



It's time to save more for your retirement



Your pension contributions are changing in October.

Find out more inside...

The Co-op was among the first UK companies to automatically enrol colleagues in to a pension scheme back in 2012. Under the rules, you had to pay at least 1% of your pay in to Pace DC, and the Co-op had to top this up with at least the same amount (although it decided to pay more, 2%).

The Government has always said it was going to raise the minimum pension payments that both colleagues and employers have to pay. Under the Rules of Pace DC, this is going to happen in October 2017, because we all need to save more for our retirement.

What's changing?

You're currently paying 1% of your pay into Pace DC, so you'll start paying 2% on 26 October.

The Co-op's contribution will also increase from your October pay, from 2% to 3%, which is more than the Government says it needs to pay.

The Co-op makes saving for your retirement easy. The more you put in, the more the Co-op puts in.

Are you making the most of your Co-op pension?

Contribution rates (% of pay)		
You pay	The Co-op pays	Total
1%	2%	3%
2%	3%	5%
3%	5%	8%
4%	8%	12%
5%	10%	15%
6%	10%	16%
7%	10%	17%
8%	10%	18%
9%	10%	19%
10%	10%	20%

This is the new rate that will automatically apply from October 2017, under the Rules of Pace DC.

If you pay more the Co-op will contribute more too, up to a maximum of 10%.

You can pay more than 10% of your pay into Pace DC by paying Additional Voluntary Contributions (AVCs) if you want to build up a bigger fund.

But how will the change affect me?

Online pension modeller

To help you understand how this could affect your benefits in Pace DC, the Co-op has developed an online pension modeller to show you:

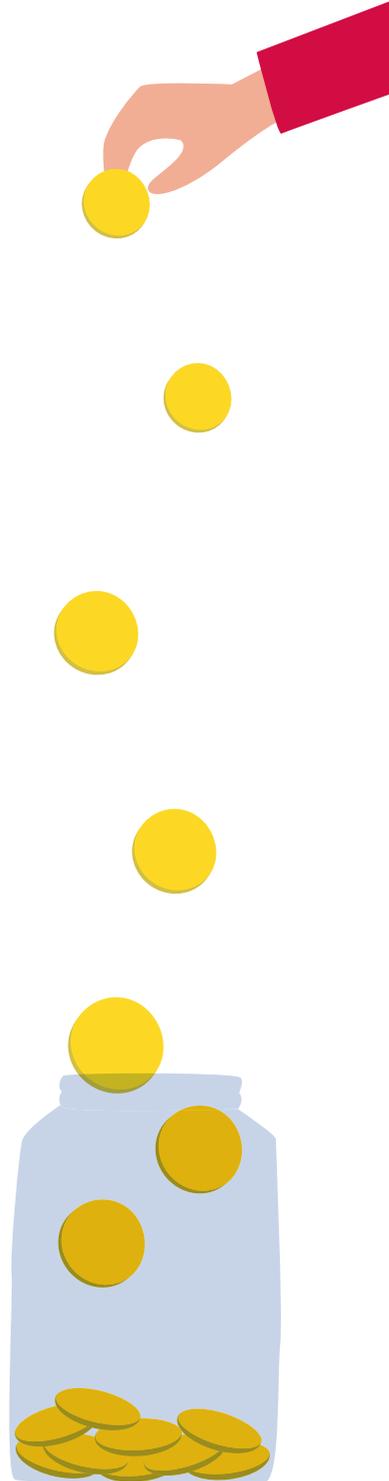
- How much it costs you to be in Pace DC and how much the Co-op will pay in to help you save.
- What you might get at retirement and what your choices are. You can also see the effect of changing your contributions, or the date you retire.

You can access the modeller by going to coop.co.uk/dcm modeller

You can now change your contributions up or down at any time.

Worried about the cost?

Remember that your take-home pay will go down by less than 1%, because of any tax and national insurance savings on your pension contributions. You can use the pensions modeller to see what the actual cost would be.



What happens next?

You don't have to do anything – this change will happen automatically in October. We'll send you another leaflet in the post in about a month's time, reminding you to expect to see a difference in your 26 October payslip.

Currently the Pace Rules state that in October 2018, the cost for colleagues will increase again, to 3% of pay, and the Co-op will pay in 5%.



Want to make changes?

- You'll be able to change your contributions at any time, using the Change Contribution Rate in Pace DC form.
- Want to pay AVCs? Use the Start Additional Voluntary Contributions form
- Want to opt out? Use the Leave Pace DC form.

These forms are all available at: www.legalandgeneral.com/coop under 'Documents & tools'.

Any questions?

If you have any questions about Pace DC or the changes talked about in this leaflet, please contact the team at Legal & General:

Call: 0345 026 8689

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Whenever you contact Legal & General, please quote your National Insurance number and policy number (if known).