Smart Pension

AutoEnrolment.co.uk
Master Trust

Pension Scheme Booklet

defaqto 2016 Auto-Enrolment

automatic enrolment

www.AutoEnrolment.co.uk

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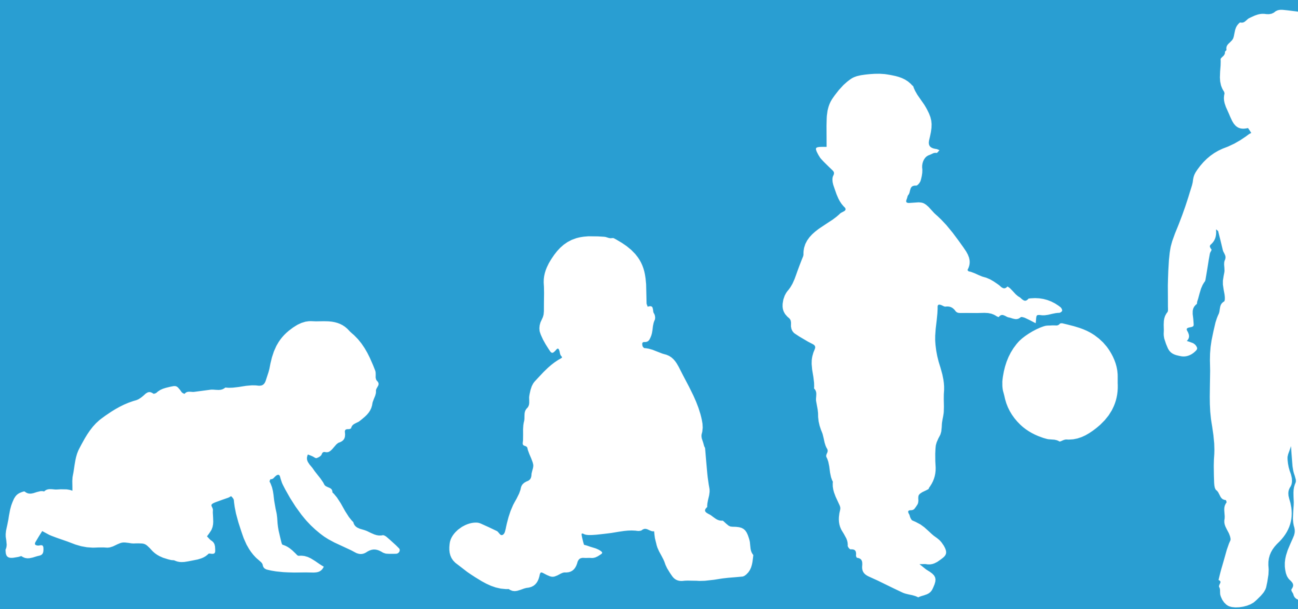
Smart Pension



Welcome to Smart Pension

Helping you plan for a secure retirement

We would like to welcome you as a new member of the **AutoEnrolment.co.uk Master Trust**, which is sponsored by Smart Pension. The details in this booklet set out the terms and conditions of membership and answer important questions about your future benefits. Your employer has chosen a pension scheme with the AutoEnrolment.co.uk Master trust to provide you with retirement benefits.

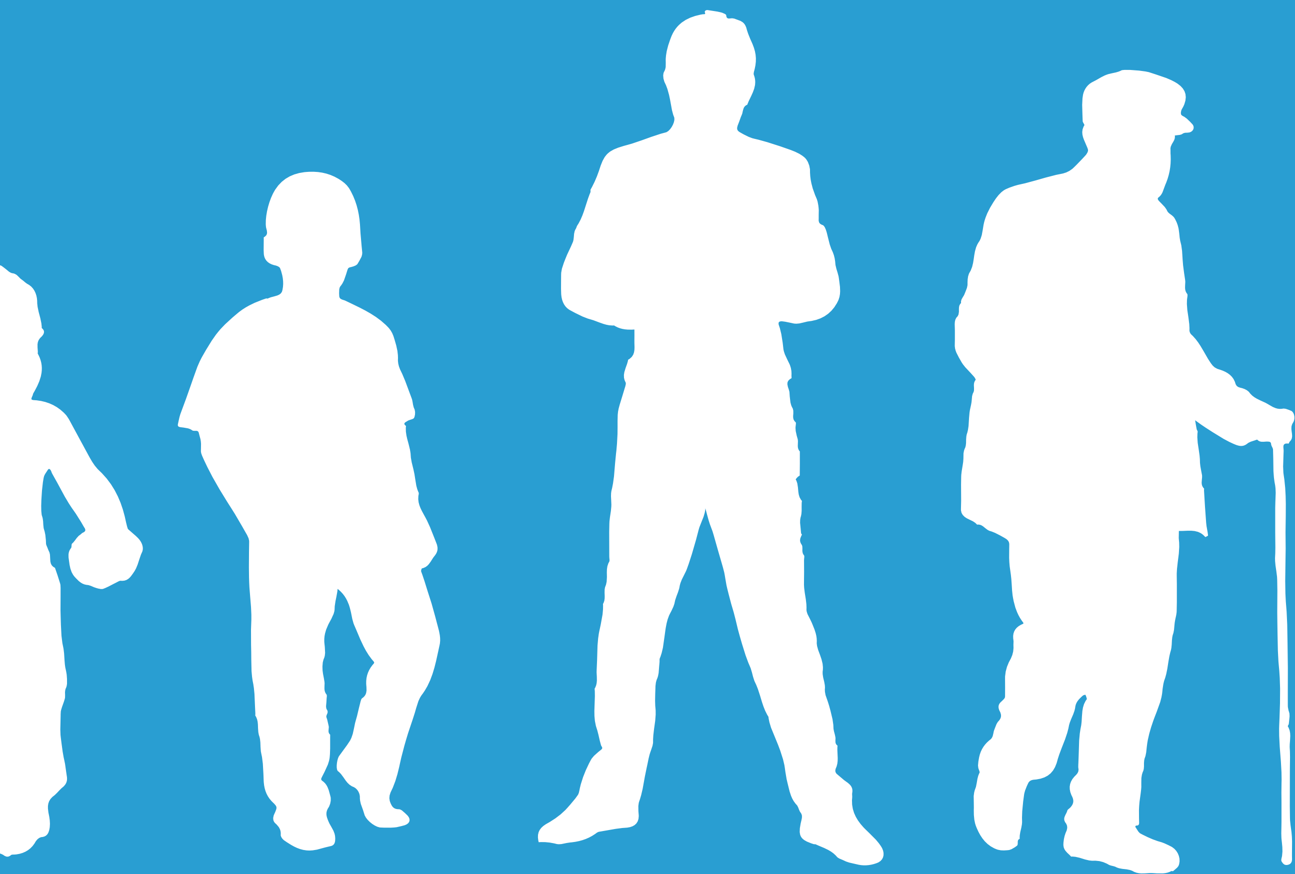
The scheme is formed under a trust administered by independent trustees, closely assisted by us, according to rules which govern your legal position. The trustees ensure that payments from you and your employer are applied as payments into the scheme, and will use them to purchase investments in accordance with the scheme rules.

Eligibility

Entry to the scheme will be in accordance with the workplace pension provisions under auto-enrolment, as governed by the Pension Act 2008 and The Finance Act 2004.

Joining the scheme

All employees over the age of 22 with earnings over the eligible thresholds are automatically enrolled. Any employee who hasn't been automatically enrolled who is over 16 and under 75 can ask to join.



Contributions

Your pension

The Scheme is a 'money purchase' arrangement. This means that the value of your retirement benefits will depend on each of the following:

- Total payments paid into your pension fund
- The investment return on your pension
- Charges
- The period over which your pension fund is invested
- Tax rules
- The rates for converting your pension fund into an income when you draw your benefits

Types of contributions

The following types of payments can be made to the Scheme:

Regular monthly or annual payments through payroll

Regular monthly contributions would normally be a percentage of your qualifying pensionable earnings.

Single payments through payroll (e.g. additional voluntary contributions)

Lump sum new contributions may be made any time subject to your annual allowance, either by you, your employer or by someone on your behalf. Tax relief should be available subject to HMRC regulations.

Transfer values coming in from other pension schemes

If you have a fund built up in a previous individual plan or employer's scheme, it may be possible for the value of that fund to be transferred to this scheme. We have a specialist team to help with obtaining current information and to assist with consolidating your pension funds. Sometimes, we may suggest you seek independent advice where the plan has special features before you make your decision about the transfer. The Trustees may accept bulk transfers in from other schemes upon the employer's and previous Trustees' direction.

Contributions

Payments

Regular payments into the scheme can be made by your employer, and by you. Your payments will be taken at the rate agreed between you and your employer but will be subject to the overall minimum levels in the auto-enrolment regulations. Your company scheme administrator will tell you what payments will be made and how they are calculated.

Under the auto-enrolment regulations, the minimum contribution level is presently 2% of qualifying earnings, of which the employer pays 1%. Then from 6 April 2018 contributions will rise to 5% of qualifying earnings, of which the employer must contribute a minimum of 2%. And finally the minimum contribution level from 6 April 2019 will be 8% of qualifying earnings, of which the employer must contribute a minimum of 3%.

Your contributions will be deducted from your salary by your employer who will then forward all payments directly to the AutoEnrolment.co.uk Master Trust account.

Investment strategy

The investment strategy for the scheme is decided by the trustees, and takes into account the wishes and the ages of members when planning future investments.

Most people stay in the default fund strategy set up by the trustees. This is designed to give you good returns whilst reducing risk to your pension pot at retirement. It does this by moving your investments gradually into lower risk investments as you approach retirement age. The default fund strategy is invested in low-cost funds managed by the 'household name' Legal & General (L&G) who are fully regulated by the FCA with the track record and financial strength necessary to stand by the long term nature of the scheme's investments.

L&G are the largest UK managers of pooled pension investment funds. We will include reports on the default fund's performance on the Smart Pension website. The trustees will regularly review the performance of the Trust's investments and may make changes to the Funds available from time to time to best meet their investment strategy.

Remember the value of an investment is not guaranteed and can go down as well as up and may fall below the amount paid in.

As an alternative to the default fund strategy which reduces risks with age, members may wish to choose to stay invested in any of the default funds we offer, or any combination of them, to suit their own circumstances.

Smart Pension also recognises that some members may prefer an investment approach in line with Islamic values, and a Sharia-compliant fund is now available for this purpose. Please contact us if you would like to use this option.

Your membership

Active members

The Scheme is a ‘money purchase’ arrangement (also known as defined contribution). This means that the value of your retirement benefits will vary depending on the amount of money contributed and the performance of the investments.

- Opting-out
- Leaving the scheme
- Leaving employment
- If you should die before drawing your benefits
- You draw your benefits before your normal retirement date
- You transfer your funds to another registered scheme
- You reach your normal retirement date and use your fund to buy an annuity

Deferred members

Members are ‘Deferred Members’ if they cease contributions but remain members of the scheme.

You become a Deferred Member from the day you cease contributions until you either:

- Opt-in
- Become employed again by an employer of the scheme
- Draw your benefits

Subject to the terms of your employment, auto-enrolment provisions and pension legislation, it may be possible to draw your benefits built up to-date whilst remaining in employment and thus continue to be an active member.

Employees who opt-out within the first month with any contributions refunded do not become deferred members.

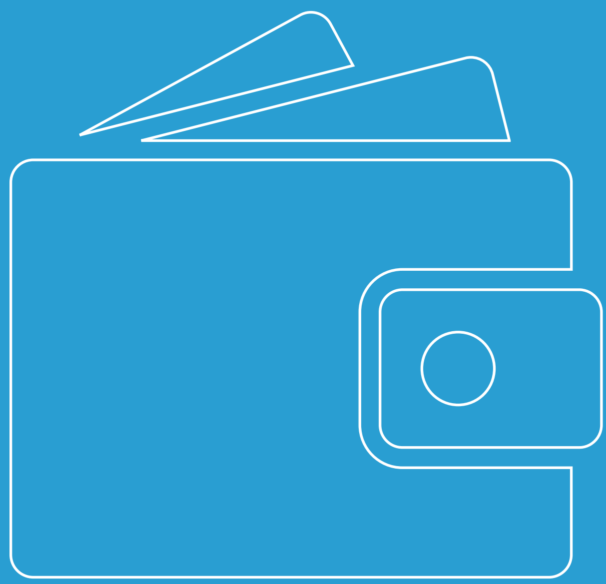
General

Payment

Payments will be applied under your individual account to purchase units in the fund.

Regular updates

Each year we’ll send you a statement so you can keep up to date with how your pension fund is performing.



Taxation

Tax relief

Payments to the scheme will be deducted from your earnings under a ‘Net Pay Arrangement’. This means all contributions are paid to the scheme without any tax being deducted first, and you will immediately receive tax relief at your highest marginal rate.

If part of your contribution comes from income below taxable levels, no tax relief will be available on that part. Please refer to your payroll administrator or professional adviser for assistance if you wish for an explanation of the tax rules applicable to your circumstances.

Tax payable

All pensions paid from the scheme will be taxed as earned income under the PAYE system. However, at retirement, you may be able to ask to take up to 25% of the fund value as cash, currently tax-free, with the balance taxed at your marginal income tax rate.

Tax charges may apply if the government’s Annual Allowance or Lifetime Allowance is exceeded. The tax advantages of joining the scheme will depend on your personal circumstances. Both your circumstances and tax obligations may change in the future.

Your benefits at retirement

Taking your benefits

The scheme default selected retirement age is currently 65 and will move in line with the UK state retirement age. Members are able to request a different retirement age between 55 and 75 if they so wish.

The benefits you receive

When you draw your benefits, the fund built up in your pension account may be used to purchase a pension from an annuity provider. Alternatively, you can move your fund into another approved pension scheme (such as a SIPP) to allow you to take flexible payments from it (called drawdown).

And finally, if your pension pot on retirement is less than £10,000 or if all your pension pots added together (except your State Pension) are less than £30,000 in total, you may be able to take your pension fund in cash after deduction of tax.

The amount of income you will be able to take from your pension fund will depend on a number of factors including the size of the fund, when you retire and the type of pension or income you choose. Those in poor health may be able to obtain enhanced terms by use of an annuity.

You can normally ask to take up to 25% of the fund value as cash, currently tax free, with a lower income from the balance. Income from pension funds is subject to tax. The tax treatment of pension funds may change in the future.

Spouse's or other dependant's pension

You can choose a type of annuity to pay your pension which will continue to be paid to your spouse or partner after you die, although this will reduce the level of pension you receive initially. A spouse can be a husband, wife, or registered civil partner.

Increasing pensions

You can also choose a type of annuity to pay your pension which increases in payment over time. This would again reduce the initial level of pension you would receive.

Minimum period

You can ask for a type of annuity to provide your pension that will guarantee payment for at least a minimum period. If you were to die during that minimum period, the pension will continue to be paid to your nominated beneficiary to the end of that period.

You don't need to decide on your choice of retirement fund until you are approaching retirement and you may wish to seek professional advice nearer the time.

Benefits on death

Death before drawing your benefits

If you were to die before you draw your pension, the trustees will use the value to provide a lump sum and/or dependant's pension benefit. Lump sum death benefits in excess of the Lifetime Allowance may be subject to a tax charge. There's normally no such charge if the excess is used to provide a pension for your dependants, although these pensions are taxable as income, the same as your pension would have been.

You will be asked to provide the trustees with a completed 'Expression of Wishes' form, nominating to whom you would like your benefits paid. You may change your nomination at any time by completing a new "Expression of Wish" form and sending it to the Trust's administrators. The amount of the death benefit is the value of their pension account when we receive notice of a member's death.

Death after drawing your pension as an annuity

Any payment will depend on the type of annuity you will have purchased. Any spouse's or dependant's pension as part of your annuity you will be paid to the surviving spouse or dependent. No further installments of your pension will normally be paid after your death, unless you have chosen a minimum period and you die during that period. In such circumstances, your pension will continue to be paid until the end of the minimum period and then revert to the level of your spouse / partner provision, if appropriate.

Leaving the scheme

If you leave the scheme, all payments to the scheme will normally stop.

Your options will depend on the length of time that you have been a member of the scheme and these are described below:

Less than one month's membership

- Current auto-enrolment regulations allow for a refund of your own payments after deduction of tax

More than one month's membership

- You will be entitled to a deferred benefit under the scheme; or
- You may choose to transfer the value of your fund to another registered pension scheme.

Leaving a scheme under auto-enrolment rules whilst remaining with your employer is termed opting-out. You may opt-in again at any time whilst still employed by the participating employer to the scheme, subject to your employer's agreement. If you cease membership more than once then you will be able to opt-in - again once in any 12 months. Under current rules you will then be automatically re-enrolled within 3 years of opting-out or leaving.

Scheme information

With each payroll your employer must calculate the appropriate contributions payable and pay them to the scheme. The trustees are required to obtain a yearly statement from the scheme auditor confirming that the payments shown in the schedules have been paid.

If you require any further information about the scheme or your benefits, or if you would like to see a copy of the rules and/or the auditor's statement, you should contact the AutoEnrolment.co.uk Master Trust administrators or the trustees.

Your pension scheme and taxation

The Autoenrolment.co.uk Master Trust (your pension scheme) takes contributions from you and your employer to pay into your pension pot. These contributions are received from your employer without deduction of income tax. This is called a 'net pay arrangement'.

By not charging income tax as usual on these amounts, the Government is also contributing to your pension pot (although you will be charged income tax when you take income from your pension after retirement). For most members of the scheme this net pay arrangement gives members full tax relief, but scheme members who would not normally pay income tax on all their contributions will not get that tax relief (because part or all of the income they contributed was below the starting point for income tax).

However, this doesn't affect the amount that is paid into your pension and you'll continue to benefit from the money that your employer pays in.

Charges

The pricing you pay is shown in your welcome pack and your annual member statement. Charges, limits and terms which apply to your membership of the scheme may change. This brochure contains a summary of the main benefits available from the Scheme. Full terms and conditions are available on request from the AutoEnrolment.co.uk Master Trust.

If you propose to make a single contribution or if you transfer funds into your account with the AutoEnrolment.co.uk Master Trust any charges would be outlined to you prior to your decision to proceed.

Important notes

Reference to taxation is based on our current understanding of the rules, which may change. The level and timing of benefits are subject to legislation, which may change in the future.

The information in this scheme booklet is provided to members as a guide to their pension benefits within the scheme. In the event of confusion or misinterpretation the rules of the AutoEnrolment.co.uk Master Trust will prevail.

Governance

The Trustees of the scheme are Capital Cranfield, one of the largest and most experienced companies in their field, who ensure the scheme's assets and members interests are protected. They oversee the appointment and performance of investment managers and ensure good administration systems are in place to meet the The Pension Regulator's requirements and to keep members informed of their pension account.

Capital Cranfield is regulated by the Solicitors Regulation Authority (SRA) and fund manager L&G is regulated by both the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA). L&G have an S&P rating of AA- and manage over £233 billion in index tracking funds.

Contributions are transmitted direct from your employer to the Trustee bank account and then invested. The trustee bank account is controlled by the trustees with delegated authority given for day to day use to the scheme's independent administrators (Apex Fund Services).

Enquiries and complaints

If you have general queries regarding the scheme these should in the first instance be raised with your company scheme administrator.

If you are unhappy with some aspect of the scheme you may contact the AutoEnrolment.co.uk Master Trust via email at support@smartpension.co.uk. You should receive an acknowledgment within 5 working days and a formal reply within 28 days.

If you are still unhappy you may appeal to the Trustees who will give their decision within two months. The Trustees contact details are:

AutoEnrolment.co.uk Master Trust
Capital Cranfield Trustees
Fifth Floor New Liverpool House
15 -17 Eldon Street
London
EC2M 7LD
Telephone: +44 (0) 20 7012 8700

The Pensions Advisory Service

The Pensions Advisory Service (TPAS) is available at any time to assist members and beneficiaries of the scheme with any pensions queries they may have, or with any difficulties they have been unable to resolve with the scheme administrator or trustees. The address at which TPAS may be contacted is:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Telephone: 0845 601 2923

Need more information?

Visit:

thepensionsregulator.gov.uk/individuals

If TPAS is unable to resolve your complaint, you can refer your case to the Pensions Ombudsman. You can contact the Pensions Ombudsman at:

Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: (020) 7630 2200

As well as contacting the The Pensions Advisory Service and the Pensions Ombudsman for general information about pensions, you can also contact The Pensions Regulator at:

The Pensions Regulator
PO Box 16314
Birmingham
B23 3JP

Smart Pension
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How to contact us

You can contact us by telephone, via email or via our live online chat on the Smart Pension website.

New Customers:	0333 900 0099
Support:	0333 666 2323
Advisers:	0333 666 2020

support@smartpension.co.uk

www.AutoEnrolment.co.uk