



# Colleague Pension FAQs

This FAQ is to help new Colleagues about pension options.

**Q** - I have just joined the Society what pension Scheme can I join?

**A** - NEST is the pension scheme that new Colleagues can join. The attached website provides lots of information on NEST [www.nestpensions.org.uk](http://www.nestpensions.org.uk)

**Q** - I already have a private pension, will the Society make contributions to this scheme rather than having to join NEST?

**A** - No, to ensure you get the Society's contribution to your pension, you should join the NEST scheme

**Q** - I have been told that I need to wait to be auto enrolled what does this mean?

**A** - The Government has set out employer duties for pension provision including when employees must be automatically enrolled ('auto enrolled') into a pension scheme. The criteria for auto enrolment depend on your age and pay. The Society will write to you if you meet the criteria. This happens after you have been working at the Society for around 3 months.

**Q** - What happens once I have joined NEST

**A** - NEST will send you a welcome pack. Included in the pack will be instructions for setting up an online account. Once you have done this you can make investment choices for your pension savings and let NEST know of any dependents you wish to nominate for any pension benefits (it's important you do this).

**Q** - How does it all work?

**A** - The NEST web site has lots of information about Pensions and how the contributions that you and the Society make will help provide a pension in the future.

**Q** - I do not want to wait for 3 months before joining NEST what can I do?

**A** - You can opt in from day 1. Please complete the attached form 'opt in' form

**Q** - How do I know if I will be auto enrolled?

**A** - As noted above, the criteria for auto enrolment depend on your age and pay. Please see the attached table for the detail link link

**Q** - According to the table I do not meet the criteria for auto enrolment; can I still join NEST?

**A** - yes you can, please complete the attached form 'opt in' form

**Q** - I was a member of NEST in my last job will I have two separate accounts?

**A** - NEST will contact you and ask if you wish to join your Accounts.

**Q** - Can I pay additional contributions to NEST?

**A** - Yes you can, please complete the attached form link

**Q** - If I pay more will the Society pay more?

**A** - No



**Q** - Can I transfer my previous pension into the NEST scheme?

**A** - Please contact NEST directly. This is an issue that the Society cannot provide advice about, so you should consider taking proper financial advice if you want to do this.

**Q** - Does NEST have a member Help Line?

**A** - Yes the number is 0300 020 0090

**Q** - What contributions do I need to pay?

**A** - You contribute 5% of pensionable pay and the Society contributes 3% of pensionable pay. Pensionable pay are your earnings between the upper and lower earnings limit, 6,240 to 50,270. This means that the first £480 of your pay is not pensionable.

**Q** - I am told that my contributions will be paid using salary exchange please can you explain what this is?

**A** - Salary exchange is a tax efficient way of paying pension contributions. The way it works is that you 'exchange' a part of your pay equal to the amount you pay into the NEST scheme each pay period, for a payment of the same amount made by the Society instead. The Society pays this amount directly into the NEST on your behalf. This means that both you and the Society pay a little less National Insurance than you would do otherwise. The savings are small, but they all help.

**Q** - Can everyone benefit from salary exchange?

**A** - No. Because of the rules around salary exchange does not benefit everyone. In particular, you will need to ensure that any state benefits you receive are not affected. Also, the Society has to ensure that minimum wage legislation is complied with. If this happens you will be withdrawn from salary exchange automatically

**Q** - Does salary exchange affect my Society benefits?

**A** - No. There is no reduction to any of your Society benefits which would normally be calculated based on your annual pay. So there will be no change to pay increases, redundancy compensation and death benefits, nor will it affect the salary supplied for mortgage applications.

**Q** - Can being in salary exchange affect any state benefits?

**A** - Yes. Any tax credits you receive, such as child tax credit or working tax credit, may be affected, as the total pay shown on your P60 will be lower than if you were not in salary exchange (your P60 will show your total pay less the amount of salary you have exchanged). Also State benefits that are based on pay which is subject to National Insurance contributions could be affected. If you consider that you may be affected you should consider opting out of salary exchange.

**Q** - What if I decide I don't want to be in salary exchange?

**A** - You will be automatically included in salary exchange unless you choose otherwise, or unless the checks that are in place to ensure that minimum wage legislation is complied with automatically opts you out of salary exchange. If you wish to opt out of salary exchange, please email [Helen.flint-hill@midcounties.coop](mailto:Helen.flint-hill@midcounties.coop)

**Q** - How can I tell if I am in or out of salary exchange?

**A** - If you are paying your NEST contributions by salary exchange your payslip will have the Code AESE on it. If you are not paying by salary exchange the Code is AE.