



Auto-Enrolment (AE) contributions rates will increase in April

To encourage people to save more for their future, between April 2018 and April 2019 AE contributions will increase. This means that:

- ➔ You'll pay more towards your retirement savings, but you'll also benefit from an increased contribution from your employer.
- ➔ If you are a taxpayer, because of tax and National Insurance (NI) relief on your pension contributions, you should see a difference of less than 2% in your take-home pay.
- ➔ An increase in contributions (from you and your employer) should mean you'll have more in your pension pot when you come to retire.

Effective date	Your contribution	Our contribution	Total contribution
Current	1%	1%	2%
April 2018	3%	2%	5%
April 2019	5%	3%	8%



You can find lots more information about the AE Scheme on our pensions website: www.ahb-ukpensionportal.co.uk



Walgreens Boots Alliance

Alliance
Healthcare



Frequently Asked Questions

➔ Why is this happening?

People are living longer, many don't save enough for retirement and the State Pension is unlikely to meet their current living standards.

The Government wants to encourage everyone to save for the future, so has put in place these new rules which all UK businesses must comply with.

➔ What's changing?

Automatic enrolment has been in place since 2012 and the Government always planned to increase contribution levels. The first increase will take place in April 2018.

If you're a member of the AE Scheme, you're currently contributing 1% and from April you'll start paying 3%. Your employer's contribution will also go up, from 1% currently to 2%.

➔ Do I need to do anything?

No, the increase will be automatically processed through Payroll from the April 2018 pay period onwards.

➔ How will this affect my take-home pay?

If you pay tax, the difference to your take-home pay should be less than 2% after tax and NI savings on your pension contributions.

➔ Are contributions based on my salary?

Contributions are based on earnings (not just basic pay) between £6,032 and £46,350 for the 2018/19 tax year, so this will include things like overtime, bonuses and Statutory Sick/ Maternity/ Paternity Pay. Employees are able to receive tax and NI savings on their contributions through 'Salary Sacrifice' (SMART).

➔ What is Salary Sacrifice (SMART)?

It's when you 'give up' part of your gross salary in return for your employer paying in an extra amount, on top of its usual contributions. Your salary is reduced by this amount because of the pension contribution, but your actual take-home pay will be boosted as you end up paying less tax and NI.

➔ What happens if I don't want to pay more?

This is the minimum set by the Government, so you can't pay less than 3% from April, but you can opt out of the AE Scheme if you want to.

You should give the decision careful thought as it means you'll have less in your pension pot when you come to retire.

➔ How do I opt out?

If you want to leave the AE Scheme, you'll need to complete the **Request to Leave AE Scheme form** on our website. If you've been a member of the AE Scheme for less than a month, you should follow the instructions in the Notification Letter you will have received from Legal & General.

➔ Can I pay more?

Yes, but you'll need to join the main scheme (AHBRSP) in order to do so.

➔ How much is in my pension pot?

As well as your annual pension benefit statement from Legal & General, you can check your progress anytime by logging into **Manage Your Account (MYA)**.

➔ Where can I find out more?

There is lots of information about the **AE Scheme** and the **AHBRSP** on our **pensions website**.

You can also visit the **Pensions Advisory Service** or call them on 0300 123 1047 (9am to 5pm, Monday to Friday).