**Our** **Pension Saver Scheme**

**A valuable way to save you money!**

The Pension Saver scheme (“**Pension Saver**”) with Electricity North West Limited (the “**Company**”) allows you to make your pension contributions in a more effective way by reducing your salary prior to income tax and National Insurance deductions. Pension Saver is open to all eligible pension scheme members and is purely voluntary.

Under Pension Saver, we will pay pension contributions for you, and in return your salary will be reduced by the same amount. This will result in you paying lower National Insurance contributions and therefore your net pay will increase.

**How does it work?**

By using Pension Saver to make your pension contributions, you will be giving up a portion of your earnings each month in return for pension contributions. This deduction reduces your salary and, because your income is lower you pay lower National Insurance and income tax. The actual savings will depend on personal circumstances such as your salary and pension contribution.

**How does pension saver affect my pension?**

We will make the same payments into the pension scheme as you would have made based on the pension scheme rules. Therefore, the overall amount of contributions will be unchanged and your benefits from the pension scheme will be the same.

**Will my employment contract/terms and conditions change?**

Yes. It is important to understand that by participating in Pension Saver, you are agreeing to a change to your terms and conditions of employment.

This is because you will be reducing your basic salary and, in return, the Company will be making an additional payment into your pension on your behalf. All other terms and conditions of employment remain unchanged.

It may be necessary to change your Pension Saver agreement if a lifestyle change significantly alters your financial circumstances, including:

* marriage;
* divorce; and/or
* a partner becoming redundant or pregnant.

You can opt out of Pension Saver if your financial circumstances change as a result of a lifestyle event and Pension Saver is no longer suitable for you.

**What is Notional Salary?**

By joining Pension Saver you are agreeing that a deduction can be taken from your salary which is equivalent to your pension contribution. This means your basic salary will be lower, so we call your pre-Pension Saver salary your ‘Notional Salary’. To ensure that you do not lose out in salary reviews, overtime payments, bonuses etc, we will retain a record of your Notional Salary. This is the salary you earn before deductions for Pension Saver and any other qualifying flexible benefits you may receive. Notional Salary will be used as a reference point for salary related payments such as bonuses or pay rises, and also for loan applications.

**Will my future salary reviews and bonuses be affected?**

No. Pension Saver has no impact on future salary reviews and bonuses, and salary increases will be calculated on Notional Salary before Pension Saver is applied.

**Does the scheme impact on any Additional Voluntary Contributions (AVCs) I pay?**

No. AVCs are not included in the Pension Saver scheme so these will continue to be deducted in the usual way.

**Is Pension Saver suitable for all employees?**

Joining Pension Saver will bring benefits to virtually all our pension scheme members, except for a few employees in the following circumstances:

• Employees who do not pay UK National Insurance contributions;

• Employees whose earnings are close to or below the National Minimum Wage level;

• Employees due to start a period of unpaid leave; or

• Employees who have reduced earnings due to prolonged sick leave.

**How do I join Pension Saver?**

Complete the Pension Saver application form at the end of this factsheet and send to People Services. If you have previously opted out you can re-join Pension Saver.

**Summary**

• By using Pension Saver to make pension contributions you pay less National Insurance and income tax, and therefore increase your take home pay.

• Your pension benefits are not affected by joining the Pension Saver scheme.

• This benefit will continue unless you notify us otherwise by opting out.

**Pension Saver Salary Sacrifice Agreement**

Name:

Employee number:

Contact Number:

* This Salary Sacrifice Agreement constitutes a notice of a variation to the terms of my employment contract for the period of variation, set out in the following paragraphs.
* The term for this variation shall commence from the date of the next available salary deduction.
* I agree that my salary will be reduced by the amount I would have paid into the pension scheme based on the pension scheme rules and all of my other terms and conditions of employment shall remain unaltered.
* I agree that my membership of Pension Saver will continue unless:
	+ I opt out of the scheme;
	+ The Company gives me one month’s notice to terminate the Pension Saver scheme (which the Company expressly reserves the right do); or
	+ I leave the employment of the Company for whatever reason.

By signing below I confirm that I understand the terms of this agreement and agree to the variation in my terms and conditions of employment as described in this Salary Sacrifice Agreement.

Signed:

Print Name:

Date:

**Please return this form by to either:**

* **Our postal address:**

*People Services, Electricity North West,*

*304 Bridgewater Place, Birchwood Park, Warrington, WA3 6XG, or*

* **Our E-mail address:**

*peopleservices@enwl.co.uk*