

# Puzzled By Pensions?

## Morrisons Pension Consultation 2023

### What You Need To Know



#### What Is Happening?

Morrisons has launched a 60-day consultation from 25th October 2023, as it is proposing to change pension contribution rates for hourly paid colleagues.

#### What Are the Proposed Changes?

Morrisons is proposing to increase pension contributions paid by hourly paid colleagues in the "Default" section in March 2024 and again in March 2025 and reduce its own contributions at the same time.

This will apply to all existing hourly paid colleagues.

The "Step-Up" section where you can opt to pay a higher contribution is being withdrawn for hourly paid colleagues after March 2024.

#### Are There Any Other Proposed Changes?

Yes.

Morrisons is also proposing to change their current life assurance policy.

Hourly paid pension scheme members currently qualify for a death in service lump sum benefit of 4 x annual pay. Morrisons proposal is to reduce this lump sum to 3 x annual pay from March 2024.

Non pension scheme members will continue to receive 1 x annual pay.

#### Why Is This Happening Now?

Morrisons says it has faced significant cost challenges due to increasing energy and commodity prices and high inflation. Consequently, customers have needed to be supported and significant investments have been required to maintain market competitive hourly rates for colleagues.

Morrisons has also pointed out that Government is looking to improve retirement savings in the UK by including more people from an earlier age and applying pension contributions to a larger portion of your pay.

These improvements will result in more people being captured by auto enrolment and more money going into your pension pots, but inevitably this will increase costs.

Morrisons is concerned about the impact of these potential cost increases and has decided to act now.

#### How Will My Contributions Change?

If the proposals go ahead contributions for hourly paid colleagues in the **Default** section will be implemented as follows:

	You Pay	Morrisons Pay	Total
Up to February 2024	3%	5%	8%
From 8 March 2024	4%	4%	8%
From 7 March 2025	5%	3%	8%

\*Contributions will be applied only to your pay over £480 per pay period.

From March 2024 the **Default** section will be withdrawn for hourly paid colleagues and automatically transferred to the contribution levels noted above.

#### Will My Other Pension(s) Be Impacted with Morrisons?

No.

This consultation is in respect of your pension benefits in the Personal Retirement Scheme which is administered by Aviva.

If you have any previous pension benefits with Morrisons in schemes which have closed, these will not be affected by the proposals in this consultation.

#### Next Steps

Morrisons has issued an email confirming the proposed changes to hourly paid colleagues who will be affected by the consultation. If you are affected and wish to clarify anything in the announcement or express your views on the proposals directly with Morrisons, a link has been provided in their email sent out to you on 25 October 2023.

The consultation is expected to close on or around 5 January 2024.

Usdaw will be meeting with Morrisons in the coming weeks, regarding the proposed changes. If you are an Usdaw member and have any questions you would like to be raised, please do not hesitate to contact us.

Call **0161 224 2804** and ask for the Pension Section or email: [pensions@usdaw.org.uk](mailto:pensions@usdaw.org.uk)

We will keep you up to date on any outcomes from the meetings.