

Our pension and you



What you need to know
How to join our pension
Pensions Automatic Enrolment
- you may be affected

together 
we are
Sainsbury's

Section 1:

Why save for a pension?

1. What is a pension?

A pension helps you to build up a pot of money that you can use when you retire.

2. Why do I need a pension?

You've probably heard that we're all likely to live longer. So it's even more important to plan for all your free time in retirement.

That's why we offer a pension especially for colleagues. This is a way of saving with extra money from us to help you get an income when you retire. You can choose to join at any time, up to age 75.

3. How does our pension work?

You put money in from your pay, and we pay money in too. This money – your pension pot – is invested for you by Legal & General.

If there's an increase in the value of the investment, this will be added to your pension pot so that it grows over time.

Your pension pot can also reduce if the investments fall in value.

The more money you put into your pension pot, the more you're likely to have when you retire, so it makes sense to start as soon as you can, but even saving for a short time can be worthwhile.

If you don't join, Government rules mean that we may automatically start to put some of your pay into a pension if you meet some set conditions. You can find out more about this in Section 6 of this booklet.

Section 2:

How can I join?

You can apply to join the Sainsbury's Retirement Savings Plan at any time through **'My HR'**.

You will need to choose how much you want to save – the options are **Start Up** contributions or **Step Up** contributions. See pages **4** and **5**.

Don't forget, if you decide not to join the pension, we may automatically enrol you – see **Section 6** for more about Pensions Automatic Enrolment.

The technical bit

Sainsbury's Retirement Savings Plan is a 'defined contribution' pension. This type of pension is also sometimes called a 'money purchase' pension. It is run by Legal & General. There's more detailed information about it in your pensions member booklet **here**.



Section 3:

Choosing how much to contribute

There are two levels of savings: **Start Up** contributions and **Step Up** contributions.

What is Start Up?

- **Start Up** is like an introduction to pension savings.
- You pay 4% of your **Start Up** pensionable pay between £480 and £3,867 each pay period into your pension pot.
- We pay 4% into your pension pot.
- If your pay is less than £480 in a pay period, you won't pay any contributions and we won't pay any contributions, but you'll stay in the pension. This means if your pay then goes up to above £480 in a pay period, you'll start to pay contributions again and so will we.
- **Start Up** also gives you lump sum life cover of one times your annual contractual basic pay – there's more about this on **page 11**.

What pay is used for Start Up contributions?

Your pay between £480 and £3,867 each period, including bonus, overtime and shift premiums but excluding car allowance, share payments and leaving payments.



What is Step Up?

- **Step Up** builds your pension savings faster because you save more into your pension pot.
- We also pay more into your pension pot.
- Colleagues up to and including C5/5S – You can choose to contribute 4%, 5%, 6%, 7% or 7.5% of your **Step Up** pensionable pay, or you can choose a percentage above 7.5% if you wish. We will pay the same into your pension pot (up to 7.5% of Step Up pensionable pay).
- Colleagues C6/6S and above – You contribute a minimum of 5% of your **Step Up** pensionable pay, or you can choose a percentage above 5% if you wish. We pay 12.5% of Step Up pensionable pay into your pension pot.
- As an extra benefit, **Step Up** also gives you lump sum life cover of six times your annual contractual basic pay (subject to any insurance restrictions) – there's more about this on **page 11**. **Step Up** also gives C6/6S and above colleagues Long-Term Disability Insurance (LTDI).

Colleagues up to and including C5/5S

How much will you pay?	How much will we pay?	What pay is used for Step Up contributions?
4%	4%	Your pay, including overtime, responsibility pay and shift premiums but excluding bonus, car allowance, share payments and leaving payments.
5%	5%	
6%	6%	
7%	7%	
7.5%	7.5%	
Any amount more than 7.5%	7.5%	



Colleagues C6/6S and above

How much will you pay?	How much will we pay?	What pay is used for Step Up contributions?
5%	12.5%	Your pay, including overtime, responsibility pay and shift premiums but excluding bonus, car allowance, share payments and leaving payments.

How much will it cost you?

Use our online cost calculator to see:

- How much saving for your pension really costs, based on your own pay.
- The difference in cost between Start Up contributions and Step Up contributions.

The cost calculator is available **here**.

Your Start Up and Step Up contributions include tax relief which reduces the cost to you of being in the pension.



Section 4:

How do these contributions come out of my pay?

So that a pension costs you as little as possible, when you apply to join we automatically let you sacrifice your pay towards pension. We call this SMART.

SMART is a way of paying pension and saving National Insurance contributions. This is how it works:

- You give up some of your pay into the Plan.
- We then pay this amount into the Plan together with our own contributions.
- This reduces the pay that's used to work out your National Insurance, so you pay slightly less.
- The same amount is paid into your pension pot but it all comes from us.
- Your take-home pay is higher with SMART than if you pay contributions.

If you're automatically enrolled into the pension, you'll pay contributions for the first three pay periods and then we'll automatically move you to SMART.

You can choose between paying contributions or SMART. There's more information about SMART **here**.

SMART means you
pay slightly less
National Insurance






Our online cost calculator also shows you the cost of being in our pension if you use SMART compared with if you don't use SMART. The cost calculator is available **here**.

For some people, being in SMART **could** reduce their pay to a level that means they might miss out on certain State benefits.

If your pay is less than £1,020 per pay period (**Start Up**) or £1,060 (**Step Up**), we'll take contributions from your pay, rather than sacrifice your pay under SMART, so that this doesn't happen. We'll automatically switch you out of SMART if your pay falls below these levels so you don't lose out.

Whether you pay contributions or sacrifice your salary, the same amount will go into your pension pot. But with SMART, you'll pay less National Insurance.



**SMART increases your
take-home pay and will
not affect your pension**

Section 5:

Questions and answers

Q: How can I choose where my pension pot is invested?

A: Your contributions and our contributions are paid into a pension pot in your name. You can choose where to invest your pension pot from a range of investment funds, for example, property or company shares. Look at the Investment Guide **here** or you can call Legal & General on 0345 302 0323 for more information, quoting your National Insurance number.

Q: What if I don't know how to invest my pension pot?

A: If you don't want to choose where your pension pot is invested, you can simply do nothing. In that case, Legal & General will automatically put your pension pot in the Legal & General Target Date Fund. There's more information about the fund on the fund factsheet and in the Investment Guide **here** or you can call Legal & General on 0345 302 0323 for more information.

Q: Can I change my mind about how I invest my pension pot?

A: Yes. We'll automatically put your pension pot into the Legal & General Target Date Fund but if you wish, you can pick your own from the selected fund range, which you can find in the Investment guide **here**. If you would like more information, you can call Legal & General on 0345 302 0323.



Q: Is there a charge for my pension pot?

A: Yes, you pay a small charge to invest your pension pot. The total charges for the default fund; the Legal & General Target Date Fund, are currently 0.35% a year of the value of your fund. For example, if the value of your pension pot was £5,000 over a full year, Legal & General would charge £17.50 over the year to invest it. Other funds have different charges. There's more information about charges in the Investment Guide **here** or you can call Legal & General on 0345 302 0323. Charges are taken directly from your pension pot.



Q: Can I stop paying into my pension?

A: Yes. You can stop paying into your pension at any time, even if you're still working for us. You will need to do this on **MyHR**. Please contact Ask HR on 08000 15 30 30 if you have any issues.

Q: What if I stop working at Sainsbury's?

A: If you stop working with us, you'll automatically stop paying into your Sainsbury's pension.

Q: What happens to my pension if I stop paying into it?

A: Your pension has to remain invested for your retirement. You can move it to another pension provider when you leave, if you wish.





Q: What happens if I die before I retire?

A: If you die while working for Sainsbury's and you're paying **Step Up** contributions into the Sainsbury's Retirement Savings Plan, we'll pay a lump sum of six times your annual contractual basic pay. If you're not paying **Step Up** contributions, then we'll pay a lump sum of one year's basic pay instead.

Eligibility for life cover and the circumstances in which the benefit will be paid are both subject to criteria imposed by the insurer providing this benefit. If you don't start to pay **Step Up** contributions within a year of first being eligible to join the Plan, which is when you join Sainsbury's, then your cover *may* be restricted.

We pay this benefit under trust and so trustees decide who to make the payment to. You can nominate a person (or more than one person) to receive the payment and the trustees will take your wishes into account. To let us know who you'd like to be considered to receive the payment, you need to complete a 'Lump sum life cover' form **here**.

Legal & General will also pay the value of your pension pot in the Sainsbury's Retirement Savings Plan. Again, you can also nominate a person to receive this. You'll need to complete a 'Return of pension pot' form **here**.



Q: What happens when I decide to retire?

A: You can take up to 25% of your pension pot as a tax-free lump sum* and with the remaining 75% you can:

- a) Take a lump sum which will be taxed as income, or
- b) Leave it invested and take flexible or occasional amounts that will be taxed as income, or
- c) Buy a regular income (also known as an annuity) that will be guaranteed either for life or a fixed term and taxed as income.

Or

You can take money from your pension pot when you need it and take 25% of each payment as tax-free cash. The rest of the payment will be taxed as income.

Or

You can still move your pension pot to another pension provider. Different providers will offer different options, features, rates of payment, qualifying criteria and charges.

For each of these options, you can use some or all of your pension pot. You can leave your whole pension pot invested or even use a mixture of the options above.

You can call Legal & General to find out more about a specific option or combination of options on 0345 302 0323, quoting your National Insurance number.



* Up to a maximum of £268,275 for most members.



Section 6:

Pensions Automatic Enrolment

The Government requires Sainsbury's to automatically put some of your pay into our pension if you meet these conditions:

- You're over age 22 and
- You're under State Pension age, and
- You earn £768 or over in a pay period.

This will start from the beginning of the pay period after you complete nine weeks' employment with us, or nine weeks after you reach age 22, if this is later.

Q: Do I have to wait until I'm automatically enrolled to join a pension?

A: No, you don't need to wait – you can apply to join at any time and we'll pay into your pension pot.

Q: How much will I pay if I'm automatically enrolled?

A: You'll pay **Start Up** contributions.

See **Section 3** for more information about **Start Up**.

Q: Can I opt out of the pension?

A: Yes, you can stop paying pension at any time. If you decide to opt out of the pension within one month of being automatically enrolled, Legal & General will pay your contributions back to you.

The steps to follow are in your joining letter that Legal & General will send you after you've joined.



Q: Can I opt out before I'm automatically enrolled if I tell you or Legal & General?

A: No, the Government rules don't allow you to opt out of the pension before you've been automatically enrolled.

Q: If I opt out, will you have to automatically enrol me again?

A: Yes, the Government rules mean that we'll automatically enrol you again in October 2027, if you meet the conditions at that time. You can choose to opt out again if you wish.

Q: Where can I get more information?

A: Website: www.mysrsp.co.uk

Pensions People Policy: available **here** on Ask HR

Email: srsp@landg.com

Telephone: 0345 302 0323



This booklet provides a summary of benefits under the Sainsbury's Retirement Savings Plan and does not confer any legal rights. Any reference to 'pension' means Sainsbury's Retirement Savings Plan. Benefits can only be paid in accordance with the Rules and relevant law at that time.