

SHOOSMITHS RETIREMENT SAVINGS SCHEME

UPDATE 2024

THE LATEST NEWS FROM THE SHOOSMITHS RETIREMENT SAVINGS SCHEME

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Please tell us if you're unable to read this newsletter as we can provide it in alternative formats including braille and on coloured paper.



IN THE KNOW!

This year's newsletter is packed full of useful information about the Shoosmiths Retirement Savings Scheme (the SRSS) and news of wider developments that affect UK pension savers. We hope you'll find it engaging and informative.

Read on for important updates, hints and tips about the SRSS to make sure you're 'in the know' when it comes to your later life savings!

Here's a reminder of the SRSS Trustees:

Appointed by Shoosmiths:

- David Thompson (Chair)
- Kirsten Hewson

Nominated by the members:

- Heather Chandler
- Simon Fennell

The SRSS is established under trust and is governed by documents, which include the Trust Deed and Rules. The role of the Trustee is to act in the best interests of members, whilst ensuring the SRSS is administered in accordance with the Trust Deed and Rules and UK legislation. If you're interested in learning more about the roles and responsibilities of a trustee, take a look at: www.thepensionsregulator.gov.uk.

YOUR BENEFITS

Due to the age and nature of the SRSS, Aviva do not offer an online portal to manage your pension. However, you can access information about your pension any time through Shoosmiths' integrated benefits platform – Your Benefits.



On the platform, you'll find information to help you manage your retirement planning, including a pensions modeller. You'll also be able to check your ongoing monthly contributions. For help with Your Benefits, please contact the Benefits Team.

GETTING TO KNOW YOUR PENSION

WEBINAR COMING SOON

We're running a webinar on Tuesday 25th June 2024 to help you get to know your pension. Our pension adviser, Barnett Waddingham, will be leading these sessions to give you an overview of how your pension works, how your money is invested, your options at retirement and where to get more information.

Barnett Waddingham will also provide one-to-one sessions where you can specifically discuss your pension and what your options are.

Barnett Waddingham can't give you financial advice during either the webinar or one-to-one discussions, they aim to provide information that is helpful and relevant to you. If you'd like financial advice, but you don't have a financial adviser, the MoneyHelper website provides information about financial advice and help with choosing a financial adviser:

www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

WHAT DO I NEED TO CONSIDER BEFORE TRANSFERRING OUT OF THE SRSS?

The SRSS is invested in Aviva's With-Profits Fund. You should regularly review whether this approach is right for you in terms of whether it meets your investment needs and your attitude to risk. If you're an employee of the Firm and you decide the SRSS doesn't meet your needs you can choose to join the Shoosmiths Group Personal Pension ('the GPP') instead or alternatively make your own personal arrangements.

If you're thinking about leaving the SRSS and joining the GPP, you'll be able to manage your pension fund online and access a wider range of investment options. These include a range of investment strategies that are designed to target different options at retirement, like a guaranteed income for life (annuity), taking a cash lump sum or taking flexible withdrawals (drawdown). Under the scheme rules, some of these options are not available through the SRSS. You can find more details of your options in the SRSS specific rules section.

Please contact the Benefits Team for more information if you're considering leaving the SRSS and joining the GPP. You'll be asked to complete an 'opt-out' form to confirm you understand the consequences of doing so, including losing your entitlement to the contribution uplift (currently 10%) that's applied by Aviva within the SRSS. This uplift is not applied in the GPP. If you do decide to leave the SRSS, your Retirement Account will remain invested and continue to receive annual bonus and interest but any future contributions would be made to the GPP.

We would always recommend taking financial advice before you make any decision about transferring. If you don't have a financial adviser, you can find details of how to contact one on page 18. Shoosmiths, the Trustees and the Trustees' advisers are unable to offer financial advice.

CHANGES TO PENSION AND LUMP SUM ALLOWANCES

Prior to 6 April 2024, cash sums and pensions paid in life and death were tested against the Lifetime Allowance (LTA), which has now been removed.

From 6 April 2024 new allowances (see below) apply to tax-free cash sums from UK-registered pension and life assurance schemes. If you previously used up part of your LTA, your new allowances will be reduced. If you have LTA protection and/or lump sum protection, you'll keep your right to any higher protected tax-free cash sum.

- The Lump Sum Allowance, £268,275 (25% of the former LTA), is the maximum tax-free cash you can receive during your life. Some cash sums don't use up this allowance e.g. small cash lump sums.
- The Lump Sum and Death Benefit Allowance, £1,073,100 (the former LTA), is the limit on the tax-free cash sums that can be paid in life and death. Some cash sums don't use up the allowance e.g. small cash lump sums and death benefits arising from pension savings taken before 6 April 2024. On death after age 75, death benefits are taxed at the beneficiary marginal rate.

For further information on the new allowances, please see www.gov.uk/tax-on-your-private-pension

IN A NUTSHELL

The Lifetime Allowance has been removed from 6 April 2024.

There's a new limit (£268,275) on tax-free cash sums paid during your life - the Lump Sum Allowance.

Tax-free cash sums paid in life and death are now limited to the Lump Sum and Death Benefit Allowance – this is £1,073,100.

TURN LESS INTO MORE

Imagine handing over £120 and getting £238 back – just like that! Sounds too good to be true, doesn't it? Here's how it works.

Example

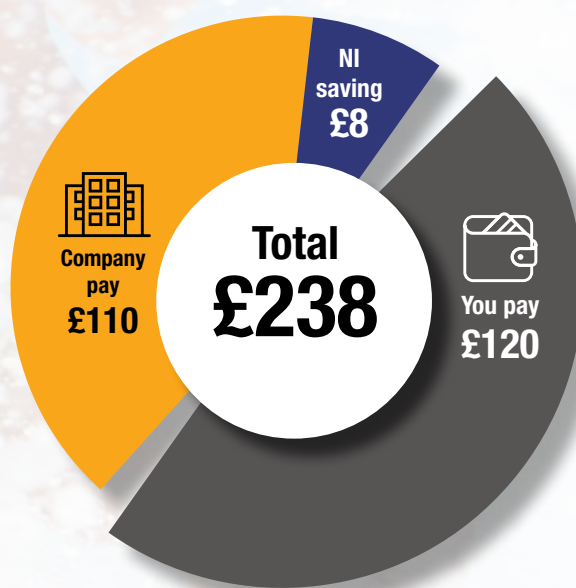
An employee with pensionable earnings of £2,000 per month, who pays in 6% and receives contributions from the Firm of 5.5%

The company contributes: **£110**

You contribute: **£120**

You'll get NI saving: **£8**

Total contribution: **£238**



Please note personal pension arrangements separate from the Scheme will not benefit from the Firm's contributions.

Being a member of the SRSS means you can build up pension savings for the future with help from Shoosmiths and tax relief from the Government. The more contributions you pay into the SRSS, the faster your pension savings could build up.

Section/age	Your minimum contribution	Shoosmiths' contribution	Total minimum contribution
Staff section			
Under age 35	5.0%	5.5%	10.5%
Age 35 plus	4.0%	5.5%	9.5%
Executive section			
Under age 35	5.0%	5.5%	10.5%
Age 35 plus	3.5%	5.5%	9.0%

Pension Auto-Escalation

The Firm introduced Pension Auto-Escalation with effect from 1st November 2022, and as a result your contribution increased by 1% from that date (unless you opted not to participate, or your combined contribution was 12% or greater). If you continue to participate in Pension Auto-Escalation, your contribution will increase by 1% per annum on 1st November each year until such a point that it reaches 7%. For further details of Pension Auto-Escalation, please contact the Benefits Team.

You own your future. So if you are unsure how much you are paying, or you'd like to change your monthly contributions, please go to Your Benefits.

IN A NUTSHELL

When you save into the SRSS so does the Firm and you'll also benefit from tax relief.

When you stop working you'll be thankful you saved more for retirement.

TAX AND YOUR PENSION SAVINGS

The benefit of tax relief

As your pension savings are paid each month into the SRSS directly from your salary they benefit from tax relief, which reduces the actual cost to you (see example below). You should note, however, the limits on how much you can save each year and still receive tax relief (see What are the limits?).

IMPORTANT: where you live in the UK will affect the tax rates you pay.

Payments to the SRSS will normally be made through Salary Exchange. This means you 'exchange' (contractually give up the right to receive) a specific amount of salary based on your contribution rate. You don't pay tax on the salary you've exchanged, so this is equivalent to full and immediate tax relief, nor do you pay National Insurance (NI) contributions on this amount. The Firm then makes payments into your pension account that includes both your Salary Exchange and its payment. The Firm will pay lower National Insurance contributions. In addition the Firm will share 50% of their NI savings as an increased employer contribution to your pension. This makes saving into your pension even more tax efficient. Entitlement to some State benefits is based on your NI and others on your pay, so Salary Exchange may affect your entitlement to some State benefits. For further information on Salary Exchange visit www.pensionsadvisoryservice.org.uk or contact the Benefits team.

Are you a higher-rate taxpayer?

If so and you make your payments through Salary Exchange you'll automatically receive higher-rate tax relief.

The tax treatment depends on your individual circumstances and may be subject to change in the future.

What are the limits?

The Annual Allowance (AA) is the total payments that can be made including the Firm's payments, in any tax year without incurring a tax charge. The AA is currently £60,000 for most people.

However, the AA reduces if:

- You've taken any pension benefits using one of the flexible options – cash sum or flexible withdrawals - known as the Money Purchase Annual Allowance (MPAA). The MPAA is £10,000. Please note that if you take a tax-free cash payment or income from an annuity this does not normally trigger the MPAA.
- You're a high earner with income above £200,000 a year - known as the Tapered Annual Allowance (your AA might gradually reduce to as low as £10,000).

For further information please see www.gov.uk/tax-on-your-private-pension

IN A NUTSHELL

You can pay as much as 100% of your gross earnings, up to a maximum of £60,000, into your pension and still get tax relief.

If you take any of your pension benefits using flexible withdrawals your Annual Allowance will be reduced.

YOU'VE GOT THE POWER

Hopefully, we've now seen off the worst of the high inflation that's meant almost everything, from gas and electricity to food shopping, mortgages and holidays, has become so much more expensive over the last couple of years.

With extra demands on our money, it's very hard to save for a rainy day, never mind think about a far-off time when you're no longer working. Nevertheless, it might be appealing to give some thought to what a comfortable lifestyle in retirement could look like for you and how much money you'd need at that time.

Share some savings with your future self

Have you thought about whether you could afford to pay a little extra into your pension savings each year but wondered where to find any extra money? Here are some ideas.

- The 2024 Budget announced some major changes to Child Benefit payments by increasing the threshold at which the full Child Benefit is paid. Estimates suggest half a million families will be better off from 6 April 2024. If you're one of those you might have a little more than before!
- The Chancellor also announced a further National Insurance (NI) reduction from 6 April 2024 taking the rate of NI from 10% to 8%, which again might mean you have some extra left over at the end of each month that you hadn't already accounted for.
- As payments to the SRSS are normally made through Salary Exchange, paying extra to the SRSS could lower your tax bill by reducing your salary for income tax purposes. This could be especially tax-efficient if you're a higher earner.
- If you get a salary increase, saving just a small portion of this to the SRSS would let that money work away for you and help build a better retirement.

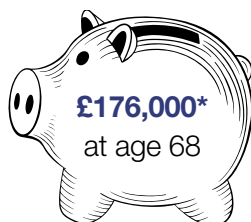
COUNTING THE COST OF TAKING A BREAK

Let's look at the impact of taking a break from paying into your pension. This example assumes Asa and Max both earn and pay the same into their pension, but at age 40, Asa decides to stop contributing for 5 years, but then re-starts contributions.

Asa



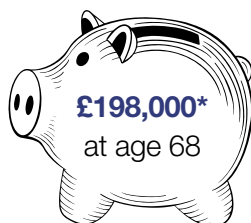
Asa stops contributing at age 40 for 5 years



Max



Max doesn't change her contributions



Asa loses out on £22k in today's terms.

Assumptions: Asa and Max, both start on an annual salary of **£22,000** at age **22**; **5%** employee contribution (via Salary Exchange) and a **5.5%** employer contribution (total **10.5%**); **2.5% p.a.** salary increases; **2.5%** inflation rate; **5%** investment return (net of charges).

**Figures are shown in today's terms.*

These calculations are for illustrative purposes only. Returns are not guaranteed and the value of your investment may go down as well as up, so you may get back less than you invest. For free, impartial money and pensions guidance, visit www.moneyhelper.org.uk

Please note if you decide to leave the Scheme you will be unable to re-join.

WHAT WE MEAN BY TODAY'S TERMS AND FUTURE TERMS?

- *Today's terms means how much your money would be worth now. We've assumed salaries increase by 2.5% a year and your investments grow by 5% a year, then deducted 2.5% to account for inflation.*
- *Future terms means we've not accounted for inflation at all in the figure. So, although the monetary value of your savings is higher, prices and costs will also be higher, so your savings won't have the same buying power.*

HOW TO MAKE EXTRA PENSION SAVINGS

You can change the rate at which you save to the SRSS anytime via the Your Benefits portal.

You can also make one-off payments at any time which also get tax relief (subject to limits – see page 7). Contact the Benefits team about paying a Firm annual or one off bonus to your pension savings.

IN A NUTSHELL

The earlier you dip into your pension savings the less time left for them to potentially grow in value.

There may even be nothing left in future years, and you may pay more tax now than in retirement.



INTEREST APPLIED TO YOUR RETIREMENT ACCOUNT – 2023

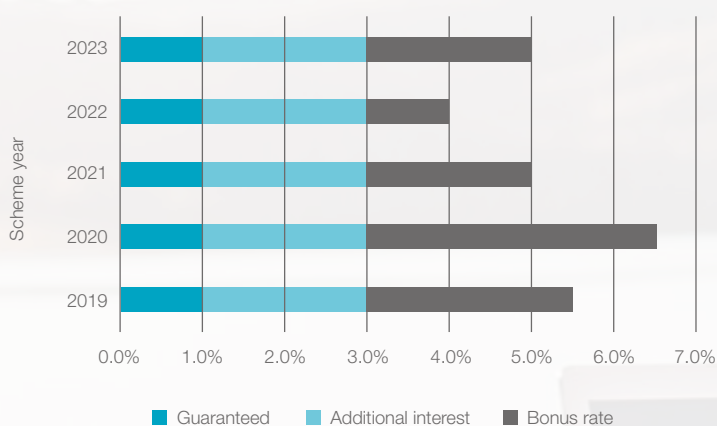
Whilst you are a member of the SRSS, your Retirement Account is invested in Aviva's With Profits Fund. In the 2023 Scheme year, new contributions to the SRSS were subject to a 10% uplift, and Aviva has confirmed that this uplift of 10% will continue for contributions paid during the 2024 Scheme year.

This means that if you're a contributing member of the SRSS, then for every £100 contributed by you and Shoosmiths, Aviva will invest £110 in your Retirement Account. Additionally, all members' Retirement Accounts grow through the addition of yearly bonuses and interest; part of these are awarded at guaranteed rates. Once a bonus is added to your Retirement Account, it can't be removed.

Both the yearly bonus and the interest rates applied are reviewed by Aviva every year. Aviva has confirmed that the bonus/interest credited to Retirement Accounts between 1 January 2023 and 1 January 2024 are as follows:

- Guaranteed interest: 1.00%
- Additional interest: 2.00%
- Annual bonus: 2.00%

The total interest applied in the last five Scheme years is shown in the chart below.



Source: Aviva

For contributions paid in previous years, the guaranteed interest rate varied from 1.0% to 9.5%, depending on when the contributions were paid. Bonus and additional interest rates applied in future years will vary.

You will receive an annual statement from Aviva showing the actual amount of interest and annual bonus which has been applied to your individual Retirement Account. If you have any questions regarding the statement, please contact Aviva directly.



IT PAYS TO PLAN AHEAD

When you joined the SRSS you'll either have set your own 'selected retirement age' or if not, Aviva will have made this the default age, your 65th birthday. Depending on your age now you may think it's too far away to bother with, or alternatively, if it's getting closer you might want to give some careful thought to when you actually want to take your SRSS savings.

Some people choose to start using their SRSS savings early, perhaps with continued part-time working. Others may decide to work full-time for longer to build up more pension savings.

Everyone's different so it's vital to plan ahead! Think about what age works for you. You may want to line up your savings from the SRSS with any other pensions you've built up elsewhere, or the age you'll be entitled to claim State Pension (see below).

As your selected retirement age will affect any investment or lifetime strategies in the SRSS you'll need to keep it up to date.

To check or change your selected retirement age contact Aviva.

STATE PENSION BENEFITS

If you've built up State Pension benefits during your working life (dependent on your National Insurance record) you can check the exact amount you might get and how it's calculated on the following Government websites:

www.gov.uk/check-state-pension

www.gov.uk/new-state-pension/how-its-calculated

The full level of the new State Pension for the 2024/25 tax year is £221.20 a week (up from £203.85 a week).



State pension age is changing

State Pension age (SPA) is the earliest you can claim State Pension.

As a result of the continued rise in life expectancy, SPA increased in October 2020 to age 66 and will increase gradually as follows:

- 2026 – 2028 – age 67
- 2044 – 2046 – age 68*

*Under current law, the State Pension age is due to increase to 68 between 2044 and 2046. However, this timescale is under review and may change in the future.

You can choose to delay your State Pension and get a larger amount when you do come to claim it.

IN A NUTSHELL

Thinking about retiring early? The normal minimum pension age (NMPA) is the earliest age which most people can begin to withdraw money from their personal and workplace pensions. This age is currently 55 but it is due to increase to 57 from April 2028!

State Pension age is currently 67 and rising. If you're planning early retirement, mind the gap!

PROTECT YOUR LOVED ONES AND YOURSELF

HAVE YOU NOMINATED?

It's not something you'll probably want to think about, but if you were to die would your loved ones be able to manage financially?

In the event of your death the Trustees will pay benefits from the SRSS but they need you to complete a Beneficiary nomination form so they can take your wishes into account. Paying benefits this way means (under current law) any lump sum can be paid free of Inheritance Tax.

If you don't complete a Beneficiary nomination form or it's not up to date, the Trustees will have no guidance; they'll need to use their discretion to decide who should receive any benefits that may become payable in the event of your death. So, please guide them by completing a form and keeping it updated if your circumstances change.

You can change your beneficiaries at any time. Active members can update their beneficiaries via Your Benefits. Preserved members can request a new form to update their beneficiaries by contacting Aviva directly at gpsrsterms@avivaservicing.co.uk

If your Group Life Assurance benefits beneficiaries are different from your SRSS pension benefits beneficiaries you'll need to request a separate form from the Benefits Team.

DO YOU KNOW WHERE YOUR OTHER PENSION SAVINGS ARE?

The average UK employee may have up to 12 different jobs in their lifetime, which could mean lots of pensions to keep tabs on.

If you've lost touch with a workplace or personal pension, use the free Pension Tracing Service at www.gov.uk/find-pension-contact-details

STOP THE SCAMMERS!

Pension scammers are after your savings!
Follow these steps to protect your future finances.

- Cold calling about your pension is against the law! Ignore calls, emails or messages about your pension.
- Keep your guard up – scammers use texts, emails and websites that look very convincing.
- NEVER give personal information (including bank details) to someone you don't know.
- Scammers try to put people under time pressure – always take your time to check who you're dealing with before you make any decision about your pension or finances.
- There is NO 'amazing' deal and NO 'guaranteed' investment return. And you can't access your pension before age 55 without severe tax implications.

- Using an adviser? Make sure they're registered with the Financial Conduct Authority (FCA).
- Don't take recommendations! Check everything yourself.
- Think you've been scammed? Act immediately.

Find out more about staying scam smart at www.fca.org.uk/scamsmart

Contact: Action Fraud on **0300 132 2040** if you think you're being scammed.

Remember – if it sounds too good to be true, it probably is!

IN A NUTSHELL

Make sure you keep your Beneficiary information up to date.

Lost track of any pensions? Visit www.gov.uk/find-pension-contact-details

Don't let a scammer enjoy your retirement -
www.fca.org.uk/multimedia/fca-tpr-pension-scams-tv-ad

SNIPPETS

YOUR PENSION SAVINGS OPTIONS

When it's time for you to access your pension savings, you'll have the flexibility to choose how and when. You can choose either one, or a combination of:

- A single* cash lump sum (normally 25% is tax free, up to a limit of £268,275)
- A guaranteed income for life (annuity)
- Flexible withdrawals (drawdown)**

* The SRSS rules do not allow members to take multiple cash sums over time. However, you're able to transfer your funds to an alternative pension arrangement that does offer this option.

** The SRSS rules do not allow the flexibility to drawdown income within the SRSS. However, you're able to transfer your SRSS funds to an alternative pension arrangement that does offer this option. This would usually be before you have taken a tax-free cash sum from the SRSS.

If you are entitled to a 'protected' tax-free cash sum (in excess of 25% of your Retirement Account at 6 April 2006), subject to certain conditions, you will be able to transfer your remaining funds to an alternative pension plan immediately on taking the 'protected' tax-free cash sum from the SRSS. You cannot take a tax-free cash sum from the SRSS and leave any funds in your Retirement Account in the SRSS.

ACCESSING YOUR SRSS BENEFITS

It's worth noting that, for the SRSS, there's a period each year (normally from November to January) when Aviva undertake the annual renewal process (also known as the 'blackout period'). The age and type of the scheme means the SRSS doesn't benefit from the type of modern platforms used for Aviva's many other schemes.

Therefore, despite the Trustees working with Aviva to ensure any delays are minimised, you are likely to experience delays if requesting information from Aviva during the blackout period. We would therefore recommend you take this into account and allow plenty of time to receive information from Aviva before making decisions about accessing benefits and taking financial advice.

The decisions you make may not be straightforward and they might have tax implications.

Pension Wise, a Government service from MoneyHelper, offers free, impartial pensions guidance for people aged 50 and over. See page 18 for more information and go online at www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

RESPONSIBLE INVESTING

It's important we make sure your savings in the SRSS are invested in ways to help:

- the environment, looking at issues such as carbon emissions
- wider society, considering how employees, suppliers and communities are affected, and
- ensure businesses in which your pension savings are invested are run responsibly, including areas like diversity and equal pay.

Taken together, these investment considerations are known as ESG (Environment, Social and Governance) and we take these very seriously when choosing with whom, and how, we invest your pension savings.

So, what is the SRSS's approach to ESG? You'll be reassured to know that Aviva's With Profits Fund – used for investing your Retirement Account - already integrates ESG considerations. This means your money is working hard for you and at the same time doing good right up to your retirement. You can find out more about Aviva's ESG approach here: www.aviva.co.uk/retirement/workplace-pension/pension-power/

DASHBOARDS UPDATE

More employees than ever are saving for their retirement through workplace pensions like the Shoosmiths Retirement Savings Scheme, so it's more important than ever that pension savers understand how all their pensions can work together to provide them with a later life income.

Pensions Dashboards is a Government-run scheme which will allow you to view all your pension information, from all pension providers, in one place online. You'll also be able to see information about your State Pension entitlement. It's expected to improve the way we plan for retirement and help us make the most of our savings.

Pensions Dashboards is currently planning to be fully up and running by 31 October 2026. Find out more at www.pensionsdashboardsprogramme.org.uk

KEY CONTACTS

SRSS administrator - Aviva

Shoosmiths Retirement Savings Scheme
Aviva, Po Box 582, Bristol, BS34 9FX
Email: gpsrssterms@avivaservicing.co.uk
Telephone: 0173 242 5519

You should contact Aviva directly in relation to most things, including transfer requests or retirement illustrations.

Please note the SRSS was formerly with Friends Life and, although Aviva now manage the scheme, they may not be able to easily locate your details should you call their main customer service number instead.

Shoosmiths' pension advisers

Barnett Waddingham LLP
Shoosmiths Retirement Savings Scheme
c/o Kelly Marks, Barnett Waddingham LLP
St James House, St James Square
Cheltenham, GL50 3PR

Email: shoosmithshelpline@barnett-waddingham.co.uk

Telephone: 0333 11 11 331

Barnett Waddingham is Shoosmiths LLP's pension adviser, and in relation to the SRSS, they act as an intermediary between Aviva and the Trustees providing general guidance and support to members. They are not able to provide personal details in relation to your pension in the SRSS.

MoneyHelper

MoneyHelper offers a broad range of financial guidance and support. You can access free, impartial help about money matters and your

pension savings, find a local financial adviser and use a range of handy calculators and tools: www.moneyhelper.org.uk/en

Pension Wise

Pension Wise is a Government service from MoneyHelper offering free, impartial pensions guidance to people aged 50 and over about defined contribution pension options like the one you save into with SRSS. If you're thinking about accessing your pension savings, your provider must refer you to the Pension Wise guidance and offer to book an appointment with them, or you can contact Pension Wise directly. An appointment with Pension Wise will:

- Help you understand what your overall financial situation will be when you retire.
- Talk you through your options at retirement to help you make the right decision.
- Help you find out about the other factors you need to consider when deciding on your options.

To find out more or book an appointment, visit www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

Financial advice

If you'd like financial advice, but you don't have a financial adviser, the MoneyHelper website provides information about financial advice and help with choosing a financial adviser: www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

This newsletter doesn't constitute financial advice, only information. You should consider taking financial advice before making any decision regarding your pension.

The figures included in this newsletter are relevant to the 2024/25 tax year and are likely to change from year to year. Figures in the examples are for illustration purposes only. The Firm's pension advisers, Barnett Waddingham LLP, helped in the preparation of this newsletter. Barnett Waddingham are authorised and regulated by the Financial Conduct Authority (FCA).



Tell us what you think

The QR code opposite links directly to a 60-second survey where you can give your views on Shoosmiths Retirement Savings Scheme Update 2024. Using the camera app on your smartphone, point at the QR code and open the notification displayed. We value your opinion so please let us know your thoughts.