STRAWBERRY
WORKPLACE PENSIONS

Employer Guide

For more information, please visit www.strawberrypensions.org.uk

For Employers

Welcome

The law on workplace pensions has changed to make it easier for millions more people to build up a pension, particularly those on lower incomes. Since October 2012, automatic enrolment legislation is being rolled out to help workers save more for their retirement.

Automatic enrolment means that, rather than having to actively choose to join a pension scheme, workers are put into one by their employer as a matter of course. If they don't want to be in the pension scheme, they must actively choose to opt out. It's to encourage people to stay in pension saving.

By 2018 all employers need to automatically enrol workers who meet certain criteria into a workplace pension scheme if they are not already in one. Other entitled workers will need to be enrolled if they request it.

The timing of when you will automatically enrol your workers depends on the number of employees. Very large employers first started in October 2012, the Pensions Regulator will send you a letter with the exact date, or you can check on their website.

You will need to plan carefully to make sure that you meet the guidelines: you will need to make sure you enrol the right workers and make the right contributions to the pension scheme. This can be referred to as Automatic Enrolment compliance which you can either do yourself or use an adviser, and use software to save you time.

The Trust Pensions is part of the Corporate Pensions Trust, which has been designed specifically for auto-enrolment, to help employers comply with the new laws on automatic enrolment in the simplest, smartest and cheapest way possible.

Our website makes it easy for you to sign up and confidently comply with the rules if you have all information to hand. We also use an entirely online and hassle free administration system to improve communication and keep costs down.

Our scheme has been designed around the government's new guidelines for workplace pensions, aiming to deliver 'best practice' investment and administration. It's our responsibility to ensure the scheme continues to deliver good retirement outcomes for current and past members. Like NEST, the government-backed scheme, we use highly governed age-based funds that simplify the savings journey for members, so that investments remain suitable on an ongoing basis. Unlike NEST, there are no restrictions on contributions, transfers in and transfers out.

We believe the 0.75% member charge for the 'Do it for Me' default investment option represents good value for money. We ensure that a professional fund manager is always looking after members' savings carefully. We also make sure that a reliable administrator is doing the record keeping.

The scheme's administration system is compatible with most payroll or Automatic Enrolment Compliance Software ('middleware') that you may already use.

You will need to find out the date by which you need to be ready to comply with the new laws and how they will apply to your workers. You can do that at The Pensions Regulator's website: *www.thepensionsregulator.gov.uk*

Contents

Who runs the scheme?

The scheme is run by an independent trustee company called Bridge Trustees Limited, a 100% owned subsidiary of Eversheds, a large global law firm. It is the responsibility of the Trustees to manage the Trust in the best interests of the members.

Protecting your interests

The Trust has been designed from the outset to achieve the highest standards of governance and independence, as informed by the Department for Work and Pensions, The Pensions Regulator's guidance and the Office of Fair Trading recommendations.

The scheme has a Governance Committee to represent the best interests of the members and has oversight of, but not responsibility for, Trustee decisions.

For further information please write to the Trustee (all contact details are in the **Find Out More** section).

Your new pension duties

The Pensions Act 2008 established new duties for all UK employers with at least one worker.

You'll need to:

- Provide your workers with access to a workplace pension scheme that meets certain minimum standards.
- Automatically enrol some of your workers, while others can ask to join.
- Pay contributions into the retirement pots of your workers, depending on how old they are and how much they earn.

Staging Date: When do you have to be ready?

The new law is being introduced in stages: the date by which you need to have a scheme in place and be ready to auto-enrol your workers is based on the number of employees that were on your payroll on 1 April 2012.

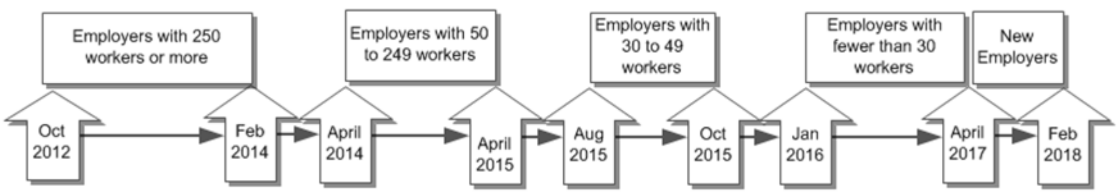
You can find out your individual staging date at The Pensions Regulator's website *www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx* using your PAYE number.

The Pensions Regulator has assigned a staging date to your PAYE number. If you have more than one PAYE reference your staging date is normally based on the PAYE reference with most employees.

The Pensions Regulator will write to you at least 12 months before you need to have a pension scheme ready.

You can choose to enrol your workers into a scheme ahead of your staging date. You can only choose a date from the list of available staging dates from The Pensions Regulator's website. You will need to tell us and The Pensions Regulator a month in advance.

You can also choose to postpone the date that you automatically enrol your workers by up to three months. You will need to be signed up and have the scheme ready to accept workers who ask to enrol: workers will have the right to opt in on your staging date.



Who'll be enrolled?

Employers have to automatically enrol workers who:

- Are not already in a workplace pension scheme
- Are aged 22 or over
- Are under State Pension age
- Earn more than £9,440 in the 2013/14 tax year and £10,000 in the 2014/15 a year (this figure may change each April) and
- Work, or usually work, in the UK.

Please note: The Pensions Regulator calls workers who meet the above conditions **'eligible jobholders'**.

You'll also need to enrol the following workers if they ask you to:

- Workers who are under 22, are State Pension age or over, or earn less than £10,000 but over £5,772 a year for tax year 2014/2015, called '**non-eligible jobholders'**.
- Workers who earn less than £5,772 2014/2015 a year, called '**entitled workers'**.

You'll need to make contributions for non-eligible jobholders as well and you can choose to make contributions for 'entitled workers', but you don't have to.

Letting your workers know what's happening

You have a legal responsibility to let your workers know how the reforms affect them, even if they are not eligible for automatic enrolment. That means telling them:

- Whether they are being automatically enrolled or have the right to opt in
- Whether they are entitled to contributions from you and how much they will need to contribute
- About the scheme you have chosen
- When they will be affected

We give you all the information you need to communicate to your workers to make it easy for you to comply with the laws on automatic enrolment.

Opting Out

Eligible jobholders and **non-eligible jobholders** can opt out within one month of their enrolment. If they opt out you'll need to refund any contributions they've made and treat them as if they were never enrolled. Workers can choose to stop contributions after the opt-out period. They may be entitled to a refund.

We make it easy for workers to opt out online, using their own secure account at the Member Access Portal, **MAP**. They can also opt out by giving you a paper form.

Employers have to automatically enrol all workers who have opted out or have left the scheme (as long as they are eligible) every three years after the original staging date. The employer can do this on any date during the three months before the anniversary of the staging date, or during the three months after.

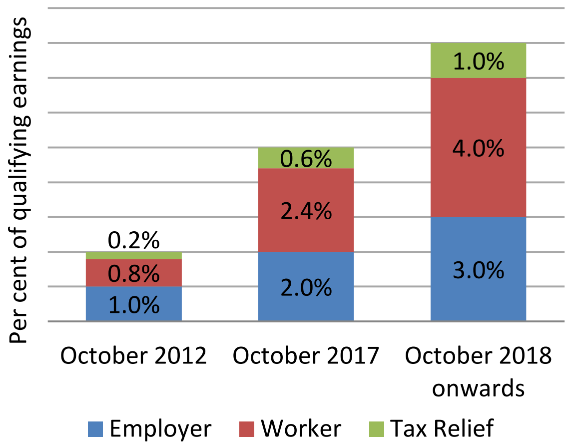
Contributions

The government has set a minimum amount of money that has to be put into the pension by employers and in total. This minimum is starting low and will go up gradually over a number of years.

The legal minimum for all jobholders is currently 2 per cent of their 'qualifying earnings'. Of this, the employer will have to pay at least 1 per cent, but you can pay more if you want to.

Qualifying earnings are your worker's earnings in a year between £5,668 and £41,450 for the 2013/2014 tax year and between £5,772 and £41,865 for the 2014/2015 tax year. Please note these earnings figures may change each April.

The total legal minimum contribution for qualifying earnings rises to 8 per cent of qualifying earnings from October 2018 onwards, of which you must pay at least 3 per cent.



Different ways to work out minimum contributions

- The legislation sets out the minimum contribution levels depending on the earnings definition you use.
- You don't have to use qualifying earnings to work out contributions for jobholders. For example, you could use your existing definition of pensionable earnings if you already have a scheme in place or you might find it easier to use total pay.
- The Pensions Regulator has an online tool to help you work out your minimum employer contribution. You can find it at: *http://www.thepensionsregulator.gov.uk/employers/tools/employer-contributions.aspx*
- The scheme allows you to use a definition of earnings that suits your organisation as long as it satisfies the regulatory minimum.

Planning Tools

The Pensions Regulator's website has a series of online tools to help you understand what you need to do for automatic enrolment and when you need to do it by.

- **Staging Date Calculator**: to find out your staging date.
- **Employer Duties**: an overview of what you'll have to do by your staging date for everyone who works for you
- **How to automatically enrol your staff**: an explanation of the process you'll need to follow to automatically enrol your staff.
- **Contribution Calculator**: to work out your minimum contribution for each person you'll need to automatically enrol.
- **Automatic Enrolment Planner**: summarises the main steps towards achieving compliance.

You can find these tools at: *www.thepensionsregulator.gov.uk/employers/beginners-guide-to-auto-enrolment.aspx*

How we can help

Designed for Automatic Enrolment

The scheme has been specially designed to help employers comply with their duties under automatic enrolment in the simplest way possible.

We have started with the guidance from The Pensions Regulator and The Department for Work and Pensions (DWP) and built a pension scheme which we believe represents 'best practice'.

We have designed the online tools to make it straightforward for you to sign up and set up the scheme:

Employer Tools

- You can sign up online using a dedicated employer web-portal Sign Up Now, **SUN**. You fill in an online form which creates a **Deed of Participation**. You sign this confirming that you will adhere to the rules of the scheme, and send the document to us in the post.
- After initial set-up, we provide entirely paperless processing.
- You can ask your adviser to log-on and manage your contributions for you.
- We've created an **App** for members and employers with all the information they will need about the scheme.
- The **App** includes an **Illustrator** to show members how much they are likely to get in retirement, using an outcome-based estimation.

Value for Money

We believe the scheme represents good value for members. Member charges are 0.75% for the 'Do It For Me' (default) investment option of the value of their retirement pots each year to cover investment and administration.

How our charges compare

Charges for pension schemes vary depending on the investment and administration costs of the scheme. The structure of charges also varies from scheme to scheme.

The DWP considered implementing a price cap for schemes used for automatic enrolment of 0.75% to 1.0%. Our scheme's charges are at 0.75%, which is at the lower level of the proposed cap. We consider this to be good value for money given the extent of fiduciary oversight of the Scheme's governance.

Clear communications

You will need to tell your workers about automatic enrolment and how it will affect them. You need to do this according to a timetable set in the new pensions legislation.

We will provide communications that will include what you need to tell your workers about the pension scheme. All our communications are based on the government's research into how to help people understand pensions, so you should have fewer difficult questions from your workers.

The optional auto-enrolment compliance hub **Real-time Automatic Enrolment (RAE)** will send the communications according to a schedule based around your staging date, making sure workers get them at the right time. Information will also be available for members and employers in the Member Access Portal (**MAP**) and on the **Member and Employer App**.

Outsourcing
When you sign up to the scheme, you can choose whether you want your adviser or an Employee Benefits Consultant to manage your account on your behalf. They will get their own log-in and will be able to manage your contributions.

Using the scheme
The scheme is completely flexible and can be used as your sole pension scheme or alongside an existing or different scheme.

- **Sole scheme**: You can use the scheme for all your workers.
- **Dual scheme**: You can use our scheme alongside an existing scheme. For example, you can use it just to enrol new workers.

Real-time Auto Enrolment (RAE) compliance hub (Optional)
Unless you have one already, you can use the Automatic Enrolment compliance hub, provided by our administrator, that manages your worker information, contributions and communications.

This service is a tried and tested process that helps you comply with your duties in a time-efficient and cost-effective way.

Using the Real-time Auto Enrolment (RAE) compliance Hub, you can:

- Manage your contributions
- Upload your data
- Send statutory communications to your workers according to a set timeline
- Update worker records
- View previous reports

Auto-enrolment is an employer obligation and there are rules that protect members from indirectly paying for employers' obligations. Therefore, there is a charge from the administrator to you for this optional service of £7 per worker per year which we believe is one of the most competitive rates in the market.

Our Investment approach helps you comply
Our investment approach has been specifically designed to represent 'best practice' in the context of automatic enrolment. It is designed to be in line with The Department for Work and Pensions and The Pensions Regulator's guidance.

Key features include:

- Highly governed age-based default investment strategy designed for all life phases
- Dynamic and sophisticated risk management that takes account of changing economic and market conditions
- Efficient fund structure that reduces the cost of administering the funds
- Professionally constructed, well diversified portfolios to give members access to a wide range of asset classes
- High levels of investment governance around the default fund to protect your members' money
- Focused range of fund choices for workers who want to choose their own investments.

'Do It For Me' option: BirthStar® age-based funds
The scheme's investment approach is specifically designed to help you comply with the government's new laws on automatic enrolment. We have built the investment

funds as a 'best practice' alternative to NEST, to meet The Pensions Regulators guidelines.

Unless members tell us otherwise, we invest their money into BirthStar® age-based funds. We offer an age-based BirthStar® plan for every year of birth, labelled by members' year of birth, to make the investments easy to understand. Unless members tell us differently, we'll assume they'll take their money out of the scheme on or around their

65th birthday, but we'll continue to manage their retirement pot until they have to take their money out aged 74. Whether members are approaching retirement or are a long way from it, we have a BirthStar® plan that is suitable for them.

For example, if they were born in 1970, they're automatically invested into a BirthStar® 1970 plan that has been designed to grow and manage the retirement pot for people their age, with an expected retirement age of 65 with a target date of 2035. If they want to specify a different expected retirement date, they can choose a different BirthStar® plan using the **Investment Options** form.

Each BirthStar® plan is managed according to the stage of life of the members in it. If members are older, for example five years from expected retirement, we'll manage their money in one particular way, making sure it's ready for them to take it out. If they are younger, for example thirty years from retirement, we'll manage their money differently, focusing on growing it as much as possible.

'Do it Myself' option: alternative fund choices

Some members may want their money to be invested in a way that aims to grow it differently from the **Do it for Me** option.

For these reasons, the scheme offers carefully selected alternative funds for members to choose from, for example risk-rated multi-asset passive funds. Full information is available on the **Investment Option** form.

It is important for members to check their investments regularly to make sure they remain suitable to their circumstances. This should help reduce losses, but it must be remembered that like any investment, the value of members' retirement pots could go up or down. For more information on savings and investments, please visit the Money Advice Service website at: www.moneyadviceservice.org.uk

Members can check their investments by signing in to their online account MAP (Member Access Portal).

Find Out More

To find out more about pensions and saving for retirement, you can go to:
www.gov.uk/workplacepensions

If you have any queries, need more information or want to make a complaint about the Scheme, please e-mail:
employers@strawberrypensions.org.uk

OR contact the Trustees at the address below:
TRUST|Pensions
PO Box 128
Swanley
Kent
BR8 9BJ

Pensions Advisory Service

The Pensions Advisory Service (TPAS) is available to help members and beneficiaries with any:

- Pensions query they may have.
- Difficulty they've failed to resolve with the Scheme.

You can find more about The Pensions Advisory Service at:
www.pensionsadvisoryservice.org.uk

Pensions Ombudsman

If you're still not satisfied once your complaint has been taken through our internal dispute resolution procedure and raised with TPAS, you can take your case to the Pensions Ombudsman.

The Pensions Ombudsman investigates complaints about how pension schemes are run. The service is free and open to people who have a complaint against those responsible for the running or administration of pension schemes.

You can find more about the Pensions Ombudsman at:
www.pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator (TPR) is the UK regulator of work-based pension schemes.

It works with trustees, employers, pension specialists and business advisers to protect members' benefits and encourage high standards in running pension schemes.

TPR is able to intervene in the running of schemes where trustees, providers or employers have failed in their duties.

You can find more about The Pensions Regulator at:
www.thepensionsregulator.gov.uk

Pension Scheme Details

TRUST|Pensions is part of the Corporate Pensions Trust, a multi-employer defined contribution only master trust, Pension Scheme Tax Reference 00805962RF.