

FAKENHAM TOWN COUNCIL

NEST Pension Scheme Policy

Since the 2016 legislation on Pensions Schemes, Fakenham Town Council has contracted the state-run National Employment Savings Trust (NEST) as the provider of its workplace pension scheme.

NEST is a trust-based DEFINED CONTRIBUTION pension scheme, run on a not-for-profit basis. Sometimes called a 'money purchase' pension

The scheme is administered on-line and free of charges to the employer. Workers and employers can both contribute into Nest to build a retirement pot. Employers make a minimum level of contributions on behalf of employees.

Contribution and management charges are applied to the individual pension pot. All employees aged 22 or over with contracts of more than 3 months and qualifying earnings, are eligible to join the Pension Scheme.

For eligible employees Statutory Auto Enrolment applies, although the employee may decline.

Qualifying earnings is a band of gross earnings used to calculate contributions. It includes salary, overtime, bonuses and commission, as well as statutory sick, maternity, paternity or adoption pay.

The legal minimum contribution is currently 8% of qualifying earnings. The employer minimum contribution is currently 3%. The employee contribution is 4%. Tax relief is 1%, claimed by NEST on behalf of the employee.

Contributions can be higher than the basic minimum. Some employers pay all their employees' minimum contribution or pay additional amounts on top of the minimum. Payments in addition to regular contributions are also allowed.

Ratified and approved at Full Council 15 February 2022