



# 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](http://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	£36.00	£48.00	£52.00
£15,000	£54.00	£72.00	£180.00
£20,000	£72.00	£96.00	£240.00
£30,000	£108.00	£144.00	£360.00
£40,000	£144.00	£192.00	£480.00
£50,000	£180.00	£240.00	£600.00
£75,000	£45.00	£60.00	£150.00

All of the examples are based on the tax and national insurance rates for 2021/22.

### 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 £184 per week for the 2021/22 tax year). 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. The Money Advice Service was set up by the Government and offers free and impartial money advice. The Money Advice Service also has a 'Find a Retirement Adviser' feature you can use to find a local, independent financial adviser, if you want to.

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

Call: 0800 138 7777

## 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 for 2021/22.

The Pace DC pension modeller at [coop.co.uk/dcm modeller](https://coop.co.uk/dcm 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.

