

Alliance Healthcare & Boots Retirement Savings Plan (AHBRSP)

Contribution Factsheet

for Band A Members

If you're not sure what Band you're in, you can ask your line manager.

If you join the AHBRSP, you can decide how much you want to save into your pension account – from 3% upwards of your Retirement Savings Pay.

The Company will also make payments into AHBRSP, matching whatever you pay up to 6%*.

Your contribution options in AHBRSP

From April 2019 the matching 3% and 4% contribution rates no longer meet the qualifying contribution rates for the automatic enrolment rules and therefore what you decide to pay determines whether or not you are affected by automatic enrolment.

The chart below shows what this might mean for you.

Pension Section	Your contribution	The Company's contribution	Life cover
AHBRSP Standard Section	5%, 6% (or more) of Retirement Savings Pay	The Company will match your contributions up to 6%*	Yes
AHBRSP Base Section	3% or 4% of Retirement Savings Pay	The Company will match your contributions	Yes
Auto-Enrolment (AE) Section	5% of Band Earnings	3% of Band Earnings	No

* You can pay in more than 6% but the Company will not pay more than 6% (or 7% if you have been a member for 3 years or more).

Retirement Savings Pay – your full contractual pay, excluding bonuses and overtime etc.

Band Earnings – is based on the Government's Qualifying Earnings which, for 2019/20, is everything you earn between £511 and £4,167 a month, including any bonus or overtime you receive.

Why does my contribution choice matter?

The level of contribution you decide to pay will determine which Section of AHBRSP you join:

- ➔ choose to pay 5% or more of your Retirement Savings Pay and you will be in the Standard Section
- ➔ choose to pay 3% or 4% of your Retirement Savings Pay and you will be in the Base Section.

Being in the Base Section may mean, in future, you have to be automatically enrolled into the Auto-Enrolment (AE) Section the next time the Company has to assess employees for automatic enrolment (see below for more information).

Life cover

As a member of the AHBRSP's Base or Standard Sections, you also get life cover – an additional benefit that provides a lump sum payment in the event of your death. The amount is worked out as 4x Retirement Savings Pay, rising to 5x Retirement Savings Pay after you have been a member of AHBRSP for five years.

Why are there two Sections within AHBRSP for Band A members?

The Government has set a total amount that has to be paid into AHBRSP in order for it to qualify under the automatic enrolment rules. If a scheme doesn't qualify, the Company has a legal duty to enrol you into a qualifying scheme every three years. This is called cyclical re-enrolment. The AE Section is a qualifying scheme. So too is the Standard Section of AHBRSP.

In April 2019, the minimum total qualifying contribution into AHBRSP increased to 8% of Band Earnings. Whether or not you are affected by the automatic enrolment rules depends on how much of your Retirement Savings Pay you decide to pay into AHBRSP – and so which Section you join.

Please see the flow chart below for further guidance.



If you want to join the Standard Section of AHBRSP and avoid being enrolled into the AE Section in future, you must choose to pay 5% or more.

You qualify for Life cover if you are in either the Base or Standard Section.

You can change your contributions at any time by completing the Change of Contributions Form on our pensions website (www.ahb-ukpensionportal.co.uk).