



# Howdens Retirement Savings Plan

# Introduction

**Making a decision about your pension needn't be complicated. We've put together some handy information about The Howdens Retirement Savings Plan and all the benefits of saving for retirement.**

The Howdens Retirement Savings Plan (which we'll simply refer to as the Plan) allows eligible employees to save for their retirement and benefit from generous contributions from Howdens. Recently, this contribution has **increased from 6% to 8%** of your pensionable pay, so you can plan for an even better retirement.

The Plan is also tax efficient because, for the majority, deductions are taken from your gross salary, saving you Income Tax and National Insurance Contributions (NICs).



# How does it work?

## Choosing your contribution level

The Plan's default contribution amount is 4% of your pensionable pay, however, you can alter this to the level best suited to you. To help you decide visit the **Standard Life website** and get projections of your retirement income.

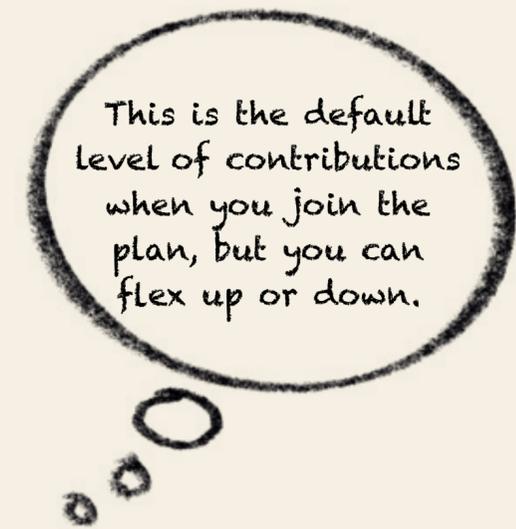
We appreciate that there may be periods where you find it difficult to commit to contributing any of your salary. For this reason we allow you to reduce your contribution and we will continue to contribute 8% of your pay to the Plan.

**If you choose to pay in more, we will support your commitment with up to 12% from us.**

If you pay	We pay	Total
8% or more	12%	20% or more
7%	11%	18%
6%	10%	16%
5%	9%	14%
<b>4%</b>	<b>8%</b>	<b>12%</b>
3%	8%	11%
2%	8%	10%
1%	8%	9%
0%	8%	8%

## Secure investment

Your retirement savings are invested in the Plan with Standard Life, a UK-based life assurance, pensions and long-term savings company. This money belongs to you, even if you leave Howdens in the future.



**Please note:** If you choose to pay less than 4% this will only apply until the following April or October when you will be moved back to the default contribution of 4% unless you choose to opt down again.

# The benefits



## It's flexible:

- Choose how much you contribute and where you invest contributions
- Change your investment choices at any time
- Choose how you take your benefits when you retire

## It's cost effective:

- We pay in at least 8% of your salary in contributions
- You save on Income Tax (and NICs in most cases)
- You benefit from reduced charges

## It's convenient:

- Contributions are automatically invested on your behalf each month
- You can manage your investments and view your retirement savings online at any time
- You can transfer other pension pots into this account



# How your savings could grow



**For the price of a daily cup of coffee you could be saving £300 a month towards your retirement.**

This example is based on someone who contributes 4% of their £30,000 salary and is a basic rate taxpayer in England, Wales or Northern Ireland.

Use our pensions modeller on MyBenefits to create your own personal example.

If you contribute  
**£100**  
At a cost to you of only  
**£66.80\***

We contribute  
**£200**

Giving you  
**£300**  
in your savings

This would give you  
**£3,600**  
in one year, or  
**£18,000**  
in five years

\*Because your contribution is deducted before Income tax and National Insurance. If you are an intermediate rate taxpayer in Scotland it will cost only cost you £67.

# How can I join?

**If you're over 22 and under State Pension Age you will be automatically enrolled into the Plan two months after joining the company.**

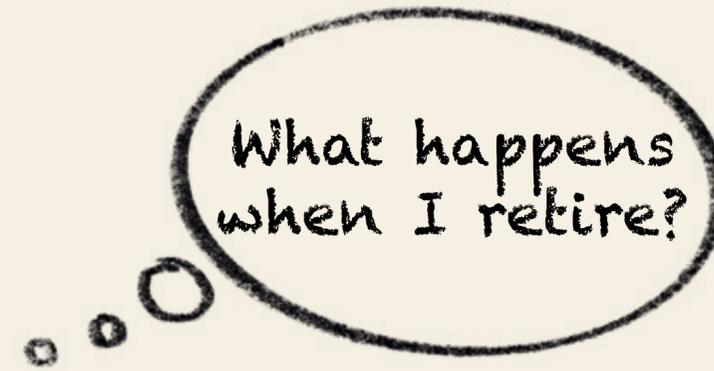
But you can still join the plan at any time. By completing the application form [here](#) and sending a copy to payroll.

If you enroll before the 9<sup>th</sup> of the month, your first contribution will be taken from your salary the very same month.

## How will contributions be invested?

You get to choose how your money is invested. However, to keep things simple, we initially invest your contributions in a fund where you need a low level of involvement in the selection of your investment options. Once you have received your joiner pack from Standard Life we encourage you to **register online** to see how your savings are performing, what your retirement income could look like and decide whether you need to change where your funds are invested.

You can find out more about your investment options [here](#).



## When can I take my retirement benefits?

Retirement age eligibility is currently from age 55 and the default in the Plan is your State Pension Age. You can select your desired retirement date upon enrolment.

## There are several ways to take your benefits at retirement...

**Flexible drawdown:** Receive a flexible pension income (25% tax free) directly from your fund when you retire, while leaving your money invested for further growth.

**Annuity:** Take 25% of your pension as a tax-free cash lump sum and buy an annuity (a guaranteed income for life) with the balance.

**Cash it all in:** Take all your savings as a cash lump sum (25% tax free) or as and when you need it.

## Did you know... you can also take benefits while you are still in employment if you wish.

**Please note:** If you take out more than 25% as a cash lump sum from the Plan (or any other pension arrangement you have) this may restrict the amount you can save into the Plan going forwards.

## What happens if I die before I retire?

Standard Life will pay the value of your Plan account to your nominated beneficiary(ies), usually as a lump sum.

**It is important that you complete details of your nominated beneficiaries on the Standard Life website or app, even if you have completed these details elsewhere in Howdens.**

If you die while employed by Howdens, there will also be a benefit from the life assurance of at least four times your base salary. This is a separate and additional payment to the Plan value. Again, it's really important for you to state your beneficiaries to the company. You can do this by completing the Expression of Wish form which can be found [here](#).

**Please note:** Although we'll take your wishes into consideration, we must consider your circumstances.

# Important information

## Investing carries risk

As with any investment, the value can fluctuate and may be worth less than what was paid in. If you need help choosing your investments, seeking professional financial advice is recommended.

## Potential contribution and benefits impact

Please be aware that some people may be impacted by the HMRC limits on tax efficient pension savings. Further information can be found [here](#).

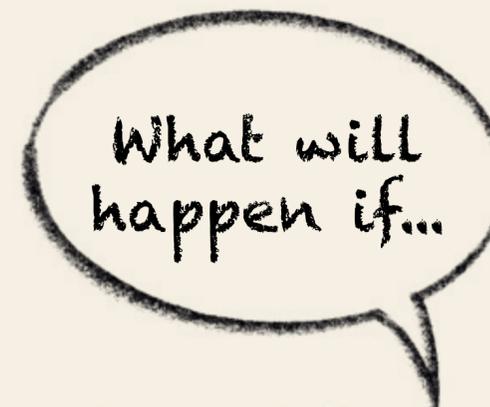
If you take more than 25% as a cash lump sum from the Plan or another pension arrangement, this can restrict future contributions.

If you believe you are affected, please talk to a member of the Pensions team.

The Company reserves the right to vary the Plan details and contribution levels from time to time at its absolute discretion.

The Howdens Retirement Savings Plan is open to all employees in the UK (excludes the Isle of Man, who have a different Pension arrangement).

# FAQs ?



## Can I change my contribution rate?

Yes, you can do this [here](#). Please note: if you choose to flex down below 4%, you will be moved back up to 4% in April and October.

## Will joining the Plan mean I can no longer contribute to a personal pension arrangement?

No, as long as total contributions don't exceed the annual allowance in any tax year. Further information can be found [here](#).

## What is my Plan number?

When you join the Plan, Standard Life will write to you and confirm your Plan number. You will need this to access your online information.

## What happens if I leave Howdens?

You will continue to benefit from preferential fees with Standard Life, with your pension savings converted into a personal pension and assigned to you.

## Do I need to claim tax relief?

No. Contributions are paid directly from your gross salary via Salary Exchange. However, if you opt out of Salary Exchange and are a higher rate taxpayer you will need to reclaim the higher rate tax relief via your tax return.

## Where can I get projections of my retirement income?

You can use the retirement income tool on the Standard Life website or via the app [here](#).

## Can I leave the Plan?

Yes. You may opt-out, but Company contributions will also cease to be paid into the Plan. We may have to re-enrol you into the Plan in the future to comply with Auto Enrolment legislation. Any contributions paid by you and the Company will be retained in the Plan. You can elect to re-join the Plan on a voluntary basis in the future.

It's worth reminding you that you can still remain in the Plan and benefit from company contributions, even if you opt to contribute 0%. If you still wish to leave the Plan altogether, you can re-join at any point in the future.

## Can I move my pension pots from other arrangements to the Plan?

Yes, you may be able to combine your pension arrangements. This can be done online via the Standard Life website or app. You may need independent financial advice depending on the kind of arrangement you are transferring from.

## How are the benefits paid on death?

Beneficiaries can normally choose how to take benefits from their share of your pension savings. This can be in the form of a single lump sum, buying an annuity with the provider of their choice, or taken as an inherited drawdown.

If you die before 75, the money they get will normally be tax-free.

If you die after 75, they will pay income tax based on their overall earnings.

They won't normally have to pay inheritance tax, and if the total value of all benefits is less than £1,073,100 (for the tax year 2020-21 and remaining so until tax year 2025-26), no lifetime allowance (LTA) tax charge will apply.

# Jargon buster

## Group Flexible Retirement Plan

These are personal pensions arranged by an employer and administered by an insurance company. For example, the Plan is administered by Standard Life.

The Plan also has a Governance Committee operated by the Company who meet on a regular basis to review the ongoing operations of the Plan (for example to review the suitability of the investment options and the quality of service provided by the Plan administrators).

## Salary Exchange

Salary Exchange is a common feature of many pension schemes. It lets you rearrange the way you make pension contributions by routing yours through the company into the Plan. This means you get the same amount paid into the Plan, but your payment is made in a different way. Howdens makes your pension contributions for you and your pay is reduced by an amount equal to those contributions.

The advantage of Salary Exchange is that your take-home pay increases. This is because the amount of money paid into the Plan by Howdens, which would normally be paid by you, is not subject to National Insurance (NI) - for you and the company. Find out more **here**.

## Life Assurance

For details of the Life Assurance cover provided to all employees, please refer to the employee handbook.

## Pensionable pay

This is your base salary (and basic-related payments, occupational sick pay and holiday pay) plus overtime, shift allowances, responsibility pay, bonus (where bonus is non-annual and you have not been advised it is non-pensionable) and first aid payments.



## Contact us

**If you have any questions about the Plan, please contact Standard Life:**

[www.standardlifepensions.com/howden/home/contact-us](http://www.standardlifepensions.com/howden/home/contact-us)

**You can also contact the Howdens pensions team:**

[pensions@howdens.com](mailto:pensions@howdens.com)

## MoneyHelper

If you've got a pension question, MoneyHelper can help make your money and pension choices clearer, putting you in control with impartial help that's on your side, backed by the government and free to use.

**Contact MoneyHelper at:**

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

## Manage your money on the go?

Download the Standard Life app today to manage your pension at a time and place that suits you. Search for Standard Life UK on the App Store or on Google Play.



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