

CAPGEMINI UK PENSION PLAN

TRANSFER OUT INFORMATION SHEET

MEMBER DETAILS	
Member name:	Mr P F Hague
Sex:	Male
Member number:	7065812
Scheme type:	Final Salary, Occupational Pension Arrangement
SCHEME DETAILS	
Date joined company:	06/05/1997
Date joined scheme:	01/07/1997
Date of leaving:	14/04/2000
Normal retirement date:	06/03/2028
Final Pensionable Salary:	£76,800.00
Contracted-out service:	From 01/07/1997 to 14/04/2000
TRANSFER VALUE INFORMATION	
Total Transfer Value	£174,479.00
This is made up of the following elements: -	
Value of pre 6 April 1997 Protected Rights:	£0.00
Value of post 6 April 1997 Protected Rights:	£9,236.01
Value of post 1 April 2000 Protected Rights:	£0.00
Value of non Protected Rights:	£165,242.99

The Transfer Value (excluding the AVCs and MPBs values) quoted is guaranteed for 3 months from 28/11/2017 (the "Guarantee Date"). The guarantee expires on 27/02/2018 (see Explanatory Notes for further details).

DEFERRED PENSION DETAILS (on which the transfer value has been based)	
Accrued Pension at date of leaving:	£3,520.00 p.a.
This is made up of the following elements:-	
Pre 05/04/1988 Guaranteed Minimum Pension (GMP):	£0.00 p.a.
Post 05/04/1988 Guaranteed Minimum Pension (GMP):	£0.00 p.a.
Pension in excess of GMP before 05/04/1997:	£0.00 p.a.
Pension accrued between 06/04/1997 and 31/03/1998:	£960.00 p.a.
Pension accrued between 01/04/1998 and 05/04/2006:	£2,560.00 p.a.
Pension accrued after 05/04/2006:	£0.00 p.a.
Dependant's Benefits at date of leaving	
Spouse's pension payable on death before retirement :	£1,760.00 p.a.
Total Contributions: (refundable on death before retirement)	£7,168.83

Please read this statement in conjunction with the attached explanatory notes

CAPGEMINI UK PENSION PLAN

EXPLANATORY NOTES to TRANSFER INFORMATION SHEET

Guarantee Period

The transfer value quoted is guaranteed for three months from the Guarantee Date.

If you want to transfer your benefits

Please arrange for the attached Transfer-Out Authority forms, together with the Receiving Arrangements HMRC Tax Reference certificate and a copy of the Scheme Contracting Out Certificate (if applicable) to be completed and returned to this office within 3 months of the Guarantee Date.

Having returned your forms, assuming that all the paperwork is correctly completed, and subject to any "Pension Scam" investigations required by the Trustees, we will endeavour to process the transfer payment within 10 working days. Please note however, that the Trustees have 6 months from the guarantee date within which to process the payment, and there may be circumstances when the process will take up to the statutory timeframe to complete.

Change to the Guaranteed Transfer Value

In exceptional circumstances, the "guaranteed" transfer value of the deferred benefits may reduce within the Guarantee Period. You will be informed if this situation arises.

Subsequent Transfer Values

If calculated after the Guarantee Period has expired, the transfer value may be higher or lower than the current transfer value depending upon investment conditions at the time. A deferred member has the statutory right to request details of the transfer value of their benefits once in every twelve-month period, until one year before their Normal Retirement Date (for defined benefits only). Members within one year of their NRD have no statutory right to a defined benefit transfer value but in some pension schemes, Trustees may have allowed discretionary transfer values in this circumstance. Further requests received within any twelve-month period will only be provided if the rules of the Plan, or the Trustees, allow Pension in excess of GMP:.

Basis of Transfer Value

The transfer value is based on your benefits (calculated in accordance with the terms of the Trust Deed and Rules). It will take into account any right (if applicable) to draw an unreduced pension from a date earlier than your Normal Retirement Date (such as your Normal Pension Date should this be earlier).

Having taken advice the Trustees have decided that transfer values will not include an allowance for discretionary pension increases, which may be awarded in the future.

The Plan is not in the process of winding up and the Trustees are not considering any enhancements to benefits. The Plan is not a member of a transfer club.

Contracted-out Status

The Capgemini UK Pension Plan was contracted out of the State Second Pension (previously known as the State Earnings Related Pension Scheme or SERPS).

Scheme reference numbers & code of approval

HMRC Tax Reference No.	00055315RY
Registered under Chapter 2, Part 4 of Finance Act 2004	
ECON:	E3800928E
SCON:	S2804231M

Revaluation of Deferred Benefits

Guaranteed Minimum Pension

This part of your pension revalues by a fixed rate of 6.25% per annum for each complete tax year between date of leaving and age 65. If your date of retirement is after age 65, further statutory increases will be applied.

Pension in excess of GMP:

This part of your pension accrued before 01/04/1998 revalues at 5% per annum compound, for each complete year between date of leaving and date of retirement.

That part of your pension accrued after 01/04/1998 revalues in deferment in line with RPI up to a maximum of 5% per annum.

Fixed Pension (payable at Normal Retirement Date):

This part of your pension does not receive increases between date of leaving and date of retirement.

Non escalating, Non GMP element:

This part of your pension does not receive increases between date of leaving and date of retirement.

After Normal Retirement Age

Members pension is increased by an Actuarial late retirement factor.

Increases to Pensions in Payment

Future increases will be granted annually in line with legislation and the Pension Plan rules as follows:

Guaranteed Minimum Pension (GMP) accrued on or after 06/04/1988 will increase in line with the Consumer Prices index CPI. Increases up to 3% per annum will be paid by the Plan.

The pension in excess of GMP accrued before 06/04/1997 will increase in line with the Retail Prices Index (RPI) up to a maximum of 3% per annum compound.

The pension accrued between 06/04/1997 and 05/04/2006 will increase in line with the Retail Prices Index (RPI) up to a maximum increase of 5% per annum compound.

The pension accrued on or after 06/04/2006 will increase in line with the *Retail Prices Index (RPI)* up to a maximum increase of 2.5% per annum compound.

Dependant's Benefits

Dependant benefits will be granted in line with legislation and the Pension Scheme rules.

On death in deferment:

A pension equal to 50% of the member's deferred pension, revalued to date of death is paid to the member's partner, spouse or civil partner.

N.B. a reduction is made if the spouse is over ten years younger than the member.

In addition a refund of contributions is paid at the discretion of the Trustees.

On death in retirement:

If death occurs before receiving 5 years pension instalments, the balance of these payments will be paid as a lump sum (5 year guarantee) at the discretion of the Trustees.

Spouse's pension - 50% of member's pension (for this purpose any pension exchanged for cash is ignored) N.B. a reduction is made if the spouse is over ten years younger than the member.

Dependants pension - 20% of the spouse's pension for each child to a maximum of five children.

N.B. the benefit would continue to be paid to age 18 (or 23 if in full-time education)

Pension Commencement Lump Sum

On retirement you will normally have the option of converting part of your pension into a lump sum cash amount. The maximum amount under current legislation is 25% of the capital value of your benefits under the Scheme; for this purpose only, the Capital Value of a pension is obtained by multiplying the annual pension by 20.

Equalisation of Pension Benefits

The calculations take account of rulings of the European Court of Justice with regard to equalisation of pension ages between men and women. However, no allowance has been made for the possible impact of those rulings on *Guaranteed Minimum Pensions*.

Civil Partnerships

With effect from 5 December 2005, a surviving civil partner is eligible to receive a dependant's pension on the death of a member. If you require further information please contact the Capgemini UK Pension Plan Pension Department.

Important Considerations Before You Transfer

As the value of your benefits is over £30,000 (excluding any *Additional Voluntary Contributions* and/or *Money Purchase* benefits you hold in this scheme), before making a transfer payment, it is a legislative requirement that the Trustees check that you have received appropriate advice from an Independent Financial Adviser (IFA) authorised by the Financial Conduct Authority (FCA) or an appointed representative of that IFA, should you be acquiring a *Money Purchase Benefit* in another arrangement. Unless you confirm otherwise, the Trustees will assume that the purpose of any transfer is to provide such *Money Purchase Benefits*.

Confirmation that you have received appropriate independent financial advice will be by way of completion of the enclosed Transfer Out Declaration relating to financial advice having been taken, which will need to be completed by you and your IFA or appointed representative. The completed Form will need to be returned no later than 27/02/2018.

Any financial advice that you obtain should be appropriate to your personal circumstances and should explain the benefits being given up when compared with any future retirement options.

To find an independent advisor near to you, we suggest the following address:
www.unbiased.co.uk.

Free and impartial pension guidance may be available from Pension Wise on the internet at <http://www.pensionwise.gov.uk/> by telephone on 0800 138 3944 or via a face to face appointment. This service will help you understand your options in relation to what you can do with your Flexible Benefits only. Further information can be found on the enclosed information leaflet.

There are also various regulatory bodies which may provide you with information which may assist in your decision about transferring your benefits. These are shown below:

The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS
Consumer Helpline: 0800 111 6768
Website: <http://www.fca.org.uk>

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
Consumer Helpline: 0870 606 3636
Website:
<http://www.thepensionregulator.gov.uk>

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Consumer Helpline: 0845 601 2923
Website: www.pensionsadvisoryservice.org.uk

In particular, see:

<https://www.pensionsadvisoryservice.org.uk/about-pensions/when-things-change/transferring-your-pension>

<http://www.pensionsadvisoryservice.org.uk/news/2013/february/new-campaign-targets-pension-fraud>

<http://www.pensionsadvisoryservice.org.uk/about-pensions/when-things-change/when-relationships-end/transfer-incentives-increase-exchange>

Pension Protection Fund (PPF)

The Pension Protection Fund (PPF) was set up in April 2005 to provide compensation to members of eligible defined benefit pension schemes in the event that the employer becomes insolvent and there are subsequently insufficient assets in the pension scheme to cover the liabilities.

For more information with regards to the PPF, please use the following web site: www.pensionprotectionfund.org.uk.

Data Protection

The Trustees and the Employer have both a legal obligation and legitimate interest to process data relating to you for the purpose of administering and operating the scheme and paying benefits under it. This may include passing data about you to the scheme's Actuary, Administrator and such other third parties as may be necessary for the administration and operation of the Plan.

Tax Implications

If you have Flexible Benefits and decide to transfer them, there may be tax implications associated with accessing these benefits. In addition, income from a pension is taxable and the rate at which income from a pension is taxable depends on the amount of income that you receive from your pension and from other sources.

Xafinity is not authorised to bind the Trustees or the Employer to provide benefits in excess of your entitlement under the Capgemini UK Pension Plan, nor to augment or amend your entitlement as defined in the Rules of the Scheme. Therefore, in the event of an error in this quotation, your benefits will be limited to your entitlement as defined in the Capgemini UK Pension Plan Rules.

Prepared by J. Street

Date 29/11/2017

(For and on behalf of the Trustees of the Capgemini UK Pension Plan)

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Private & Confidential

Mr P Hague
20 The Meadows
Todwick
Sheffield
S26 1JG

Our ref: JS/CG/7065812
Help Line: 0870 241 4502
Email: capgemini.pensions@xafinityconsulting.com

Date: 28 November 2017

Dear Mr Hague

**Capgemini UK Pension Plan
Transfer Out Quotation
Member Number: 7065812**

Thank you for your recent request for information regarding the possible transfer of your benefits from the above pension Plan. Please note we have enclosed a copy of your invoice of £300 + VAT in addition please find enclosed the following:-

Glossary of Pensions Terminology

These supplementary sheets provide an explanation of the pension terms (printed in *italics*) used within the enclosed documents.

Transfer Out Information Sheet

This provides the basic information about your transfer value; how much it is, what it is made up of and some of the information that is held on record about you and the Plan.

The calculation has been prepared using the information held on the Plan records. If you choose to transfer, we will verify your identity (see below). If, in the course of verification, we identify that any of the information used (such as your date of birth) is not correct, then this may result in an adjustment to the benefits offered.

If you find that any of the information is incorrect, please let us know immediately.

Transfer Out Explanatory Notes

Please read these notes carefully, they contain more detailed information about the transfer value itself and the benefits provided by the Plan.

Transfer Out Authority Forms

If you do decide to transfer the value of your benefits to a different pension arrangement, you will need to arrange for these forms to be fully completed.



Requirement to take Independent Financial Advice

Please note that if you intend to transfer to a *Money Purchase* arrangement and because the value of your benefits is **over £30,000**, it is a legislative requirement that you first obtain advice from an Independent Financial Adviser (IFA) who is authorised by the Financial Conduct Authority (FCA) or an appointed representative of that IFA. As such, if you are intending to transfer to a *Money Purchase* arrangement, the enclosed Transfer Out Declaration relating to financial advice having been taken **must** be completed by you and your IFA or an appointed representative of that IFA in order for the transfer to proceed. **Please see the explanatory note entitled 'Important Considerations Before You Transfer', attached to the transfer value quotation, for further information.**

If you pass on a copy of the Transfer Out Information Sheet and the Explanatory Notes to your IFA (or directly to the pension arrangement to which you intend transferring your benefits) they will be able to provide you with a quotation of the level of benefits the transfer value might provide under the new arrangement.

Transfer of previously Contracted-out Rights

If you intend transferring your main scheme benefits (i.e. the part of your benefits which is not *Additional Voluntary Contributions* and/or *Money Purchase Benefits*) accrued since 6 April 1997 and/or your *Guaranteed Minimum Pension*, you will need to complete the enclosed additional Transfer Declaration relating to Contracted-Out Benefits to confirm that you are aware of the potential loss of protection for dependants.

What happens next?

If you decide to transfer your benefits we will require the following to be completed and returned:

By you:-

- Transfer Out Authority Form Part 1 (indicating your wish to proceed with a transfer).

and if applicable,

- Transfer Out Declaration - Contracted-out Rights (confirming you understand the implications of transferring to an arrangement that is not contracted-out of the *State Second Pension* and/or *State Earnings Related Pension Scheme* (SERPS)).

By the Receiving Arrangement:-

- Transfer Out Authority Form Part 2 (confirming their ability and willingness to accept the transfer).

they must also provide,

- A copy of their *HMRC* Tax Reference Certificate.

and if applicable

- Any forms they require us to complete as the Transferring Arrangement.

By you and your IFA or appointed representative:-

- Transfer Out Declaration (Financial Advice), confirming that you have received appropriate advice concerning your transfer.

All of the relevant Transfer Out Authority forms should be completed and returned by 27/02/2018 to: Xafinity, PO Box 205, Huddersfield HD8 1ET.

Identity Verification

In order to settle your benefits, we will conduct a search to verify your identity. This involves checking the details you supply against those held at credit reference agencies. They will supply us with information, including that from the Electoral Register and fraud prevention agencies, for the purpose of verifying your identity only. The search will not be seen or used by lenders to assess your ability to obtain credit. If you give us false or inaccurate information and we suspect fraud, we will record this and share this information. In the event we are unable to verify your identity electronically, we will require evidence of identity and will contact you with further details.

Please note that if we do not already know your forename and middle name(s) we will need you to confirm them. This information is gathered as matter of course via the Transfer Out Authority Part 1 Form so it is important that this is fully completed.

Please note that this is the minimum information required before the transfer can proceed. Further information may be required depending on the type of pension scheme arrangement that your benefits are transferred into. Xafinity will contact your new pension arrangement provider for this information.

Pension Scams

We will take reasonable steps to ensure that your pension transfer is an "authorised payment" under UK tax rules.

Occasionally, it turns out that a pension scheme that appears to be legitimate is involved in a fraudulent activity known as "pension liberation" or "pension scam". You should be suspicious if the receiving scheme has offered to pay your full benefits directly to you as a cash sum, minus a commission charge. You could be left with a tax bill of up to 55% of the total payments made in this way. Please ensure you carefully read your transfer specialist's analysis and report.

The statements below indicate some of the key warning signs of a Pension Scam. If any of these apply to you, please ensure you clearly inform us when returning your transfer out forms:

- I have been advised by an 'introducer' or non-regulated adviser.
- The receiving scheme/adviser made the first contact (e.g. a cold call/email/text message).
- I have been promised a cash payment, bonus, commission or loan from the receiving scheme or its administrators, as a result of transferring my benefits.
- I have been pressured into progressing the transfer as quickly as possible.
- I have been told that I will be able to draw a higher tax free cash sum as a result of transferring.
- I have been promised a specific/guaranteed rate of return.
- I have been informed of an overseas investment opportunity.
- I am yet to receive documentation or information regarding the receiving pension arrangement.
- I have not received a transfer analysis report.

- I have been told that I can access any part of my pension fund under the receiving scheme before age 55, other than on the grounds of ill-health.

Please see the attached leaflet which provides more information on this. For further information on Pensions Scams, the link below will take you to a video produced by The Pensions Regulator:

<http://www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx>

Overseas Transfers

If the transfer is to an overseas pension scheme, then in addition to any requirement that you must obtain Financial Conduct Authority authorised advice, we recommend that you seek expert advice on the tax rules in the country in which the receiving scheme is based. In some countries, you could be taxed on the transfer itself or on subsequent investment returns. In others, you could suffer adverse tax consequences if the tax rules do not permit a transfer from a UK pension scheme.

In addition, any transfer to a QROPS will be subject to a tax charge of 25% of the CETV, unless one or more of the following conditions are met:

- the person is resident in the country of establishment of the QROPS,
- the person is resident in a country within the European Economic Area (EEA) and the QROPS is also established in a (different) EEA country, or
- the QROPS is provided by the person's employer.

If none of the above apply, there will be a 25% tax charge on the transfer. This means that we will deduct and pay to Her Majesty's Revenue and Customs 25% of the transfer value before the transfer is made.

You should also be aware that, for any transfer to a QROPS made after 5 April 2017, UK tax provisions will apply to any payments out of the QROPS in the first five tax years following the transfer.

If you are unsure about the potential consequences of your pension transfer, we recommend that you seek advice from a professional adviser. Should it transpire that the transfer is to an overseas arrangement there are additional requirements placed upon the Trustees of the Scheme and you will need to request some additional forms from the administration team; please contact us if this is the case.

Please note that the Pension Scheme Trustees are unable to complete any discharge forms relating to the equalisation of pension benefits.

If you have any queries please feel free to contact us via email, telephone or in writing, quoting your name, the scheme name and our reference in all correspondence.

Yours sincerely

James Street
Pension Administration
(For and on behalf of the Trustees of the Capgemini UK Pension Plan)



CAPGEMINI UK PENSION PLAN

TRANSFER OUT AUTHORITY FORM - PART 1 (Authority to Transfer)

MEMBER DETAILS

Member Name: Mr P F Hague
Member Number: 7065812
National Insurance Number (please confirm):
Date of Birth (please confirm):

MEMBER DECLARATION

To be completed by the member if the Trustees are requested to pay the transfer value available to a *Registered Pension Scheme*.

A separate authority is required for each transfer if it is split between different *Registered Pension Schemes*.

To: The Trustees of Capgemini UK Pension Plan

"I,

(Title) MR (Forename1) PAUL (Forename2) FRANCIS (Surname) HAGUE

This information will be used for the purposes of verifying your identity as described in the letter.

Request that the transfer value of £174,479.00 be paid to the following *Registered Pension Scheme*:


(*Receiving Arrangement Name)

I acknowledge that, on transfer of benefits to the above arrangement, both myself and my dependants will have no further claim on the Capgemini UK Pension Plan. I also acknowledge that I have read and understand the information provided with regards to pension scams."

Signed:  Date: 4/12/2017

EMPLOYMENT DETAILS:

If transferring to an Occupational Pension Scheme, please provide confirmation of the following:

Name of Employer: _____
Date Employment Commenced: _____
Location of Employment: _____

CAPGEMINI UK PENSION PLAN

**TRANSFER OUT AUTHORITY FORM - PART 2
(Receiving Arrangement Information)**

MEMBER DETAILS

Member Name: Mr P F Hague
Member Number: 7065812

RECEIVING ARRANGEMENT INFORMATION

To be completed on behalf of the Administrator of the Receiving Arrangement. Please provide the following Scheme information:

Name of *Registered Pension Scheme*: _____
Type of Arrangement: _____
Policy/Ref No. of transferring member: _____
Registered name & number of Sponsoring Employer: _____
HMRC Tax Reference Number (PSTR): _____
Pension Scheme Ref No. (PSR) _____

- The Receiving Arrangement is willing and able to accept the transfer including, where appropriate, the Contracting out GMP/Section 92b Rights (which may be converted to a non Contracted-Out benefit) and any EPB liability without completion of any equalisation indemnity **Yes/No** (Please select)
- A copy of the HMRC and Pensions Regulator's Registration is attached: **Yes/No** (Please select)
- A copy of the Receiving Arrangement Contracting Out Certificate (if the Scheme was contracted out of the *State Second Pension*) is enclosed: **Yes/No** (Please select)

If yes, please provide the information below:

Registered name & number of Sponsoring Employer: _____
Scheme Contracted-out Number (if applicable) - SCON _____
Employer Contracted-out Number (if applicable) - ECON _____

If the Receiving Arrangement is insured, please provide name of insurance company (payment cannot be made payable to a third party) otherwise name of Trustees Scheme account to whom payment will be made:-

Account Name: _____
Sort Code: _____
Account Number: _____
Payment Reference: _____
Signed: _____ Date: _____
(on behalf of the Administrator of the Receiving Arrangement)

CAPGEMINI UK PENSION PLAN

TRANSFER OUT DECLARATION (Financial Advice)

MEMBER DETAILS

Member Name: Mr P F Hague
 Member Number: 7065812
 Transfer Value: £174,479.00
 Transfer Value Calculation Date: 28/11/2017

MEMBER DECLARATION

Name of receiving Scheme: *

I confirm that I have taken advice in relation to a transfer to the scheme above from a Financial Conduct Authority (FCA) approved independent financial advisor or an appointed representative:

Name of Advisor: PAUL ROBERTSON

Signed (Member):  Date: 4/12/2017

FINANCIAL ADVISER OR APPOINTED REPRESENTATIVE DECLARATION

I confirm that :-

- I have given financial advice to Mr P F Hague in relation to a transfer of benefits from the Capgemini UK Pension Plan to the following *Money Purchase* arrangement

* (Name of receiving Scheme)

- The advice that has been provided is specific to the type of transaction proposed by the above named member
- I have permission under Part 4A of the Financial Services and Markets Act 2000, or resulting from any other provision of that Act, to carry on the regulated activity in article 53E of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001

Name of Adviser: PAUL ROBERTSON

Address of Adviser: RIVERDALE, 89 GRAMAM ROAD
 SHEFFIELD
 S10 3GP

Signed (IFA or appointed representative):  Date: 5/12/2017

(Financial Services Register) Firm Reference Number: 601622

Official Stamp: TAG WEALTH MNGMT
 RIVERDALE
 SHEFFIELD S10 3GP

CAPGEMINI UK PENSION PLAN

**TRANSFER OUT DECLARATION
(Contracted-out Rights)**

MEMBER DETAILS

Member Name:	Mr P F Hague
Member Number:	7065812

The Capgemini UK Pension Plan is contracted-out of the *State Second Pension* (previously the *State Earnings Related Pension Scheme*) and as such undertakes to provide a minimum level of benefits in a prescribed format, including increases to the pension in payment and the provision of a spouse's pension in the event of death.

If you transfer your benefits to a *Personal Pension Plan*, or to another employer's scheme which is not a *Salary-Related Contracted-out Scheme*, the receiving scheme is not necessarily going to provide benefits in the same format. The transfer can still go ahead, but we are legally required to obtain confirmation from you that you understand that the benefits you will eventually receive may be in a different form and a different amount than the benefits being given up.

Accordingly, please complete the following declaration and return with the rest of the required documents if you wish the transfer to go ahead.

MEMBER DECLARATION

I declare that:

1. I have received a statement from the receiving scheme showing the benefits to be awarded in respect of the transfer payment.
2. I accept that the benefits to be provided by the receiving scheme may be in a different form and of a different amount to those which would have been payable by the transferring scheme.
3. I accept that there is no statutory requirement on the receiving scheme to provide for survivor's benefits out of the transfer payment.

Signed (Member):



Date: 4/12/2017

CAPGEMINI UK PENSION PLAN
GLOSSARY OF PENSIONS TERMINOLOGY

Additional Voluntary Contributions (AVCs)

Contributions over and above a Member's Normal Contributions, if any, which the Member elects to pay in order to secure additional benefits.

Annual Allowance

The amount of your pension savings that benefit from tax relief is limited to an *Annual Allowance*, currently £40,000. This applies to pension savings in:

- a registered pension scheme
- an overseas pension scheme - as long as either you or your employer qualify for UK tax relief on those pension savings

If you save more than this amount you may have to pay a tax charge on the excess.

From 6 April 2016 those with income above £110,000 may see their *Annual Allowance* reduced.

Authorised Payment

Authorised payments are defined in Part 4 of the Finance Act 2004. They can be either authorised member payments, or authorised employer payments. Most authorised payments are taxable, although some authorised payments, such as a *Pension Commencement Lump Sum*, may be paid tax free.

Basic State Pension

For those reaching *SPA* prior to 6 April 2016, this is the flat rate pension provided by the *State Pension Scheme* (the pension scheme operated by the United Kingdom Government, under which a State Pension is payable). This provides benefits to persons having made National Insurance Contributions for the required minimum number of years, upon reaching *State Pensionable Age*.

Capital Value

This is the value, for *Lifetime Allowance* purposes, of providing the annual pension shown. For pensions in payment prior to 6 April 2006 each £1 of pension per annum has a capital value of £25. For pensions coming into payment after 5 April 2006 each £1 of pension per annum has a capital value of £20.

Consumer Prices Index (CPI)

The government's principal measure of price inflation and used for the uprating of pension benefits from 2011.

Contracting Out

The process whereby up to 5 April 2016 both members and the sponsoring employers of Contracted-Out pension schemes paid lower rates of National Insurance Contributions because they were not contributing to the State Second Pension Scheme (S2P) formerly the State Earnings Related Pension Scheme (SERPS), by virtue of their participation in the contracted-out scheme.

Defined Contribution

These are sometimes known as money purchase pensions. They can be personal pensions arranged by you or workplace pensions arranged by your employer. The money paid in by you or your employer is put into investments by your pension provider. The amount you get when you come to take your benefits depends on how much was paid in and how well the investments have done. The value of your fund can go up or down depending on your investments. With defined contribution pensions you decide how to take your money out.

Defined Benefits Lump Sum Death Benefit	A lump sum, defined under paragraph 13, schedule 29 of the Finance Act 2004. Examples could be a multiple of salary, a refund of contributions or a payment under a pension guarantee. Further information may be found at; http://www.hmrc.gov.uk/manuals/ptmanual/ptm073100.htm
Final Pensionable Salary	This is the salary that your pension benefit has been calculated on. The definitions of both <i>Final Pensionable Salary</i> and Pensionable Salary can be found in your member booklet.
Flexible Accessed Benefits	This relates to benefits under a <i>Defined Contribution</i> arrangement. It allows you to withdraw retirement income as and when you like, while keeping your remaining money purchase pension savings invested. Available from age 55, you may draw as much or as little as you like (depending on the provider). Accessing benefits in this way might reduce your subsequent Annual Allowance from £40,000 to, currently, £10,000 for <i>Defined Contribution</i> schemes, although this limit may be changed in the future.
Guaranteed Minimum Pension (GMP)	The minimum pension which an Occupational Pension Scheme must provide as one of the conditions of <i>Contracting Out</i> for pre 06/04/1997 Service. It is broadly the amount of pension that would have been provided from the State Second Pension Scheme (S2P) had the member not been contracted out via their membership of the contracted out Occupational Pension Scheme. <i>GMP</i> ceased to be earned with effect from 06/04/1997, but Occupational Pension Schemes are still responsible for paying the <i>GMP</i> already earned in their schemes. The Scheme must ensure that the pension they provide is at least the amount of the member's <i>GMP</i> when the member reaches <i>GMP</i> Payment Date i.e. age 60 (female) or age 65 (male).
Her Majesty's Revenue and Customs (HMRC)	<i>Her Majesty's Revenue and Customs (HMRC)</i> is a non-ministerial department of the UK Government primarily responsible for the collection of taxes, some forms of state support, and import controls. <i>HMRC</i> was formed by a merger of the Inland Revenue and Her Majesty's Customs and Excise and came into formal existence on 18 April 2005.
HMRC National Insurance Contributions Office (HMRC NICO)	This office is responsible for the collection and recording of national insurance contributions. This involves the following: ensuring compliance with national insurance related legislation, the collection of national insurance contributions, the administration of the Contracted Out system, the maintenance of accurate national insurance accounts and the provision of national insurance information.
Lifetime Allowance	The <i>Lifetime Allowance</i> is an overall ceiling on the amount of tax privileged pension savings that any one individual can usually draw. In most cases a <i>Standard Lifetime Allowance</i> will apply set each year by Government. In some cases a higher personalised allowance may apply.
Lifetime Allowance Declaration	The form used by Administrators to enable the member to inform them of their benefits in payment or which will come into payment on the same day as the benefits in question. This is also used to provide information about any <i>Lifetime Allowance Protection or Enhancement</i> the member may hold.

Lifetime Allowance Enhancement

When the *Lifetime Allowance* was introduced it was possible to apply for an enhancement to the *Standard Lifetime Allowance* if you already had pension savings in excess of £1,500,000 as at 5 April 2006. It is also possible in some other limited circumstances to obtain an enhancement. If you have received such an enhancement then you will be in receipt of a Certificate or Reference number from HMRC.

Lifetime Allowance Protection

When the level of the *Lifetime Allowance* was introduced and when it was subsequently reduced from £1,800,000 at its highest (currently it has been reduced to £1,000,000) the government recognised that it would not be fair to apply the new *LTA* to savers who already have pension values in excess of the new proposed limit and therefore have offered savers who may be in excess of the lower limit, protection from the new limit. If you have received such protection then you will be in receipt of a Certificate or Reference number.

Lifetime Allowance Tax Charge

A charge to income tax that arises on the value of any benefits in excess of your *Lifetime Allowance*. The rate of charge is either 25% or 55%, depending on whether the 'event' giving rise to the charge was the payment of a lump sum. The scheme administrator and member are jointly liable to the charge, except where the chargeable amount arises following the death of the member (in which case the recipient of the payment giving rise to the charge is solely liable).

Pension Commencement Lump Sum (PCLS)

A lump sum benefit paid to a member of a *Registered Pension Scheme* in connection with an arising entitlement to a pension benefit. Currently this benefit is paid tax free.

Pension Credit

Pension sharing on divorce was introduced from December 2000 under the pension sharing provisions in the Welfare Reform and Pensions Act 1999 (WRPA) and Schedule 10 of the Finance Act 1999. This introduced the 'pension credit' and 'pension debit'. The 'pension debit' is the amount by which the original member's pension is reduced and the 'pension credit' is the corresponding amount by which the ex-spouse's pension rights are increased.

Pension Protection Lump Sum Death Benefit

A lump sum, defined under paragraph 14, schedule 29 of the Finance Act 2004. It is a lump sum payable on the death of a member within a guarantee period. Further information may be found at; <http://www.hmrc.gov.uk/manuals/ptmanual/ptm073300.htm>

Qualifying Recognised Overseas Pension Scheme (QROPS)

A Qualifying Recognised Overseas Pension Scheme, or QROPS, is an overseas pension scheme that meets certain requirements set by *Her Majesty's Revenue and Customs (HMRC)*. A QROPS can receive transfers of UK Pension Benefits without giving rise to an unauthorised payment and scheme sanction charge, although may in some circumstances be subject to a 25% tax charge.

Registered Pension Scheme

A Pension scheme is a Registered Pension Scheme at any time when, either through having applied for registration and been registered by the *Her Majesty's Revenue and Customs (HMRC)*, or through acquiring registered status by virtue of being an approved pension scheme on 5 April 2006.

Retail Prices Index (RPI)

An index of price inflation in the UK used by Pension Schemes.



Small Lump Sums	If the lump sum value of all your benefits within the Plan is less than £10,000 then, if Plan rules allow, this pension can be taken as a Small Lump Sum. You can have up to 3 Small Lump Sums during your lifetime.
Standard Lifetime Allowance	The overall ceiling on the amount of tax-privileged savings that any one individual can accumulate over the course of their lifetime without taking any special factors into account that may increase or decrease the tax-privileged ceiling. The <i>Standard Lifetime Allowance</i> for both the 2016/17 and 2017/18 tax years is £1,000,000. For subsequent tax years it will be specified by an annual order made by the Treasury. You can find more information through the following link: https://www.gov.uk/tax-on-your-private-pension/lifetime-allowance
State Pensionable Age (SPA)	The age from which pensions are normally payable by the <i>State Pension Scheme</i>. You can check your <i>State Pension Age</i> and obtain a pension forecast online through the following link: https://www.gov.uk/calculate-state-pension.
State Pension Scheme	The pension scheme operated by the United Kingdom Government, (under which a State Pension is payable). This provides benefits to persons having made National Insurance Contributions for the required minimum number of years, upon reaching <i>State Pensionable Age</i>. The government has introduced a new Single Tier State Pension with effect from 6 April 2016, for those reaching <i>State Pensionable Age</i> on or after that date, which replaces the <i>Basic State Pension</i> and S2P.
Trivial Commutation	If the <i>Capital Value</i> of your pension, taking into account all your other pension entitlements, is less than £30,000 then this pension can be taken as a Trivial Commutation.
Unauthorised Payment	The tax rules specify the conditions that need to be met for payments to be authorised (see definition above). Any payment that doesn't meet these conditions is an unauthorised payment.
Uncrystallised Funds Pension Lump Sums (UFPLS)	From 6 April 2015, you may be able to access some or all of your money purchase pensions savings as one or more lump sums without designating funds as available for drawdown or buying an annuity or scheme pension. To qualify for an <i>UFPLS</i> you must have some <i>Lifetime Allowance</i> remaining, and have reached normal minimum pension age (currently 55).

Dear Saver,

The government has removed the restrictions on what you can do with your pension savings. You now have the freedom to choose the option that's right for you.

To receive free, impartial guidance from the government, go to www.pensionwise.gov.uk

Pension Wise is a new government service that offers you:

- **tailored guidance** (online, over the telephone or face to face) to explain what options you have and help you think about how to make the best use of your pension savings;
- information about the **tax implications** of different options and other important things you should think about; and
- tips on getting the best deal, including how to **shop around**.

Choosing what to do with your pension savings is an important financial decision; you can often get more for your money by shopping around.

In this pack you'll find important details about your pension. Use them – and Pension Wise – to help you make the decision that's right for you.

To book a free appointment, call 0800 138 3944 (from outside the UK: +44 20 3733 3495).

Yours faithfully,

The Pension Wise team

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Thinking of doing something with your pension pot?

Before you go any further, read these five tips to protect yourself from scammers

1 If you think you've been scammed – act immediately

If you've already signed something you're now unsure about, contact your pension provider straight away. They may be able to stop a transfer that hasn't taken place yet. Then call Action Fraud on 0300 123 2040 to report it.

If you have doubts about what to do, ask The Pensions Advisory Service for help. Call them on 0300 123 1047 or visit the TPAS website at www.thepensionsadvisoryservice.org.uk for free pensions advice and information.

If you're aged 50 or over and have a defined contribution pension (a pension not based on your final salary), Pension Wise is there to help you investigate your retirement options. Visit the Pension Wise website at www.pensionwise.gov.uk to find out more.

2 Cold called about your pension? Hang up!

Unsolicited phone calls, text or emails about your pension are nearly always scams. Scammers will often claim they're from Pension Wise or other government-backed bodies. These organisations would never phone or text to offer a pension review.

3 'Deals' to look out for

Beware of unregulated investments offering 'guaranteed returns'. These include exotic sounding investments like hotels, vineyards or other overseas ventures, and deals where your money is all in one place – and therefore more at risk. Visit the FCA's Scamsmart website at scamsmart.fca.org.uk to see if the deal you're being offered is a known scam, or has the hallmarks of a scam.

Don't be rushed into making a decision. Scammers will try to pressure you with 'time limited offers' or send a courier to your door to wait while you sign documents. Take your time to make all the checks you need – even if this means turning down an 'amazing deal'.