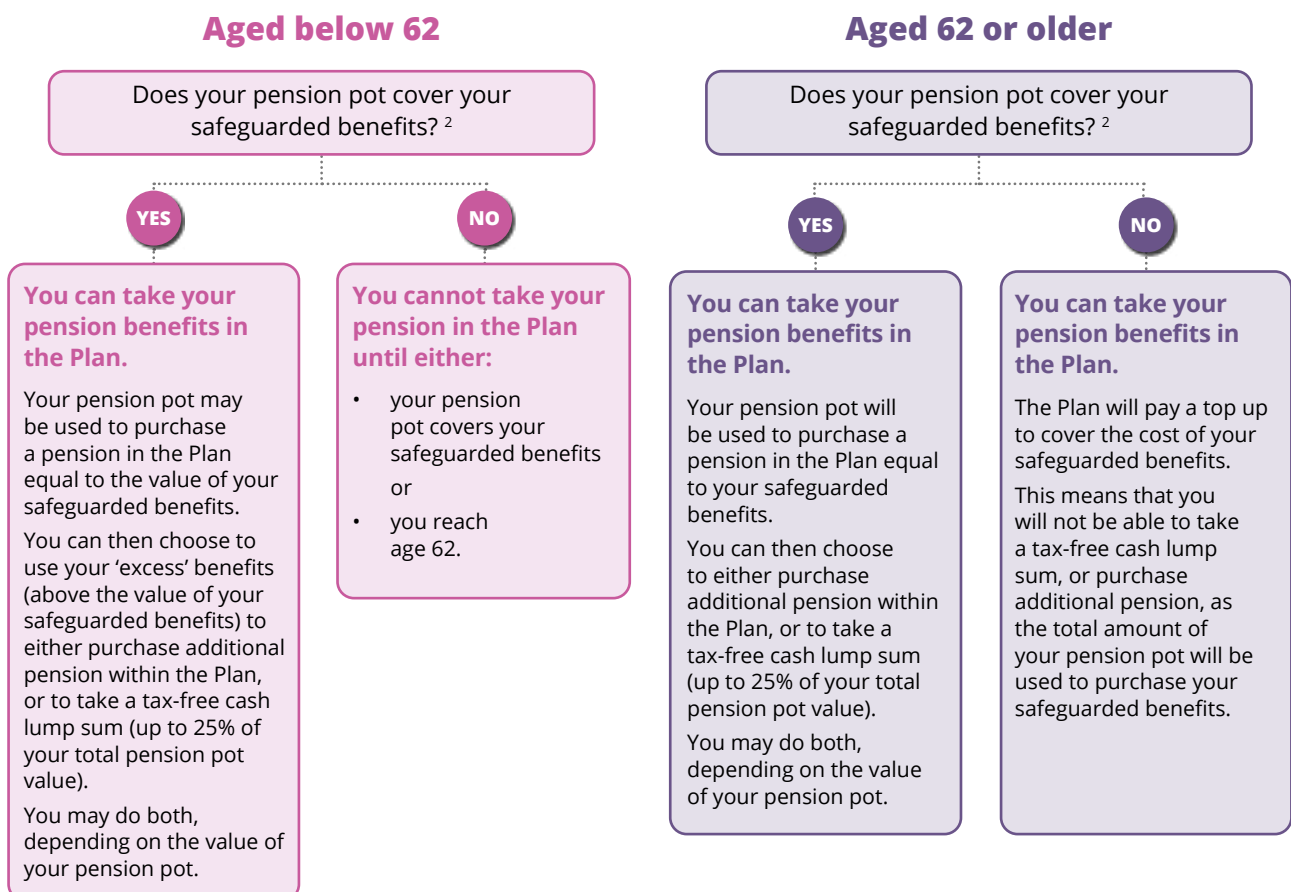


If you were a member of the Money Purchase 2003 Section prior to 6 April 2016, you were contracted-out of the State Second Pension up to that date (these terms are explained in the glossary on page 2). This means that the Plan must provide you with a minimum level of pension benefits that satisfy the Reference Scheme Test (RST) and cover any Guaranteed Minimum Pension (GMP) you accrued in respect of any period of contracted-out service. These benefits are known as your 'safeguarded benefits'. If you joined the Plan on or after 6 April 2016, then this does not apply to your benefits.

Having safeguarded benefits may affect when and how you can take your benefits at retirement. The value of your safeguarded benefits relative to the value of your pension pot can also determine if you will need to receive financial advice if you choose to transfer your benefits out of the Plan.

## Taking your pension

At retirement, you have various options around how you can access your pension pot. These options include allowing you to purchase a pension in the Plan<sup>1</sup>, which would increase each year in line with inflation up to a maximum of 5% and be guaranteed for 5 years. A spouse/dependant's pension would be payable on your death, equal to 50% of your pension. However, if you have safeguarded benefits, then the value of your pension pot, as well as the age at which you may wish to take your pension benefits, may affect what options are available to you, as set out below:



If you do not want to purchase a pension from the Plan (or you are not permitted to do so but still wish to retire before age 62), you will need to transfer your pension pot to another provider. For further information on transferring out the Plan, see page 2.

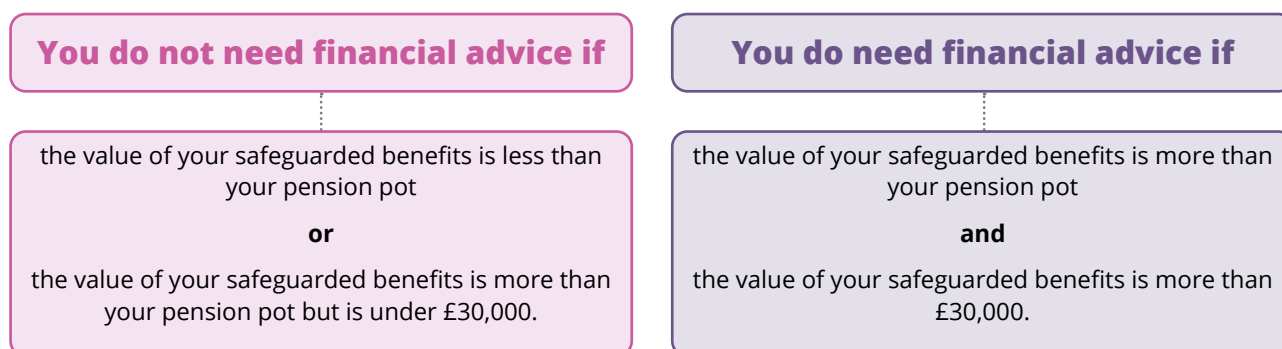
<sup>1</sup> The Plan pension option is provided at the discretion of the Company and may be withdrawn at any time.

<sup>2</sup> At retirement your pension pot amount will be tested against the value of your safeguarded benefits, to see if it covers the minimum level of pension benefits you must receive from the Plan.

## Transferring out of the Plan

If you decide to transfer your pension pot out of the Plan, the value of your pension pot will be tested against the value of your safeguarded benefits. If the value of your pension pot does not cover your safeguarded benefits, the Plan will pay a top-up to ensure the transfer value covers your safeguarded benefits.

Although the Trustee recommends seeking financial advice before transferring your benefits out of the Plan, if you have safeguarded benefits you may need to take independent financial advice before your benefits can be transferred. The table below explains whether this will affect you or not. If you do need to take independent financial advice on account of your safeguarded benefits, your independent financial adviser (IFA) must be authorised by the Financial Conduct Authority (FCA) to provide advice on pension transfers<sup>3</sup>.



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## Glossary of terms

### State Second Pension

This is a pension paid on top of your basic State Pension and is based on your earnings, if any, between 6 April 1978 and 5 April 2016.

### Contracted-out

This is where you are a member of a pension scheme that was contracted-out of the State Second Pension. While in the contracted-out pension scheme, you and your employer paid lower National Insurance contributions. When you take your pension benefits, your pension scheme must check that your contracted-out benefits payable are broadly at least as good as the State Second Pension you had given up.

### Reference Scheme Test (RST)

This is a test on the benefits provided by a contracted-out pension scheme from 6 April 1997 to 5 April 2016 to make sure they meet the statutory standard set out in legislation.

### Guaranteed Minimum Pension (GMP)

This is the statutory minimum pension that must be provided by a contracted-out pension scheme from 6 April 1978 to 5 April 1997.

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<sup>3</sup> There will be a cost to receiving transfer advice, which you will have to pay before the transfer can proceed. You should therefore weigh up the advantages and disadvantages before proceeding. An FCA regulated IFA will always disclose the costs of their service at the outset. Visit the MoneyHelper website - [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) for more information on how to find an IFA.

This communication is issued by the Trustee of the Plan. Your contributions, benefits and options under the Plan are provided on the terms and conditions set out in the Plan Rules, as from time to time amended, and the governing legislation. If there are any differences between this communication and the Rules, the Rules as amended from time to time, and the governing legislation will apply.