



Your choice Pensions and automatic enrolment

Everyone who works for The Co-operative Bank can join our workplace pension scheme called Pace DC, which has been awarded the Pension Quality Mark Plus for being an excellent scheme.

Pace DC is easy to join, it probably costs less than you think – and it comes with some great extras, such as financial support for your family if you die. What's more, when you join Pace DC, The Bank will also pay into your pension – making it easier to save more for your retirement.

This document explains how Pace DC works and also tells you about automatic enrolment. Automatic enrolment is a law that requires all employers to put their workers into a workplace pension scheme if they meet certain criteria. Read the rest of this document to find out more. Pace DC is administered by Legal & General on behalf of the Pace Trustees. You can go to the Bank's pensions website www.co-operativebank.co.uk/pensions for more information.

The **co-operative** bank

April 2023

This factsheet is for members of The Co-operative Bank Section of Pace. If you're a member of The Co-op Section, you should visit the Co-op's pensions website at coop.co.uk/pensions for pension information that's relevant to you.

Why save for retirement?

Retirement may seem like a long way off, but everyone needs money for when they stop working, so saving for retirement is important. Pension savings can provide you with an income or a lump sum at retirement. The State Pension will only provide for your most basic needs, so The Bank offers you a flexible and affordable pension scheme to help you save more for when you retire.

Pace DC at a glance

- Pace DC is a workplace pension that helps you save for your retirement in a cost-effective way.
- Both you and The Bank contribute to your account each month.
- Pace DC is flexible and The Bank offers you a choice as to how much you pay into your account.
- As a member of Pace DC you will also be entitled to other valuable benefits such as a lump sum of 3 x Salary payable if you die whilst a contributing member.
- With a defined contribution scheme like Pace DC, the more you pay in the larger your benefits are likely to be.

How much does it cost to join Pace DC?

When you join Pace DC, you and The Bank will pay contributions into your account. You can choose the contribution rate that you pay. The choice of contribution rates is set out in the table below:

Contribution rates (% of Pay)		
You pay	The Bank pays	Total
3%*	5%	8%
4%	8%	12%
5%	10%	15%
6%	10%	16%
7%	10%	17%
8%	10%	18%

*This is what you and The Bank will pay if you are automatically enrolled into Pace DC.

The DC pension modeller can show you how much it costs to be in Pace DC and how much The Bank pays in to help you save. Go to <https://bank.pacepensions.co.uk/dc-modeller/>

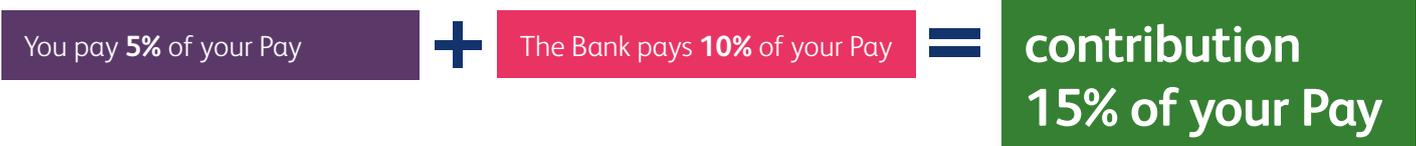
Pace DC

Pace DC is a 'defined contribution' pension scheme. This means you will have your own account. The money that you and The Bank pay into Pace DC goes into your account. Your account is invested and when you retire you use the money in your account to provide a range of benefits including an income or lump sum. The size of your account will depend on how much has been paid into your account and investment returns. You can use the DC pension modeller to see what difference paying in more could make to the value of your account at retirement – go to <https://bank.pacepensions.co.uk/dc-modeller/>

3% Contribution Example



5% Contribution Example



If you earn £10,000 in a year, the contributions payable every month to Pace DC will be:

Contribution rate in Pace DC	You pay	The Bank pays	Total contributions
3%	£25.00	£41.67	£66.67
5%	£41.67	£83.33	£125.00
8%	£66.67	£83.33	£150.00

You do not have to pay tax on any contributions you make to Pace DC (or any other pension scheme), within certain limits. So for every £10 you pay into Pace DC, you pay £2 less in income tax (£4 less if you pay tax at the 40% rate). Contributions to Pace DC are made through salary sacrifice. This means it costs you less than you might think. You can find out more about tax relief and salary sacrifice at www.co-operativebank.co.uk/pensions

Pay

Also called 'pensionable earnings'. This is your basic pay, plus overtime and any other payments that are pensionable, excluding any bonus payments.

What are the benefits of joining Pace DC?

Pace DC provides 'defined contribution' benefits which are based on contributions paid into your account and investment returns.

You can join Pace DC and start to save for your retirement as soon as you start working for The Bank. You can find out how to join Pace DC on [page 6](#).

How does Pace DC work?

Your contributions and The Bank's contributions are paid into an account in your name, which is administered by Legal & General. Your money is invested and when you retire you use the money in your account to provide a range of benefits including an income or lump sum.

The Pace website has more information, including the [pension guide](#) for members of Pace DC - visit www.co-operativebank.co.uk/pensions

The normal pension age for Pace DC is 65. You can retire from age 55*, or keep working past age 65 if you want to, but you should tell Legal & General if you plan to do either of these, because it could change how your money is invested.

How do I invest my account?

In Pace DC, you can choose how your account is invested, from a range of funds selected by the Trustees. Pace DC offers three Target options which are designed to be appropriate for the different retirement options you can take from Pace;

Target: Lump Sum (the default option)

This option is designed to be appropriate if you want to take your account as a lump sum at retirement. This is also the option your contributions will be invested in if you do not make an alternative choice.

Target: Secure Income

This option is designed to be appropriate if you want to use your account to buy a pension (annuity) at retirement.

Target: Flexible Income

This option is designed to be appropriate if you want to:

*The Government has confirmed that the minimum pension age at which people may ordinarily access their pension benefits will increase from 55 to 57 from 6 April 2028, alongside planned increases in the State Pension Age. Depending on when you joined Pace and the benefits that you have in Pace, you may be protected against this change and may still be entitled to access your benefits before age 57 after 6 April 2028.

- take an income from your Pace DC account which you can change, or take cash lump sums; or
- take a series of lump sum payments (this is sometimes known as drawdown or flexi-access drawdown). Note: These options aren't directly available from Pace DC and you would need to transfer to another provider to use these options. The **Retirement Guide** contains more information on these options.

If you do not want to invest in one of the Target options, you can select your own investment options from a range of funds. You can find out more in the [fund guide](#) available on the Bank's pensions website:

www.co-operativebank.co.uk/pensions

What benefits are paid if I die while I am still contributing to Pace DC?

The money in your account will be paid to your beneficiaries as a lump sum (including the contributions paid by The Bank).

In addition, a tax-free death in service lump sum of 3 x Salary will also be paid.

What happens if I am seriously ill and cannot work?

You may be able to use your Pace DC account to provide benefits before age 55* if you become seriously ill or incapacitated and your condition is permanent.

Salary

For the purpose of working out your death in service lump sum, 'Salary' means your Pay in the 12 months prior to the date of death, or your basic annual Salary at the date of death, if higher. (Pay is explained on [page 3](#).)

For full information on your investment options, see the separate [fund guide](#) at www.co-operativebank.co.uk/pensions

The [fund guide](#) explains your choices, tells you how your money will be invested and gives you some basic background on investments in general.

About automatic enrolment

Automatic enrolment at a glance

- Automatic enrolment is a law that says all employers must put certain workers into a workplace pension scheme.
- Employers can use a waiting period before automatically enrolling their employees. The Bank uses a waiting period and this means that if you meet the criteria, you will be enrolled around three months after you start working for The Bank. Your first pension contribution will be taken on the pay date that follows your automatic enrolment into Pace DC.
- You don't have to wait to be automatically enrolled. You can join Pace DC straight away or at any time, even if you are not eligible for automatic enrolment.
- If you are enrolled, you can tell us you don't want to be in Pace DC. This is called 'opting out'. You will receive an enrolment pack when you are enrolled to tell you how to do this.
- If you are not enrolled when you start working for The Bank because you don't meet all the criteria, you may be enrolled in the future if circumstances change so that you do meet the criteria.

Are you affected by automatic enrolment?

You will be automatically enrolled into Pace DC if you:

- Earn more than £10,000 a year, or £833 a month (2022/2023)
- Are age 22 or older; and
- Are under State Pension Age (which is currently 66 for both men and women, rising to 67 by October 2028).

You will only be automatically enrolled if you meet all these criteria.

What will happen?

You will be automatically enrolled into Pace DC around three months after you meet all the criteria.

Your pension contribution will be 3% of your Pay and will be taken on the pay date that follows your automatic enrolment into Pace DC.



What happens next?

If you meet the criteria, you'll get a letter from Legal & General to tell you that you will be automatically enrolled into Pace DC in around three months' time. Legal & General has been chosen to administer and invest money paid into Pace DC.

If you still meet the automatic enrolment criteria around three months after receiving this letter from Legal & General, The Bank will enrol you into Pace DC. You don't have to do anything – it will happen automatically.

At this time, Legal & General will send you an enrolment pack, giving you more details about automatic enrolment, including how to opt out of Pace DC if you don't want to start saving now. You can only opt out of Pace DC once you have received this pack. If you choose to opt out, The Bank will enrol you back into Pace DC every three years as required by the Government (if you meet the criteria).

When you join or are automatically enrolled into Pace DC, you will be given the option to change your contribution rate within 30 days of the date you are enrolled. You can also make a choice about where your money is invested at any time during your membership of Pace DC.

You can change your contributions

In your first 30 days of membership, you can change your contributions through Legal & General's website www.legalandgeneral.com/choice using your enrolment pack. Alternatively, when you have your enrolment pack, call Legal & General on 0345 026 8982. After this first 30 days, you can change your contribution rate in Pace DC at any time by completing the **Change Contribution Rate form**.

If you don't meet the criteria for automatic enrolment, what then?

In this case, The Bank will not automatically enrol you into Pace DC. However, if you become eligible in the future (for example, if your Pay increases) then you will be automatically enrolled around three months after you meet the criteria. If this happens to you, Legal & General will write to you with more information. You can still join Pace DC even if you do not meet the criteria.

How can I join Pace DC?

You can join Pace DC straight away if you want to – you don't have to wait to be automatically enrolled.

All you need to do is complete and return the '**Join Pace DC**' form which is available at www.co-operativebank.co.uk/pensions

You can choose to join Pace DC, whether or not you are eligible for automatic enrolment.

Data protection

Pace Trustees Limited, as Trustee of the Scheme, uses your personal information to (amongst other reasons) communicate with you and administer the Scheme. We share personal information with third parties such as The Co-operative Group and Legal & General (who provide administration services to us) and to other suppliers of services. In some circumstances, we transfer personal information outside the EEA, for example to Western Union to continue pension payments abroad, e.g. in Australia. When we make these disclosures or transfers we take steps to protect your personal information. For more detailed information on how we use and disclose your personal information, the protections we apply, the legal basis for our use of your information and your data protection rights under data protection laws, please visit www.co-operativebank.co.uk/pensions

If you would like further information or for a copy of our privacy notice to be sent to you, please call 0330 606 1000.

You can get further information by writing to:
Pace Trustees Ltd, c/o Data Protection Team,
1 Angel Square M60 0AG

More information

The Bank wants all its employees to understand Pace DC and how automatic enrolment works. There is a lot of information available online and set out below are a number of useful contacts to help you with your questions about Pace DC.

If you have a question about automatic enrolment

Contact Legal & General:

Email: coopbankpensions@landg.com

Call: 0345 026 8982

Go to the Bank's pensions website:

www.co-operativebank.co.uk/pensions

If you have a question about Pace DC contributions deducted from your pay

Email The Bank's HR People Services team at HRSupport@co-operativebank.co.uk

If you want to find out more general information about pensions, automatic enrolment and saving for retirement

Go to the Government's website:

www.gov.uk/workplacepensions or

Go to the Bank's pensions website:

www.co-operativebank.co.uk/pensions

If you have a question about Pace DC

Go to the Bank's pensions website which contains detailed information on Pace DC:

www.co-operativebank.co.uk/pensions

Or contact Legal & General:

Email: coopbankpensions@landg.com

Call: 0345 070 1148

Call costs will vary. Your call may be recorded and monitored.

This factsheet is not intended to be a legal promise to members, as it is only a summary of the terms and conditions of Pace DC. If there is any conflict between this factsheet and the Rules, the Rules (as amended from time to time) will be overriding. If you want to see a copy of the Rules, or have any questions concerning the contents of this factsheet, please contact Legal & General.



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