

Barnardo's Retirement Savings Plan (BRSP)

A Qualifying Auto-Enrolment Pension Scheme Plan Summary

Plan in brief	<p>There are many benefits to being a member of the BRSP, including:</p> <ul style="list-style-type: none"> ■ a flexible, tax-efficient way to save for your retirement ■ contributions of 4% or 6% of salary from Barnardo's, matching your own pension contributions ■ an option to pay extra into your pension savings (not matched by Barnardo's) ■ the option to take your retirement savings in the way that best suits your circumstances ■ the option to take some of your retirement savings as tax-free cash ■ the option to choose a retirement age, other than the default of 65 ■ help to tailor the right benefits for you at retirement through the annuity service ■ tax-free life assurance of at least four times your annual earnings to help your family and loved ones if you die whilst employed by Barnardo's ■ the value of your pension fund returned to your family and loved ones if you die before retiring. <p>You will receive an annual statement of your retirement savings, including projections of what you may receive at retirement based on certain assumptions.</p>						
Type of pension	<p>The BRSP is called either a 'money purchase' or 'defined contribution' pension arrangement. The pension you receive on retirement depends on the monetary value of your pension fund and the market rate to convert that pension fund into a pension at the time of retirement.</p> <p>You can take up to 25% of your pension as a tax-free lump sum; the balance can be used to purchase a pension/annuity, taken as a gross lump sum which would be subject to tax at your marginal rate or you can stagger the withdrawals over the course of your retirement.</p>						
Eligibility	<p>All Barnardo's staff residing and working in the UK will be enrolled into the BRSP if they meet the eligibility requirements. The eligibility requirements are currently anyone aged over 22 but under State Pension Age (currently 65-68, depending on your date of birth), and whose gross earnings in any given month exceed £883 (this earnings figure is for 2018/2019 and is subject to change). Anyone not meeting these requirements can still participate in the BRSP by requesting access from our pension team phil@barnardos.org.uk</p>						
Timing	<p>The assessment date for auto enrolment will be on the 1st day of the pay period that falls 90 days from your employment start date. If you meet the eligibility requirements you will be auto enrolled into the BRSP, and pension contributions will then start to be deducted from your first qualifying month of pay. If you do not meet the eligibility we will continue to assess your circumstances every month and if you meet the requirements in the future you will be enrolled and contributions will commence from the qualifying month of pay.</p>						
Contribution rates	<p>Contributions are based on Pensionable Pay, which is, with minor exceptions, the same as your total pay. By default, contributions are made on a Salary Exchange basis if you meet the basic test (see overleaf for more information on Salary Exchange).</p> <p>Barnardo's and your contributions can be as follows:</p> <table border="1"> <thead> <tr> <th>Member (% of Pensionable Pay)</th><th>Barnardo's (% of Pensionable Pay)</th></tr> </thead> <tbody> <tr> <td>4% to 5%</td><td>4%</td></tr> <tr> <td>6% and above</td><td>6% (maximum contribution from Barnardo's)</td></tr> </tbody> </table> <p>Please note that the normal default contribution rate is 4%, which is also the minimum contribution. If you wish to pay a higher contribution rate, you must complete the option form that you will receive from Aviva or contact Barnardo's Pensions Department.</p> <p>Some workers may have their employer contribution restricted to 3% by contract, which will also restrict their Salary Exchange options.</p>	Member (% of Pensionable Pay)	Barnardo's (% of Pensionable Pay)	4% to 5%	4%	6% and above	6% (maximum contribution from Barnardo's)
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Investments	<p>A default investment fund will be provided, or you can select a fund of your choice from the funds offered. The default fund has a 'lifestyling' feature, whereby your funds are automatically switched to lower risk options as you approach your notified retirement date. More information on investment options and how to select alternatives will be provided by Aviva.</p>						
Scheme charges	<p>The only charge is known as the Annual Management Charge (AMC). The charge will vary depending on the fund(s) chosen. When you reach retirement, Aviva may also deduct administrative expenses that are incurred in the purchase or provision of an annuity. Should you become party to divorce proceedings, Aviva may make a charge to cover the administrative expenses incurred in dealing with an order or potential order.</p>						

Barnardo's Retirement Savings Plan (BRSP) Plan Summary – Continued

Opting out	<p>Opting out is only possible by contacting Aviva. You can only do this after receipt of contract information which, if you are a new joiner, will be near the end of your third month of work. New joiners then have one month to respond to ensure a refund of pension contributions. After the period where a refund is possible has expired, you can request to cease contributions by contacting the Barnardo's Pension Department. If you are not in the BRSP you will not have death benefit cover (see below).</p> <p>Legislation means that every three years you will, if eligible, be re-enrolled into the pension plan, irrespective of previous opt outs.</p>
Opting in	All workers can opt in at any time by contacting Barnardo's Pensions Department.
Death benefits	<p>In the event that you die before retirement, the value of your pension fund will be available to provide a lump sum payment. You should complete Aviva's Expression of Wishes form to nominate the person(s) you wish to receive your benefits from the BRSP. The pension provider will pay benefits to the nominated person(s) unless prevented from doing so under the rules of the Plan.</p> <p>In addition, all workers who at the time of joining the BRSP are actively at work doing normal duties will benefit from a lump sum payment of four times your annual earnings. If, at the time of joining the BRSP, you are absent from work, you will not be covered until you return to work. You should complete an additional Expression of Wishes form in relation to this lump sum, which is paid at the discretion of the BRSP management committee.</p> <p>Any members of the BRSP who are paying 6% of salary in May 2013 and actively at work will benefit from life assurance of six times salary for as long as they continue to contribute at 6% or more of their salary.</p>
Further details	<p>Barnardo's reserves the right to vary its rates of contributions, funds available and other terms of the BRSP. In the event of changes, members will be given advance notice.</p> <p>The Plan provider website: https://www.aviva.co.uk/mypension/barnardos/ contains more information about how the Plan works, how your contributions affect your retirement savings, where your money can be invested and why saving for your retirement is important. There are also details of the life assurance available while you are contributing.</p> <p>On this website you can use an interactive pension calculator to estimate the benefits you are likely to receive once you retire, and the effect of different contribution levels, retirement ages or investment choices. Once you start saving into the BRSP, your individual account will grow depending on:</p> <ul style="list-style-type: none"> ■ the amount of money you and Barnardo's contribute ■ how long you continue contributing ■ the investment returns. <p>Aviva administer the GPP and they can be contacted on 0800 1455 744 or howcanihelp@aviva.co.uk. Alternatively, you can also contact the Barnardo's Pension Department on 0208 498 7178 or phil@barnardos.org.uk</p>
Salary Exchange information	
What is Salary Exchange?	<p>Salary Exchange is a different way of paying your pension contributions (it is not a different pension scheme) and this payment method is automatic for all new workers who are enrolled into the BRSP and meet the basic test.</p> <p>In Salary Exchange, you agree to give up salary equivalent to a level of pension contribution that Barnardo's will pay on your behalf. The maximum that you can exchange is 17.5% of salary, subject to your net pay not reducing to less than the National Minimum Wage.</p> <p>If you do not pay National Insurance, Barnardo's can still benefit from you paying by Salary Exchange as Barnardo's will pay less National Insurance.</p> <p>Workers can opt out if they do not wish to continue to pay by Salary Exchange. An opt out of Salary Exchange does not take you out of the BRSP (see above for more about opting out of the pension plan).</p>
What is the benefit?	<p>Salary Exchange can increase your take-home pay; that is, your take-home pay will be higher than someone on the same salary and paying the same amount of pension contribution but who is not using Salary Exchange. This works because the nominal reduction in salary provides a National Insurance reduction for the member. It also provides a National Insurance reduction for Barnardo's.</p> <p>Under Salary Exchange there is no additional tax relief added to your pension pot. Although the same contribution still goes into your pension scheme, the additional personal tax relief does not get added.</p>
The Basic Salary Exchange Test	<p>Salary Exchange is not available if it takes you below the National Minimum Wage. It is not advisable either if it takes your earnings below the basic level of tax allowance, as you will not achieve the full equivalent tax relief in your salary, or if it takes your earnings below the Lower Earnings Limit which would affect your entitlement to State benefits; the test we apply is therefore based on these criteria. Also, 'as & when' workers are not able to pay by Salary Exchange, and any workers on a contract with an employer contribution restriction are defaulted as not using Salary Exchange.</p>
Opt in/opt out	<p>You can opt in or out of Salary Exchange at any time unless your salary is then subject to a statutory calculation like Statutory Maternity Pay. You should contact the Pensions Department if you wish to opt in or out or download the form from Livelink. Opting out of Salary Exchange does not affect your membership of the pension plan.</p>