HOWDENS

Standard Life

Build a brighter future with the

Howdens Retirement Savings Plan

Version 4: January 2025

Contents

References in this brochure to 'the Company' means Howdens and 'the Plan' means the Howdens Retirement Savings Plan.

Some important information

Laws and tax rules may change in the future. The information in this guide is based on Standard Life's understanding in March 2024. Your personal circumstances and where you live in the UK also have an impact on tax treatment.

A pension plan is an investment and as with any investment, the value can go down as well as up and may be worth less than what was paid in.

Welcome

When you joined Howdens it's more than likely that you were automatically enrolled in the Howdens Retirement Savings Plan - provided by Phoenix Life Limited, trading as Standard Life.

When you pay into a pension plan you get tax benefits from the government and Howdens will pay in as well. A company pension is one of the most tax-efficient ways of saving for retirement so you're already saving towards a better financial future.

What happens next?

Standard Life are here to not only manage your money but help you make the most of your pension savings – which starts with this guide.

1. **Think about how much to pay**

   You can pay more than the minimum amount into your pension plan. See **'How much should I pay in?'** on page 5 for more information.

2. **Think about where you want your money to be invested**

   The money paid into your pension plan is invested, so it's important to know what your options are. See **'Choose where my money goes'** on page 8 for more information.

3. **Make sure staying in the company pension is right for you**

   The Howdens Retirement Savings Plan may not be for everyone. You'll have one month from the date Standard Life confirms your membership to opt out or cancel.

   It might be a good idea to seek financial advice if you're unsure about any aspect of your company pension. If you don't have your own adviser you can find one in your area by visiting **www.unbiased.co.uk**

Step 1 - Why should I consider a pension plan?

How do you see your standard of living when you retire? For some, that might seem a long time from now, but the one thing most of us have in common is that we want to be comfortable in later life.

Planning ahead with your Howdens Retirement Savings Plan can help.

Hopefully, the decisions you make now will go some way towards getting you the lifestyle you want in the future.

We recommend you talk to a financial adviser before you make any investment decisions. If you don't have an adviser you can find one near you by visiting **www.moneyhelper.org.uk**

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:

- Howdens also pays contributions into the Plan
- You save on Income Tax (and National Insurance Contributions (NIC) 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

Step 1 - Why should I consider a pension plan?

Benefits of being a member of the Howdens Retirement Savings Plan

Myth	Reality
I don't need a pension plan - I'll just work a few more years to make up the difference.	This might not be enough. People are generally living longer healthier lives. If you don't join a pension plan, you might have to work a lot longer than you thought (the state pension age is likely to increase in the future). You might need to support yourself for 20 years or more in retirement.
The state pension plan will look after me when I retire.	The state pension is a good foundation, however the amount you will actually receive will depend on your National Insurance record. Some people could get more, many could get less, but you'd be surprised at how many people are not saving enough. For more information about the state pension go to **www.gov.uk/new-state-pension/what-youll-get**
I'm too busy to think about a pension plan. I have more important things to think about.	Everyone's busy. And things like mortgages, loans and credit cards can seem more important. Starting your pension plan as soon as you can could make a huge difference in the future.
I'm too young to think about a pension plan, I've got other things to spend my money on.	Dealing with student debt or buying your first home are probably foremost in your mind, but keep ignoring your pension and it could be too late. It's unlikely that you'll catch up to where you could have been had you started earlier. Starting to invest now can make things easier when you want to retire.

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. Sign-up via the Benefits Hub **here**.

If you enrol before the 10th of the month, your first contribution will be taken from your salary the very same month.

Can I leave the Plan?

Yes. You may opt-out, but Company contributions will also cease to be paid into the Plan. Howdens 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.

Step 2 - How much should I pay in?

You can alter your contribution amount to the level best suited to you. Changing your payments, even by a small amount, could make a big difference to your pension pot.

If you're serious about saving for your future, here are some guidelines:

Pay in as much as you can afford	Make sure your payments are realistic	Think about making additional one-off payments
but make sure you're not struggling financially	paying the minimum isn't likely to get you the retirement you want	if you have some extra money, think about putting it towards your pension savings

Remember, if you decide to pay more in to your pension plan, Howdens may pay in more too - giving your pension savings an even bigger boost. You'll also get tax benefits from the government on your pension payments.

You can find the contribution structure on the **Benefits Hub**.

How do I know if I'm saving enough?

The Retirement Income Tool will help you learn if your pension savings are on track for the lifestyle you want after you stop working. Find out:

- The projected value of your retirement savings
- If you're saving enough to meet your retirement goals
- If you have any shortfall.

Try the Retirement Income Tool **here**.

Can I change my contribution rate?

Yes, you can do this **here**.

You can use the contribution calculator tool on the **Benefits Hub** to see the tax and national insurance relief you will receive on your contributions. It also shows how much additional contribution from the Company you could gain from by increasing your contributions.

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

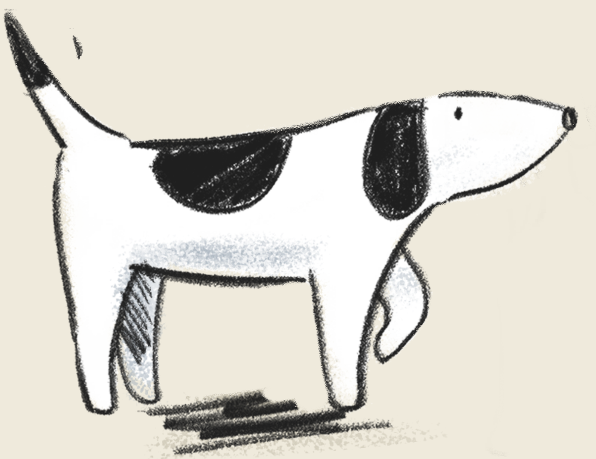
You can also transfer any old pension pot(s) into your Plan – having them all in one place could help you manage them better.

Transferring is not for everyone – you could lose valuable guarantees or benefits you have with your other plans. There's no guarantee you'll get a better retirement benefits, so you might want to speak to a financial adviser if you're unsure.

How to check my Plan's progress

The payments you make to your Plan aren't set in stone and you should review them regularly to see if you're saving enough.

An easy way to do this is to go onto the Standard life website and use the handy Retirement Income Planner to see what your pension pot might be worth at retirement – and what it might look like if you choose to increase your payments.



You'll find this and other tools on the Howdens Benefits Hub.

Step 3 - How are payments made?

Salary exchange, (sometimes referred to as salary sacrifice) is a way of making payments to your pension plan that could give you a higher take home pay than if your payments were deducted from your after-tax earnings instead.

Here's how it works

1. You agree to give up some of your salary (before tax) in exchange for an equivalent pension payment
2. Howdens takes this and adds it to their payment
3. The total amount is paid into your pension plan
4. Your salary exchange payment is treated and referred to as an employer payment
5. If you're paying through salary exchange, you don't claim tax relief on those payments, because you don't pay tax on the salary you give up

Because you've agreed to reduce your salary, you save on NI contributions and reduce the amount that's subject to income tax.

It's important to remember that salary exchange isn't right for everyone. It could affect your state benefits, other company benefits or your ability to borrow.

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For more details please read the guide **Information about tax relief, limits and your pension (GEN658)**, or speak to an adviser.

Further documents to help you understand how the Plan works can be found **here**.

Step 4 - Choose where your money goes

The money that goes into your pension pot is invested, so over time you will hopefully see it grow in value. Where the money is invested can make a big difference to the size of your pension pot at retirement. So it's important to know what your options are.

As a member of the Plan, there are various options for you to choose from. If you are not sure what to invest in, the investment option selected by Howdens could be an appropriate choice for you. By default, the money in your pension plan will be invested in the low-involvement option: Sustainable Multi Asset Drawdown Strategic Lifestyle Profile. Your money will stay invested in this option unless you decide to change where you invest. You should review this option to check it's right for you.

If you choose to be more involved and select your own funds, there are over 300 funds on the Standard Life platform and a core range of 12 investment funds, which are believed to be appropriate for members of the Howdens Retirement Savings Plan.

For more information, read the '**How to choose the right investment options for your pension**' guide.

And remember, no matter what you choose, you can change your selection at any time.

As with any investment, the value can go down as well as up and may be worth less than what was paid in. You may want to seek financial advice before making your selections.

Click here to find out more about your investment options.

Step 5 - What happens when I retire?

There are a range of ways for you to access your pension savings when you reach age 55 (rising to 57 from 6 April 2028).

Standard Life's support, guidance and planning tools could help you find the path that best suits you.

Join a free webinar to find out more about planning for your retirement, and put your important questions to Standard Life's live panel of experts. There are multiple dates to choose from each month and anyone can join.

Your money, your way

You can take your retirement savings in the following ways:

- take a flexible income
- buy a guranteed income for life (annuity)
- take it as a lump sum

You can even have a combination of the above options.

Flexible income

Flexible income, or drawdown, gives you the freedom to choose your own level of income and the flexibility to suit your personal needs. It is a flexible way to take income from your pension pot when you turn 55 (57 from 6 April 2028). You can usually take out up to 25% of your pension savings tax free, and the rest will stay invested. You can take out money whenever you like, but you'll pay income tax on anything over your 25% tax-free amount.

As your money remains invested the value can go down as well as up, you may get back less. You also need to consider the longer-term impact of making withdrawals from your pot because you could run out of money.

Guaranteed income for life

You can use some or all of the money in your pension plan to buy an guaranteed income for life (annuity). An annuity will provide you with a guaranteed regular income for the rest of your life so you'll have the peace of mind knowing that it won't run out before you die.

The amount of income you'll get depends on various factors, including your age and the amount of money in your pension pot.

When you reach 55 (57 from 6 April 2028) you can usually take 25% of your total pension pot tax-free then use the rest to buy a guaranteed income for life. If you prefer, you don't have to take the tax-free lump sum and can use your whole pension pot to buy an annuity instead. Keep in mind that the guaranteed income you get may be taxed.

Laws and tax rules may change in the future. Your own circumstances and where you live in the UK also have an impact on tax treatment.

Take a lump sum from your pension pot

Take a lump sum or a series of lump sums from your pension pot whenever you like. The first 25% is normally tax-free. If you take it all out as cash, you need to think about the tax you'll pay.

You'll also need to consider how your tax position is affected as taking this option could push you into a higher tax bracket.

Your options at retirement will always depend on your personal circumstances.

Whether you're thinking about flexible or guaranteed income for life – take time to shop around for the best deal. You could transfer your pension pot to another provider and you might get better retirement benefits.

Transferring will not be right for everyone. There are a number of points to consider, as you could be losing money by giving up any valuable benefits or guarantees that the Plan offers. Different charges may apply.

If you are in poor health, you should think carefully about transferring as by doing so there could be inheritance tax implications if you die within two years.

We recommend you seek appropriate guidance or advice to understand your options at retirement. From age 50 you can get free impartial guidance from Pension Wise, a service from MoneyHelper. Visit **www.moneyhelper.org.uk/pensionwise** or call **0800 138 3944**.

Pension Wise

MoneyHelper guides are also available at **www.moneyhelper.org.uk**.

What happens to your pension pot if you die before you retire?

When you die your remaining pot can be passed on to your beneficiaries. 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.

Visit the Benefits Hub to nominate your beneficiaries.

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.

Step 6 - How to keep track of your Plan

It's really easy to stay on top of your Plan online.

Once you become a member of the Plan you can log on to view details of your pension plan. With **Benefits Hub** you can:

- see how much your pension pot is worth
- update your personal information
- check and change how much you pay in
- check and change your investments
- download important documents such as statements

You can also manage your Plan on the go via your Standard Life mobile app, available for iOS and Android devices.

Download on the App Store

GET IT ON Google Play

Need more help?

If you have specific questions, call your customer services team at Standard Life on **0345 271 9501** Mon - Fri, 9am to 5pm (Wed 10am to 5pm). Call charges will vary.

You can also contact the Howdens pensions team: **pensions@howdens.com**

It might be a good idea to seek financial advice if you're unsure about any aspect of your company pension. If you don't have your own adviser you can find one in your area by visiting **MoneyHelper**

Are you ScamSmart?

Investment scams and fraud can be difficult to spot. Scammers are becoming more sophisticated and will use any tactic to take your hard earned pension savings.

Learn more about the warning signs by visiting the FCA website **www.fca.org.uk/scamsmart**

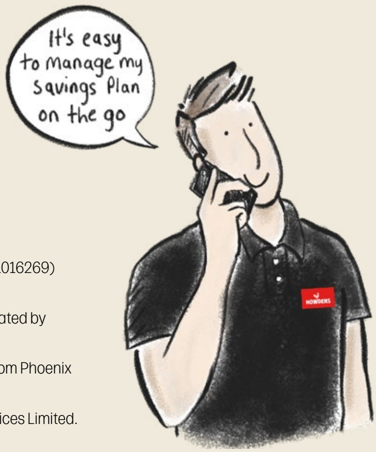
Find out more

If you have any questions about the Plan, please contact Standard Life:
www.standardlifepensions.com/howden/home/contact-us

Call on 0345 271 9501

Mon - Fri, 9am to 5pm (Wed 10am to 5pm).
Call charges will vary.

You can also contact the Howdens pensions team:
pensions@howdens.com



www.standardlife.co.uk

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