



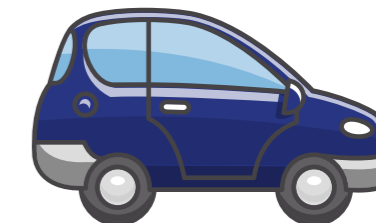
THE CHEVIOT PENSION

# A GUIDE FOR MEMBERS

# INTRODUCING YOUR WORKPLACE PENSION

Your employer has selected the Cheviot pension as its workplace pension. This guide tells you more about Cheviot and also explains how your pension with us works.

We're here to help you save enough money to have the retirement you want. People have different plans for their retirement and many people continue to work, even if it's only a few hours a week. The Cheviot pension gives you the flexibility to choose the retirement that's right for you.



## USING THIS GUIDE

We hope you find this guide useful and easy to understand. You can use the [Contents page](#) to jump to the topic you want to find out more about, or simply use the back and forward arrows to navigate through this guide. If you prefer, you can print the guide.

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# ABOUT US

The Cheviot Trust is not-for-profit, unlike most of the pensions industry. That means we re-invest our profits back into the business so we can offer our members leading-edge investment and retirement solutions.

We're managed by a Board of Trustees. The Trustees come from different employers and have different skills. They are there to look after your interests.

The Trustees represent both employers and members to make sure that your Cheviot pension is well run, your money is thoughtfully invested and investment performance is regularly reviewed and monitored. It is unusual for a Master Trust to have member representatives but we value the contribution they make to the way the Trust is run, particularly in helping us get the communications right.

You can see who our Trustees are on our corporate website:  
<https://www.cheviottrust.com/about-us/meet-trustees>



# BEING A MEMBER

As you continue to pay into your Cheviot pension, you'll be able to see how it builds up through the statement you will receive each year, which will show you how much you have saved and how much income that may provide when you retire. You can also see this information online by checking the [Cheviot Dashboard](#). The Dashboard means you can view and amend your personal details and view your account value, contributions and investments whenever you want.

## Keeping track of your savings

The Cheviot Dashboard is the best place to start.

- Make sure your personal details are up to date so you always receive your annual statement and other important communications.
- Check your savings are on track to provide the retirement income you want.
- Let us know if your retirement plans change by changing your Target Retirement Date.
- Keep your [Expression of Wishes form](#) up to date.

You can make your changes by using the secure [Cheviot Dashboard](#) or by contacting us directly using the contact details on page 20.

## Questions and complaints

If after reading this booklet you have any questions or comments, please get in touch with us using the contact details on page 20. If we're unable to resolve your queries, or if there's something you don't agree with, there's a formal dispute procedure you can follow. Formal complaints must be made in writing.

# HOW THE CHEVIOT PENSION WORKS

The Cheviot pension is a savings plan that helps you build up a pot of money for when you stop working. Our type of pension is often called a 'money purchase' or 'defined contribution' scheme. They both mean the same thing.

- Usually you and your employer pay contributions into the Cheviot pension every pay period.
- The contributions are invested on your behalf.
- The value of your fund can go up or down, depending on financial conditions.
- You can keep track of your fund through the [Cheviot Dashboard](#).
- From the age of 55\*, you have the option to access your savings; this will include your employer's contributions and any money made from investing your savings.

- You can use your pension savings in a number of different ways to provide an income once you stop working.
- If you die before you take the money in your account, your savings will be paid as a lump sum, usually free of Inheritance Tax. Remember to let us know who you would like to receive your savings by updating your wishes on the [Cheviot Dashboard](#) or by completing an [Expression of Wishes form](#). The Trustees will consider the contents of the form as well as other evidence relevant to their decision as to the payment of benefits to beneficiaries.

\* The Government plans to increase the minimum retirement age for most people to age 57 from 2028.



# YOUR CONTRIBUTIONS

You and usually your employer pay money into the Cheviot pension each month. Your contributions are taken straight out of your pay, so you don't need to remember when or how much to pay us.

If you earn enough to pay income tax, your pension contributions qualify for tax relief. This means it doesn't cost as much as you think to save into a pension, because you end up paying less tax. Some employers might also use 'salary sacrifice', which means you also pay lower National Insurance contributions. Your employer will let you know if this applies to you.

## Changing your contributions

Your employer will tell you how much you and they will pay, and they'll also let you know if you can pay more into your pension through their payroll.

If you want to change the amount you pay into your pension, please contact your HR or Payroll Department.

## Contributing occasional lump sums

If you want, you can make one-off payments direct to Cheviot at any time – say, if you have a bit of spare cash at the end of the month. Just contact us at the address shown on [page 20](#). If you do this, remember to claim your tax relief through self-assessment, if appropriate.

You can choose to make one-off payments, subject to the limits explained on [page 9](#) of this booklet.



# YOUR CONTRIBUTIONS (CONTINUED)

## Deciding how much to save

It's likely that by the time you want to use the money you've saved, the cost of day-to-day things like food and travel will have increased, so you need to make sure your pension pot is big enough to last throughout your retirement.

The amount of money you'll get will depend on a number of things, including:

- How soon you start
- How much you pay in
- How well your investments perform
- How much is taken out in charges
- How you choose to take your money and when. Taking your money early means it has less time to grow and won't last as long.

## Tax relief

If you pay tax on your earnings and pay into a pension, your contributions are deducted from your pay before tax is calculated. This means that you receive tax relief on contributions at your highest tax rate. If you pay tax at the 20% rate, every £10 you pay into the Cheviot pension will actually only cost you £8.



If you don't earn enough to pay tax, you won't get tax relief on your pension contributions under the Cheviot pension. This means it might not be the best plan for you.



# YOUR CONTRIBUTIONS (CONTINUED)

## Limits on what you can pay in

You can pay up to 100% of your earnings into the Cheviot pension in each tax year. However, the Government has set a limit on how much can be paid into all company and private pension plans for you each year and still obtain tax relief. This limit is called the Annual Allowance and you will be taxed at your highest marginal rate on any contributions above it. The Annual Allowance is covered in more detail in our [Tax Factsheet](#).

## Limits on how much you can save up

Prior to 6 April 2024 benefits paid from pension arrangements were tested against the Lifetime Allowance (LTA). If the aggregate of all pension benefits exceeded the LTA, members were subject to a charge on the excess amount. From 6 April 2024 the LTA was abolished and replaced with two new allowances.

The two allowances effective from 6 April 2024 are;

- Lump Sum Allowance (LSA) – currently £268,275
- Lump Sum and Death Benefit Allowance (LSDBA) – currently £1,073,100

These allowances are covered in more detail in our [Tax Factsheet](#).



# TRANSFERRING IN OTHER PENSION SAVINGS

If you have built up pension savings in other schemes, you can normally transfer them into your Cheviot pension with no extra charge. The transfer will be added to your other benefits and invested on your behalf until you decide to retire.

Keeping your pension savings in one place might make them easier to manage but you need to consider whether it is right for you. You should consider whether to take financial advice to make sure that transferring is the right thing for you. This is particularly important if you are transferring benefits from a final salary or defined benefit scheme and may be required.

If you decide to transfer, you can provide your previous pension plan details to the Cheviot Trust and we will contact your old pension provider. Your other pension pot will then be transferred into your Cheviot account.



# INVESTING YOUR CONTRIBUTIONS

The Trustee invests the money that is paid into the Cheviot pension on your behalf. If you have benefits in the With Profits Section, please see the [With Profits Section page](#) of the website. For members of the Money Purchase Section we offer a number of investment options that are designed to provide good, stable returns over the long term at a reasonable cost. No investment return is guaranteed, and all investments can go down as well as up.

When you join, you will be automatically invested in the Cheviot Lifeplan, which uses your Target Retirement Date to work out appropriate investments for you. You set your own Target Retirement Date and can change it at any time. If you don't set a Target Retirement Date, Cheviot will use the date you reach State Pension Age. You can check your State Pension Age at: <https://www.gov.uk/state-pension-age>

You can also choose your own investments if you want a more hands-on approach.

You can choose how you take your savings when you reach retirement. It's important to review your investments regularly to make sure they match your retirement goals.

[Investment Factsheet 1](#) provides an overview of your investment options.



# INVESTING YOUR CONTRIBUTIONS (CONTINUED)

## Cheviot Lifeplan

At retirement, you can usually take 25% of your account as tax-free cash (from the Cash Fund) and keep the remaining 75% invested to 'drawdown'. You can then take money out of your account as and when you need it. This is called 'flexible drawdown'. This option is available within the Cheviot Trust so you don't have to transfer your savings to another provider and the Trustees will continue to look after them for you.

If you want to take your whole fund as cash or you want to buy a secure income (often called an annuity), there are different options for you to choose as you approach retirement.

Please see [Investment Factsheet 3](#).

## Choosing your own investments

If you prefer to make your own investment decisions, we have a range of funds to choose from. These include the Cheviot funds managed by the Trustees, which invest in a range of different assets; equity funds, which only invest in stock markets; and specialist funds, which are designed to meet certain religious, ethical and retirement planning needs.

If you choose your own option, it is your responsibility to review your investment choices and decide which is right for you, particularly when you are approaching retirement. More detailed information about our range of funds, including fund charges, is given in [Investment Factsheet 2](#).

# INVESTING YOUR CONTRIBUTIONS (CONTINUED)

## Charges on your account

The charges for each fund vary and include:

Governance	The Trustees look after your interests and monitor investment performance.
Investment strategy	Investment strategy is a key component in the effective management of any pension arrangement. Cheviot's dynamic and innovative approach focuses on both stability and returns.
Administration	Investment record keeping, including collecting and investing contributions promptly and accurately, providing support and paying your benefits when you leave your employer or retire.
Communications	Telephone and email support, annual benefit statements, Report to Members, member website, the Cheviot Dashboard.

The investment management costs are reflected in the unit prices of each fund.

## Reviewing your investments

Although the Trustees look after member investments for you, you need to consider your investments in light of your personal circumstances. Your annual benefit statement is a good opportunity to review your situation and check that your account is invested to meet your needs. If you want to change your self-select funds or to switch in or out of the Cheviot Lifeplan option, you can do so at any time by completing the [Investment Options form](#). Please note: No one at your employer or the Cheviot Trust can advise you on how to invest your account. If you can't make up your mind, you might want to see a financial adviser. You can find an adviser in your local area through the website [www.unbiased.co.uk](http://www.unbiased.co.uk)

**IMPORTANT NOTE:** Past performance is no guarantee of future performance. The value of your account may go up or down.

# RETIRING FROM THE CHEVIOT PENSION

Retirement is changing. These days, not many people work for just one company their whole lives – and many of us carry on working even after we've 'retired', so the idea of a final 'retirement date' is becoming a thing of the past.

The Cheviot pension gives you flexibility to use your money purchase pension savings in a way that suits your individual needs.

## When can you take your savings?

You can access your pension savings at any time from age 55\* regardless of whether or not you've stopped working. You'll need to think carefully about when is the right time, so you can make sure you have enough money to live on when you stop working.

We'll assume you're going to take your benefits at your Target Retirement Date. If you don't set a Target Retirement Date, we will use your State Pension Age. You can change your retirement age online through the Cheviot Dashboard.

Be aware of pension scams – don't let someone else enjoy your retirement. Our Pension scams factsheet explains the warning signs for scams and how to avoid them.

\* The Government plans to increase the minimum retirement age for most people to age 57 from 2028.



# YOUR RETIREMENT OPTIONS (CONTINUED)

## Your retirement options

There are three main options for taking your retirement savings if you have a money purchase account: cash, flexible income and annuity. You can also use a combination of options.

We have produced a series of factsheets that explain your retirement options in more detail.

### Retirement Factsheet 1 – an overview of your options

### Retirement Factsheet 2 – cash lump sum(s)

You can take one or more lump sums from your fund. Taking all your cash as one lump sum may mean you pay more tax than usual because some of it will be taxable and may increase the rate of tax you pay in that year.

### Retirement Factsheet 3 – flexible income

A flexible income, known as drawdown, allows you to choose how much income you receive each year. If you are able to take some risk by leaving your savings invested, a flexible income may be a good choice. You can always buy a secure income in future if it becomes more important to you.

### Retirement Factsheet 4 – secure income

If you use all your savings for retirement to buy a secure income, called an annuity, this is usually a one-off financial decision.

The financial conditions at the time will affect how much guaranteed income you will get in exchange for your retirement savings.

### Retirement Factsheet 5 – making your decision

This factsheet covers: things to consider as you make your decision, getting help (either through paid-for advice or free guidance from the Government), and understanding the phases of retirement.

# OTHER LIFE EVENTS

## Changing employers

If you opt out of the Cheviot pension within 30 days of being auto enrolled, you will receive a refund of the value of your contributions (less tax).

If you move to another employer who also uses Cheviot, then you can probably just carry on contributing to your Cheviot pension. If your new employer has different pension arrangements, you can leave your Cheviot pension invested and we will continue to look after it and invest it on your behalf until you want to retire.

You can transfer your Cheviot pension to another pension arrangement at any time before you retire. Your transfer value is the value of your account when it is disinvested. Cheviot will only disinvest your account when we have received all your completed paperwork. Please [email](#) us for more information.

## Transferring out

You can also transfer in benefits from other pension arrangements. The transfer will be added to your other benefits and invested on your behalf until you decide to retire. There is no additional charge for transferring into the scheme. Please [email](#) us for more information.





# OTHER LIFE EVENTS (CONTINUED)

## If you can't work due to illness or injury

If you become seriously ill or injured and you can't continue working, you may be able to take your pension savings before age 55.

You will need to provide written evidence from a registered medical practitioner which confirms you're unable to perform your role because of physical or mental impairment.

In cases of limited life expectancy, which is defined as less than one year, it may be possible to have your pension savings paid out as a tax-free cash lump sum.

Your employer might provide other life assurance or ill-health benefits so check with them too.

## If you die before taking your benefits

The value of your Cheviot pension when it is disinvested will be paid as a lump sum (subject to tax limits). Some employers provide additional life assurance benefits through Cheviot, while you're employed. Please check your most recent benefit statement.

To help the Trustees understand what you want to happen to your Cheviot pension or any life assurance benefit if you die before you retire, you need to complete an Expression of Wishes form.

You can change your mind at any time by completing a new form.

# OTHER LIFE EVENTS (CONTINUED)

## Divorce or dissolution

If you're involved in a divorce or the dissolution of a registered civil partnership, your pension savings will be taken into account by the courts.

## Change in marital status

You can update your details on the Cheviot Dashboard. Remember to complete a new [Expression of Wishes form](#) to help the Trustees exercise their discretion when paying the value of your fund.

## If you are absent from work

What happens will depend on why you are absent.

If you are on paid maternity leave, you will need to pay contributions based on the pay you are receiving. During unpaid maternity leave, you usually stop making contributions.

Your employer will pay contributions based on your normal pay whilst you are on paid maternity leave but will usually stop making contributions when you are on unpaid leave.

If you are not entitled to statutory maternity pay, please ask us for more information.

Similar rules apply for adoption and parental leave – please contact us for further details.

# DATA PROTECTION

The Cheviot Trust and the Trustees may use the personal information that you or your employer has provided to us for (amongst other things):

- Dealing with your enquiries and requests for services from the Cheviot Trust
- Administering your account and processing any claims, and/or
- Carrying out market research, statistical analysis and customer profiling.

Our privacy policies set out more detailed information on how we use your personal information (including, our processing activities, the lawful basis for our processing, how we transfer and share your information and/or any information prescribed by data protection law). A copy of the Cheviot Trust's privacy policy and summary privacy policy is available [here](#). Any changes to the privacy policy will be posted on the website from time to time.



# CONTACT US

If you want to speak to someone about your Cheviot Pension, please contact us by:

Tel: 01702 354 024

Email: [people@cheviottrust.com](mailto:people@cheviottrust.com)

Post: The Cheviot Trust, Kingswood House,  
58-64 Baxter Avenue, Southend-on-Sea, Essex SS2 6BG

## Legal note

This guide is intended as a summary of the terms and conditions of the Cheviot pension. If the information in the Scheme Trust Deed and Rules and this guide ever conflict with each other, the Rules will be overriding. You can find the Trust Deed and Rules [here](#).

The information in this guide is based on the Trustees' and the Cheviot Trust's understanding of current legislation and HMRC practice as at May 2021. The Trustees will endeavour to update this guide to reflect changes to legislation and HMRC practice promptly. However, these changes can happen without notice and so you should be aware that this guide may not always reflect the latest changes to legislation and HMRC practice.