



Brady Trading Ltd

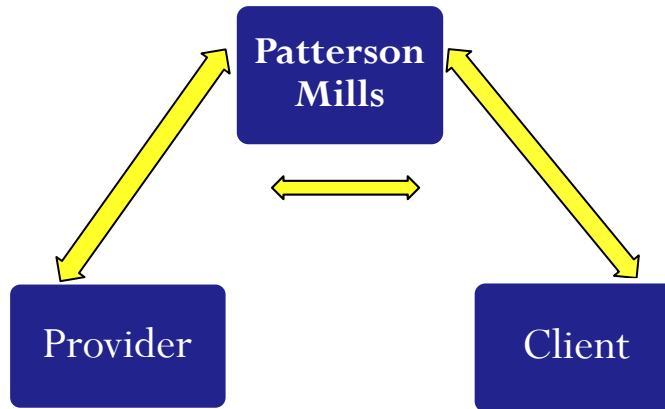
New Group Pension Scheme

Prepared by
Edward Mills of Patterson-Mills Financial Planning
3 March 2015

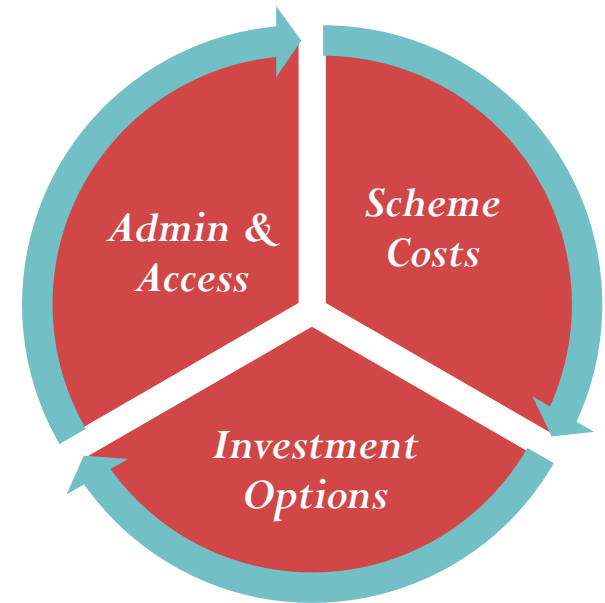




About:



Pension scheme review:



Key points:

- ❑ Scheme comparison: reduced costs / salary exchange worked example
- ❑ The new provider – Aviva / investment choice / online access & tools
- ❑ state pensions / our service to Brady & its Staff / next steps



About

- **Edward Mills** Chartered Financial Planner
28 years experience in regulated investment / pension business
- **Specialist in group employee benefits:**
IT sector / Motor Trade / Manufacturing
- **Amongst the highest qualified in the profession**
Chartered Financial Planner – top 5% of all IFAs in the UK
- **Simply Biz – Partnering Patterson-Mills Financial Planning**
UK's largest services and compliance provider for directly authorised IFAs





The New Brady Pension Scheme Contributions

- Brady invests 5% of gross basic salary into your Fund (at no cost to you, in addition to your salary)
- Member minimum contribution is 0.00% x salary
- If you do invest, with the salary exchange (aka ‘sacrifice’) method – considerable savings in your NICs* and Income Tax increases your pension

*National Insurance Contributions



How Salary Exchange Increases your Pension

	Before		After	
Gross Pay	40,000		38,588	
Inc Tax	5,760		5,717	
Employee NICs	3,845		3,675	
Pension	1,200	(3%)	-	
Take Home	29,194		29,194	same net pay

Pension Contributions

From pay	900	-
Tax relief added	300	-
From Employer	2,000	3,412
From ER NICs	-	194
Total Invested	3,200	3,606
	Extra	12.69%



How Salary Exchange Increases your Pension

	Before		After	
Gross Pay	60,000		58,137	
Inc Tax	12,907		12,882	
Employee NICs	4,432		4,394	
Pension	1,800	(3%)	-	
Take Home	40,861		40,861	same net pay

Pension Contributions

From net pay	1,080		-
Tax relief	720		-
From Employer	3,000		4,861
Employer NICs	-		258
Total Invested	4,800		5,119
		Extra	6.65%



Salary Exchange – points of note

- Some statutory state benefits may be affected by a reduced salary, for example:
 - Statutory maternity, paternity and sick pay – potential decrease
 - Working or Child Tax Credit – potential increase
- Your employer will confirm pre-exchanged salary for mortgage / borrowing purposes
- It won't affect other employee benefits provided by your employer

If you want more information on the suitability of salary exchange / sacrifice, relevant personal financial advice will be offered at your 1-2-1- meeting.



Brady Pension Schemes Compared

	New Aviva GPP	Previous Aegon (Scot Eq) GPP
Base Level AMC all cont types	0.31% p.a.	0.50% p.a.
Leaver - Transfers-out	0.00% p.a.	0.00% p.a.
Joiner – Transfers-in (one-off)	1.00%	3.00% p.a.
Leaver – no more contributions	0.31% p.a.	0.50% p.a.
No. x Fund Managers offered	32	26
Total no. x Investment Funds available	320	296

A full transfer analysis report of projected benefits for all existing Aegon funds will be provided to show member-by-member whether he /she is better off in transferring accrued funds to Aviva.

- All contributions receive Income Tax relief at highest rate up to £40,000 pa (2014-15)
- Carry forward of unused tax relief possible (max up to 3 years)
- Investment returns are free of Capital Gains Tax



The New Brady Pension Scheme

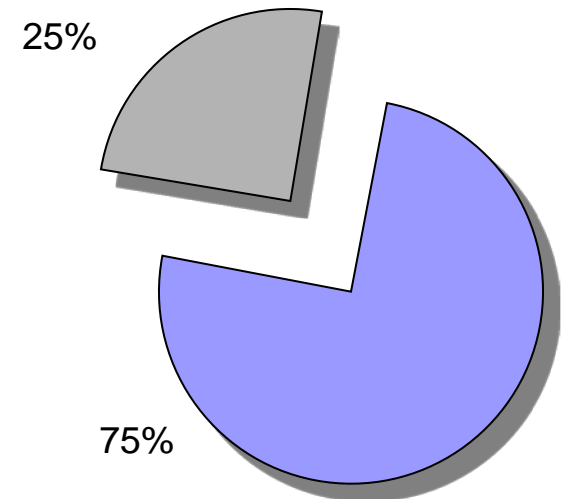
What happens if you leave?

- Low 0.31% annual management charge is **permanent** in your Aviva GPP for:
 - all transferred-in funds
 - all regular or single contributions made
 - no need to continue to contribute unless it suits you
- Transfers to new Employer schemes are penalty-free
- Lower and totally transparent charges for all Members **and all Leavers**



When and how can I take my benefits?

- Benefits can be taken up to 10 years before State Pension Age (SPA) - between the ages of 55 and 75
- Up to 25% of your fund can be taken as tax free cash
- Taking & spending cash reduces your pension
- Remaining fund provides you with an income for life
- The income for life is taken however you choose



Tax will be deducted from your pension before it's paid to you. If you don't pay tax you can arrange for the pension income to be paid to you without tax being deducted. Taxation will relate to your own personal circumstances. Tax laws may change in the future.



Over 5000 company pension schemes

£342 billion under management

Over 6.1 million annuity payments totalling £1.45 billion paid in 2012

19 million UK customers

UK's largest & one of Europe's leading Life & GI providers

Strong balance sheet (£3.8 billion surplus)

31,000 staff worldwide

34 million customers in more than 20 countries

STANDARD & POOR'S

A+ rated



Aa3 rated



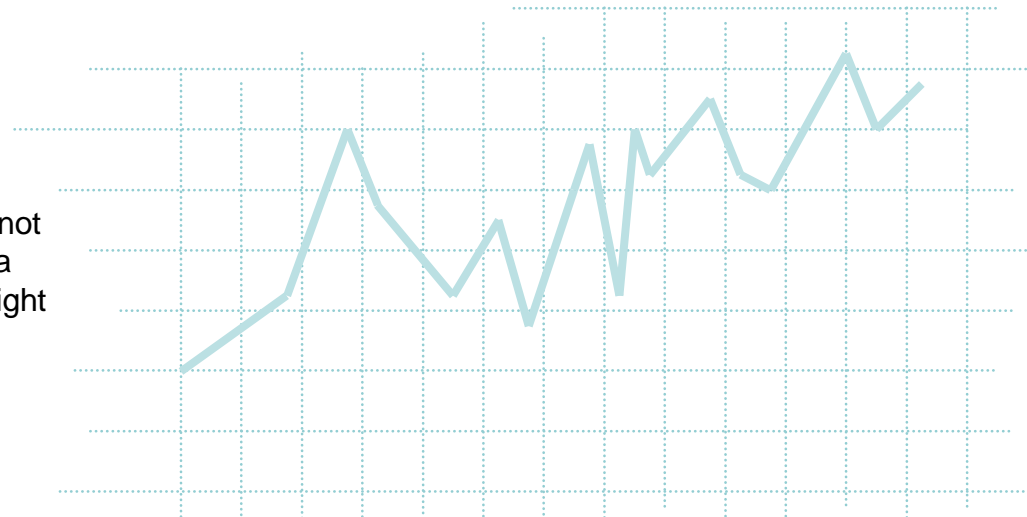
A rated

The size/strength of any company can increase/decrease over time

Investment funds

- Wide range of funds
- Tailored portfolio of funds in line with your attitude to risk (ATR) from your Adviser
- Default option is Aviva Future Focus Lifestage Fund (a medium risk 'balanced' fund)
- Different investment strategies – pick your own or use with our advice
- SIPP platform with wealth management advice also available

Different funds have different levels of risks and may not be suitable for everyone. We recommend you talk to a financial adviser to help you decide which funds are right for you.





Investment funds – external fund managers

- 280+ funds from over 30 managers
- 16 Tracker funds
- Sustainable & Responsible Investment funds
- 1 Shariah Fund (doesn't invest in areas prohibited by Islamic Shariah Law)
- 7 Multi-manager funds
- Lifestyling options
- Internal Governance
- Unlimited free switches
- SIPP platform with wealth management option available

The collage features logos for the following fund managers:

- Framlington (An AXA Investment Managers Company)
- Standard Life Investments
- Martin Currie
- Investec Asset Management
- CAZENOVE
- BLACKROCK
- NEW STAR
- BARCLAYS GLOBAL INVESTORS
- Fidelity INVESTMENTS
- NEWTON The Power of Ideas
- Invesco Perpetual
- Seven Investment Management
- BAILLIE GIFFORD
- M&G INVESTMENTS
- ARTEMIS The PROFIT Hunter
- Schrodgers
- RATHBONES Established 1742
- Allianz Global Investors
- Aberdeen
- F&C Investments
- J.P. Morgan
- OLD MUTUAL ASSET MANAGERS
- threadneedle.
- Gartmore
- JUPITER
- neptune
- RIVER AND MERCANTILE ASSET MANAGEMENT

Full details available in the Guide to Investing in your Pension brochure



Stocks and Bonds: Risk Versus Return

16% Return

15

14

13

12

11

10

Maximum risk portfolio:

100% Stocks

80% Stocks, 20% Bonds

60% Stocks, 40% Bonds

50% Stocks, 50% Bonds

40% Stocks, 60% Bonds

20% Stocks, 80% Bonds

Minimum risk portfolio:
100% Bonds

11%

13

15

17

19

21

23

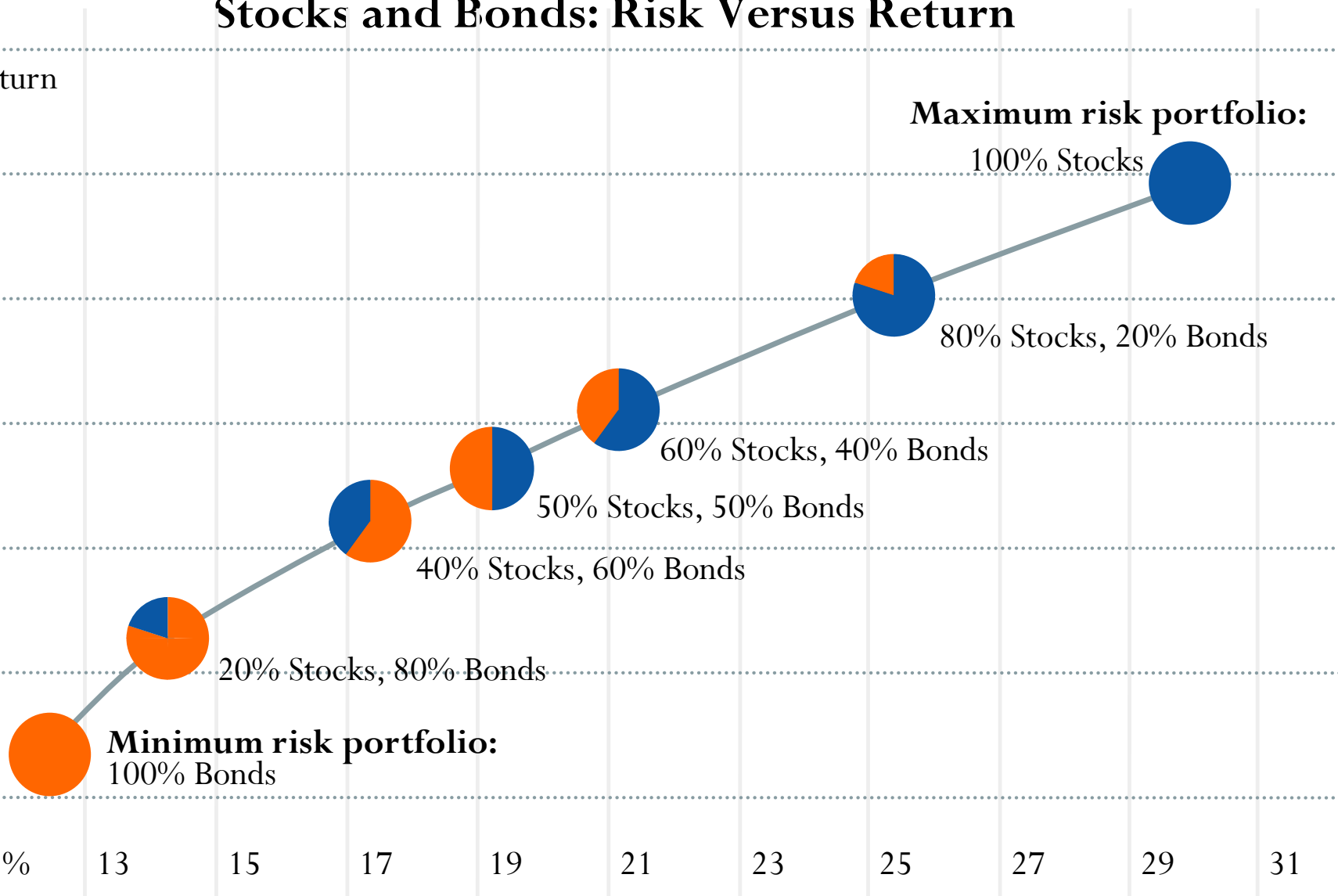
25

27

29

31

Risk





Gross Return Bid-Bid line chart over 60 months (from 26 Feb 2010 to 27 Feb 2015)
 from UK Pension universe.
 Rebased in Pounds Sterling



27 February 2015



- A - Brady - (Aviva) Portfolio Model - ATR 3 > 15 yrs GTR in GB [63.21%]
- B - FTSE All Share TR in GB [62.05%]
- C - Aviva - Mixed Investment (40-85% Shares) Pn S2 GTR in GB [56.86%]
- D - PN Mixed Investment 40%-85% Shares GTR in GB [47.72%]
- E - AFI Balanced Index TR in GB [45.30%]
- F - Scot Eq - Universal Balanced Collection Pn GTR in GB [42.23%]

26/02/2010 - 27/02/2015 Data from FE 2015

***The value of units can fall as well as rise
 Past performance should not be seen as an indication of future performance.***



► Home

- [Joining your Brady scheme](#)
- [Manage your pension online](#)
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- [Aviva your pension provider](#)
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Need some help?



Let Lisa give you a tour of the site.

[Watch video](#)

[View text transcript of this video](#)

Give your future a boost



[Want to join?](#)

[Already a member?](#)

Welcome to the Brady plc GPP member website

As your employer, we're interested in your future as well as your present. That's why we've set up a company pension scheme to help you invest for your retirement. The scheme is run by Aviva, one of Europe's leading life and pension providers.

When you retire, you can use the money you've invested in your pension to provide you with an income. And as far away as that might seem today, you should start thinking about it now. The sooner you start investing, the more options and financial freedom you're likely to have when you retire.

On this site you'll find all you need to know about the Brady plc GPP, whether or not you're already a member of the scheme.

WHAT IS A PENSION?

A pension is the money you invest during your working life to provide you with an income when you retire.

WM66001 08/2013

Contact details

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Milton Road
Cambridge
CB4 0WE

[Find out more](#) ►

Tools to help you

Budget calculator

[Work out what you can afford to pay into your pension.](#)

Pension calculator

[Discover how much you might get back when you retire.](#)

[Find out more](#) ►

Aviva our pension provider

Find out more about Aviva and what discounts they could offer you.

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What is Pension Tracker?

Online service that helps you manage your pension any time that suits you, similar to how online banking works

The screenshots illustrate the following features of the AVIVA Pension Tracker:

- Plan Value Overview:** Shows current plan value (£27,279.36) and total amount paid in (£27,279.36). Includes a breakdown of plan value and total amount paid.
- Retirement Calculator:** Allows users to estimate their retirement income based on different assumptions, showing graphs for 'My current estimated retirement income' and 'My what if estimated retirement income'.
- Investment Breakdown:** Displays a pie chart showing the distribution of assets across different funds, such as UK Equities (43.9%), Global Equity (32.9%), Fixed Interest (13.9%), Cash (7.4%), and Property (1.9%).
- Payment History:** Provides a table of regular payments, including dates, pension type, and amounts paid in and out.
- Help and Support:** Includes sections for 'Pensions basics', 'Retiring soon?', 'Jargon buster', and 'Confirm changes'.



Introduction



Welcome, Lisa

Hello Lisa and welcome to your Pension Tracker, this site is designed to help you get the most from your pension.

Choose one of the options below to get started:



[Go to my online plan](#)



[I want a guided tour](#)



[What is a pension?](#)





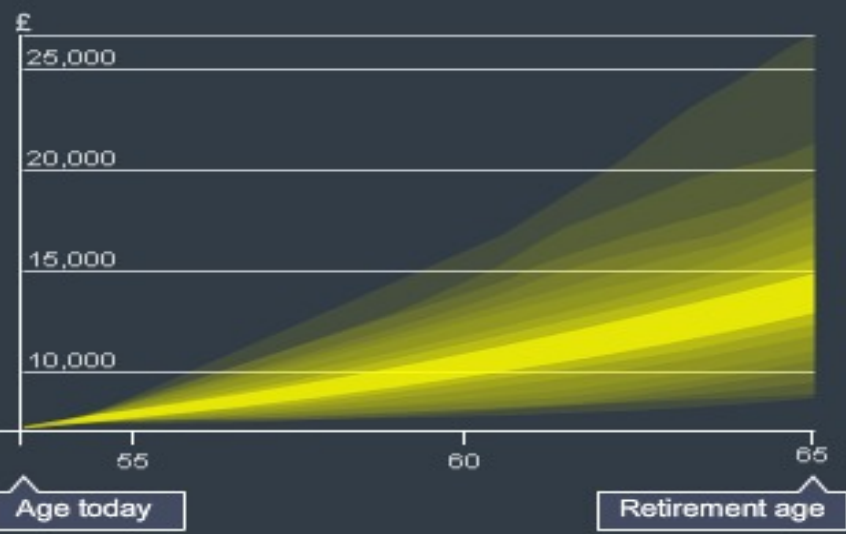
- Retirement income**
- Tax-free cash**
- Future plan value**

With this calculator you can see how decisions you make affect your retirement before making any changes. Use the 'What if' section below to see your alternative estimate in the right hand graph. You can go on to make the changes relating to you and your payments by clicking 'Make changes'.

Today's terms

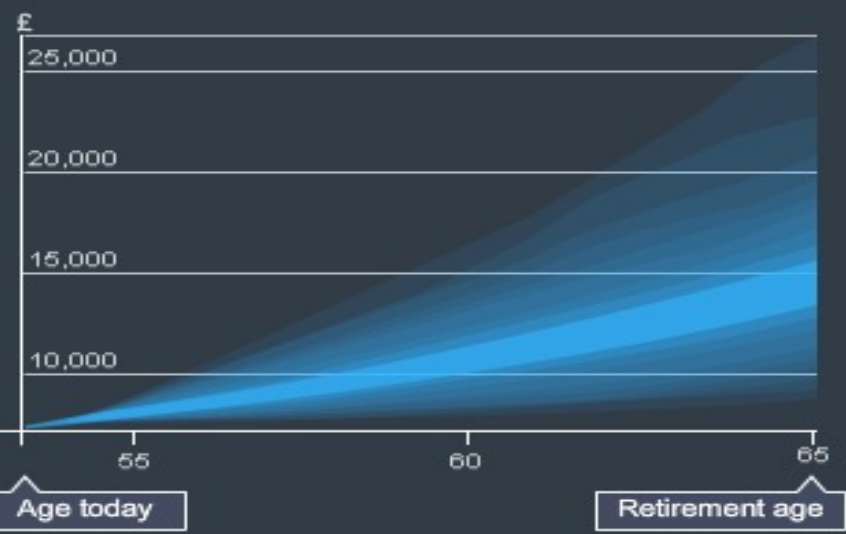
TAX - STARTVAL - TODAYS

My current estimated tax-free cash



Only a small chance of being above	£20,600	<input type="button" value="i"/>
Most likely to be between	£16,300 and £11,800	<input type="button" value="i"/>
Only a small chance of being below	£9,300	<input type="button" value="i"/>

My 'what if' estimated tax-free cash



Only a small chance of being above	£20,600	<input type="button" value="i"/>
Most likely to be between	£16,300 and £11,800	<input type="button" value="i"/>
Only a small chance of being below	£9,300	<input type="button" value="i"/>



[Home](#)

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[My Auto-Enrolment details](#)

[My Aviva GPP](#)

My Portal

[Personal Details](#)

[Employment Details](#)

[Pension Modeller](#)

[My Auto-Enrolment Details](#)

Password

[Change Password](#)

[Change Login Name](#)

Summary Information

Useful Links

[The Money Advice Service](#)

[HM Revenue & Customs](#)

[Glossary of Terms](#)

Your Auto-Enrolment Summary

As part of the Auto-Enrolment process you are regularly assessed based on your age and earnings, this determines your Worker Category which in turn determines whether or not you should be automatically enrolled into a pension scheme. The results of your latest assessment are shown below.

Your assessment

Auto-Enrolment Scheme

You are currently enrolled in this scheme

Aviva provides a pension scheme (Brady plc) that offers the following:

Default (Minimum) Contributions

- Your employer will contribute a minimum of 5.00 % of your pensionable salary* into the pension plan.
- Your contributions will be a minimum of 0.00 % of your pensionable salary*.

Management Charges

- You will pay charges at an initial rate of 0.31 % of your fund on an annual basis

* For this scheme, Aviva considers your pensionable salary as including your:



How does Auto-enrolment affect you and your pension?

- Staged introduction – October 2012 largest employers - April 2017 the smallest

Minimum contributions

	To October 2017	To October 2018	From October 2018
Employer	1%	2%	3%
Employee	1%	3%	5%
Totals	2%	5%	8%

- Banded earnings - % contributions based on earnings between £5,772 to £41,875
- Qualifying Workplace Pension Scheme



State Pension Benefits – it's not enough

- | | |
|---|-----------------------|
| -Standard individual maximum | £5,881 pa (£113.10pw) |
| -Married person or Civil Partner addition (if applicable) | £3,525 pa (£67.80pw) |
| -Approximation of State Second Pension (S2P/SERPS) | 50% extra |

From April 2016:

- Men born on or after 6 April 1951 need 30 qualifying years.
- Women born on or after 6 April 1953 need 30 qualifying years.
- Minimum £144 pw (£7,488 pa) for everyone with max. qualifying years

-The State Pension Additional Catch

- Gradually increasing minimum age to claim State Pension
 - From December 2016 gradual increase to age 66 for all by 6 April 2020
 - Timetable announced taking the age 66 minimum to age 68 gradually between 2036 & 2046



Our service to you

Joining – face-to-face meeting with full investment advice:

- ✓ past pension plans / benefits updated
- ✓ targeting of retirement benefits & use of tax-efficient trusts for death benefits
- ✓ financial planning advice available

P-MFP Confidential Helpline & regular visits:

- Personal email access to your Adviser
- Telephone access to your Adviser
- Meet members by appointment on regular visits

Our Annual Review Service:

- ✓ Review projected benefits with past pensions & estimate of state pension, figures in real terms to assist you with planning
- ✓ 1-2-1 meeting to review your own asset allocation and investment performance
- ✓ Monitoring your attitude to risk ensuring investments remain appropriate

Next Steps

- Confidential 1-2-1 meetings start Monday 9th March
 - Personal illustrations for Aviva scheme provided at 1-2-1
 - For existing Members, Aegon funds:
 - quantified - with up to date values
 - analysed and discussed with you
 - shows if advantageous to be transferred-in to the Aviva Scheme
- New scheme start date is April payroll
 - Transfer of Aegon funds to Aviva (where appropriate) May 2015
- Your own contributions for 2015 -16 to be agreed for April payroll



Small Print

This presentation summarises group personal pension schemes, specific recommendations can only be made once each Member has a face-to-face meeting with Edward Mills of Patterson-Mills Financial Planning. It is only after discussion with you, ascertaining affordability, your target retirement date and your attitude to investment risk that we can be make a suitable recommendation for your investment strategy in the scheme. Once such recommendations have been put in place on your behalf, you will be covered by the UK investment guarantees.

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