

Pensions Proposal

Dear Colleagues

ASDA has launched a 60 day consultation which if implemented will close the Step Up Pension for hourly paid colleagues and reduce the ASDA pension to the legal minimum. Life Cover will also be reduced from 4x to 1x pay.

GMB believes ASDA colleagues deserve better than the statutory minimum. ASDA has the ability to pay and should continue with the Step Up Scheme.



ASDA's proposals

The ASDA pension plan currently has a Start Section, which is the auto enrolment scheme and contributions are based on legal requirements, which are currently 1% employee contribution and 1% employer contribution. Colleagues can opt to join the Step Up Section which is 2% or 3% employee contribution and this is matched by ASDA and an employee gets 4x pay life insurance cover.

From April 2018 auto enrolment contributions for colleagues increase to 3% and from April 2019 to 5%. ASDA's contribution will increase to 2% in 2018 and then 3% in 2019. ASDA proposals are to close the Step Up Section and reduce their contributions to the legal minimum.

ASDA's contributions at present are based on an employees' total pay but the proposals are to reduce these to the legal minimum thresholds. The result for colleagues is that that will pay less in to your pension.

GMB View and Aims

Pension contributions are deferred wages and give colleagues an opportunity not to struggle in later life. They show what an employer thinks of its employees.

The current ASDA pension doesn't compare well with direct competitors; **Tesco, Sainsbury's, Morrisons and Co-op** all contribute more into their employees' pensions.

ASDA is a large and very profitable company which can afford to retain the current step up scheme for hourly paid colleagues. Life cover should be retained a 4x pay.

ASDA colleagues deserve better than minimum pay and minimum pensions.

GMB will be responding to the consultation and campaigning to retain and improve the ASDA pension scheme.

GMB want to hear from you about what you want for your retirement. Please speak with your GMB Steward or visit www.gmb-asda.com/support

Regards



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For Assistance visit The GMB Members Support Centre
www.gmb-asda.com/support