

## Addendum to IHG UK Defined Contribution Pension Plan Member Handbook – 2020 Edition

# Pensions - Automatic Enrolment

This addendum relates to legislation introduced on 1 October 2012 which requires companies to automatically enrol all UK workers who meet certain criteria into a pension plan which meets minimum standards.

InterContinental Hotels Group has chosen the IHG UK Defined Contribution Pension Plan (“the Plan”) as its pension plan for the automatic enrolment of UK employees. This addendum is applicable to employees who join the company, or first meet the relevant criteria, on or after 1 December 2020.

### Summary

- At IHG, automatic enrolment will occur 2-3 months after you first meet the criteria.
- If you apply to join the Plan, rather than being automatically enrolled, you will be able to elect to receive higher contributions from IHG.
- Aegon is the administrator of the Plan and, if you don't apply to join in the meantime, will write to you when you have started employment and again when you are enrolled.
- If you don't want to be a member of the Plan, you will have one month from when you are enrolled to 'opt-out' of automatic enrolment membership.

### Criteria for automatic enrolment

You will be automatically enrolled into the Plan if:

- You are not already a member of the Plan; and
- You are aged between 22 and State Pension Age; and
- You earn more than the 'Earnings Trigger'.

The Earnings Trigger is set each year in legislation and was set at £10,000 per annum for the 2020/21 tax year.

Even if you don't meet the above criteria, you may still have certain rights under the legislation. The Plan administrator, Aegon, will write to you to let you know.

### Timing for automatic enrolment

Aegon will write to all new IHG employees to let you know whether you will be automatically enrolled and what your rights are under the legislation. If you meet the above criteria, you will be enrolled into the Plan 2-3 months after your employment start date and Aegon will write to you to confirm that you have been enrolled. If you don't meet the criteria initially but do so at some point in the future, Aegon will write to you to confirm that you are eligible and, if you remain eligible, you will then be enrolled into the Plan 2-3 months later.

### Automatic enrolment contribution rates and investments

If you are automatically enrolled into the Plan, then you will pay employee contributions at a rate of 4% of Plan Pay. IHG will pay a matching contribution of 8%. It is possible to receive higher contributions from the Company if you elect to pay higher contributions yourself via myHR.



Contributions will be invested in the Drawdown LifeStyle investment strategy, which is described in the Member Handbook. However, you are able to change how your contributions are invested at any time once your Plan account has been set up.

### Joining the Plan before you are automatically enrolled

If you would like to join before you would otherwise be automatically enrolled, you can elect to pay contributions using the 'Change Retirement Savings' option in the Benefits section of the myHR system which is available via the IHG intranet, Merlin. By joining, you can choose to pay a Core Contribution of 3%, 4%, 5% or 6% of your Plan Pay and receive a Matching Credit from IHG.

### Matching Credit

The value of your Matching Credit depends on your own core contribution:

Employee Grade	Employee's Core Contribution	Matching Contribution Multiple	Maximum Matching Contribution
Corporate Bands 2 to 8 & Hotels employees	3 – 6%	2	12%

### Salary Sacrifice

Your pension contributions will automatically be deducted from your pay via salary sacrifice meaning your contributions will be subject to National Insurance relief as well as tax relief. If you do not wish for your pension contributions to be deducted via salary sacrifice, please contact the IHG Pensions Team at [enquiries.pensions@ihg.com](mailto:enquiries.pensions@ihg.com).

### Opting out of automatic enrolment

If you meet the automatic enrolment criteria but do not wish to be a member of the Plan, you have the right to opt-out during an 'opt-out period'. The opt-out period is one month but cannot start until you have been enrolled and have received a Welcome letter from Aegon to confirm that you have been enrolled.

It is important to note that, even if your automatic-enrolment opt-out request is correctly made within the one month deadline, a pension contribution will still be deducted from your pay and cannot be refunded to you until the following month's pay date. If your opt-out request is received after the one month deadline, IHG will not be able to refund your contributions (instead, your pension membership will be closed by Aegon, who will then write to you to explain your options on leaving the plan).

If you do opt-out of automatic enrolment within the opt-out period, you will be automatically re-enrolled approximately three years later if you still meet the criteria outlined in this addendum.

**NOTE:** As an alternative to opting-out of the Plan, you could choose to decrease your Core Contribution from 4% to 3% and you will still benefit from company contributions as outlined in the table above.

### More information

If you would like more information about automatic enrolment and how it affects you, please contact the IHG Pensions Team (email: [enquiries.pensions@ihg.com](mailto:enquiries.pensions@ihg.com)). Further information can be found on the Gov.uk website - <https://www.gov.uk/workplace-pensions>