



NICE Pensions Factsheet

Co-op Section

This factsheet explains what NICE Pensions is and how it works. NICE Pensions is a cost effective way of making contributions to Pace DC. This is a salary sacrifice arrangement, which reduces the cost of saving for retirement by making national insurance savings and boosting your take-home pay.



Most people will automatically pay into Pace DC using NICE Pensions when they become a member of Pace DC, but you can stop using this arrangement if you want to.

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

This is how NICE Pensions saves you money:

This table shows how much you save each year by taking part in NICE Pensions assuming you pay 3%, 4% or 10%. You can take part in NICE Pensions however much you pay in, but you can't use it for Additional Voluntary Contributions (AVCs).

Your Pay	Your Pace DC contribution rate		
	3%	4%	10%
	Annual national insurance savings		
£10,000*	-	-	-
£15,000	£45.00	£60.00	£150.00
£20,000	£60.00	£80.00	£200.00
£30,000	£90.00	£120.00	£300.00
£40,000	£120.00	£160.00	£400.00
£50,000	£150.00	£200.00	£500.00
£75,000	£45.00	£60.00	£150.00

*In July 2022, the national insurance threshold increased to £12,570 per year. Members earning less than this do not pay national insurance and therefore do not receive national insurance savings through NICE Pensions.

Important:

Most colleagues will benefit from NICE Pensions, but it's not suitable for everyone; this includes people who earn close to the National Minimum Wage and people who earn close to the national insurance threshold (around £242 per week from 6 April 2023). If you fall into either of these two categories, The Co-op will assess your earnings levels and if NICE Pensions is unsuitable for you, you'll automatically be taken out of NICE Pensions and you'll pay your pension contributions by payroll deduction. You will, however, automatically be included in NICE Pensions should NICE Pensions become suitable for you in the future.

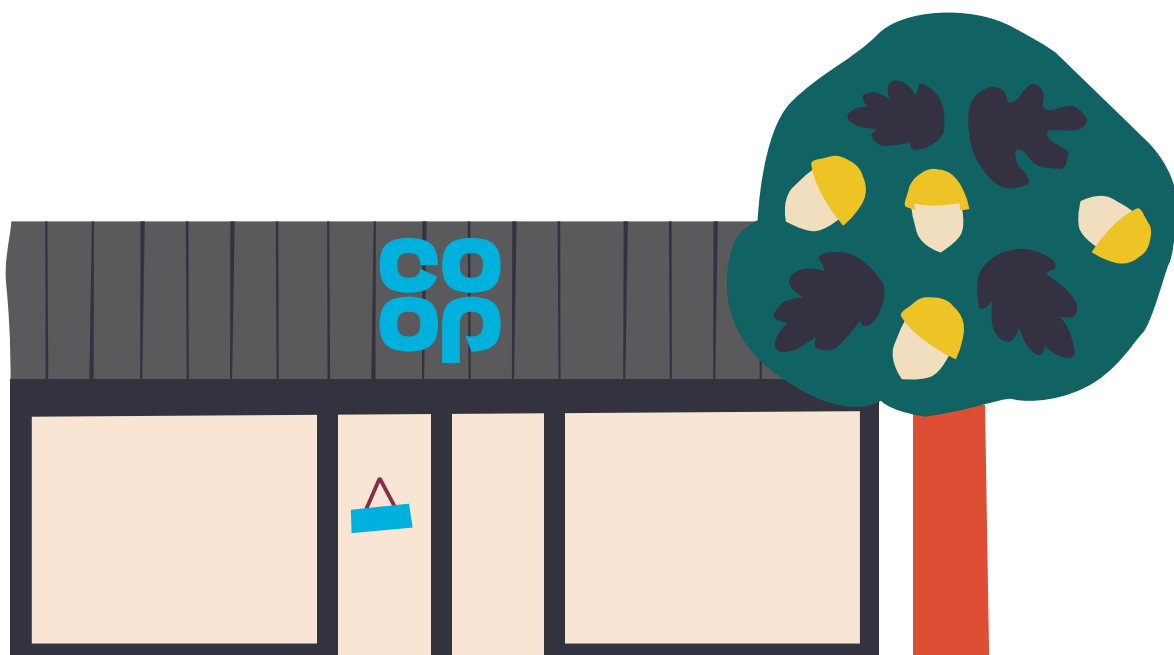
NICE Pensions is a change to your terms and conditions of employment because your Pay will be reduced by an amount equivalent to the contributions that you would otherwise make to Pace DC, through the normal payroll deduction. This change is permanent and any further variations will only be considered if you have a lifestyle event. You may opt out; however, before you decide, you should consider seeking independent advice (for example, by contacting Citizens Advice or by speaking to a financial adviser. MoneyHelper is a Government service that provides free guidance and information to help you manage your finances, including your pension. You can find an adviser in your area who is regulated by the Financial Conduct Authority (FCA) by searching for 'retirement adviser' on the MoneyHelper website.

www.moneyhelper.org.uk

(The website offers contact options of live webchat, enquiry form and social media channels).
Call: 0800 011 3797 (Monday to Friday, 9am to 5pm)

From 6 April 2024, if you don't earn enough to pay income tax and you're contributing to Pace DC, HMRC may contact you after the end of the tax year to make a top up payment. This additional payment will be equal to any income tax relief you are eligible to receive from the Government on your pension contributions. If this affects you, HMRC will contact you after the end of the tax year to make the payment direct to your bank account. Please note that HMRC may need you to provide your bank details so that they can make the payment.

All of the examples are based on the tax and national insurance rates from 6 January 2024.



NICE Pensions example

Jane earns £15,000 a year. She's a member of Pace and has a contribution rate of 4% of her Pay. Jane pays tax at the standard rate (20%).

4% of Jane's Pay = £600 a year, which is a contribution of £46 each pay period.

£46 - The pension contribution shown on Jane's payslip.



This example is based on the tax and national insurance rates from 6 January 2024.

The Pace DC pension modeller at <https://coop.pacepensions.co.uk/dc-modeller/> can show you how much it costs to be in Pace DC, paying through NICE pensions, and what you could get at age 65.

At a glance

- NICE Pensions stands for National Insurance Contribution Efficient Pensions.
- NICE Pensions is the name of the way contributions are made to Pace DC. It is not a separate pension arrangement.
- NICE Pensions operates automatically to make contributions to your pension more cost effective.
- Pension contributions receive tax relief so they cost you less.
- In addition to the tax relief you receive on all your pension contributions, under NICE Pensions you may also benefit from national insurance savings.
- If you wish, you may opt out of NICE Pensions.

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. 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.