Plan?

It's a pension savings plan available to employees of Sainsbury's. A regular contribution is deducted from your pay and sent to the pension provider. Sainsbury's pension provider is Legal & General.

You decide how you want your pension contributions to be invested. You build up a pension fund which you will use to provide you with a pension when you retire.

### Who Can Join?

The Sainsbury's Retirement Savings Plan is open to all Sainsbury's employees aged between 16 and 75.

### What Does It Cost?

There are two Sections to the Plan.

If you are eligible to be automatically enrolled you will be put into the Start Up Section. You can however choose to pay Step Up contributions at any time. For more information contact Ask HR on **08000 15 30 30** or email [pensions@sainsburys.co.uk](mailto:pensions@sainsburys.co.uk)

### Start Up

	You Pay	Sainsbury's Pay	Total
From April 2019	4%	4%	8%

\*Your contributions will be based on a portion of your annual earnings between £6,240 and £50,270. Pensionable pay includes bonus, overtime and shift premiums - excluding car allowance, share payments and leaving payments.

### Step Up

You Pay	Sainsbury's Pay	Total
4%	4%	8%
5%	5%	10%
6%	6%	12%
7%	7%	14%
7.5%	7.5%	15%
Over 7.5%	7.5%	Over 15%

\*Your contributions will be based on all of your pay including overtime and shift premiums - excluding bonus, car allowance, share payments and leaving payments.

### What Is Pensionable Pay?

Pensionable Pay is the part of your pay that your pension contributions are applied to. The amount of your pay that counts towards your pension is different depending on whether you join the Start Up or Step Up Sections.

If you can afford to join the Step Up Section your contributions will apply to a bigger portion of your pay, meaning more money will be building up in your pensions pot.

Remember - if you don't join the Plan you are turning down the opportunity of receiving up to an extra 7.5% of pay from Sainsbury's towards your retirement savings.

The government also pays in as well because your pension contribution receives tax relief, which means that for every £100 you pay this will be made up to £125 by the government.

### What Pension Will I Get When I Retire?

The size of your pension pot at retirement will depend on many things such as:

- how much you and Sainsbury's have paid in;
- how much is deducted in scheme charges;
- how well your pension pot is invested;
- how long your money is invested for; and
- how you wish to access your savings when you retire.

### What Else Is on Offer?

Your pension pot in the Sainsbury's Retirement Savings Plan can be accessed in line with the Pension Freedom legislation introduced from April 2015. This gives members a number of choices as to how they can access their pension pot at the point of retirement.

Current tax rules allow you to take 25% of the value of your pension fund as a tax-free cash payment when you retire. The rest of the fund will be taxed if it is taken as cash or regular income.

## What Happens if I Die Before Taking My Benefits?

A life insurance lump sum payment equal to six times your contractual pay will be payable free of tax to your dependants if you choose the Step Up contribution level. If you choose the Start Up contribution level, one times your contractual pay will be payable to your dependants.

In addition your pension pot may be paid as a lump sum, usually to a nominated beneficiary or to your estate.

## What Happens to My Pension if I Leave Sainsbury's?

If you leave or choose to opt-out of the Plan within 30 days after joining you will have the option of a refund of your own pension contributions (less tax).

If you leave after 30 days of joining the Plan you can leave your pension pot with Legal & General until you are ready to access this (currently from age 55 increasing to age 57 from 2028).

You will also have the additional option of a transfer payment equivalent to the value of your pension pot to a registered pension scheme of your choice.

Transfers are not always straightforward and are certainly not without risk. There are many things to consider and you may want to take advice from an Independent Financial Adviser, in order to check whether this is the right thing for you.

Usdaw would also remind members about the Pension Scammers. If you are contacted out of the blue and encouraged to transfer your pension pot, often being promised guaranteed returns of at least 8% on your savings and giving you immediate access to cash irrespective of your age, this could potentially be a pension scam. If you access your pension pot before you reach the age of 55 you are likely to be hit by significant tax charges from HMRC and you will more than likely never see the rest of your pension pot again.

If you are approached by an adviser to transfer your pension pot and you have any concerns please contact the Usdaw Pensions Section immediately.

## How Do I Join?

Request an application pack by calling Legal & General's helpline on **0345 302 0323** or download a copy of the application form from [www.jspensions.co.uk](http://www.jspensions.co.uk)

## Contact Usdaw for More Information

Usdaw members can contact the Union's Pensions Section, based in the Legal Department at Head Office, and we will happily answer any questions you have about the Sainsbury's Retirement Savings Plan or just about pensions in general. Call **0161 224 2804** or email [pensions@usdaw.org.uk](mailto:pensions@usdaw.org.uk)

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