

The A. S Watson (Health & Beauty UK) Pension Plan

How do I know what benefits I have in the Plan?

If you were a member of the Kingfisher Pension Scheme as at 31 March 2002 and elected to join the Plan you will be a member of the Defined Benefit section of the Plan.

The Defined Benefit section of the Plan closed on 28 February 2010. All current employees of Superdrug who were members of the Defined Benefit section of the Plan at this date were invited to join the Defined Contribution section of the Plan. The Defined Contribution section of the Plan closed on 30 September 2012, with Defined Contribution members invited to join the Group Personal Pension Plan. In November 2020 the remaining accrued Defined Contribution benefits of members were transferred to the Aviva Master Trust.

Depending on your service dates you may therefore have accrued two benefit entitlements in the Plan, a Defined Benefit and a Defined Contribution entitlement. The Frequently Asked Questions below cover both sections of the Plan.

You may access details of your benefits through Barnett Waddingham's free [BWebstream](#) online platform. This allows you to keep your personal details up to date and to obtain estimates of your retirement benefits. Pensioner members are able to view pension increase letters and payslips through BWebstream. Correspondence issued by Barnett Waddingham is available to view on your BWebstream record. If you have not yet registered for this service and would like to use it, please contact Barnett Waddingham to arrange your account setup.

If you are in any doubt about your Plan entitlement, please contact the Plan's administrators, Barnett Waddingham, at the details given below.

Questions & Answers – Defined Benefit (DB) Section

What are my options at retirement?

You will have the option to either:

1. Receive an annual pension which will be paid monthly in advance, or
2. Receive a reduced annual pension which will be paid monthly in advance and a one-off tax-free cash lump sum (known as a Pension Commencement Lump Sum or PCLS). The amount of lump sum quoted will be the maximum to which you are entitled under the Plan Rules, but you are able to take a lower amount than this should you wish. A lower amount of lump sum would result in the reduced annual pension being increased after the tax-free cash has been taken.

If you have any Additional Voluntary Contributions (AVCs) under your DB section, you can use these to fund your tax-free lump sum. If you would like further information on this, please contact us at the details given below.

How is my pension paid?

Any tax-free cash sum due will be credited to your bank or building society account around your retirement date, provided we have received all the necessary paperwork.

Instalments of your pension will be paid monthly in advance. They will be credited directly to your bank or building society account. Your pension is payable for life. The payroll payment date is currently the 1st of the month.

Can I retire early?

Early retirement is subject to the consent of the Trustee and the Company.

The current minimum early retirement age is 55. However, you may be able to retire on the grounds of ill-health at any age subject to the consent of the Trustee and the Company.

Will my pension be reduced for early payment?

An early retirement factor will be applied to your pension if it's being paid before your Normal Retirement Date.

Can I retire late?

Late retirement is subject to the consent of the Trustee.

Will my pension be adjusted for late payment?

A late retirement factor will be applied to your pension if you decide to start receiving it after your Normal Retirement Date.

What about tax?

Once your pension is in payment your pension will be taxed as income under PAYE.

Will my pension increase while it's being paid?

Pensions in payment are reviewed each year on 1 April in line with the Plan Rules. You can find out more about pension reviews in your Plan booklet.

Will the Lifetime Allowance affect me?

If you think you will exceed the Lifetime Allowance, we recommend you take financial advice.

What are my options before retirement?

As a member of the Plan yet to receive your pension, you have built up an entitlement to receive a guaranteed income for life from the Plan. This is a valuable benefit and, for most members, receiving a pension from the Plan will be the best course of action.

You also have the option of transferring your benefits to another pension arrangement, separate to the Plan. If you were to exercise this option, the Trustee would pay out a cash sum to another type of pension arrangement that you specify. In return, you would give up your entitlement to the guaranteed pension you had built up in the Plan. You can request a transfer value quotation from the Plan's administrators, Barnett Waddingham, free of charge once in any 12-month period.

What are the new pension flexibilities?

In April 2015 the Government introduced more flexibility regarding how people can use their pension funds. These new flexibilities only apply to Defined Contribution (DC) benefits which include any Additional Voluntary Contributions (AVCs) under the Plan or cash balance funds and include:

- buying a guaranteed income for life (an annuity)
- a taxable cash lump sum
- flexible withdrawals (drawdown)

These flexibilities are not currently available for Defined Benefit (DB) pensions and therefore do not apply in respect of your pension benefits. You can also transfer your pension benefits into another arrangement to take advantage of these new flexibilities should you wish. Read more about this in the second half of this document.

How can I access flexible options not offered by the Trustee?

Depending on your circumstances, you may be able to take a transfer value of your DB pension benefits to an alternative pension arrangement e.g. to access flexible options available in respect of DC funds. These arrangements may offer alternative options such as buying an annuity or taking flexible withdrawals. They have different charges, rates of payment and tax implications. Take a look at the 'Where can I get more help' section below if you think you may need more information about flexible benefits.

Please also note that if you also have AVCs as well as a Defined Contribution (DC) pension under the Plan, you will need to contact Aviva directly about the transfer options available to you. However, you are able to transfer your DB Section benefits of the Plan and leave your AVCs and DC pension preserved with Aviva.

Should I get advice if I'm thinking of transferring?

By law, the Trustee is required to check that any member who is entitled to a transfer of £30,000 or more has taken financial advice from a registered financial adviser unless the member is transferring to another Defined Benefit employer's pension scheme. The Trustee must do this before paying a transfer value.

The Money Advice Service (MAS), a Government service, provides help with choosing a financial adviser, questions to ask them and a guide to their fees.

You can visit their website: www.moneyadvice.service.org.uk/en/categories/getting-advice-about-retirement or you can call them on 0800 138 7777.

The Personal Finance Society has also produced a consumer guide designed to help you select your financial adviser. This is available at:

www.thepfs.org/about-us/initiatives/the-pension-transfer-goldstandard/understanding-the-pension-transfer-gold-standard/.

There is also FCA guidance on what to think about, and what questions you should ask here: www.fca.org.uk/consumers/what-ask-adviser.

The FCA has published information about what to expect when taking advice in connection with transferring out of a defined benefit scheme into a defined contribution scheme, which includes a video explaining their expectations in relation to the FCA regulated advice process for pension transfers. This will help you to better understand the pension transfer advice process and assist you in determining whether the advice you receive from your authorised adviser meets the FCA's requirements. The information and video can be viewed on the FCA website at <https://www.fca.org.uk/consumers/pension-transfer/advice-what-expect>.

What pension benefits are payable to my spouse or partner?

Death Before retirement

A pension will be paid to your spouse or dependants equal to one half of your pension benefits pension revalued to date of death (this will be treated as if it is your normal retirement date).

The Trustee may reduce the pension payable to a Member's Spouse who is more than 20 years younger than the Member and married less than a year before death. The amount will be determined by the Trustee. It will not exceed 2.5% for each complete year by which the age difference exceeds 10 years (subject to GMP requirements).

If no pension is payable to a spouse, civil partner or dependants, the Trustee will pay a cash sum equal to the value of any member contributions plus interest.

The Plan rules set out who is eligible for any benefits when you die, but completing an Expression of Wishes form is the best way to make sure the Trustee is aware of who you want to receive any payment. Remember, the Trustee will make the ultimate decision although they will normally take your wishes into account.

You should review and update your Expression of Wishes form regularly to make sure that the people you wish to be your beneficiaries are considered. If you need a new form please contact Barnett Waddingham.

Death After Retirement

A pension will be paid to your spouse, civil partner or dependants equal to one half of your pension benefits at your date of death. This will include any pension you may have exchanged should you take the tax-free cash at retirement. The pension will include any increases between your retirement date and your death.

If you die within five years of your retirement date and no pension is payable to a spouse, civil partner or dependants, the Trustee will pay a cash sum. This will be equal to the value of the remaining unpaid instalments in this five-year period instead, less the aggregate of any cash sum and instalments of pension already paid.

Your Plan booklet has more information about who may qualify for a spouse's pension. There may be a difference to what partners, including civil partners, and same sex spouses are entitled. If your spouse is significantly younger than you, it's possible a reduced amount will be receivable.

Where can I get more help?

For questions directly related to the Plan please contact us at the details below:

Write	Call	Email
Barnett Waddingham LLP 2 London Wall Place London EC2Y 5AU	0333 11 11 222	ASWatson@Barnett-Waddingham.co.uk

The third party services listed below are also available to help you with your queries:

Pension Wise - free and impartial guidance provided by the Government for everyone with a DC pension over the age of 50. To book an appointment for a telephone or face to face guidance session, please call **0800 138 3944** between 8am and 8pm, Monday to Friday. Calls cost the same as a normal call - if your calls are free, it's included. Or you can visit www.pensionwise.gov.uk

Financial advice - if you are thinking about taking financial advice you can find a financial adviser in your local area by visiting the following website: www.thepfs.org/yourmoney/find-an-adviser/

How can I avoid a pension scam?

Thousands of people have fallen foul of pension scams and lost their life savings, faced huge fines and even big bills from the taxman. By being vigilant you can avoid being the next victim on the scammers' hit list.

Watch out for:

- claims you can access your cash before age 55
- offers of 'one-off' investment opportunities
- being contacted out of the blue also known as cold calling
- promises of cash in advance
- pressurised sales tactics

Remember if it seems too good to be true, it probably is!

For more help, The Pensions Regulator offers comprehensive information and guidance on pension scams (www.thepensionsregulator.gov.uk/en/pension-scams).

Further information about how to protect yourself from pension and investment scams is available online at fca.org.uk/scamsmart and pension-scams.com.

There is also information about scams particularly related to coronavirus as well as more general guidance, available on the Government backed website www.fca.org.uk/scamsmart. The Pensions Advisory Service (TPAS) also currently provides a useful Coronavirus update, which includes details about how the pandemic might have affected your pension and how to get help if you need it, at www.pensionsadvisoryservice.org.uk.

In addition, a number of organisations, including the FCA, the Money and Pensions Service (MaPS) and the Pension Protection Fund (PPF) have joined forces to publish an easy-to-read downloadable guide available from the PPF website www.ppf.co.uk/covid-19-pensions. The guide includes a wide variety of information on how your pension is protected and how you can avoid scams during the COVID-19 pandemic.

Questions & Answers – Defined Contribution (DC) Section

What are my accrued DC Benefits?

Your accrued DC Benefits were transferred to the Aviva Master Trust in November 2020. You will have received correspondence from Aviva to whom responsibility for the management of these benefits had been transferred. Aviva will be able to answer any questions regarding your DC Benefit options.

Barnett Waddingham will retain records relating to the build-up of your accrued DC Benefits up to the date they were transferred to Aviva. Should you have any questions only relating to your DC Benefits accrued prior to November 2020, please contact us at the details below:

Write

Barnett Waddingham LLP
2 London Wall Place
London
EC2Y 5AU

Call

0333 11 11 222

Email

ASWatson@Barnett-Waddingham.co.uk