



22 July 2024

## Newcastle Building Society becomes region's first Living Pension employer

**Newcastle Building Society has become the first organisation in the North East – and the first building society anywhere in the UK – to become an accredited Living Pension employer.**

The Living Pension is a new Living Wage Foundation accreditation for employers who want to help workers boost their pension pots.

Newcastle Building Society has been accredited as a [Living Pension employer](#). As an early adopter of Living Pension its commitment will see all new colleagues who join the organisation after 1<sup>st</sup> April, 2024 receive a default level of pension that is aligned to the Living Pension standards (5% colleague contribution and 7% Society contribution). Existing colleagues will also be advised on how to increase their contribution in line with the standard if they wish to do so.

The Living Pension is a voluntary savings target for employers who want to help employees, especially those on low pay, build up a pension pot that will provide enough income to meet basic everyday needs in retirement. It launched in March 2023.

Karen Brewerton, Chief People Officer at Newcastle Building Society, said: "We're proud to be the first building society in the UK and the first organisation in the North East to become an accredited Living Pension employer. Our Purpose is to connect our communities with a better financial future, and this extends to our colleagues with the offer of a pension that provides security and stability in retirement. Our Living Pension employer status is a reflection of the commitment to our wider reward package, that plays an important role in us delivering a great place to work where people are empowered to realise their potential."

In 2023 Newcastle Building Society retained its Investors in People (IIP) Platinum status – the highest level that the IIP body awards – with only 6% of organisations assessed receiving the status. The Society also remains committed to being a Real Living Wage employer, and recently formed part of a city-wide action group to make Newcastle a living wage city and to encourage more employers in the region to pay the Real Living Wage, thus seeking to positively impact its communities.

Katherine Chapman, Director of Living Wage Foundation, said: "We are delighted that Newcastle Building Society has signed up as a Living Pension Employer. Newcastle Building Society's commitment will drive up pension savings for workers so that everyone can afford to

live in retirement. As both the first employer in the North East and the first Building Society to become Living Pension accredited, Newcastle Building Society is setting a powerful example to other employers in their region and industry.

“For over 20 years, the Living Wage campaign has championed decent wages, working with over 15,000 employers, securing over £3 billion in pay rises for low paid workers and transforming millions of lives. Our Living Pension accreditation builds on the foundations of the real Living Wage, with an independently calculated benchmark for Living Wage Employers to provide workers with security and stability both in-work and in retirement. Newcastle Building Society are a trailblazer in the UK, joining a growing movement of over 40 employers putting their workers' financial futures first.”

The Living Pension savings target is 12% of a full time Living Wage worker's salary, made up of a minimum 7% employer contribution. This builds on auto-enrolment, and a minimum contribution level set by the government. Through auto-enrolment, employers must contribute at least 3%, and employees pay the remaining 5%. The Living Pension savings target can also be met as a cash amount of £2,800 a year. The employer contributes at least £1,630 to this cash amount.

**-ENDS-**

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### **About Newcastle Building Society**

Newcastle Building Society is the biggest building society in the North East, with a network of 31 branches and assets of more than £6.2bn. We've been here for our members for over 160 years.

As a leading local employer, we're committed to growing our region's talent and being a great place to work where people can realise their potential. We hold Platinum IIP and won the Excellence and Positive Impact Award at the 2022 CIPD North East of England HR&D Awards. We have been named Regional Building Society of the Year for seven consecutive years from 2017 – 2023 by What Mortgage? and also won Best Overall Personal Finance Brand at the Personal Finance Awards 2023/24. In 2024 Newcastle Building Society became the first UK business to receive international accreditation for mutual value measurement, recognising our ongoing commitment to creating value for its members and communities.

We help people to own their home, to save and to plan their finances through our range of products and services. We believe in the role of the high street at the heart of our communities and, as our branch network grows, we are increasingly proactive in making financial information and financial advice accessible across our regions.

Financial Advice is provided through our Newcastle Financial Advisers Limited subsidiary. Face-to-face financial advice is available at each of the Society's 31 branches plus a financial advice-only location in Pickering, North Yorkshire. For the third year running, Newcastle Financial Advisers has been awarded Top Rated Firm status by VouchedFor - the UK's leading review site for Financial Advisers.

We're dedicated to helping our communities make positive changes; since 1995 the financial support through grants and donations from the Newcastle Building Society Community Fund at the Community Foundation to benefit local causes has surpassed £1.7m. Our total community contributions in 2022, made up of grants, match funding, and our ongoing partnership donations, was more than £544,000.

Newcastle Building Society is committed to creating a culture of belonging, where people can bring their whole self to work and be respected and valued for who they are. Our colleague-run networks include the Race Network, LGBTQ+ Network the Disability and Awareness Network, Women in Leadership Network, Menopause Network and Parent and Carers Network, all of which help steer Diversity, Equity and Inclusion policy within the organisation.

[www.newcastle.co.uk](http://www.newcastle.co.uk)

Newcastle Building Society Principal Office: 1 Cobalt Park Way, Cobalt Business Park, NE28 9EJ.

Newcastle Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Newcastle Building Society is entered in the Financial Services Register under number 156058. You can check this on the Financial Services Register or by contacting the Financial Conduct Authority on 0800 111 6768

### **About the Living Wage Foundation and the Living Pension**

The Living Wage Foundation is at the heart of the independent movement of businesses, organisations and people who believe workers should be paid a real Living Wage that meets basic everyday needs. And those needs don't end with retirement. Previous research completed by the Resolution Foundation found that 4 in 5 workers saving into defined contribution schemes (16 million workers) were not saving at levels likely to meet basic everyday living costs in retirement. Only 1 in 20 low-paid workers are saving enough.

We developed the Living Pension as a voluntary accreditation for Living Wage Employers to help workers build up a pension pot that meets basic everyday living costs in retirement.

The Living Pension launched in March 2023. There are now over 30 accredited Living Pension Employers.

The Living Pension is funded by abrdn Financial Fairness Trust.

### **What about the Government's auto-enrolment pension?**

The introduction of auto-enrolment has seen more workers saving for retirement. But, research by the Resolution Foundation shows that the government's minimum levels are not enough to meet basic everyday needs in retirement.

Under automatic enrolment, a Living Wage employee working 37.5 hours per week would be £1,427 a year short of what research shows us workers need to be saving.