

# Why join

The Pearson Pension Plan

# Welcome...

... to the Pearson Pension Plan (the Plan) where you can start building for tomorrow, today.

Have you thought about how much money you will need to live comfortably in later life? Have you got plans to travel or pay off your mortgage? Do you know if you are on track to enjoy the lifestyle you want? It is unlikely that the State Pension alone will fund the kind of retirement you may want. This is where the Plan can help.

Your pension is probably the most valuable benefit you receive from Pearson, helping you save for a more comfortable future.

There are two sections in the Plan currently open to new joiners. Both sections are defined contribution pension arrangements. The chart below explains the differences.



Lindisfarne Castle at Holy Island England

## Which section is for you?

|  | Money Purchase 2003 Section (MP03 Section) | Auto Enrolment Section (AE Section) |
|--|--|-------------------------------------|
|--|--|-------------------------------------|

### Contributions

|                   |  |                              |
|-------------------|--|------------------------------|
| What you pay*     | Between 3% and 8% of Pensionable Salary**. The maximum depends on your age.                | 5% of Qualifying Earnings*** |
| What Pearson pays | Double what you pay in – between 6% and 16% of pensionable salary**, depending on your age | 3% of Qualifying Earnings*** |

\*You can choose to pay your pension contribution through Salary Exchange. For more information, please read the [Salary Exchange Guide](#).

### Death in service benefits

|  |                            |                            |
|--|----------------------------|----------------------------|
| Life cover (lump sum)  | ✓ 4 x pensionable salary** | ✓ 3 x pensionable salary** |
| A pension for your spouse/civil partner or nominated dependant | ✓                          | ✗                          |
| A pension for your child/ren                                   | ✓                          | ✗                          |

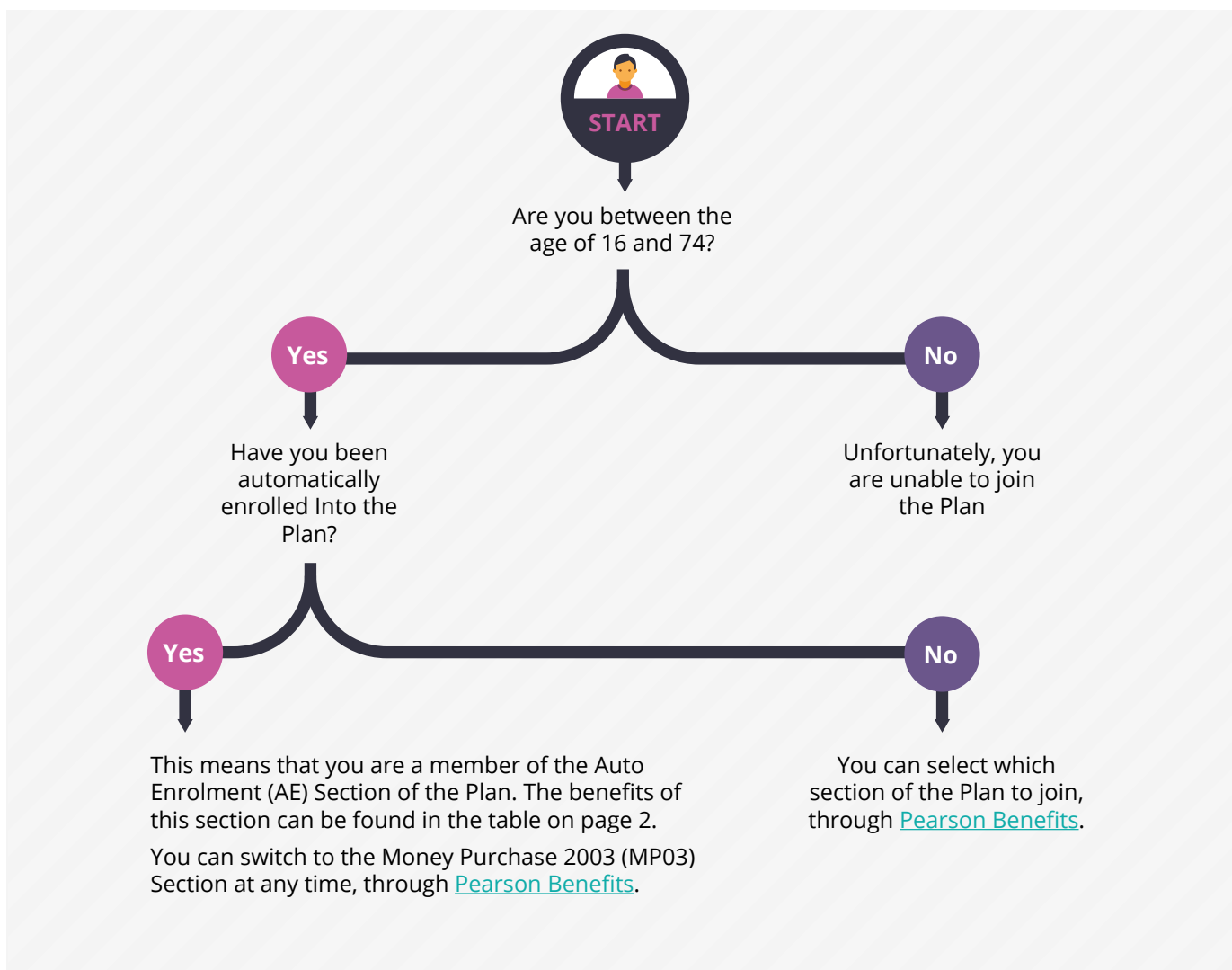
### Additional benefits

|                    |   |   |
|--------------------|---|---|
| Ill-health pension | ✓ | ✗ |
|--------------------|---|---|

\*\* Pensionable Salary is your basic salary at 1 April each year, restricted in accordance with the Plan Earnings cap £241,200 a year for the 2026/27 tax year.

\*\*\* Qualifying earnings are earning between a minimum (£6,240 a year for the 2026/27 tax year) and a maximum (£50,270 a year for the 2026/27 tax year).

# How to join



# How to apply through Pearson Benefits

Visit [Pearson Benefits](#) and select the section of the Plan you wish to join under 'Wealth'.

You will be asked to select if you would like to make your pension contributions using Salary Exchange, which is a mechanism that allows you to save both National Insurance and income tax on your pension contributions. The [Salary Exchange Guide](#) has more information and can help you decide if this option is right for you.

Your membership will start on the first day of the next month after making the application.

The Plan invests pension contributions with Aviva, so you will receive a letter from them which will include an

invitation to register on MyAviva, Aviva's secure online portal. [MyAviva](#) gives you quick and easy access to what you need to know.

Your pension pot will be invested in the [drawdown lifecycle option](#). You can select alternative funds by logging onto [MyAviva](#).

The normal retirement age of the Plan is 62. This is used to both provide retirement illustrations and as the basis of the automatic fund switching process if you are in any of the lifecycle options. You can choose a retirement age between 55 and 74 by completing a [Selected Retirement Age](#) form. Please note that the government intends to increase the minimum retirement age from 55 to 57 from 6 April 2028.

# FAQs

## What are the maximum contribution amounts for the MP03 Section?

| Age   | Under 30 | 30 -44 | 45 and over |
|---|----------|--------|-------------|
| Maximum amount that will be double matched by Pearson | 5%       | 6%     | 8%          |

You can choose the amount you wish to pay in 0.5% increments up to the maximum amount.

If you are a member of the AE Section, then your contributions are fixed at 5% of your Qualifying Earnings each month, and Pearson pay 3%.

You can choose to pay your pension contribution through Salary Exchange. For more information, please read the [Salary Exchange Guide](#).

## What happens to my pension contributions?

Your contributions will be automatically invested in a default lifecycle option, through Aviva. More information on the different lifecycle options can be [found on our website](#). You will receive a letter from Aviva which will include an invitation to register on with [MyAviva](#), Aviva's secure online portal.

## Can I change my contribution levels?

If you are a member of the MP03 Section then you can change the amount you pay, between the minimum and maximum as often as you would like. Just go to [Pearson Benefits](#), and select the amount you wish to pay.

## Do I get tax relief on my contributions?

Yes. You receive tax relief on your contributions at your marginal rate of tax.

If you chose to pay through Salary Exchange, you will still receive tax relief and may also pay reduced National Insurance contributions.

## How do I know how much I may need when I stop working?

To help you decide what you may need to pay now for a comfortable life after work Aviva's [Shape My Future tool](#) can help you work out how much you might need in later life and the difference saving a little extra now could make.

## What happens if I work part-time?

If you work part-time, both your pension contributions and Pearson's contributions are based on your new salary.

## Can I transfer my pension from a previous employer into the Plan?

If you are interested in having all your savings in one place, you have the option to explore moving any other pension savings, either from a previous employment or personal pension, into the Plan.

This involves payment into the Plan from another pension arrangement for the sum of the benefits you have built up. However, doing this means you will give up any benefits from the other pension arrangement.

You should speak with an independent financial adviser first, to see if this is the best decision for you.

For further information on how to find a retirement adviser, please visit the MoneyHelper\*\* website at: [www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser](http://www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser)

You will have to pay for the advice or services that you receive from the adviser.

\*\* MoneyHelper brings together the support and services of three government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise.

## What is Salary Exchange?

Salary Exchange is an agreement with Pearson to reduce your salary by the amount you wish to pay into your pension pot, in exchange for an equal pension contribution from Pearson. Pearson then makes this contribution on your behalf, as well as the employer contribution, into your pension pot. For more information, please read the [Salary Exchange Guide](#).



## Want to find out more?



[www.pearson-pensions.com](http://www.pearson-pensions.com)



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