

Employer direct mail letter template wording

Suggested wording to be used in either a letter or an email to communicate to employees the increase in their pension contributions.

Dear <insert member name>

INCREASE IN PENSION CONTRIBUTIONS

I'm writing to remind you that your pension contributions will increase with effect from April 2018, in line with government regulations to help employees save for financial security in retirement. Our contributions will be increasing too.

Effective date	Your contribution	Our contribution	Total contribution
Current	<1%>	<1%>	<2%>
<6> <April 2018>	<3%>	<2%>	<5%>
<6> <April 2019>	<5%>	<3%>	<8%>

Remember that because of tax relief from the government, each pound you save only costs 80p out of your take home pay. If you're a higher rate tax payer, that's only 60p for every pound. When combined with our company contribution, you can see how the pension scheme is a great way to save.

If you're happy to continue saving for your retirement in this way, there's no action for you to take.

OTHER BENEFITS OF THE COMPANY PENSION SCHEME

Company pension schemes are one of the best ways of saving for retirement. As well as tax relief and a regular contribution from us, you can also enjoy the following benefits of your pension:

- You can transfer in money from other pension pots with previous employers.
- You can choose from over a hundred investment funds, including a number of options designed to protect your savings from a fall in the stock market as you approach retirement.
- Your company pension is in addition to any State Pension to which you may be entitled.

Increase of minimum pension contributions

- You'll get an annual pension benefit statement from Legal & General. You can also follow your progress online at Manage Your Account, which you can access through your scheme website, where you'll also find planning and budgeting tools to help you prepare for life come retirement.
- You can take your money at any time after age 55, whether you're working or not.
- You can take your money as you wish – for instance, all in cash or to provide a regular monthly income. The first 25% is usually tax-free but the rest may be taxed as income.

ARE YOU ON TRACK FOR THE RETIREMENT YOU'RE HOPING FOR?

It's sensible to review your savings at least once a year to make sure you're on track for the retirement you're hoping for. Here's an idea of the questions you should think about asking yourself:

- **What kind of lifestyle do I expect and how much money will I need?** Consider your future housing costs, utility bills, food, clothing, hobbies, motoring and luxury items.
- **How long will my money need to last?** Think about whether this money will need to last your entire retirement and whether you have other savings you can rely on.
- **Should I increase my monthly contributions now?** Legal & General's retirement planning tool can help you experiment with the income you could achieve in retirement, depending on a range of factors including how much you save. You can find further information at [<insert scheme website>](#).
- **Should I make any single lump sum contributions out of my annual bonus or any other savings?** You'll usually receive tax relief of at least 20%.
- **Should I review my investment strategy?** You should regularly check that you're invested in the right place, in line with your future plans. It's really important to do this more regularly as you get closer to accessing your pension savings.

AND FINALLY...

Our pension scheme is one of the most valuable benefits of working here. Remember to review it regularly to make sure it works for you.

You'll find the scheme website at [<insert scheme website>](#).

If you'd like professional financial advice please visit [unbiased.co.uk](https://www.unbiased.co.uk) for a list of advisers near you. Please note, advisers usually charge for their services.

Yours sincerely,