

## Assembly Members' Staff Pension Scheme Pension Plan Specification

To be read in conjunction with the Pension Provider material

<b>Name of Scheme</b>	Assembly Members' Staff Pension Scheme																					
<b>Name of Pension Plan</b>	The Elect Self Invested Pension Plan (the Plan)																					
<b>Pension Provider</b>	Aegon																					
<b>Employer Pension Advisor</b>	<p>Mercer Limited (Mercer)</p> <p>Elect is a proposition providing benefits to smaller groups that are normally only available to larger employers.</p>																					
<b>Eligibility</b>	<p>All Assembly Members' Staff who have a contract of employment with a Member of the Legislative Assembly (MLAs) will be enrolled in the Scheme.</p> <p>Assembly Members' staff who opt-out of the plan can re-join. However the employer only has to action a request to re-join once in every 12 months.</p> <p>If you opt out, you will be assessed on a monthly basis and categorised as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Pensionable Earnings (2016/17 figures)</th> <th colspan="3">Age (inclusive)</th> </tr> <tr> <th>16-21</th> <th>22-65*</th> <th>65*-74</th> </tr> </thead> <tbody> <tr> <td>Employees earning under £5,824 (£485 per month)</td> <td colspan="3">Entitled worker</td> </tr> <tr> <td>Between £5,824 - £10,000 (£485 - £834 per month)</td> <td colspan="3">Non-eligible jobholder</td> </tr> <tr> <td>Employees earning at least £10,000 (£834 per month)</td> <td>Non-eligible jobholder</td> <td>Eligible jobholder</td> <td>Non-eligible jobholder</td> </tr> </tbody> </table> <p>*this is the current state pension age</p> <p>You will then be automatically re-enrolled every three years if you are an eligible jobholder.</p>			Pensionable Earnings (2016/17 figures)	Age (inclusive)			16-21	22-65*	65*-74	Employees earning under £5,824 (£485 per month)	Entitled worker			Between £5,824 - £10,000 (£485 - £834 per month)	Non-eligible jobholder			Employees earning at least £10,000 (£834 per month)	Non-eligible jobholder	Eligible jobholder	Non-eligible jobholder
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<p><b>Standard Retirement Age under the Pension Plan</b></p>	<p>65</p> <p>This is the default retirement age for the scheme, and you are under no obligation to take benefits at this age. You are entitled to draw your benefits at any age over 55.</p> <p>You can amend the retirement age associated with your policy at any time by contacting Aegon. Changes to your retirement age may have an impact on your investment profile.</p>												
<p><b>Pensionable Salary</b></p>	<p>Annual Basic Salary as advised by the Employer</p>												
<p><b>Pension Contributions</b></p>	<p>If you are automatically enrolled into the plan you will initially contribute 3% of your Pensionable Salary until April 2018 You can choose to pay more than this if you wish to do so.</p> <p>Thereafter your contributions will increase in line with auto enrolment legislation, as shown in the table below, unless you have chosen to pay more:</p> <table border="1" data-bbox="560 1126 1401 1458"> <thead> <tr> <th>Phasing</th> <th>Your Contribution</th> <th>Employer Contribution</th> </tr> </thead> <tbody> <tr> <td><b>First Transitional Period</b> Staging Date to 05/04/2018</td> <td>3.00%</td> <td>5.00%</td> </tr> <tr> <td><b>Second Transitional Period</b> 06/04/2018 – 05/04/2019</td> <td>3.00%</td> <td>5.00%</td> </tr> <tr> <td><b>Steady State</b> 06/04/2019 - Onwards</td> <td colspan="2">Total 9% (Min. Employer 4%)</td> </tr> </tbody> </table> <p><b>Please note:</b> You will automatically get tax relief at the basic rate of 20%. Aegon claims the basic rate tax relief from HM Revenue &amp; Customs (HMRC) and adds it to the pension pot.</p> <p>For example if you want to make a £100 contribution you'll only need to pay £80 into the pension scheme. Aegon reclaims £20 from HMRC making up the pension pot to £100.</p> <p>If you are a higher or additional rate taxpayer you can claim any extra tax relief due through your tax return or by contacting HMRC.</p> <p>The table above shows the total contribution to the scheme including this tax relief.</p>	Phasing	Your Contribution	Employer Contribution	<b>First Transitional Period</b> Staging Date to 05/04/2018	3.00%	5.00%	<b>Second Transitional Period</b> 06/04/2018 – 05/04/2019	3.00%	5.00%	<b>Steady State</b> 06/04/2019 - Onwards	Total 9% (Min. Employer 4%)	
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	<p><b>NB</b> Although you are offered the opportunity to select between different contribution percentages, the category is set up on the Aegon system to only show the minimum contributions on the summary screen. This does not mean that any additional contributions you choose to make are not being applied, but you would need to click through to view your own policy details to see confirmation of what this is.</p>
<p><b>Projections to Retirement</b></p>	<p>With your policy documents Aegon will provide an illustration or projection to retirement of what you could expect to receive at retirement. This is specific to your date of birth, pensionable salary, contributions, retirement date and fund selection.</p> <p>If you would like to get an idea of this before you decide to join the Plan, then please go to:</p> <p><a href="https://www.moneyadvice.service.gov.uk/en/tools/pension-calculator">https://www.moneyadvice.service.gov.uk/en/tools/pension-calculator</a></p>
<p><b>Annual Allowance</b></p>	<p>The Annual Allowance is the maximum amount that can be saved in a registered pension scheme per tax year and still qualify for tax relief.</p> <p>The 2016/17 Annual Allowance is £40,000. Individual contributions in excess of the Annual Allowance will not be tax-deductible, and will be taxable as a benefit in kind if made by an employer for the benefit of an employee.</p> <p>Employee/Personal contributions are limited to the lower of 100% of salary or the Annual Allowance.</p> <p>Contributions exceeding the Annual Allowance can be offset against any unused allowance from the previous three tax years based on a notional Annual Allowance provided the individual had a registered scheme in place in the tax year concerned.</p> <p>Further details can be found on the HMRC website: <a href="http://www.hmrc.gov.uk">http://www.hmrc.gov.uk</a></p> <p>Advice should be sought by a Financial Advisor if you are in this position.</p> <p>A new Tapered Annual Allowance will be introduced from April 2016 for those with an income of over £150,000. However, income will include the value of any employer pension contributions.</p>

	<p>For every £2 of income over £150,000, the annual allowance will be reduced by £1, down to a minimum of £10,000. This means that once income reaches £210,000, the annual allowance will be £10,000.</p> <p>There will be a threshold of £110,000 of income (excluding pension contributions) below which taxpayers will not be subject to the Tapered Annual Allowance. However, anti-avoidance rules will apply so that any salary sacrifice set up on, or after, 9 July 2015 will be included in the threshold definition.</p> <p>For individuals who are not impacted by the new Tapered Annual Allowance their Annual Allowance will remain at £40,000</p>
<p><b>Default Investment Fund Choice</b></p>	<p>Mercer have reviewed and designated a suitably appropriate Lifestyle Profile as the Elect Default Investment Fund. It is the Aegon 50/50 Global Equity Index Lifestyle which will be selected automatically. The Lifestyle profile means that the funds will gradually be invested in lower risk funds in the six years approaching retirement.</p> <p>Once you are enrolled Aegon will email you online access details which you should use to access your account and change your investment choice as directed should you wish to select an alternative fund.</p> <p>The default investment is currently a passively managed fund with an investment charge of 0.05%. If you do choose to invest in other funds then higher investment charges may apply. Mercer will monitor and periodically review the lifestyle option and its continued suitability in conjunction with Aegon, which could result in changes being made in the future if appropriate. Should any changes be made, you will be notified at such time.</p>
<p><b>Aegon Retirement Choices (ARC)</b></p>	<p>ARC is a workplace saving solution (or online savings platform) with a variety of products, tools and investment options which gives you flexibility with the pension plan and other savings products (including ISA). Go online at to find out more:</p> <p><a href="https://my.aegon.co.uk/Mercer-Elect/index.htm">https://my.aegon.co.uk/Mercer-Elect/index.htm</a></p>

<p><b>Annual Management Charge</b></p>	<p>0.60% is the Annual Platform Charge (APC) 0.05% is the minimum fund charge (for passive funds) 0.65% is the total AMC deducted to passive funds</p> <p>Please refer to provider literature (available online) for additional charges payable if you choose to invest in any alternative funds.</p>
<p><b>Parental Provisions</b></p>	<p>During periods of paid parental leave:</p> <ul style="list-style-type: none"> <li>- Employer contributions continue to be based on normal pensionable salary</li> <li>- Employee contributions are based on actual pay received</li> </ul> <p>During periods of unpaid leave, no contributions will be paid, but pension funds will remain invested with the provider.</p>
<p><b>Retirement</b></p>	<p>Essentially there are four options at retirement. Under the following 4 options, 25% of the pension savings you are taking can usually be tax-free, with the remainder subject to income tax rules.</p> <p><b>Option 1: Pension</b> You will be able to buy a pension for life, known as an annuity, where you will receive a guaranteed regular income until death.</p> <p><b>Option 2: Income drawdown</b> You will be able to enter into an income drawdown facility where you can leave your pension savings invested and withdraw money as and when you like.</p> <p><b>Option 3: Cash</b> You will be able to take all or some of your pension savings as a taxable cash lump sum and then decide yourself how to spend, invest or save it.</p> <p><b>Option 4: Combination</b> A combination of some, or all, of the above.</p>

	<p>To assist you in retirement with respect to Option 1, the Mercer Annuity Service is offered in conjunction with the Open Market Annuity Service (TOMAS), to assist you at the point of retirement. TOMAS will search the open market to ensure you get the highest pension possible for your given requirements and by shopping around, including whether you may qualify for an enhancement on health grounds, could increase your pension. This service means you will have the option to buy your pension with Aegon or with another insurer in the open market. You are not required to pay a fee for this service, TOMAS will be remunerated by Commission payable from the Annuity provider.</p> <p>There is a dedicated website, which is free and part of the service <a href="http://www.mymercerannuity.com">www.mymercerannuity.com</a> which explains the service in more detail, provides useful information and also a quick quote service.</p>
<p><b>Death Benefits From The Plan</b></p>	<p>The value of your individual account would become available to provide a lump sum and/or a pension for your dependants in the event that you were to die before retirement.</p> <p><b>NB</b> The death benefits from the pension will be paid out by Aegon, so the Expression of Wish form included with your post sales pack should be returned directly to them.</p>
<p><b>Mercer Remuneration</b></p>	<p>The Elect pension is a fee-based arrangement, with no commission or consultancy charge being deducted from the member's funds.</p>
<p><b>The Enrolment Process</b></p>	<p>When you sign your contract of employment, you will be entitled to join the pension scheme from that date. This process will be managed on behalf of your employer by the Pensions Team of the Assembly's HR Office and you will receive confirmation from the Pensions team.</p> <p>You will be enrolled online, where you will be able to access your account and change your investment choice, should you wish to do so. Once this has been done, Aegon will send you a verification/activation email. You therefore need to ensure your Employer and the Pensions team has an up to date email address for you on file. You will need to follow the instructions in order to benefit from the full range of tools, resources and policy access on ARC.</p>
<p><b>Notice Periods</b></p>	<p><b>For you to cease or amend your contributions:</b> One month notice in writing to the Pensions Team of the Assembly's HR Office at <a href="mailto:pensions@niassembly.gov.uk">pensions@niassembly.gov.uk</a>.</p>



**Enclosures**

This summary must be read in conjunction with the Aegon online literature.

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**June 2016**