

Demo Company.

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Tel : 0123456789

Mr Redfort Robert
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Ref: WPPEJ40274

Dear Mr Redfort Robert

Demo Co.'s pension scheme - A change in the law that affects you

To help people save more for their retirement, the government now requires employers to enrol their workers into a workplace pension scheme. This applies to those who:

- Are not already in one
- earn over £10,000.00 a year (£833.00 a month)
- are aged 22 or over; and
- are under State Pension age.

We therefore are enrolling you into our pension scheme on 01/08/2015 (your automatic enrolment date). The scheme is provided by NOW: Pensions.

- You can choose to opt out of the scheme if you want to, but if you stay in you will have your own pension which you get when you retire
- Demo Co. and you will both pay into it every month
- Your pension belongs to you, even if you leave us in the future.

Why is this happening?

The government's aim is for more people to have another income, on top of the State Pension, when they come to retire. The full basic State Pension in 2015 - 16 is £113.10 a week for a single person. This is intended to be a foundation - you may want more.

Employers are enrolling their workers automatically into a scheme to make it easier for people to start saving.

What does this mean for you?

The payments into your pension are:

- Your contribution – 0.80 % of qualifying earnings. This will be taken directly from your pay.
- Our contribution – an amount equal to 1.00 % of qualifying earnings.
- Tax relief – an amount equal to 0.20 % of qualifying earnings.

Please note:

On your payslip, you will see your contribution. You won't see the tax relief – it is added to your pension separately.

How much will you get from this pension when you retire?

NOW: Pensions can provide you with an estimate of the income you might get once you reach pension age.

You can also see how a pension builds, using an online pension calculator, at

<https://www.moneyadvice.service.gov.uk/en/tools/pension-calculator>

The pension scheme

You will receive a statement each year from NOW: Pensions showing how much money has gone into your pension pot and how it's doing.

For more information on pensions and saving for later life visit: <https://www.gov.uk/workplace-pensions>

What you need to do now

If you want to opt out of the pension scheme, follow the instructions below.

Your opt-out window starts from 21/07/2015 to 20/08/2015. If you choose to opt-out during this window, any contributions that have been deducted from your pay will be refunded.

To opt out, please contact NOW: Pensions to obtain an opt-out form. Once you have completed it, please return to .

If your completed opt-out form is received within the opt-out window, you will be removed from the pension scheme. **Please note: you cannot opt out before this time.** Any payments you have already made will be refunded, and you will not have become an active member of the scheme on this occasion.

If you want to stop making payments after the end of the opt-out window, you can do so. The payments you have made already may not be refunded.

If I opt out or stop making payments, can I re-join a workplace pension scheme at a later date?

Yes, you can re-join a workplace pension scheme. To do so, contact in writing by sending a letter, which has to be signed by you. Or if sending it electronically, it has to contain the phrase "I confirm I personally submitted this notice to join a workplace pension scheme".

A regular reminder

Anyone who opts out or stops making payments will be automatically enrolled back into a pension scheme at a later date (usually every three years). This is because your circumstances may have changed and it may be the right time for you to start saving. We will contact you when this happens, and you can opt out if it's still not right for you.

If you want to stay in the pension scheme you don't have to do anything. Your personal details have passed to the pension provider, and your pension will start building/began building from 01/08/2014.

Will the amounts paid into my pension change?

Yes, the amounts will automatically increase or decrease accordingly if your earnings go up or down.

We are also going to increase the amounts being paid into your pension over the next few years. This is to meet the minimum standards set by the government.

Dates	Employer Minimum Contribution	Employee Contribution	Total
Staging Date – 30 Sept 2017	1%	1%	2%
1 Oct 2017 – 30 Sept 2018	2%	3%	5%
1 Oct 2018 onwards	3%	5%	8%

What is tax relief?

The government takes tax off your income. You can see this on your payslip. Tax relief means some of your money that would have gone to the government as tax now goes into your pension instead.

In our pension scheme, the tax relief goes into your pension through a 'relief at source' arrangement. This means if you're a basic rate tax payer, you don't need to do anything to get the tax relief paid into your pension. It will happen automatically.

If you're a higher or additional rate tax payer, to get full tax relief you need to claim back some of your tax from the government. This is because tax relief is added to your pension at the basic rate of 20 per cent. To get all the tax relief that is due to you, you need to claim back the difference on your annual tax return, or alternatively, if you are a higher rate tax payer you can contact HM Revenue & Customs.

Further information can be found here:

<https://www.gov.uk/income-tax-reliefs/pension-contributions-tax-relief>

Where can I get more information?

If you have any questions about the pension scheme, contact:

NOW: Pensions
3rd Floor
164 Bishopsgate
London
EC2M 4LX
United Kingdom
Tel : 0333 33 222 22

For information on pensions and saving for later life visit:

<https://www.gov.uk/workplace-pensions>

A commitment from us

If you are under 75, work or usually work in the UK, and earn over £5,772.00 a year (the amount set by the government for this):

- we must by law continue to maintain your membership of a scheme that meets certain government standards; and

- if your membership of such a scheme ends (and it is not because of something you do or fail to do), we must by law put you into another scheme that meets government

Yours sincerely

Jack Daniel
Payroll Manager
Demo Company.