



April 1, 2019

Pension contributions for auto-enrolled members

Having consulted the employee forum and the HIPS Trustees on these changes, Hanson is increasing its contributions to the company pension scheme for auto-enrolled members to encourage employees to stay in the scheme and, will now be auto-enrolling employees straight into enhanced membership.

Companies have been obliged to automatically enrol new starters into a pension scheme at a minimum rate of two percent of salary by the company, matched by a three percent contribution from the employee. To encourage pension membership Hanson is paying three percent of salary, so reducing the required employee contribution to two percent. From April 6, 2019 the law requires payments for auto-enrolled members to be increased to eight per cent – three percent from the company and five percent from the employee.

This could again lead to some employees opting-out, so Hanson is increasing its payment to five percent and limiting employee contributions to three percent. This means that contributions for auto-enrolled members will rise from two to three percent from April, rather than from two to five percent as would have been the case. This change satisfies the legal requirements, but will benefit members as the company will be taking on a larger percentage of the total rate.

This change will only affect auto-enrolled members of the pension scheme. You can find more details at HansonPensions.co.uk. In addition, as these new auto-enrolment rates match the lower of the enhanced rate bands, Hanson will be abolishing the auto-enrolment scheme membership and auto-enrolling employees straight into enhanced membership. At no cost to auto-enrolled employees this will make them eligible for the death in service benefits within the Hanson Industrial Pension Scheme.

We will be making these changes from April 1, 2019 rather than April 6 because this will be simpler to manage.

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