

# Nuffield Health Retirement Saving Plan and Auto Enrolment Frequently Asked Questions



Frequently asked questions about the Nuffield Health Retirement Savings Plan and the upcoming automatic enrolment activity.

# The Nuffield Health Retirement Savings Plan

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### 1. What is auto enrolment?

Auto enrolment is the process by which all employers must, under new government legislation, automatically enrol eligible workers into a workplace pension to help them save for their future.

### 2. Why is auto enrolment happening?

The government want to help more people have another income, on top of the State Pension, when they retire.

The State Pension is a foundation for your retirement. If you want to have more, you need to save during your working life. Otherwise, you may reach retirement facing a significant fall in your standard of living. The full basic State Pension for 2013/2014 is £110.15 a week for a single person, however your basic State Pension depends on the number of years you have paid National Insurance or got National Insurance credits, e.g. while unemployed or claiming certain benefits. Visit [www.gov.uk/state-pension/overview](http://www.gov.uk/state-pension/overview) for more information.

To make it easier for people to start saving more, the government is getting employers to enrol their workers automatically into a pension at work.

You can opt out if you want to, but if you stay in you will have your own pension - which you get when you retire.

### 3. What is Nuffield Health doing for auto enrolment?

To comply with the new legislation, Nuffield Health will be automatically enrolling eligible employees into our workplace pension scheme, called the Nuffield Health Retirement Savings Plan, in June 2013.

### 4. I would like to opt out of auto-enrolment. Can I do this before being automatically enrolled?

The new government legislation means that all employers must assess their employees for auto enrolment and put eligible employees into a suitable workplace pension arrangement. Nuffield Health will be undertaking this assessment in June 2013.

Only once you have received the information about the Nuffield Health Retirement Savings Plan on offer, and have been enrolled, can you opt out.

- If the opt out is made within one month any contribution taken will be refunded in full.
- If the opt out is after one month the contributions will remain invested in the Nuffield Health Retirement Savings Plan.

Every three years employers are obliged to re-enrol employees who have opted out. By opting out, employees are turning down a contribution from their employer and the government, so careful consideration should be taken before making this decision.

You will have the option to opt out each time you are enrolled.

### 5. Can I re-join at a later date if I opt out now?

Yes, you can be put back into the Nuffield Health Retirement Savings Plan, but only once in any 12 month period. If you don't re-join, Nuffield Health has a duty to automatically enrol you back into the Plan every three years.

## **6. If I remain enrolled can I opt out at a later date?**

Yes, you can opt out at any time following auto enrolment. Terms of the Nuffield Health Retirement Savings Plan state that you can only opt back into the plan once every 12 months.

In addition, every three years employers are obliged to re-enrol employees who have opted out.

## **7. Is everyone being enrolled into the Nuffield Health Retirement Savings Plan?**

Every UK employer has to enrol employees into a workplace pension plan. Following the government legislation Nuffield Health will be enrolling those employees who meet the following criteria:

- are not already in a qualifying workplace pension plan;
- are aged 22 or over;
- are under State Pension age;
- earn more than a minimum amount a year (£9,440.00 in 2013/14); and
- work or usually work in the UK.

## **8. I meet the eligibility criteria, when will I be enrolled?**

For Nuffield Health, auto enrolment duties commence on 1 April 2013, and Nuffield Health employees will be assessed for enrolment in June 2013.

## **9. What if I don't meet the criteria to be enrolled?**

If you don't meet the criteria you will not be automatically enrolled into the Nuffield Health Retirement Savings Plan in June 2013. However, you will be able to join the Plan on the same basis as the auto-enrolled employees. The pension team will let you know how to do this (so long as you're 16 or over, and under State Pension age).

If you meet the criteria at a later date, and you are not already a member, then Nuffield Health will automatically enrol you.

## **10. Who provides the Nuffield Health Retirement Savings Plan?**

From 1 April 2013 Nuffield Health will be working in partnership with Friends Life to provide the new Group Pension Plan: the Nuffield Health Retirement Savings Plan.

## **11. Who will pay into my Nuffield Health Retirement Savings Plan?**

You will pay into it. Nuffield Health will also pay into it on a matching 1:1 contribution basis of up to 6% of your basic earnings. Contributors will also get a contribution from the government in the form of tax relief. This means some of your money that would have gone to the government as tax, goes into your pension instead.

## 12. What's the minimum I can contribute?

The minimum contribution starts with employee and employer each committing 1% of basic earnings; however Nuffield Health will pay 1:1 contribution of up to 6% of your basic earnings.

If you are not currently a member of the Nuffield Health Retirement Savings Plan and are auto-enrolled in June 2013, contributions will begin at 1% of your earning and you will have the flexibility to increase this amount once annually in September.

Employee Contribution*(%)	Company Match of Employee Contribution (%)	Total Contribution (%)
1	1	2
2	2	4
3	3	6
4	4	8
5	5	10
6	6	12

*\*Employee contributions also benefit from tax relief*

From October 2017 the minimum contribution will increase to 3% and in October 2018 this will further increase to 5%.

## 13. What fees will be charged on my pension savings?

The new Nuffield Health Retirement Savings Plan, provided by Friends Life, has an annual management charge of 0.59% for all members invested in the default strategy's growth phase. This is accounted for as part of your monthly contributions so no additional payments are required above your selected contribution rate.

## 14. How much will I get from the Nuffield Health Retirement Savings Plan when I retire?

It's possible to get an idea of how much you will get from your plan by getting a '[pension estimate](#)' (also sometimes known as a 'pension projection'). You can request further information on this from the pension team on [pensions@nuffieldhealth.com](mailto:pensions@nuffieldhealth.com) or 0844 264 0535.

## 15. Will paying contributions into the Nuffield Health Retirement Savings Plan be enough?

Being in your workplace pension plan means you have taken an important step towards giving yourself the lifestyle you would like in later life. You may want to start thinking about the things you will need money for in retirement such as paying bills, transport and buying food, and the things you may also want to do such as:

- Run a car
- Meet friends for lunch or drinks
- Buy gifts for your family or friends
- Go on days out/holidays
- Do sport or other leisure activities

Once you have an estimate of how much you can expect to get from your plan you can think about whether it will be enough. The 'Your future wallet' tool on Directgov may be able to help you with this: [www.direct.gov.uk/workplacepension](http://www.direct.gov.uk/workplacepension).

If you are concerned you will not have enough, you could think about contributing more to your pension, working longer, and/or saving in other ways. You can find out more about your options at: [www.direct.gov.uk/pensions](http://www.direct.gov.uk/pensions).

#### **16. What happens if I'm still in my probationary period?**

If you are currently working within a probationary period for Nuffield Health you will still be assessed for auto enrolment in June 2013, and if eligible, will be enrolled into the Nuffield Health Retirement Savings Plan.

#### **17. What if I move jobs?**

You may be automatically enrolled into your new employer's workplace pension plan, or you may opt to join.

If you start a new pension (either 'workplace' or 'personal'), you may be able to combine your old pension with your new one. Your new pension plan provider will be able to tell you if this is possible and, if so, how to go about doing it.

Or if you want to, you will be able to continue making contributions to your old pension plan after you have left your job.

People have several jobs in their working lives, so it's important to keep track of the pensions you have. Keeping your statements will help you do this. If you have lost track of a pension, the government's Pension Tracing Service could help provide you with the contact details for that pension. Website: [www.direct.gov.uk/pensiontracing](http://www.direct.gov.uk/pensiontracing).

#### **18. What if I leave my job to become self-employed or stop working?**

You should think about what income you will have to live on in later life. Nuffield Health will stop paying into the Nuffield Health Retirement Savings Plan, but you might be able to continue contributing, if you want. You would need to contact Friends Life to find out if this is possible and if there will be a cost involved.

Alternatively, you might want to set up your own personal pension, or put other plans in place to give you an income when you retire.

#### **19. What if I work part time for more than one employer?**

Your basic earnings will be assessed against the automatic enrolment criteria each time you are paid. If you earn above the earnings trigger (£9,440.00 in 2013/14) for a particular employer, you will be automatically enrolled into that employer's pension scheme. So, you may end up in more than one pension scheme. If your basic earnings with each employer are below the earnings trigger you will not be enrolled by any of your employers. You may however be able to opt in to the scheme and you could be eligible for an employer contribution.

#### **20. Do I still need to pay contributions if I'm off with long-term illness?**

If you are still being paid and this amount is greater than the earnings trigger (£9,440.00 in 2013/14), then you will be automatically enrolled and contributions will be deducted from your pay. Contributions will continue so long as you have some pensionable earnings.

#### **21. What happens to my Nuffield Health Retirement Savings Plan if I die before retiring?**

If you die before receiving your retirement income the full value of your fund will be paid as a lump sum to the person(s) you nominate.

On first joining the Nuffield Health Retirement Savings Plan, Friends Life will make available a form of nomination which should be completed and returned.

You can change your nomination at any time. It's important to review it if your circumstances change.

Please note: although in most cases the money will go to whoever is nominated, organisations who run workplace pension plans are allowed to pay it to someone else if this is needed. For example, if the person nominated cannot be found or has died.

## **22. What is the earliest I can take retirement?**

Current legislation states that the youngest age that people can take money from any pension plan is 55.

## **23. Can I take the money out?**

On retirement, the accumulated funds are used to provide for a pension; however there is the option to have some of the money, currently up to 25%, released as a tax free cash lump sum.

## **24. I'm paying into a personal pension already, what should I do?**

It is possible to have both a workplace pension and your own personal pension, so you could choose to continue paying into both. Or you might choose to continue with just one of them. It depends on your circumstances - for example, what you can afford and what your personal and workplace pension plans are offering. With the Nuffield Health Retirement Savings Plan, you will receive contributions from Nuffield Health that you would not get with your own personal pension. However, your own personal pension may have a guarantee about future income.

If you're considering this question, The Pensions Advisory Service might be a good place to start. The Pensions Advisory Service is an independent voluntary organisation which provides free information about pensions. Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

## **25. I had a workplace pension in a previous job, what should I do about that?**

You can leave it where it is and you will still get it when you retire, so long as you were in the pension plan long enough. The length of time needed will be in the pension plan rules.

Alternatively you might be able to combine it with the new Nuffield Health Retirement Savings Plan. If you are considering doing this, you need to check with your current pension provider that it is possible and, if it is, how to go about doing it.

If you need help with your pension options, The Pensions Advisory Service might be a good starting point. Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk).

If you have lost track of a pension, the government's Pension Tracing Service could help provide you with the contact details for that pension. Website: [www.direct.gov.uk/pensiontracing](http://www.direct.gov.uk/pensiontracing)

## **26. What if I'm not sure it's for me? I can't afford it.**

For many people, paying into a workplace pension plan is a good idea - even if they have other financial commitments, such as a mortgage or a loan. This is because you are not the only one putting money in. Nuffield Health will contribute too.

Most people will also get a contribution from the government in the form of tax relief. This means some of your money that would have gone to the government as tax, goes into your pension instead. Over time, this money adds up and can grow.

### **27. What if I'm not sure it's for me? It's a bit late for me to start paying in.**

Being in a workplace pension plan is worth considering, even if you think you are too old. Unless your retirement is just a few weeks away, there's still time to build up some money.

Unlike other ways of saving, being in a workplace pension plan means you are not the only one putting money in. Nuffield Health as your employer has to contribute too.

### **28. Are pensions safe?**

No savings, including pensions, are ever entirely risk-free. However, the government has put an increasing number of controls in place designed to minimise the risks. This means your money is better protected than in the past.

- The Pensions Regulator regulates workplace pensions [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)
- The Financial Services Authority (FSA) regulates the providers of personal pensions [www.fsa.gov.uk](http://www.fsa.gov.uk)

There is no perfect answer for where to put your money for later life. Each type of saving and investment works differently and has its own pros and cons. But for most people it is better to do something, such as pay into a workplace pension plan, than do nothing.

### **29. How is my money invested?**

With a workplace pension, the contributions you and your employer pay in, plus the contribution from the government in the form of tax relief, go into your Nuffield Health Retirement Savings Plan.

Your retirement savings are put into various types of investment, such as shares (shares are a stake in a company). It is expected to grow over time.

Your money is invested in this way because in the long run it usually gives a better return than a savings account.

You will be able to make decisions about how your money is invested. But you don't have to – all pension providers offer a fund that meets the needs of most people and this is where your money will be automatically invested. More information can be requested on this from the pensions team.

The earlier you start putting money into the Nuffield Health Retirement Savings Plan, and the more you choose to contribute, the more money you are likely to have at the end.

### **30. Can the value of my retirement savings go down as well as up?**

With workplace pension plans your pension savings are put into various types of investment, such as shares (shares are a stake in a company).

Your pension savings is invested in this way because in the long run it usually gives a better return than a savings account. Over the years, the value of investments can go up and down. But even if the value goes down in the short term, it is likely to recover in the long term.

As you approach retirement, you may be asked if you want your pension savings moving into investments less likely to reduce in value in the short-term. (This is called *lifestyling*). The Nuffield Health Retirement Savings Plan does this automatically.



### **31. Currently my Nuffield Health Group Pension Plan does not provide an employer's contribution.**

Nuffield Health is currently preparing to launch an enhanced pension arrangement in line with the government's recent workplace pension reforms. Every employer has new legal duties to help their workers save for retirement by automatically enrolling them into a retirement savings plan.

At present, your employment contract may provide for access to a Nuffield Health Stakeholder arrangement which is setup for you to make individual contributions into.

From April 2013 all employees and new applicants will have access to a single company wide Retirement Savings Plan. Nuffield Health will provide a matching employer contribution to add to your contribution on a 1:1 basis, of up to 6% of your basic earnings. As of this date you will be able to join the plan on a voluntary basis.

To comply with the new government legislation all employees, not in the Nuffield Health Retirement Savings Plan, will be assessed for automatic enrolment into the new arrangement in June 2013.

Please look out for further information which will arrive in the post in April.

### **32. Could I lose my pension if Nuffield Health faces financial difficulties?**

If you join the Nuffield Health Retirement Savings Plan your pension savings will be looked after by Friends Life. This is the pension provider, so if Nuffield Health were to go out of business you won't lose your pension pot.

If the pension provider cannot pay, there are a number of organisations who might be able to help. For example, as the provider is authorised by the Financial Services Authority, the Financial Services Compensation Plan (FSCS) can provide compensation. This will generally be because the provider has stopped trading and/or is unable to pay its debts. For more information visit: [www.fscs.org.uk](http://www.fscs.org.uk).