OAK
PART OF THE RSA GROUP

RSA

Contributions Explained

RSA Pension Scheme

When it comes to your retirement planning…

you're in good company

Being part of your company pension scheme is an important first step for your retirement planning. To ensure that you get the most out of your scheme you should consider how much to contribute. Your scheme has independent trustees to govern the scheme and look after your interests.

The good news is you don't have to go it alone.

Your company

Oak contributes to your pension scheme as additional money on top of your salary. So you have all the right reasons to get started.

You

Things to consider…

- Where should I invest my contributions?
- How much should I contribute?

The government

If you put money into your pension scheme, the government will also contribute in the form of tax relief. Your personal contributions may qualify for tax relief at your highest marginal rate of tax, subject to the annual allowance (see the 'Important information' section).

Fidelity

Fidelity is an investment specialist and experienced pension administrator. Fidelity can also offer you the expertise of experienced fund managers. In addition to administering your pension scheme Fidelity offers you help and guidance in making the right investment choices.

Contributions explained

In this document you will find an overview of the contribution levels for this scheme. Contributing to a pension is a great way of helping you save for your retirement. As a member of the scheme you will benefit from:

a company contribution from Oak.

a contribution from the government in the form of tax relief.

As a member you can also contribute to the scheme and you will automatically get tax relief on these contributions at your highest marginal rate.

Quick facts

about the RSA Pension Scheme, provided by Fidelity:

- It's a defined contribution scheme, which means Oak pay in, you can pay in and the money is invested to create your own pension account.
- You might be able to transfer in other pension savings.
- You choose how the money is invested.

Contributions

Your contributions

Every month, Oak will pay in the equivalent of 10% of your salary into the scheme.

You pay in	+ Oak pays in	= Total contribution
0%	10%	**10%**
+1%	10%	**+11%**

Help from the taxman

You will normally receive tax relief on your contributions.

Any personal contributions will normally qualify for tax relief at your highest marginal tax rate, subject to the annual allowance (see the 'Important information' section). Your salary will be reduced by the amount of your personal contribution before income tax is calculated. This makes it very cost effective for you to save for your pension.

For example, if you pay basic rate tax, each £1 you pay into your pension account costs you just 80p. If you pay higher rate tax, it will cost you only 60p.

How are contributions paid?

Your contribution, if you decide to make one, will be deducted from your pay automatically and paid to Fidelity by Oak, together with company contributions each time you are paid.

Are you contributing enough?

Additional contributions to the scheme will increase your chance of a better retirement income. The earlier you start the better.

It is important that you think about how much you should contribute to ensure that the scheme provides you with the level of income you want in retirement. If you would like help, please see our online planning tool, myPlan. You can access myPlan through PlanViewer (Fidelity's online account service for scheme members) if you have already received your log in details via **www.fidelitypensions.co.uk** If you don't have login details yet, you can still access myPlan via **www.fidelity.co.uk/rsa**

Changing the amount of contributions you pay

Increasing, reducing or stopping your contributions is a simple process, which can be done at any time by the Payroll Administrator. You may also be able to make a one-off lump sum contribution to the scheme. Should you wish to consider this option, please contact the Fidelity's Pension Service Centre on 0800 3 68 68 65.

Please note that the value of your investments can go down as well as up and you may not get back the amount invested. Also, as with all pension products, you cannot normally start taking benefits until age 55. Tax relief depends on individual circumstances and may change.

Lifetime Allowance

The benefits you choose are subject to certain regulations set by HMRC that apply to all registered pension schemes you are a member of. For example, the maximum overall fund you can accumulate (excluding state pension) and still enjoy tax advantages on is currently £1 million. This is known as the standard lifetime allowance and covers all your tax-privileged pension arrangements. If your arrangements exceed this allowance the excess may be liable to a lifetime allowance tax charge.

If you feel you may be affected by this limit, you should consider seeking financial advice.

PLEASE NOTE: If your existing retirement savings are subject to enhanced or fixed protection in relation to the lifetime allowance, then membership of this plan may invalidate that protection and lead to possible tax charges on your benefits.

Fidelity only gives information about products and services and does not provide investment advice based on individual circumstances. If you would like advice, please contact a Financial Adviser.

Important information

This scheme is a **registered pension scheme under the Finance Act 2004.** This means it has been registered with HMRC and enjoys a number of tax privileges. These include the ability to take part of the benefits as a tax free lump sum and receive tax relief on contributions.

There are no limits to the amount of contributions that you can make to your pension account, but HMRC does restrict the level of contributions that can enjoy the full tax advantages. This restriction is known as the standard annual allowance and is currently set at £40,000. For those earning over £110,000 per annum, the annual allowance/AA may be tapered down to £10,000 depending on income. Within this allowance, tax relief on personal contributions is restricted to 100% of your earnings.

Pension savings are measured over a 12 month period, known as the Pension Input Period, for annual allowance purposes. The Pension Input Period for the RSA Pension Scheme runs from 6 April to 5 April.

Additionally, there is a reduced annual allowance for people who have accessed their retirement savings flexibly, by taking money out of their savings beyond their tax-free entitlement or for any income that is not guaranteed through an annuity product. The level for this allowance, known as the Money Purchase Annual Allowance (MPAA), is £10,000 each year and as the name suggests this is in relation to your money purchase (or defined contribution) contributions.

If you have defined benefit pensions held elsewhere and you exceed the MPAA £10,000 limit, the annual allowance for your total defined benefit savings will reduce to £30,000, known as the 'alternative annual allowance'.

In addition, if the contributions to all registered pension schemes of which you are a member, including all personal and company contributions, exceed the annual allowance, the money purchase annual allowance or the alternative annual allowance, you may be personally liable to a tax charge on the excess based on the highest rate of income tax payable by you.

If you think that you might be affected by any of the annual allowance limits or wish to discuss them further, we recommend that you seek financial advice.

Should you subsequently become subject to the MPAA, you should notify us within six months or you could face a fine from Her Majesty's Revenue & Customs (HMRC).

Further information can be found at
www.hmrc.gov.uk/pensionschemes

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