

The Government have a new pensions initiative called Automatic Enrolment which is designed to ensure workers are more prepared for their retirement. All employers will be required by law to automatically enrol their employees into a qualifying scheme, when they meet the specified criteria, and apply pension contributions to their pay without the employee registering their interest.

Employee enrolment criteria

There are three types of worker, according to age and earnings as defined in the table below:

Worker Type	Definition	Rights & Requirements
Entitled Worker	Aged 16-74, working in the UK, earning below £5,876	Entitled to join a pension scheme, but employer contributions are not mandatory
Eligible Jobholder	Aged 22-state pension age (SPA), working in the UK, earning above £10,000	Eligible for automatic enrolment (must be enrolled)
Non-eligible Jobholder	Aged 16-21 or SPA to 74, working in the UK, earning above £10,000 or Aged 16-74, working in the UK, earning above £5,876 but below £10,000	Not eligible for automatic enrolment but can choose to opt in

Note: for assessment purposes the earning limits above will be prorated according to your pay period (daily, weekly, fortnightly, monthly etc.) & will change in line with annual tax thresholds.

Atlantic are exceeding the legislation, as we will contractually enrol all our workers (**regardless of worker type**). However, if you do cease membership of our contractual scheme we will still have a responsibility to adhere to the Government stipulations shown below:

Entitled Workers

Entitled workers are not required to be automatically enrolled into a pension scheme, although they do have the right to ask to be enrolled in a pension scheme. There is no requirement for employer contributions to be made if an entitled worker decides to enrol.

Eligible Jobholder

Eligible jobholders must be automatically enrolled into a pension scheme, although they do have the right to opt out. There is a requirement for employer contributions to be made as detailed in the 'Contribution amounts' section below.

Non-Eligible Jobholder

Non-Eligible jobholders are not required to be automatically enrolled into a pension scheme, although they do have the right to opt in. If they opt in, there is a requirement for employer contributions to be made as detailed in the 'Contribution amounts' section below.

All workers have the right to join or rejoin our pension scheme at any time, if you wish to do this simply contact your [Account Manager](#).

Contribution amounts

The Government have set minimum contribution levels and are phasing in increases which are shown in the table below. As you can see there is a requirement for employee and employer contributions to be processed. However, Atlantic are processing the full amount as an employer contribution calculated from your taxable gross pay.

As the minimum contribution is a percentage, the amount will increase or decrease as your earnings fluctuate. Also, we are going to increase the amounts being paid into your pension over the next few years. This is to meet the Government's minimum contribution amounts shown below.

Timing	Employee Contribution	Employer Contribution	Total Contribution	How Atlantic will Process
Oct '13 - 05/04/18	1%	1%	2%	full 2% processed as employer contribution
06/04/18 - 05/04/19	3%	2%	5%	To be confirmed, but likely to be a 5% employer contribution
06/04/19 onwards	5%	3%	8%	To be confirmed, but likely to be an 8% employer contribution

please see the next page for an overview of our schemes...

Staging dates

Employers are given a 'staging date' based on their number of employees. This is the date from which the employer must apply the Automatic Enrolment legislation, unless they choose to apply the optional three month postponement. Larger employers have the earliest staging dates, but all employers will eventually have to comply with the Automatic Enrolment legislation. Our staging date was 1st October 2013, however we chose to postpone for three months (until 1st January 2014), to enable us to create the best possible solutions and processes for our workers.

Ceasing membership (opting out) & re-enrolment

As mentioned above, you can opt out of the pension scheme if you decide it's not for you. If you would like to opt out, contact your Account Manager in the first instance, who will explain the process for you.

In line with the legislation, if you opt out we will have to automatically re-enrol you every three years. We may also have to automatically enrol you back into a pension scheme again if your circumstances change and you become an eligible jobholder. We will contact you when this happens and you can opt out again if pension saving is still not right for you.

The Unitum Group Pension Scheme

The Unitum Group Pension Scheme is our contractual enrolment scheme. We will enrol everyone into this scheme when they are employed by Atlantic, regardless of their Automatic Enrolment status.

It was designed in partnership with [Scottish Widows](#) and has been specifically tailored to suit your needs as a contractor, whilst still satisfying our Automatic Enrolment obligations as your employer. Scottish Widows have been helping people prepare for their future since 1815 and have offered you one of the best rates on the market too!



Here's a link to some useful documents which explain the scheme in more detail: <http://www.scottishwidows.co.uk/joiningrdr/>

The Unitum Group Pension Scheme is a 'qualifying scheme' for Automatic Enrolment purposes, so if you are assessed as an 'Eligible Jobholder' whilst an active member of this scheme, the Automatic Enrolment obligations have been satisfied. However, if you decide to cease membership of this scheme before you become an 'Eligible Jobholder', the Automatic Enrolment obligations will not have been satisfied, that's where NEST comes in...

NEST (National Employment Savings Trust)



The NEST scheme was specifically created as part of the pension reforms to help employers meet their duties. We want to exceed our obligations and provide our staff with a superior scheme, so we designed the 'Unitum Group Pension Scheme'. Therefore, we will only automatically enrol you into NEST if you did not meet 'Eligible Jobholder' criteria whilst an active member of the Unitum Group Pension Scheme.

If you do have to be automatically enrolled in NEST to comply with the legislation, you can opt-out again if pension saving still isn't right for you.

A commitment from us

If you are under 75, work or usually work in the UK and earn over £5,876 a year:

- 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 standards straightaway.

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

Useful contact information & links

Atlantic Umbrella

Unitum House, 1 The Chase
John Tate Road
Hertford
Herts, SG13 7NN
Call: 01932 334455
Click: www.atlantic-umbrella.com

Scottish Widows

Scottish Widows
15 Dalkeith Road
Edinburgh
EH16 5BU
Call: 0845 767 8910
Click: www.scottishwidows.co.uk

NEST

NEST, Nene Hall
Lynch Wood Business Park
Peterborough
PE2 6FY
Call: 0300 020 0090
Click: www.nestpensions.org.uk

The Pensions Regulator: <http://www.thepensionsregulator.gov.uk/index.aspx>

So, why have a pension?

Well, we aren't Financial Advisers and can't provide you with pension advice but we have to enrol you in a pension scheme to comply with the Government's new Automatic Enrolment legislation.

The Government's aim is for people to have another income, on top of the State Pension, when they come to retire. The full basic State Pension is just over £110 a week for a single person. Many people feel that this is not sufficient for their retirement plans. Below you'll find some key facts and common myths about pensions.

Key Facts

- ✓ On average, you're likely to spend twenty years in retirement, so you will need to prepare for that.
- ✓ When you pay into your pension, the Government will too.
- ✓ It's a hassle free way of saving while you earn.
- ✓ Saving into a workplace pension means you can continue to enjoy the things you like when you retire.
- ✓ Starting sooner makes saving more manageable.
- ✓ Saving smaller amounts over a longer time period has less impact on your current lifestyle.

Pension Myths

- ✗ **My house will be my pension pot.** Property values fluctuate greatly so you could end up with less than you need. Also you can't spread your money across a range of different investments like a pension or benefit from the tax advantages.
- ✗ **I'll inherit money which I'll use for my pension.** Inheritances are uncertain, so it's important to make individual pension provision. People are living well into their 90's, so you cannot rely on your inheritance being available when you need it.
- ✗ **I can only pay in a small amount so it isn't worth it.** Even if you end up with a small overall pension pot, it will still provide a useful supplement to your state pension. The sooner you start to save, the more time your money has to grow.
- ✗ **If my employer shuts down I lose everything.** With most schemes your pension is looked after by the pension provider, so if your employer goes bust you won't lose your pension pot.
- ✗ **The State Pension will be enough.** The State Pension is a foundation, but relying on this alone could mean that your income falls, making it harder to continue doing the things you enjoy.
- ✗ **My employer will retain my pension if I leave.** Your personal pension is just that, yours. You can decide to increase contributions, cease contributions or take the pension with you if you move employers.
- ✗ **My employer will make extra money out of me.** There is absolutely no financial benefit for Atlantic if you decide to pay into a pension. As part of the government initiative, we have to enrol you but we'll make no financial gains.

For more information on Automatic Enrolment please contact your Account Manager on 01932 334455