

GUIDE

PENSION GUIDE FOR UMBRELLA CONTRACTORS

For over 20 years, we have been the preferred supplier for some of the UK's largest recruitment agencies.

**OUR COMPLIANCE, ACCREDITATION,
AND EXPERIENCE MAKE US AN IDEAL
CHOICE FOR CONTRACTORS**



INTRODUCTION

Upon joining an umbrella company, like with any employer, you will be asked to join their workplace pension scheme, introduced by the Government to help save for the future.

SmartWork has joined forces with The People's Pension, a non-profit pension provided by B&CE. It is one of the largest master trust workplace pensions in the UK, with over 4 million members and providing support for over 1000 businesses in the UK.

You will automatically be opted into The People's Pension when you join SmartWork. Once an employee has been enrolled on the pension scheme, they can remain if they wish to. However, they also have the opportunity to opt out and leave the scheme at a later date. Details of how to opt out are explained below.

WHO IS ELIGIBLE?

You will automatically be enrolled on a workplace pension if you:

- are at least 22 years old
- are under the State Pension age
- earn more than the £10,000 per annum (equal to £768 p/m or £192 p/w)
- usually work in the UK

HOW TO OPT OUT

Once your first invoice has been raised you will receive a joiner pack from the provider within 3-5 working days which will contain a link to opt-out.

You can opt out within a month (opt-out period) and have any deductions refunded or at a later date, where your payment is either preserved or transferred to another pension arrangement.

You can either call the opt-out service on 0300 330 1280 or go online. (Please note that your customer number needs to be issued before you can opt-out online or on the phone).

You'll need to have the following details at hand when you call:

- Your customer number (you can find this in your joining letter or email)
- Your date of birth
- Your National Insurance number

If you have not received your account number, please try 0300 2000 555 (option 5) to obtain your account number. For any questions regarding your pension, you can reach The People's Pension helpline on 0300 330 1280.

PRIVATE PENSION/SIPP

If you would like to contribute to a Private SIPP, we would require a document to be completed with details of your SIPP. You can request this document from your Business Manager. Please note that this does not affect the workplace pension, and auto-enrolment will still apply from day 1.

To set up the SIPP, please indicate to SmartWork how much of the assignment rate you wish us to allocate. If agreed, SmartWork will create an amended schedule at the revised assignment rate, which will remain in place for the period of the assignment. The contribution level will be fixed for the period of the current assignment. An admin fee of £25 will apply if the contribution levels are changed mid-assignment.

Please note you cannot sacrifice 100% of the Contract / Assignment Income for a private pension, and the minimum assignment rate is £120 per day.

For example, if your rate is £500 per day and you wish us to allocate £100 per day into your pension, the assignment rate would change from £500 to £400 per day on your schedule.

SmartWork will transfer the Employer contribution to the chosen pension provider by BACS payment around the 25th of each month. Please note that SmartWork will not set up Direct Debit or Standing Orders with the providers. The cost for operating the scheme is £25 p/m and will be deducted from the amount allocated before transferring the Employer contribution to the chosen pension provider.

Please note that the annual allowance limit for the current tax year is £60,000. This limit includes all your contributions, tax relief and employer contributions across all your pension arrangements. If you go over this limit, this will result in a tax charge, known as the annual allowance charge.

Please note that SmartWork is unable to monitor your allowance on your behalf. It is important that you check with your pension advisor or financial planner before you decide on the level of contribution. We are not regulated by the FCA and, as such, are unable to offer any financial or retirement planning advice.

SmartWork is not affiliated with any pension provider, so we are unable to recommend one over another. Further information can be found at <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>, or alternatively, be sure to seek independent advice from a financial advisor should you need it.

USEFUL CONTACTS

Tel: 0800 434 6446 / 0117 311 9800

Email:

enquiries@smartwork.com - For services information

invoicing@smartwork.com - To submit timesheets/expenses

contracts@smartwork.com - To submit contracts, schedules, and other legal documentation

holidays@smartwork.com - To make a holiday request