

# Automatic Enrolment Frequently asked questions

**BAE SYSTEMS**

**Please find below some frequently asked questions regarding Automatic Enrolment.**

## **Q1. What is Automatic Enrolment?**

The Government introduced legislation on 1 October 2012 to give more employees access to pensions through their work. This means that all employers in the UK are required to automatically enrol their employees into a workplace pension.

## **Q2. What is the aim of Automatic Enrolment?**

The aim is to help more people have another income, on top of the State Pension, when they retire. The State Pension is a foundation for your retirement. If you want to have more, you need to save during your working life, otherwise you may reach retirement facing a significant fall in your standard of living. The full rate old State Pension in 2022/23 is £141.85 per week, whilst the full rate new State Pension is £185.15 per week in 2022/23. The Government is getting employers to enrol their workers automatically into a work place pension to make it easier for people to start saving. You can opt out if you want to, but if you stay in you will have your own pension pot when you retire, which you and your Employer will have contributed to.

## **Q3. Is everyone being enrolled into a workplace pension?**

Every employer has to enrol into a workplace pension workers who:

- are not already in a qualifying workplace pension scheme;
- are aged 22 or over;
- are under State pension age;
- earn more than a minimum amount a year (currently £10,000); and
- work or usually work in the UK.

## **Q4. What is the name of the BAE Systems workplace pension?**

Our workplace pension scheme is the BAE Systems Pension Scheme: DC Retirement Plan ('the Plan') and it is an important part of the Company's reward package as it provides a range of benefits to help employees plan for their future. The Plan is a defined contribution workplace pension. Each member has their own pension pot. The amount you get at retirement is based on how much is paid into your pension pot and how well the investments have performed, less any expenses.

## **Q5. If I meet the criteria when will I be enrolled?**

If as part of joining the Company you decide not to join the Plan then if you meet the criteria above (see Q3) you will be assessed for Automatic Enrolment. You will receive a letter to your home address at this time confirming you are being assessed. You will receive a further letter three months later, which will tell you if you are being automatically enrolled into the Plan. When you are automatically enrolled, your contribution (4%) will be deducted from your salary the month in which you are enrolled. For example, if you are assessed in April and continue to meet the criteria in July, you will be automatically enrolled into the Plan in July and your 4% contribution will be deducted from your salary.

If you have previously been enrolled into the Plan and opted out, you may subsequently need to be re-enrolled (see Q7).

### **Q6. What if I don't meet the criteria to be enrolled?**

If you do not meet the criteria listed under Q3 following the assessment, you will not be automatically enrolled into the Plan. However, you have the right to opt in and join the Plan if you want to. Please refer to Q10 for details of how you can opt in and join the Plan.

### **Q7. How often will BAE Systems check if I should be automatically enrolled?**

We must continually monitor employees. It is a legal requirement that anyone who opts out or stops making payments will be automatically enrolled back into the Plan at a later date (every three years). This is because your circumstances may have changed and it may be the right time for you to start saving. We will contact you when this happens, and you can opt out again if it is still not right for you. The last re-enrolment exercise took place on 1 April 2022, with the next exercise taking place on 1 April 2025.

### **Q8. I am younger than age 22. If I do not join the Plan now, what happens when I reach age 22?**

If you are earning more than the required amount (currently £10,000 a year, £833 a month) when you reach age 22, you will automatically be enrolled into the Plan. We will write to you to give you all the information you need. You can choose to opt out of the Plan if you want to, but if you stay in you will have your own pension pot when you retire. BAE Systems and you will pay into it every month. The money in your pension pot will belong to you, even if you leave us in the future. You can join the Plan at any time if you want to - please see Q10.

### **Q9. I do not earn more than £10,000 a year (£833 a month). If I earn more in the future, what will happen?**

As soon as you start to earn more than the required amount, you will be automatically enrolled into the Plan so long as you are aged 22 or over, are under State pension age, and work or usually work in the UK. If this happens, we will write to you again to give you all the information you need. You can choose to opt out of the Plan if you want to, but if you stay in you will have your own pension pot when you retire. BAE Systems and you will pay into it every month. The money in your pension pot will belong to you, even if you leave us in future. You can join the Plan at any time if you want to - please see Q10.

### **Q10. What do I do if I want to opt into the Plan?**

You need to download and complete an 'Opt In Application form' which can be found on the pension website at [baesystems.com/pensions](https://baesystems.com/pensions) under the 'Non Members' section. This form needs to be returned to the Employee Service Centre as instructed on the form. If you are unable to download a copy of the form, please contact the Employee Service Centre. If you do not have access to the Employee Service Centre please email [baesystemshr@baesystems.com](mailto:baesystemshr@baesystems.com) or call 0208 068 2868 and a copy of the form will be sent to you.

### **Q11. I know I want to opt out, can I do it now?**

The Company has to enrol you into the Plan if you meet the criteria as set out in Q3 when you are assessed. You can only opt out once you have been automatically enrolled, you cannot opt out before then. This means that contributions will have to be deducted from your pay in the month you are automatically enrolled.

### **Q12. How do I opt out?**

You will receive a letter to your home address confirming that you have been enrolled into the Plan. At this time, to opt out you will need to download and complete an 'Automatic Enrolment Opt Out form' within a month of you being notified by letter that you have been automatically enrolled into the Plan.

This form can be found on the pension website at [baesystems.com/pensions](https://baesystems.com/pensions) under the 'Non Members' section. This form needs to be returned to the Employee Service Centre as instructed on the form. If you are unable to download a copy of this form from the website, please contact the Employee Service Centre by email at [baesystemshr@baesystems.com](mailto:baesystemshr@baesystems.com) or call 0208 068 2868 and a copy will be sent to you. You should think carefully about the retirement and family security benefits that you would miss out on if you opt out.

### **Q13. If I opt out will I get my money back?**

If the completed 'Automatic Enrolment Opt Out form' is received by the Employee Service Centre within a month of you being notified by letter that you have been automatically enrolled into the Plan, the contributions you have paid will be returned to you through payroll. The return of these contributions should be in the following month, but in some circumstances, it may take more than one month as it depends on when your form was received and whether this information gets to payroll before or after the cut-off date for changes.

In the event this completed form is received by the Employee Service Centre after a month of you being notified by letter that you have been automatically enrolled into the Plan, you will be informed. You will not receive a refund of the contributions (company and member) paid into your pension pot. Your pension pot will then remain within the Plan until you decide to transfer it elsewhere or retire. If you still wish to opt out, you need to give two months' notice to the Trustee. You need to download and complete a slightly different 'Opt Out Application form', which can be found on the BAE Systems pension portal hosted by Standard Life at: [standardlifepensions.com/bspp/dcrp.page](https://standardlifepensions.com/bspp/dcrp.page). This form needs to be returned to the Pension Service Centre as instructed on the form.

### **Q14. If I opt out or stop making payments, can I re-join the Plan at a later date?**

Yes, you can re-join the Plan and the process detailed under Q10 should be followed.

### **Q15. Where do I go to for more information?**

#### **❖ About Automatic Enrolment or payroll queries**

If you have any further questions having read this FAQ or any other queries regarding your pay, please visit the Employee Service Centre. If you do not have access to the Employee Service Centre please email [baesystemshr@baesystems.com](mailto:baesystemshr@baesystems.com) or call them on 0208 068 2868.

#### **❖ About the BAE Systems Pension Scheme - DC Retirement Plan**

Go online: [standardlifepensions.com/bspp/dcrp.page](https://standardlifepensions.com/bspp/dcrp.page)

#### **❖ About information on pensions and saving for later life**

If you need guidance on pensions and saving for your retirement, MoneyHelper can assist you on your retirement options. For more information, please visit: [moneyhelper.org.uk](https://moneyhelper.org.uk)