



# intouch

News and information for members of the AgustaWestland UK Pension Scheme

## WELCOME TO THE SPRING EDITION

### UPCOMING CHANGES TO BENEFITS & CONTRIBUTIONS

Due to changes in the State pension system and as part of changes made when the last valuation was signed, your contributions and benefits will change on 6 April 2016. Turn to page 2 & 3 for more information about these changes.

### ALSO IN THIS EDITION...

#### CHANGING CIRCUMSTANCES

Page 4 contains information about what to do if your circumstances change

#### EQUITABLE LIFE CHANGES

Page 4 contains information for Equitable Life AVC savers

### PENSION WORKSHOPS

We are continuing to offer the following workshops to active members of the Scheme:

- Back to basics pensions
- Pension planning for all ages
- Pension planning for those nearing retirement
- AVC savers

To book on a course, please call ext.5353 or email [pensions@agustawestland.com](mailto:pensions@agustawestland.com). These workshops will be held on the Yeovil site. Workshops will be scheduled when there are sufficient members who have expressed an interest in that workshop.

### NEW SCHEME ADDRESS

PLEASE NOTE THAT OUR ADMINISTRATORS, AON HEWITT, HAVE CHANGED THEIR CONTACT DETAILS, PLEASE SEE PAGE 4

# REMINDER: UPCOMING CHANGES TO BENEFITS & CONTRIBUTIONS

Due to changes in the State pension system and as part of changes made when the last valuation was signed, your contributions and benefits will change with effect from 6 April 2016.

## ACCRUAL RATE CHANGE:

Main Section members will move from a 1/67th accrual rate to a 1/75th accrual rate. Some of you may have elected to Buy up to a 1/70th accrual rate or a 1/65th accrual rate. The modellers on Pensionline have been updated with the new accrual rates so you can continue to accurately model your pension entitlement. (Other sections were notified of their change to accrual rate in April 2015.)

## UNDERSTANDING THE IMPACT OF THE CHANGES ON YOUR TAKE HOME PAY FROM APRIL 2016

PLEASE NOTE: IT IS NOT POSSIBLE FOR THE PAYROLL DEPARTMENT TO GIVE YOU AN INDICATION OF YOUR NET PAY IN ADVANCE OF THE APRIL PAYSLIPS BEING ISSUED.

The image shows a sample payroll slip from AgustaWestland. Key sections are circled and annotated with callout boxes:

- Contributions:** The 'Pension Contribution Sa' and 'Salary' items are circled. A callout box explains that employee contributions will increase by 0.75% of pensionable salary, resulting in a total contribution rate of 9.25% from April 2016.
- Tax paid:** The 'Tax paid' item is circled. A callout box explains that tax paid decreases because of a higher pension contribution and an increase in Personal Allowance from £10,600 to £11,000.
- NI Contracted Out:** The 'NI Contracted Out' item is circled. A callout box explains that National Insurance Contributions (NICs) will increase because the 'contracting out rebate' is no longer available.
- NET PAYMENT:** The 'NET PAYMENT' total is circled. A callout box explains that net pay is likely to reduce due to higher pension contributions and increased NICs.

Other visible text on the slip includes: 'EMPLOYER: AgustaWestland', 'DEPARTMENT: AgustaWestland', 'TOTAL PAYMENTS', 'TOTAL DEDUCTIONS', 'CUMULATIVES', 'MESSAGE: Queries relating to Taxt or NI please contact NGA 0845 373 1408 or ext 4498 if calling from AW site Other queries contact AW HR Payroll Ext 2713, 2616 or 4545', and a footer warning: 'PLEASE KEEP THIS PAY ADVICE IN A SAFE PLACE. IT MAY BE REQUIRED FOR THE PURPOSE OF SELF ASSESSMENT.' A red stamp at the bottom left reads 'Private & Confidential'.

\* The "contracting out rebate" is equivalent to 1.4% of your earnings between the Lower Earnings Limit and the Upper Accrual Point.

## NEW STATE PENSION

The New State Pension will be a new flat rate pension system for people reaching State Pension age (SPA) from April 2016 onwards. If your birthday is on or after 6 April 1951 (for men) or 6 April 1953 (for women) you will fall into the New State Pension provisions.

Visit <https://www.gov.uk/new-state-pension/overview> for more information about the New State Pension.

## NET PAY CALCULATOR

You can use the Net Pay Calculator (on [www.awpensions.co.uk](http://www.awpensions.co.uk)>Your Benefits> Net Pay Calculator) to calculate the increased cost of paying pension contributions.

You can compare this cost to last year's Net Pay Calculator (on [www.awpensions.co.uk](http://www.awpensions.co.uk)>Your Benefits>Net Pay Calculator>2015/16 Modeller).

(Please note: Given other changes in tax and NI, the difference between your pre April salary and your post April salary is not the difference between the results from the 2016/17 Net Pay Calculator and the 2015/16 Net Pay Calculator.)

The image shows a laptop screen displaying the AgustaWestland UK Pension Scheme Net Pay Calculator. The interface includes a step-by-step guide and a calculation flowchart. Callouts point to specific input fields and results.

**AgustaWestland UK Pension Scheme**

Step 1: Put your annual pensionable salary in the red box.  
 Step 2: Select your core contribution rate from the blue box.  
 Step 3: Do you pay via smart?  
 Step 4: What is your monthly additional voluntary contribution?

Your gross monthly contribution is:  
 Your tax relief is:  
 Your NI saving is:  
 Leaving a net monthly cost of:

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£30,000 (Pensionable salary)  
 9.25% (Contribution rate)  
 Yes (Smart pay)  
 £0.00 (Additional contribution)  
 £231.25 (Gross contribution)  
 £46.25 (Tax relief)  
 £27.75 (NI saving)  
 £157.25 (Net cost to you)

Callouts:

- Enter your pensionable salary
- Select your contribution rate
- Net cost to you

## THINKING OF RETIRING?

Did you know...

- we run a series of workshops to help you prepare for retirement (see front page);
- we have interactive modellers on Pensionline (which you can access through our Scheme website) to help you plan for retirement and consider the options available;
- we have a "Retirement – What to Expect Guide" on our website which sets out the process; and
- we offer a two day retirement course for active members who are within 6 months of retirement for you (and your partner). Call ext. 5353 to book onto a course.

## NEW ADDRESS

When corresponding with our administrators, Aon Hewitt, please use the new contact details:

Email: westland@aonhewitt.com  
 Telephone: 0345 600 8796  
 Writing to: AgustaWestland  
 UK Pension Scheme,  
 Aon Hewitt Limited,  
 PO Box 196,  
 Huddersfield,  
 HD8 1EG

**AON** Hewitt



## CHANGING CIRCUMSTANCES

Don't forget to keep us informed of any changes to your personal circumstances. Please inform us of any of the following:

- Change of address (you need to inform pensions and HR separately);
- Marriage or civil partnership (you can bring your marriage certificate and spouse's birth certificate into the Pensions Department so it can be copied and added to your pension records); or
- Divorce.

We would recommend that you keep your Expression of Wish form up to date to reflect your current circumstances.

## LEAVING THE COMPANY

If you leave the company (and do not draw your pension) the HR Department will inform the Pensions Department that you are leaving and your pension records will be automatically updated.

If you are under age 55 you will receive a 'Statement of Benefits on Leaving Service' within about 3 months of leaving. This Statement will inform you of the value of your pension benefits at your leaving date. If you are over age 55 you will receive a 'Retirement quotation' informing you of the benefits you could receive if you draw your pension from your date of leaving. If you do not wish to take your pension, you will receive a 'Statement of Benefits on Leaving Service'.

Our "Leaving Service – What to Expect Guide" can be found on the Scheme website.

## DIVORCE

Did you know that we have a Divorce – What to Expect Guide on our website which gives you information about how divorce can affect your pension.

## EQUITABLE LIFE CHANGES

This article is only relevant to members who have AVC savings with Equitable Life.

With effect from 1 April 2016, the funds' Annual Management Charges (AMC) will be revised. Currently all funds' AMCs are 0.50% per annum. From 1 April 2016, the funds' AMCs will be between 0.5% and 1.0%. See the Equitable Life page on [www.awpensions.co.uk](http://www.awpensions.co.uk) >SavingMore>AVCs>EquitableLife for more information.

Equitable Life will reduce the number of funds that it administers:

- The Guaranteed Equity Fund was closed on 15 January 2016. Members who have invested in this fund will have their funds moved to the Money Fund in up to four instalments between 15 April 2016 and 15 January 2017. Members can choose to move their funds to a different fund if they wish. The Trustee has written to affected members of the Scheme.
- Equitable Life is proposing to close the Deposit Account in the second half of 2016. If any of our members are affected, the Trustee will be informed in due course.

Equitable Life transferred part of its annuity business to Canada Life in February 2016. This transfer followed a statutory procedure to ensure that it did not adversely affect the security of funds. A small number of our members were affected by this transfer. The Trustee has written to affected members.