



Automatic Enrolment: Everything you need to know



Don't worry,
we'll talk you
through it!





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Welcome to the Automatic Enrolment guide

For some time now the Government has been worried that many of us in Great Britain and Northern Ireland aren't properly prepared for retirement and won't have enough money to live on when we come to retire. So to help us, everyone who meets the eligibility criteria will automatically be enrolled into a pension scheme through work. This is called 'Automatic Enrolment'.

It's nothing to worry about and gives you an opportunity to save for retirement. Plus your employer will pay into your pension on top of your own contributions – and it's all tax-free. Our family, the Bolts, will take you through everything step by step, to help you get a better understanding of your options right from the start.

"Retirement might seem like a long way off to some of you, but the longer you save, the better your future is likely to be. Automatic Enrolment allows those of you who might not otherwise have had a pension to build up money over time."

Ian Cheshire, CEO, Kingfisher



Introducing the Bolt family

We're the Bolt family. We're a friendly bunch who understand all about Automatic Enrolment and are here to help explain it to you. We all have different circumstances, work different hours, earn different amounts and are different ages – so some of us will be automatically enrolled and some won't. This doesn't mean we can't still join the Kingfisher Pension Scheme – Money Purchase section (the Scheme) voluntarily, because we can. We'll explain how it works later – but first, meet the Bolts.



I'm Barry

I'm the manager and I look after the group and let everyone know what's happening.

I'm Lulu

I'm the HR manager and work alongside Barry to help everyone understand what's happening.



Now meet the rest of the Bolts – the colour of each bolt will help you link them with the information in your attached letter.

I'm Tommy

I'm 26, work in Great Britain and Northern Ireland and earn about £13,500 a year. I'll be automatically enrolled into the Scheme because I meet the age and earnings criteria for Automatic Enrolment.



I'm Deirdre

At 68, I'm over State Pension age, which means I won't be automatically enrolled, but can choose to join the Scheme voluntarily at any time.




And I'm Sanjay

At 20, I'm the youngest. I don't meet the criteria yet because of my age and earnings, although I can join voluntarily if I want.





**Do you qualify?
We'll help you find out**



I'll be automatically enrolled because...

If like **Tommy**, you answer 'yes' to all the following questions, you'll qualify and will be automatically enrolled into the Scheme.

- Are you aged 22 or over?
- Are you under the State Pension age?
- Do you work (or usually work) in Great Britain or Northern Ireland?
- Do you earn at least £10,000 per year* (£833 a month) – through either full-time or part-time work?

If you don't meet all of the above criteria, you will not be automatically enrolled but you can still choose to join – so please contact Kingfisher Group Pensions.

*This figure is correct as at 6 April 2014.

We won't be automatically enrolled



Automatic Enrolment aims to give the majority of people in Great Britain and Northern Ireland a workplace pension. Every employer is different. We have a huge variety of people working for us, and the criteria for Automatic Enrolment may not apply to all of you. But don't worry – remember even if you are not automatically enrolled, you will still be able to join the Scheme.

Let's hear from the Bolt family again:

Deidre here...

If you're like me, you'll fall into the second box within your letter. You could be over State Pension age, or aged between 16 and 21 – but either way, you're working in Great Britain or Northern Ireland and earning £10,000 a year or more (£833 a month). We won't be automatically enrolled, because although we have met the earnings criteria, we haven't met the age criteria. However, we can join the Scheme at any time and it's easy to do.

It's me, Sanjay

If like me, you'll fall into the third box within your letter. You're aged over 16, work in Great Britain or Northern Ireland and earn less than £10,000 a year (£833 a month), you won't be automatically enrolled because you have not met the earnings criteria – although again, you can join the Scheme voluntarily at any time.

If your circumstances change (for example, if you reach age 22 and also start to earn at least £10,000 a year) you will become eligible. Once you're eligible, you'll be automatically enrolled into the Scheme within a month or so.



Here's how Automatic Enrolment works

We'll talk you through the details later, but for now, here are the basics...

- If you are eligible, you will be automatically enrolled into the Scheme
- Every month you'll contribute a fixed amount of your basic pay (before tax) into your work pension, and your employer will contribute too. This means you get the advantage of their contributions on top of your own, which you may not get in a private personal pension. You will also receive tax relief on your payments
- Your employer will set up the pension for you and, together with the Scheme administrator, Zurich will take care of most of the administration. You will be kept informed about any choices you need to make, so less hassle for you
- Once you have been automatically enrolled, you'll have the option to opt-out if you want to. If you opt-out within one month of your automatic enrolment date, the contributions you have paid in will be refunded to you
- You will still be entitled to the Basic State Pension when you retire. As this is only approximately £100 a week*, your workplace pension could give your retirement income a valuable boost
- When you retire, it could be comforting to know that you will hopefully have enough money to do all the things you want in retirement

*This figure is correct as at 6 April 2014.

So how much do you pay in?



Once you've been automatically enrolled:

- You will need to pay in 1% of your basic pay each month
- Your employer will pay in 2% of your basic pay on top
- You will receive tax relief on all the contributions you have paid

So basically, for every £100 of your basic pay, you will put in £1 and your employer will put in £2. That's a grand total of £3 for every £100. This might not sound like a lot at the moment but it will soon add up over time – and you'll have the added benefit of tax relief on your contributions. Your payroll will claim tax back from the Government at the basic rate of 20%, which means that for every £80 you pay into your pension, £100 goes into your pension pot.

If you want, you can pay an additional 0.25% contribution to provide you with an extra benefit in case you had to retire due to Total Incapacity while you were working for us. For more information about the Additional Incapacity benefit, please refer to the Scheme's Member Guide.

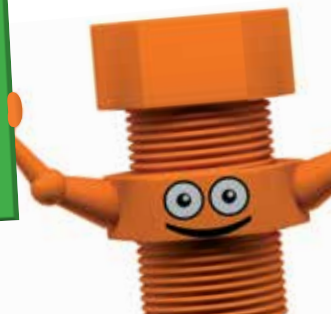
How my pension will work for me

I'm 26 and work full time. I earn £13,500 a year which is £1,125 a month.
So 1% of my monthly basic pay is £11.25.

Tommy's 1% monthly contribution	His employer's 2% contribution	Total monthly contribution	Tax relief at 20%* of Tommy's contributions	Total monthly payment
£11.25	£22.50	£33.75	£2.25	£36

When I retire at 67, I'll have a pot which will give me an annual income.
If I decide to increase my monthly payments, my pot could go up, too.
To see how much your pension could be, use the handy Pension Planner at www.kingfisherpensions.com

*Basic tax rate





Look at all the benefits and features

Being automatically enrolled into a work pension is a legal requirement.

- The contributions that you and your employer make will build a new pension pot in your name, which is yours to keep even if you move jobs in the future.
- After three months of Scheme membership, many active members will automatically begin to pay contributions via SMART Pensions. This could reduce the amount of National Insurance you pay and therefore increase your take-home pay. If you will not benefit from SMART Pensions, we won't automatically include you. Look out for the change on your payslip.
- As both you and your employer are paying in, your pot can grow more quickly than if you were saving on your own. Your pot will be invested in the Scheme's default fund called the Lifestyle 10 Year, although once you have been automatically enrolled you can change this if you want. To find out more about this and all the other funds available, please visit **www.kingfisherpensions.com**
- You'll be able to go online to see how much has been paid into your pension, and to check the overall value. You will also receive an annual benefit statement.
- To make sure your pension is there for when you need it, you can use your pot to buy a retirement income only when you retire – not before.

Of course the main benefit of Automatic Enrolment is that it provides an opportunity to save towards retirement.



You don't have to move a muscle to benefit

As long as you're eligible and have been employed by the company for two months or more you will be automatically enrolled into the Scheme. The good news is that if you would like to stay enrolled, you don't need to do a single thing. Just sit back and you'll start saving money each month to provide you with an income in retirement.



Here's what happens next...

- If you're eligible, you will be automatically enrolled into the Scheme
- You'll then receive a Welcome Pack from Zurich (the Scheme administrator), to confirm that you have been enrolled. This will tell you all about the Scheme, the benefits that come with it and your options. You can then decide what you'd like to do next
- Once you are automatically enrolled into the Scheme, you will have the option to opt-out. This will be explained in Zurich's Welcome Pack
- In addition, you can choose to pay in extra contributions to help grow your pension pot faster, and choose how your funds are invested. Zurich will provide full details of these options. You can also find more information at **www.kingfisherpensions.com**
- Remember, you can still join the Scheme at any time, even if you are not automatically enrolled



It's your choice if you'd like to opt-out

After you've been automatically enrolled into the Scheme, you can opt-out at any time if you choose to. Zurich will explain the next steps in the Welcome Pack which they'll send you to confirm that you have been enrolled into the Scheme.

If you opt-out within approximately one month of your enrolment date, you will be treated as if you were never a member of the Scheme at all, and any payments you have made up to that point will be returned.

Please note that if you choose to opt-out of the Scheme, by law your employer must re-enrol you into the Scheme approximately every three years, providing you continue to meet the eligibility criteria. You will still be able to opt-out each time.

You will be re-enrolled into the Scheme roughly every three years, providing you continue to meet the eligibility criteria.



How to join

If you decide you want to start paying into the Scheme either because you have not been automatically enrolled (like Deirdre and Sanjay) or you've opted-out and have now changed your mind, you can do this at any time. All you need to do is complete, sign and return a 'Joining Form', which is available to download from www.kingfisherpensions.com or on request from Kingfisher Pensions Department.

So what happens if you leave?

When you leave the company, both you and your employer will stop contributing to your pension. Of course, if you change jobs and still qualify for a pension with a future employer, you will then start an additional pot with them, which will work in a similar way. When you retire, you can bring your different pension pots together into a single pension plan.

If you leave your current employer but remain in the Kingfisher Group (and continue to meet the eligibility criteria), your new employer will automatically enrol you into the Scheme – even if you opted-out before under your previous employer. If you have not opted-out, you'll simply remain a member of the Scheme and carry on paying in as normal.





Three important questions answered



Q. How do I know if I will be automatically enrolled?

If you meet all the criteria explained on page 6 you will be automatically enrolled. You'll receive a Welcome Pack from Zurich to confirm this. The pack will also tell you how to opt-out, if you wish to. To find out if you could be eligible, use the handy Automatic Enrolment Quiz at www.kingfisherpensions.com



Q. Can I change my mind at a later date?

Yes you can. You will be free to leave the Scheme whenever you like and no further contributions will be taken out of your pay, however you may not get a refund of the contributions you've made by that date. Your pot will remain invested in the Scheme until your normal retirement age, or until you choose to transfer it into another pension plan.



Q. What are the benefits of staying in the Scheme?

- It's a tax-efficient way of saving for your retirement, as you'll receive tax relief on all the contributions paid in
- Your employer also contributes to your retirement account
- Once you've joined, you can make your own investment choices from the range of funds on offer, if you wish to
- As an actively contributing member of the Scheme, your Death in Service benefit cover will increase to four times your salary



So what happens next?

If you'd like to join the Scheme before being automatically enrolled, you will need to complete, sign and return a 'Joining Form'. This is available to download at www.kingfisherpensions.com or on request from the Kingfisher Pensions Department.

- We will assess you at the end of each month and if we find you meet all the criteria, you will be automatically enrolled and will be sent a Zurich Welcome Pack confirming this. The pack will also provide information about how you can opt-out if you want to. Please make sure you check your payslips to see if you have been automatically enrolled
- If you do not meet the criteria, we will assess whether you are eligible to be automatically enrolled each month from then onwards. When you do become eligible, you'll receive a Zurich Welcome Pack within the month you have been automatically enrolled, confirming this. This will also provide information about how you can opt-out





Definitions

Basic pay

Basic pay includes the contractual amount that you are paid every month but also includes certain allowances such as regional and acting-up allowances. It excludes car allowances, any overtime you are paid, commission and bonuses. For further information please visit www.kingfisherpensions.com

Earnings

Earnings is defined under the legislation to take into account everything that you are paid, including your basic salary, commission, overtime, allowances that you receive (including regional allowances and car allowances). It also includes bonuses.

Salary

This is your contractual pay and does not include commission, overtime, allowances that you receive (including regional allowances and car allowances) and bonuses.

Qualifying Pension Scheme

Under legislation, the Scheme must be a workplace pension scheme, be tax registered, meet certain minimum standards and we, the employer, must make contributions into it on behalf of eligible employees.

Want more info? We'll fill you in

If there's anything else you'd like to know about Automatic Enrolment, pensions or saving for retirement, please visit

www.gov.uk/workplacepensions

Plus you can find pension information and planning tools at

www.kingfisherpensions.com

Alternatively, you can contact Kingfisher on **08456 807 060**

or email pensions@kingfisher.com

This booklet is for information only and does not confer any substantive rights. Automatic Enrolment is governed by the legislation. Rights under KPS-MP are governed by the Scheme's Trust Deed and Rules, which include provisions whereby the Scheme may be amended or terminated. If there is any inconsistency between this booklet and the legislation or the Trust Deed and Rules, the legislation or Trust Deed and Rules will prevail.