

PUZZLED BY PENSIONS?

TESCO RETIREMENT SAVINGS PLAN

What is the Tesco Retirement Savings Plan?

It's a retirement savings plan available to all employees of Tesco.

A regular contribution is deducted from your pay and sent to the plan provider. Tesco's plan provider is Legal & General.

You decide how you want your contributions to be invested. You build up your own individual retirement savings pot - and when you decide to retire you will have a number of choices as to how you can access the money that has built up in your savings pot.

Who can join?

The Tesco Retirement Savings Plan is open to all Tesco employees aged 16 or over.

Tesco will automatically put you into the plan as long as you are between the age of 22 and your State Pension Age.

If you do not meet the eligibility criteria you can apply to join at any time via the Colleague Room or ring the Tesco Pension Helpline on 0345 070 1113.

What does it cost?

The minimum payment you can make is 4% and the good news is that Tesco will match your payment up to 7.5% as follows:

You pay	Tesco pays	Total
4%	4%	8%
5%	5%	10%
6%	6%	12%
7%	7%	14%
7.5%	7.5%	15%
Over 7.5%	7.5%	Over 15%

*Contributions are based on your total pay

Please remember, if you don't join you are turning down the opportunity of receiving up to an extra 7.5% of pay from Tesco towards your retirement savings.

When you pay in, Tesco pays in, and your contribution receives tax relief, which means that the Government are also paying in.

You will automatically start saving 4% of the pay you receive from your date of joining and you can increase your contributions at any time.

If you would like to increase your contributions contact the Tesco Pensions Helpline on 0345 070 1113 or find out more online at TheColleagueRoom.com If you access this website it will enable you to monitor your retirement savings. The site includes an online calculator which can help estimate what your savings pot might be at retirement depending on what you can afford to contribute.

What will you get when you retire?

The size of your retirement savings pot will depend on many things such as:

- How much you and Tesco have paid in.
- How much is deducted in scheme charges.
- How well your savings pot is invested.
- How long your money is invested for.
- How you wish to access your savings when you retire.

When can I retire?

You can currently access your retirement pot once you have reached the age of 55.

Can I take a tax free lump sum when I retire?

Your retirement pot in the Tesco Retirement Savings Plan can be accessed in line with the new Pension Freedom legislation introduced from April 2015. This gives members a number of choices as to how they can access their savings pot at the point of retirement.

Current tax rules allow you to take 25% of the value of your retirement fund as a tax-free cash payment when you retire. The rest of the fund will be taxed if it is taken as cash or regular income.

Continued overleaf ...

What else is on offer?

Life Insurance

Contributing to the Tesco Retirement Savings Plan qualifies you for a life insurance lump sum payment equal to five times your annual contractual pay, which is paid, tax free, to your dependants if you die whilst employed by Tesco. This is paid for by Tesco.

In addition your beneficiaries will also receive the value of your retirement savings in the new Plan.

When you join the new Plan it is important that you complete an Expression of Wish form as this acts as guidance for the Plan Trustees so that they can settle any death benefits that are due, in accordance with your wishes.

Please note that a new Expression of Wish form is required for the new Plan and is separate to any Expression of Wishes forms you have completed in the past with regard to the previous Defined Benefit scheme.

Ill Health

If you can no longer continue to work because of ill health you can apply to receive your retirement savings before you reach the age of 55.

Flexible Retirement

If your employer agrees, you might be able to start drawing your pension and carry on working for Tesco.

What happens to my pension if I leave Tesco or I choose to opt out?

If you leave or choose to opt out of the Plan within 30 days after joining the scheme you will have the option of a refund of your own retirement contributions (less tax).

If you leave after 30 days of joining the plan you can leave your Retirement Pot with Legal & General until you are ready to access your retirement pot (currently from age 55 onwards). You will have the additional option of a transfer payment equivalent to the value of your Retirement Pot to a registered pension scheme of your choice.

Transfers are not always straightforward and are certainly not without risk. There are many things to consider and you may want to take advice from an Independent Financial adviser, in order to check whether this is the right thing for you.

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Usdaw would also remind members about the Pension Scammers. If you are contacted out of the blue and encouraged to transfer your retirement pot often being promised inflated guaranteed returns of at least 8% on your savings and giving you immediate access to cash irrespective of your age, this is more than likely a pension scam. If you access your retirement pot before you reach the age of 55 you are likely to be hit by significant tax charges from the tax man and you will more than likely never see the rest of your retirement pot again.

If you are approached by an adviser to transfer your retirement pot and you have any concerns please contact the Pensions Section immediately.

Contact Usdaw for more information

Usdaw members can contact the Union's Pensions Section, based in the Legal Department at Head Office, and we will happily answer any questions you have about the current Tesco Retirement Savings Plan, the previous Tesco Pension Builder or just about pensions in general. Call 0161 224 2804 or email pensions@usdaw.org.uk

