

the
people's
pension

Contribution rates are improving

The contribution rates for The People's Pension are changing from 1st August.

These changes mean that less money is taken from your pay to go towards your pension pot, increasing how much of your pay you get to keep. But because your employer is increasing the amount it pays, the total amount going to your pension will also be more than it is now - win-win!



YCL

The table below shows what's changing from 1st August:



	You	Your employer
Now	5% on pay above the threshold	3% on pay above the threshold
From 1st August	3% on pay above the threshold	6% on pay above the threshold

What's the threshold?

The threshold is set by the Government and is reviewed each year. It's currently £520 per month, meaning that you don't usually pay pension contributions on the first £520 of your pay each month.

Do I need to do anything?



No. You don't need to take any action for this to happen – if you're already a member of The People's Pension we'll apply this change automatically to your pay.

If you want to, you can choose to pay more towards your pension, and if you choose to, your employer will pay more too!

The higher rates that you can choose to pay are:

	You	Your employer
Level 1	3% on all pay	6% on all pay
Level 2	5% on pay above the threshold	10% on pay above the threshold
Level 3	5% on all pay	10% on all pay

Want to know what these different rates will mean for your pay? **Take a look at the modeller on our website.**



What will choosing to pay more mean for your pension pot at retirement time?



The table to the right illustrates what choosing to pay at different levels and for different lengths of time could mean for the value of your pension pot at retirement¹.

We've modelled this using different salary levels:

○ = £19,000 p/a

○ = £23,000 p/a

○ = £27,000 p/a²

If you want to change the amount you pay and get a bigger contribution to your pension from your employer, [complete a quick form on our website](#) and we'll take care of the rest. You can request a paper copy from the Pensions Team if you need one.



Questions about your pension? Let the Pensions Team know.
pensions@york.ac.uk | 01904 32 4805

	 10 years	 20 years	 30 years
New standard rate	£12,000 £16,000 £20,000	£26,000 £35,000 £43,000	£43,000 £56,000 £70,000
Level 1	£18,000 £22,000 £26,000	£39,000 £48,000 £56,000	£64,000 £77,000 £91,000
Level 2	£20,000 £27,000 £33,000	£44,000 £58,000 £72,000	£71,000 £94,000 £116,000
Level 3	£30,000 £37,000 £43,000	£66,000 £79,000 £93,000	£106,000 £129,000 £151,000

¹ Amounts shown are not per annum income.
² Assumptions: All illustrated accumulated funds are presented in "today's prices". All members invested in the default "balanced" fund with The People's Pension i.e. B&CE GI (up to 85% shares). Financial assumptions made in line with SMP assumptions provided by The People's Pension. Investment return assumption: 2% p/a above inflation. Inflation assumption: 2.5% p/a. Salary inflation assumption 2.5% p/a. Annual management charge assumption: 0.5% p/a. Annual charge: £2.50 p/a. No allowance made for reduction in AMC as fund size increases. All figures rounded to nearest £1,000.