



Vodafone UK Defined Contribution Pension Plan (the Plan)

Changes to your pension contributions

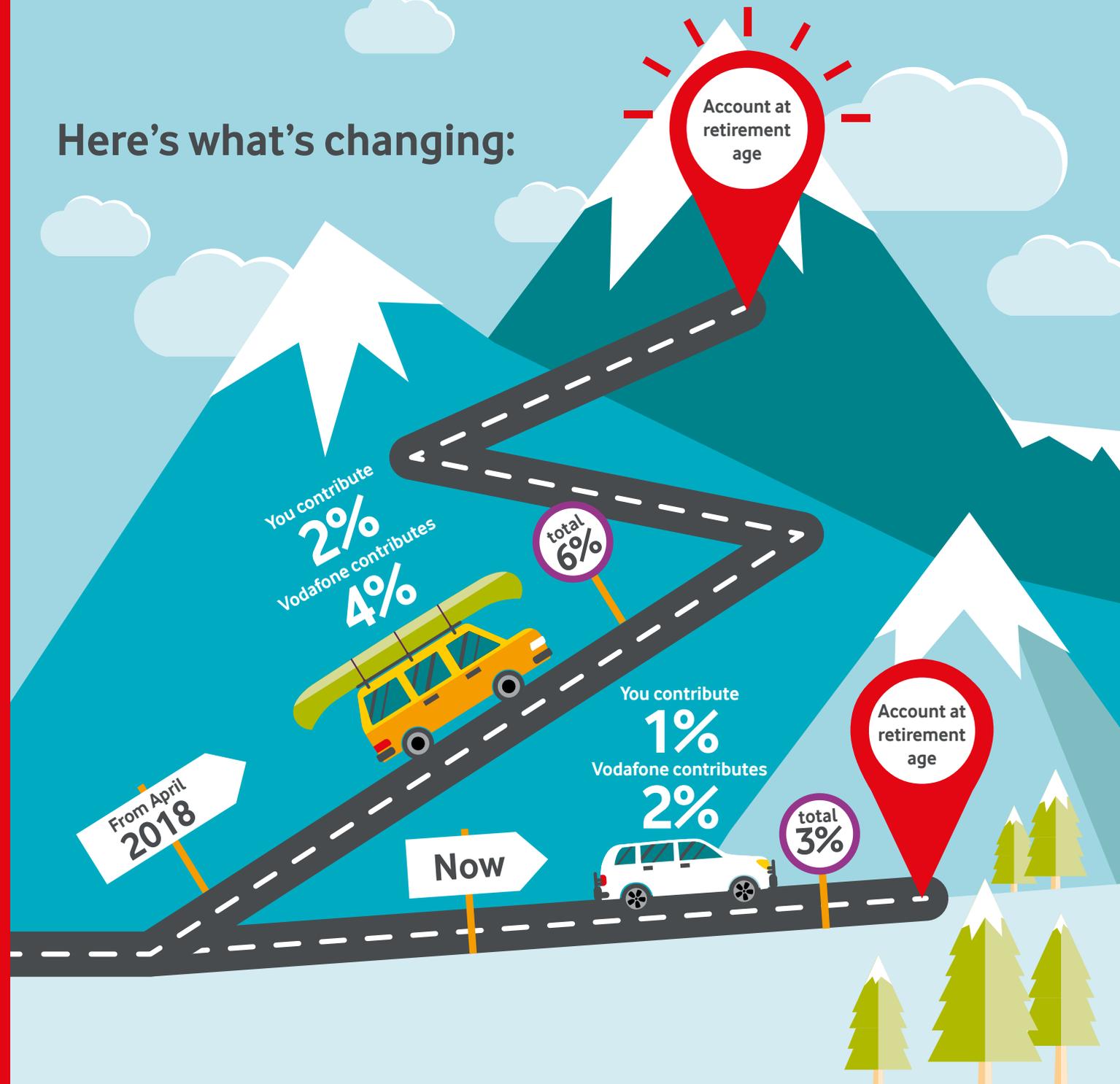
From April 2018, the minimum contribution rate, set by the Government, is changing. As a result, Vodafone is planning to increase its minimum default member contribution rate from 1% to 2%.

This will affect you if:

- you are currently paying 1% into the Plan, as the contribution from you and Vodafone will increase.
- you are currently paying 2% into the Plan, as Vodafone's contribution will increase from 3% to 4%.

The good news is that Vodafone's contribution is more than the Government requires. This means that more money will be going into your account for when you get older.

Here's what's changing:





The future is exciting. Ready?

What do I need to do?

These changes will happen automatically, so when you receive your April pay, you'll notice that more money has gone into your pension. If you want to continue to contribute the minimum amount, you don't need to do anything.

Example – how much will the change cost me?

Contributions that you make into your pension account get tax relief and National Insurance (NI) savings. This means that your contribution may cost you less than you think. If you are earning £20,000 a year here you can see the cost and benefit of making a 1% contribution compared with the cost and benefit of contributing 2%. The big difference is the total amount that will be paid into your account.

	Current minimum rate (1%)	April 2018 minimum rate (2%)
Your monthly contribution	£17	£33
Tax relief and NI savings	£5	£11
Actual cost to you	£12	£22
Vodafone monthly contribution	£33	£67
Monthly total going into your account	£50	£100
Yearly total going into your account	£600	£1200

Figures have been rounded.

What are my other options?

1. You can move to one of the higher contribution rates at any time, to get an even better contribution from Vodafone. If you pay 3%, 4% or 5% contributions, Vodafone will pay double the amount you pay. You can change your contribution rate at any time by logging into your **MyChoices account**. Please note that the new 2% rate will not be available until April 2018.
2. You could decide to opt out of the Plan, but this would mean you wouldn't get anything from Vodafone towards your retirement, so you should think carefully before doing this.

Summary of contribution rate changes:

	Current rates		Rates from April 2018	
	Employee	Employer	Employee	Employer
Default Rate	1%	2%	2%	4%
	2%	3%	2%	4%
	3%	6%		
	4%	8%		No Change
	5% (or more)	10%		

Pension contributions are calculated on basic pay.

Will the lowest contribution rate change again?

Yes. The Government already plans to increase the lowest contribution rate again from April 2019, and if you are still paying the lowest amount at that time, we will let you know what your contribution rate will increase to around this time next year.