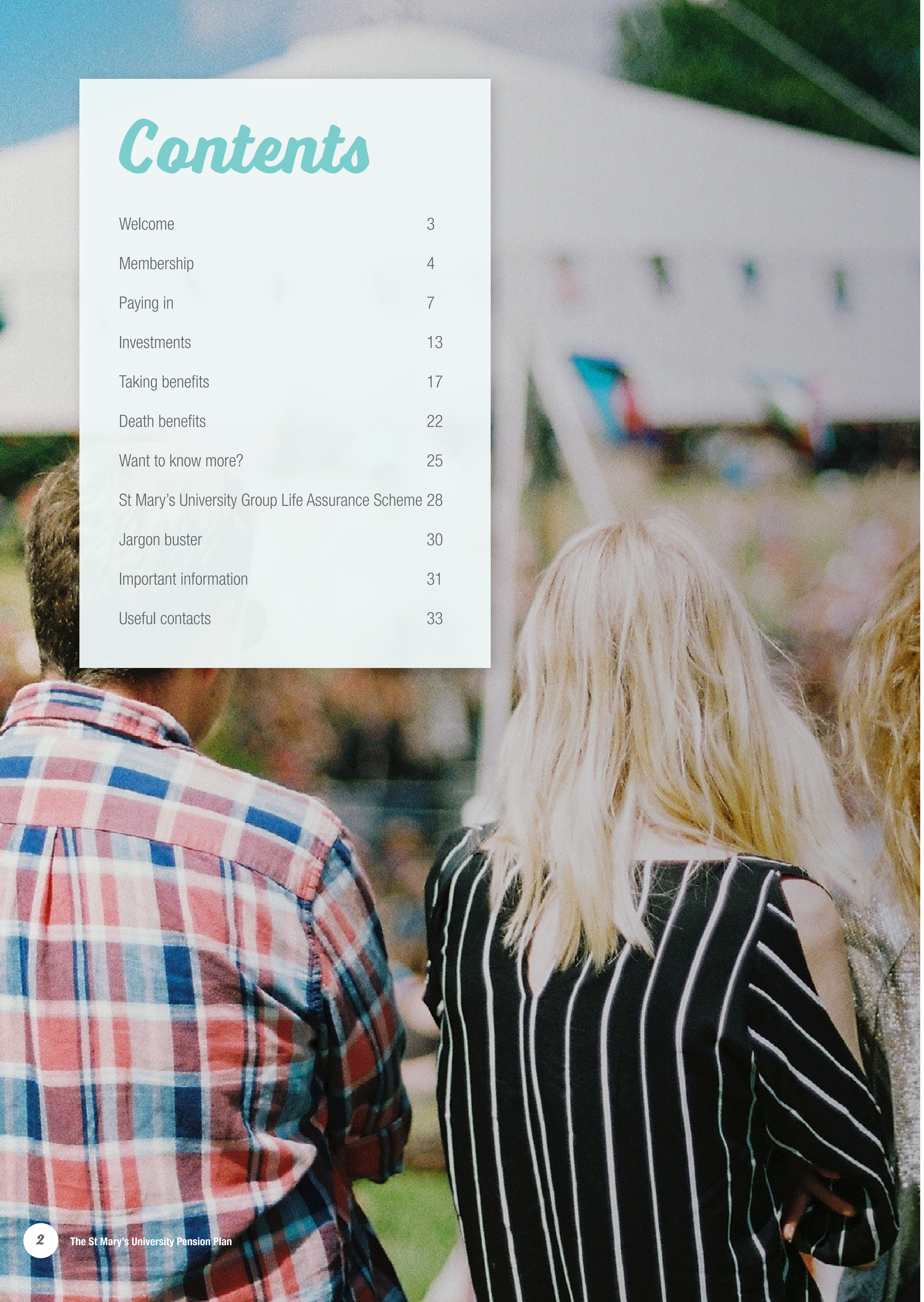
The St Mary's University Pension Plan

Guide to YOUR PENSION account

May 2020

PENSION QUALITY MARK PLUS



Contents

Welcome

Whatever your age, saving for later life is important and saving through the St Mary's University Pension Plan (the Plan) is an effective way for you to do this. In addition to your payments, money will be paid in by the University and by the Government.

The Plan is a Group Personal Pension Plan run by Aviva.

As a member of the Plan, you'll have your own pension account into which all the payments will be made. The value of your pension savings within your account will depend on:

- how long you're in the Plan
- how much is paid in
- how your pension savings are invested and how the investments change in value
- how much you pay in charges

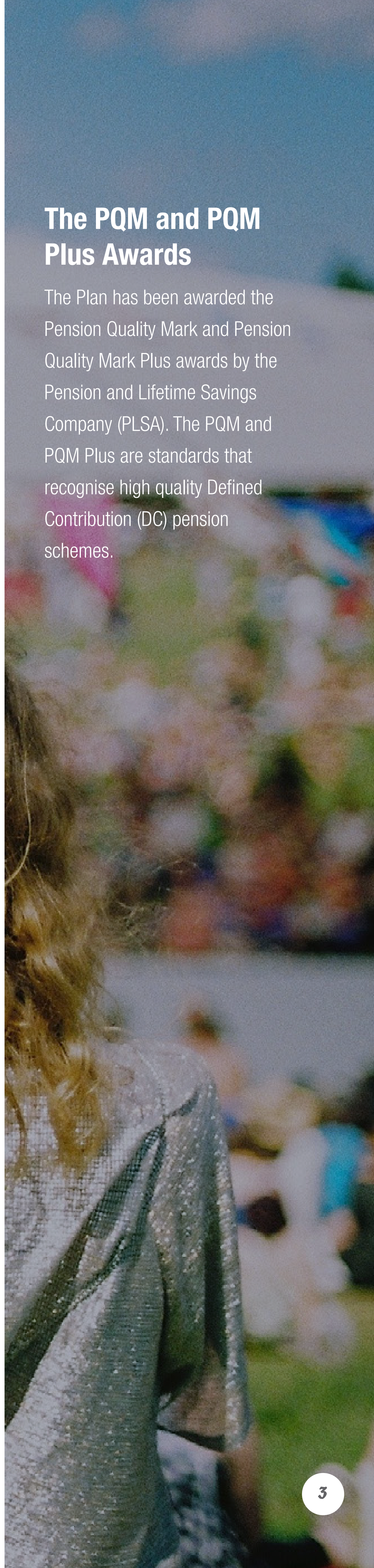
You'll have control over how much you pay in, how your pension savings are invested and how you take benefits from your pension account.

Remember, that saving for later life is not just a one-off decision. Whether stopping work is far off in the future or just around the corner, you'll need to make sure you stay on track to reach your retirement goals. This guide has been designed to help you with this.

If you have any questions, check out Useful contacts or ask Human Resources (HR).

What you need to know

- It's an effective way to save for later life.
- It's tax efficient.
- It's run by Aviva.
- It's an important part of your financial future.



The PQM and PQM Plus Awards

The Plan has been awarded the Pension Quality Mark and Pension Quality Mark Plus awards by the Pension and Lifetime Savings Company (PLSA). The PQM and PQM Plus are standards that recognise high quality Defined Contribution (DC) pension schemes.

Membership

Joining and staying in

Joining the Plan is automatic. For details of auto-enrolment and the joining process, please contact HR. On joining, Aviva will send you information about your pension account, which you should keep in a safe place for future reference.

You should consider staying in the Plan to save for your later life, but if you don't want to, you can opt-out. Remember though, if you opt-out you'll miss out on University contributions and the valuable benefits payable from the Plan, so you should think carefully before making such an important decision.

What happens if you opt-out?

Opting out within one month of Aviva sending joining information

- Your pension account will be cancelled.
- Any payments you have made will be refunded to you.
- Details of how you can opt-out during the first month will be included with the joining information.

Opting out at any later time

- You can opt-out after one month by notifying HR in writing you wish to stop making payments.
- Your pension account will not be cancelled but further payments will stop.
- Payments already made will remain invested in your pension account for your future use, and will not be refunded to you at the time you opt-out.

Re-joining

- If you change your mind, you may normally apply to re-join.
- Under pensions law, re-joining may be automatic from time to time if certain conditions are met.

What happens if you leave the University?

If you leave, payments will stop and Aviva will contact you to explain your options. These will usually include:

1. Leaving your pension savings where they are and keeping control of them.
2. Transferring your pension savings to another pension plan.
3. Taking benefits from your pension account, if you qualify (see Taking benefits).

What you need to know

- You may be joined automatically, and if not you can still apply to join.
- It's important to consider staying in.
- You can opt-out but you'll lose important benefits.

What you need to know

- A part of your payment is met by the Government
- How much you pay in can affect how much the University pays in.
- The more you pay in, the more you should get out.
- Salary Exchange is an efficient way of paying in, as it normally saves on NI.
- It's important to review how much you're paying from time to time.

Paying in

How much do you need to pay in?

Payments (also called contributions) are made each month. The options, expressed as a percentage of your pensionable earnings (see Jargon buster), are set out in the table below.

Table 1: Default contribution structure

You pay	University pays	Total paid
3%	6%	9%

You'll initially join the Plan at the default level of contributions indicated above; however you do have the CHOICE of upgrading to the following structure (see table 2) immediately after enrolling into the Plan by completing a change of contribution form, available from HR.

Table 2: Uplifted contribution structure

You pay	University pays	Total paid
4%	8%	12%
5%	10%	15%
6% or more	12%	18% or more

Part of your payment is made by the Government (in the form of tax relief), so the actual cost to you is lower (see How much will it cost?).

If you're unsure how much you're currently paying, please ask HR.

Can you change how much you pay in?

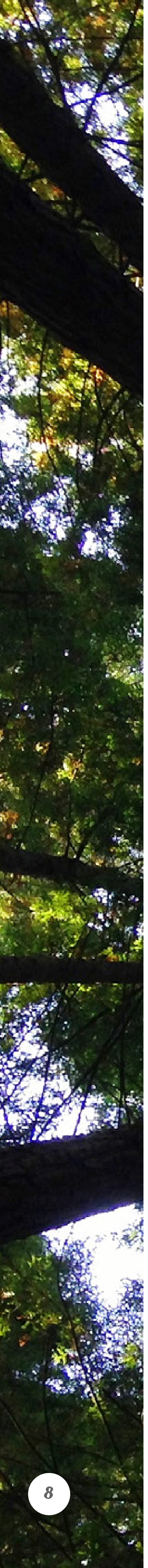
Yes, you can choose from the options above. As you can see, how much you pay in can affect how much the University pays in. Please contact HR for details of the process.

You should review how much you're paying in from time to time, to check you're on track to achieve the level of benefits you think you may need when you need them. The Aviva website (see Useful contacts) can help you with this.

How much will it cost?

Salary Exchange is the default contribution method for the Plan.

Please note if your personal contributions are made via Salary Exchange, the contributions are made as the University's contributions. You do not pay tax on the University's contributions, so there is no tax relief to claim. Please refer to the Salary Exchange section below.



If you do not contribute through Salary Exchange

As an incentive to save, the Government gives you immediate tax relief at 20% on your payments

Here's an example for an employee with pensionable earnings of £2,000 per month, who pays in 5% and receives payments from the University of 10%:

	Per month	Per year
Employee pays	£80	£960
Government pays	£20	£240
University pays	£200	£2,400
Total paid	£300	£3,600

Recognising payments from the Government (tax relief) and the University, the £300 payment only costs the employee £80 (see below if you're a higher rate taxpayer).

If you're unsure how much it will cost you, please ask HR.

Higher rate taxpayer?

If you pay tax at a higher rate, you can claim additional tax relief through your year-end tax return or by asking your tax office to adjust your code. You'll normally receive this through increased take-home pay rather than as a higher payment into your pension account. Please note you'll be responsible for claiming any such additional tax relief.

However if you make your payments via Salary Exchange there is no additional tax to claim as you're not taxed on the salary you exchange (see next section).

Please note the tax treatment depends on your individual circumstances and may be subject to change in the future.

Salary Exchange

Under this method, you exchange salary equivalent to your payments and this is made as a University payment. This method of paying in normally saves on National Insurance (NI) (see Want to know more?). If you're unsure how your payments are being made or wish to switch payment methods, please contact HR.

Returning to the previous example, if the employee paid in through Salary Exchange then they would exchange salary of £100 per month and the amounts paid in would simply be:

	Per month	Per year
Employee pays	£nil	£nil
Government pays	£nil	£nil
University standard payments	£200	£2,400
University Salary Exchange payments	£100	£1,200
Total paid	£300	£3,600

Tax works differently but the effect is the same – the employee doesn't pay tax on the salary exchanged, so the actual cost to them is still £80.

The employee pays NI at 12%, so their NI saving is £12 per month or £144 per year, received as increased take home pay.

If you're a higher rate taxpayer and you make your payments via Salary Exchange, you'll pay NI at a lower rate so your NI savings will be proportionately lower than in the example.

One-off payments

You can make one-off payments at any time – you would do this directly with Aviva rather than through Payroll. These also qualify for payments from the Government (tax relief), but do not qualify for a corresponding contribution from the University. If you wish to top up your pension savings in this way, contact Aviva to understand the process.

Know the limits

The Government has set limits on the payments that can be made in each tax year and on the total amount of pension savings you can build up across all the pension arrangements you may have. If you exceed these limits, you may incur a tax charge. Further information can be obtained from a Financial Adviser.

Annual Allowance

This is the limit on the total payments that can be made in each tax year without incurring a tax charge. It includes payments from the University and the Government (tax relief), as well as your own. For most people the Annual Allowance is £40,000 for the 2020/21 tax year.

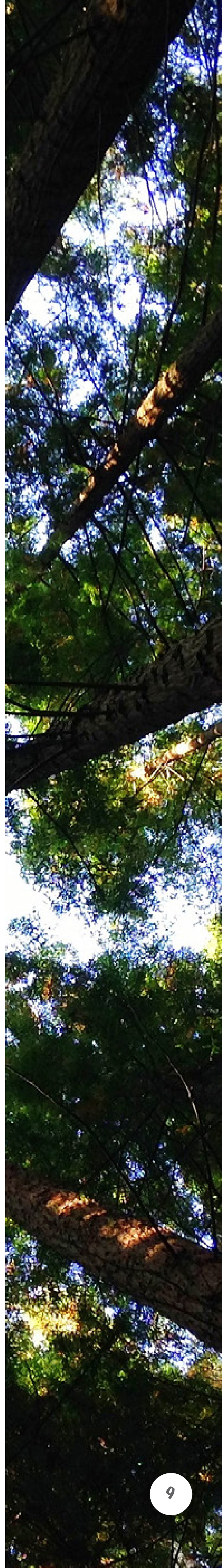
For the 2020/21 tax year, if the following exceeds £200,000 your Annual Allowance may be reduced (this is called the Tapered Annual Allowance):

- your total 2020/21 taxable income (excluding pension contributions) PLUS
- your total 2020/21 Salary Exchange pension contributions (only applicable if your Salary Exchange pension arrangement started after 8 July 2015).

Your Tapered Annual Allowance will not however be reduced below £4,000 per tax year.

The Annual Allowance can also be reduced if you take benefits 'flexibly' from your pension account or another pension arrangement (see Taking your benefits). The reduced limit – called the Money Purchase Annual Allowance (MPAA) - restricts the level of payments that can be made to pension arrangements like the Plan to a lower limit. The MPAA is £4,000 for the 2020/21 tax year; if you think you might be affected you should consider seeking financial advice.

Irrespective of the Annual Allowance, your own payments and those from the Government (tax relief) in each tax year will normally be limited to 100% of your earnings, or £3,600 (whichever is greater).



Lifetime Allowance

This is the limit on the total value of pension savings that can be built up without incurring a tax charge. The Lifetime Allowance is £1,073,100 for the tax year 2020/21.

If you have claimed protection from the Lifetime Allowance, please note paying into the Plan may affect this.

What happens if you're away from work for a period of time?

Paid leave

- Payments (both from you and the University) will continue unless you instruct otherwise.
- Other than for parental leave, payments (both from you and the University) will be based on your actual pay received.

Paid parental leave

- Includes maternity, paternity and adoption leave.
- Your payments will be based on your actual pay received.
- The University's payments will be based on your pay immediately before your absence, including any increases in pay which may be granted during parental leave.
- Please note that during a period of paid leave, your pay will not be reduced to less than the lower rate of the prescribed amount set by the Government.
- Any payments you make via Salary Exchange will count as University payments.

Unpaid leave

- All payments will be suspended until you return to work.

Can you transfer in other pension savings?

Yes, normally you can, but please note pension schemes can vary significantly; for example some may entitle you to valuable guarantees when you come to take your benefits and others may impose penalties for transferring elsewhere.

You should consider obtaining financial advice in relation to any proposed pension transfer, so you understand the implications of transferring, and in some circumstances you may be obliged to take such advice.

What you need to know

- If you require further information or think you may be affected by the limits, you should consider seeking financial advice.
- If you have claimed protection from the Lifetime Allowance, please note paying into the Plan may affect this.

What you need to know

- Understand how your pension savings are invested – it's possible they may not be invested in the Default.
- You should review from time to time how your pension savings are invested - the amount of risk you're prepared to take may change over time.
- You can pick your own investments - if you do, think about reducing volatility in the years approaching when you would like to access your savings.
- Consider whether your access age reflects the age at which you intend to take benefits.
- The value of your pension savings is not guaranteed and can go down as well as up.

Investments

The basics of investing

You may or may not be comfortable with making investment decisions in relation to your pension savings but it's important to understand some basic principles:

- Investing means accepting a certain amount of risk to give your pension savings the opportunity to grow, whilst recognising their value could also go down.
- Higher risk investments generally offer higher potential for growth but they are also likely to be more volatile, meaning they may see frequent and/ or sharp rises and falls in value.
- Lower risk investments are likely to show lower levels of volatility but their growth potential is generally also lower.
- The investment options available are generally either single investment funds or strategies that use a combination of investment funds.
- Investment funds can differ in a number of respects, e.g. the range of investment types, countries and market sectors in which they invest and also in their charges.
- 'Lifestyle' strategies or target-dated funds work by moving your pension savings between different types of investments, taking into account how far you're from the age at which you intend to take benefits and generally moving into less volatile investments in the years approaching this age.

For more detailed information, please refer to the literature from Aviva or visit its website www.aviva.co.uk/membersite.

Investing your pension savings

How your pension savings are invested is important, as this will affect their value and therefore also the amount of benefits your pension account can provide.

The pension savings for employees who currently join the Plan are invested in the 'Default' (see below), and this applies with an access age of 65 (the age at which it is assumed you'll take benefits from your pension account).

Please note if you joined the Plan some time ago, or have made changes to how your pension savings are invested then you may not be invested in the Default. You can check how your pension savings are invested and your access age either online (see Want to know more?) or by contacting Aviva (see Useful contacts).

It's important to consider the level of risk you're prepared to take and this may depend on how far away you're from the age at which you intend to take benefits from your pension account.

It's also important to consider whether the access age (or retirement age) for your pension account reflects the age at which you intend to take benefits. You can change your access age by contacting Aviva, but potentially this will affect how your pension savings are invested so you may wish to consider seeking financial advice.

The Default

- This is the My Future Lifetime Investment Programme.
- It is a lifestyle strategy, giving increasing protection to the value of your pension savings in the years approaching your access age by switching to less volatile investments.
- Up to 15 years before your access age, it uses the My Future Growth Fund.
- In the 15 years approaching your access age, it gradually switches to less volatile investments.
- For further information on the Default, please contact Aviva.

Other investment options

For details of the full range of investment options available, use the Aviva website (see Want to know more?). You may change the investments either online or by contacting Aviva.

You should review from time to time how your pension savings are invested to ensure that this remains suitable for your changing needs.

The value of your pension savings is not guaranteed and can go down as well as up. You should not rely on past performance as this is no guarantee as to what may happen in the future. Please also refer to the risk warnings within the information contained in the literature from Aviva.

Need help on which investments to choose?

Please note neither the University, its pension advisers nor Aviva can advise you on the investment strategy for your pension savings. Should you require advice in relation to investments, you should seek financial advice (see Useful contacts).

What you need to know

- You can normally take benefits at any time on or after your 55th birthday, whether or not you're still working.
- There are three main options for taking benefits, and you can choose a mix of these.
- You could leave all or part of your pension savings until a later date - they will remain invested, with opportunity to grow (although they may also go down in value).
- Benefits subject to tax will be added to any other taxable income you may have, for example salary.

Taking benefits

When can you take benefits from your pension account?

Currently, you can take benefits from your pension account at any time on or after your 55th birthday, (the Government proposes to increase this to age 57 in 2028). You can do this whether or not you continue to work.

HM Revenue & Customs (HMRC) may allow you to take benefits earlier if you're unable to work due to certain circumstances of serious ill-health.

What are your options?

You have flexibility over when and how you take benefits from your pension account. It may be you don't need the money yet, so you could leave your pension savings invested with opportunity to grow (although they may also go down in value). Also, you don't have to take all of your pension savings in one go - you can take just part of your pension savings and then take further benefits at a later date as and when you need.

When taking benefits, there are three main options, and you can choose a mix of these:

- cash sum
- secure regular income for life
- flexible withdrawals

At the time of taking benefits, it may be the Plan does not offer your preferred option or the value of your pension savings does not qualify you for this. If this is the case, you could consider transferring your pension savings to access this option elsewhere.

Please note if you take benefits and continue to work:

- The benefits subject to tax will be added to any other taxable income you may have, for example salary.
- The amount of future payments you can make to build up further pension savings, your Annual Allowance, may be reduced (see Know the limits – Money Purchase Annual Allowance).

Cash sum

You can take part or all of your pension savings as a cash sum, and you can then decide what you do with it, for example spend it, invest it elsewhere or pay off debts.

It's important to note it's not all tax-free.

- Normally, up to a quarter of the value of the pension savings you take can be paid to you as a tax-free cash sum.
- The remainder of the pension savings you take will be subject to tax, and you must decide how to take this, i.e. also as a cash sum, as a secure regular income for life or used for flexible withdrawals as and when you need.

Here's an example:

Pension savings	**£50,000**
Tax-free cash sum (a quarter of your pension savings)	**£12,500**

The balance of £37,500 will be subject to tax, whether taken as a cash sum, used to purchase a secure regular income for life or taken as flexible withdrawals.

What you need to know

- You can take part or all of your pension savings as a cash sum but it's not all tax-free.
- You might end up paying tax at a higher rate because of the amount of taxable cash sum and any other taxable income you may have, such as salary.
- Think about how much tax you might pay and what you would live on after work if you took all of your pension savings as a cash sum and spent it.

Secure regular income for life

You can use all or part of your pension savings to provide a secure regular income for life. This means you'll know how much you'll get and when, and also you won't need to worry your income will run out before you die.

A secure regular income for life is provided by using all or part of your pension savings to purchase an 'annuity'.

- The income will be subject to tax, so it's common to combine this with a tax-free cash sum.
- There are options with annuities, which will affect the amount of starting income you receive - for example, you could choose to have regular income payments that increase (as the years go by) and to continue (at a reduced rate) to your spouse/partner following your death.
- Purchasing an annuity is a very important decision, and it's likely to be difficult to change your choices later.
- You don't have to buy an annuity through Aviva - you can often get a higher income by shopping around and buying your annuity from the provider that offers you the best deal (this is called the 'open market option').
- You might be paid more if you're in poor health or are a smoker, so remember to ask about this.
- Annuities have not always been seen as good value but a lot of people welcome the security of knowing how much they will receive and that payments will continue for life.

What you need to know

- An annuity can provide a secure regular income for the rest of your life.
- It's common to combine this option with a tax-free cash sum.
- There are options with annuities you'll be able to choose - think about what type of income you want and what will be paid when you die.
- Remember to shop around and ask whether your health/lifestyle could give you a higher income.

Flexible withdrawals

You can put all or part of your pension savings aside for flexible withdrawals, from which you can then withdraw money as and when you need (also known as 'flexi-access drawdown' or simply 'drawdown').

- The money you withdraw will be subject to tax, so it's common to combine flexible withdrawals with a tax-free cash sum.
- You can normally withdraw money regularly or in one or more lump sums – this can affect how much tax you'll pay.
- You may decide you don't need the money straightaway - the pension savings you put aside for flexible withdrawals will be invested, with opportunity to grow (although they may also go down in value).
- How long your pension savings will last will depend on factors such as how much money you withdraw and how the investments change in value – they may run out before you die.
- You don't have to use Aviva for flexible withdrawals. You can shop around and use a provider that offers you the best fit in terms of the charges you'll have to pay, the flexibility it offers for making withdrawals and the investment options you'll have.

What you need to know

- Flexible withdrawals can be like running a bank account but remember you'll be taxed on the money you withdraw and your pension savings will be invested.
- It's common to combine this option with a tax-free cash sum.
- Make sure you understand how your pension savings are invested and the charges payable.
- Think about how long you need your pension savings to last and use the tools available to be careful they don't run out.

Examples

Here's a couple of examples, with Sue taking just part of her pension savings and John taking all of his:

Sue has pension savings of £100,000	
She takes £50,000	**She leaves £50,000 invested to take at a later date**
She takes £12,500 (a quarter of the £50,000) as a tax-free cash sum	
She puts aside the remaining £37,500 in a drawdown account for flexible withdrawals as and when she needs	

John has pension savings of £60,000
He takes it all
He takes £15,000 (a quarter of £60,000) as a tax-free cash sum
He uses the remaining £45,000 to provide a secure regular income for life

What you need to know

- There are different ways you can take benefits - the options you choose can affect:
  - How much tax you end up paying
  - How long your pension savings will last
  - What is left behind when you die
- Combining the options often provides a good balance between tax efficiency, flexibility and security.
- You don't need to take all of your pension savings in one go.
- Deciding what to do with your pension savings is a major financial decision:
  - Use the Pension Wise service
  - Watch out for scams
  - Consider getting financial advice

How to decide?

Deciding what to do with your pension savings is a major financial decision. You can contact Aviva who will explain the options available to you.

Guidance

The Government offers free and impartial guidance on the choices available to everyone age 50 or over, through its Pension Wise service (see Useful contacts). You should take advantage of this.

Scams

Be careful: Watch out for pension scams claiming you can have your cash before age 55, offering you 'one-off' investment opportunities, contacting you out of the blue or even promising cash in advance. If it seems too good to be true it probably is! Visit www.pension-scams.com to find out more.

Financial advice

Consider seeking financial advice. You'll need to pay for the costs of any advice taken but this may mean you're more likely to make an appropriate decision. If you don't have a Financial Adviser see Useful contacts for help with how to find one.

Death benefits

What happens if you die leaving pension savings in your pension account?

Under 75

The value of your pension savings will normally be paid to your beneficiaries free of income tax.

Over 75

The value of your pension savings will be paid to your beneficiaries, subject to income tax (it will be taxed as if it was their income).

Who will receive these benefits?

Aviva will provide the beneficiary nomination form you can use to indicate who should receive the benefits, e.g. your spouse/partner, your children, another relative or perhaps a charity.

The death benefits will usually be paid free of any inheritance tax. Aviva will consider any beneficiary nomination you had completed before deciding who should receive the benefits.

You should review your beneficiary nomination from time to time, particularly if your personal circumstances change.

What about any pension savings you've already taken?

Cash sum

Any pension savings taken as a cash sum and remaining unspent will form part of your 'estate' on death. This may be subject to inheritance tax and the beneficiaries may depend on whether or not you leave a will.

Secure regular income for life

Any benefits payable, and the beneficiaries for these, will depend on the options you choose for your annuity. Any benefits payable will be paid tax-free if you die before age 75 and will be taxed as your beneficiaries' income if you die after age 75.

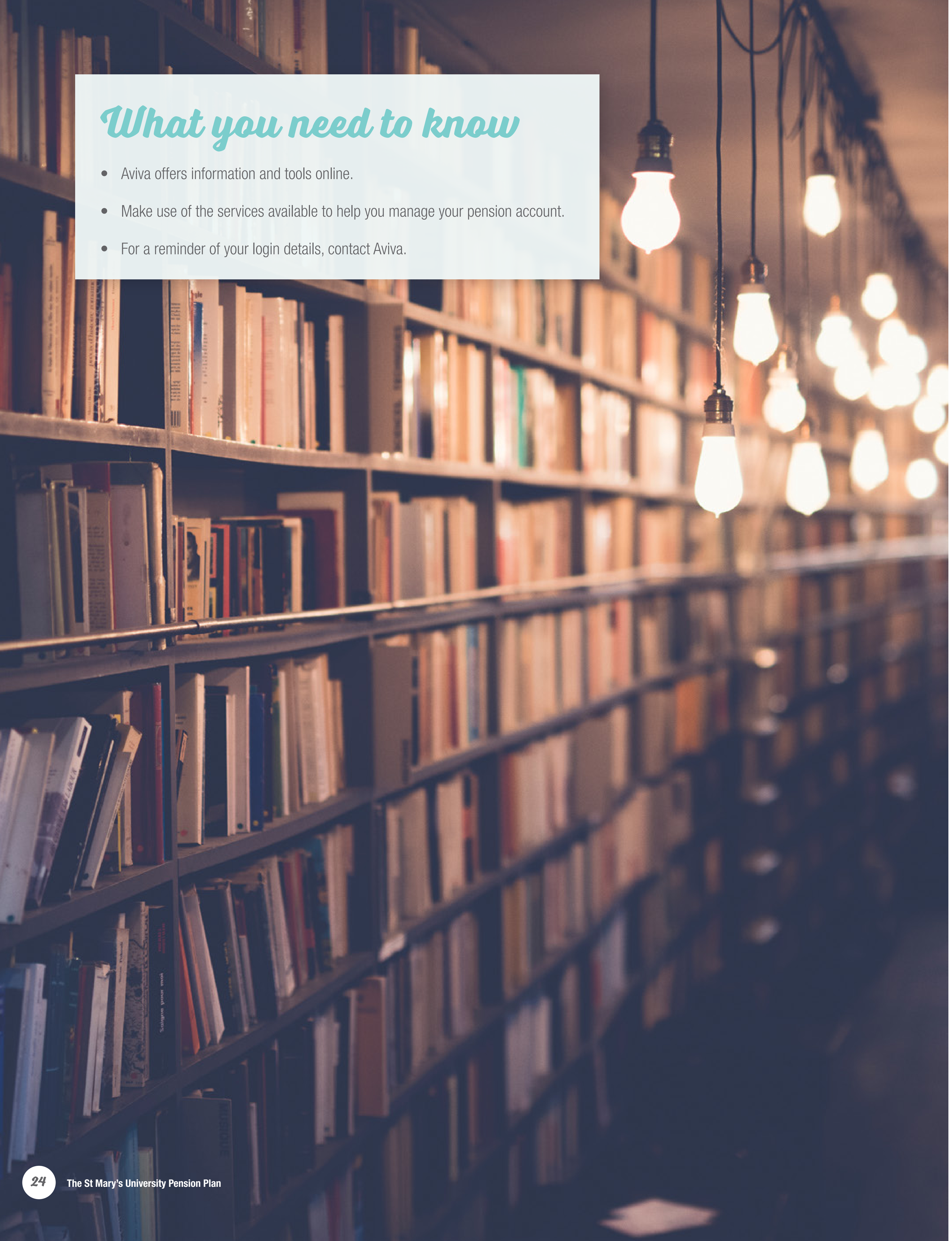
Flexible withdrawals

The value of your pension savings put aside for flexible withdrawals but not yet withdrawn will normally be paid to the beneficiaries you nominate. These will be paid tax-free if you die before age 75 and will be taxed as your beneficiaries' income if you die after age 75.

Please note you may require a separate beneficiary nomination form for any pension savings you take and set aside for flexible withdrawals.

What you need to know

- Think about what would be left when you die and who the beneficiaries would be.
- You should review your nomination from time to time, particularly if your personal circumstances change.



What you need to know

- Aviva offers information and tools online.
- Make use of the services available to help you manage your pension account.
- For a reminder of your login details, contact Aviva.

Want to know more?

Online services

You can manage your pension account online via the Aviva website, by visiting www.aviva.co.uk/membersite.

The website allows you to:

- view details of your pension savings (value, investments, payments)
- change your contact details, e.g. address
- change how your pension savings are invested
- understand how you can influence the value of your pension savings, e.g. by changing how much you pay or the age at which you take benefits
- obtain information and guidance on pension savings, including the range of investment options available

You'll receive a statement every year from Aviva, which will show the current value of your pension savings and a projection of benefits.

What is Salary Exchange?

Salary Exchange is a way of paying into the Plan and saving on NI:

- You contractually give up salary equivalent to the amount of your payments into the Plan.
- In exchange, the University increases its payments into your pension account by this amount.
- As your pay is reduced, you'll usually pay less NI (provided you have not reached State pension age), so your take home pay should go up.

Entitlement to some State benefits is based on your NI and others on your pay, so Salary Exchange may affect your entitlement to some State benefits. For example, Salary Exchange may reduce the level of Statutory Maternity Pay and Statutory Adoption Pay, as these are based on your pay.

Please contact HR if you have any queries in relation to the effect on your pay or other pay-related benefits provided by the University.

Salary Exchange will not normally affect the amount of income tax you pay; although tax and tax relief will work in a different way and the timing can sometimes differ, the overall effect will normally be neutral. If you're a higher rate taxpayer, you'll not need to claim additional tax relief on your regular payments, as these will be made as employer payments.

To change the method by which you make your payments or for further information, please contact HR.

For more information about Salary Exchange, you may wish to visit www.pensionsadvisoryservice.org.uk.

What charges do you pay?

Charges will be collected automatically from your pension account by Aviva to cover running costs, including managing the investments. The charges deducted may depend on how your pension savings are invested.

The annual charge for the investments used by the Default is 0.75%. For example, if the value of pension savings is £10,000 throughout the year and your pension savings are invested in the Default, the annual charge deducted will be £75. The annual charge for other investment options may vary.

In addition, there are expenses incurred in managing the investments that are variable and may not be disclosed, e.g. the dealing costs in buying and selling the investments.

For further details of the charges and expenses, please contact Aviva or refer to its literature. Aviva may review its charges from time to time.

What if you get divorced or dissolve a civil partnership?

If you get divorced or dissolve a registered civil partnership, the value of your pension savings may be taken into account by the Courts when deciding how to divide the shared property between you and your former spouse/partner.

How do you trace old benefits?

If you have pension savings from previous employers and have lost track of the details you can contact the pension administrators/provider and give all relevant details you may have, e.g. name of your former employer, dates of employment, date of birth, NI number, name of the pension scheme and copies of any paperwork. If you're unable to trace pensions this way, then you should use the Pension Tracing Service (see Useful contacts).

Where to get more help?

If you have any questions or would like further information about the Plan, please contact HR or Aviva (see Useful contacts).

Where can you get advice?

If you feel you need advice in relation to the Plan, you may wish to contact a Financial Adviser (see Useful contacts). You'll be responsible for meeting the costs of any such advice.

Neither the University, its pension advisers nor Aviva can provide you with financial advice.

You're also responsible for meeting the costs of any legal or tax advice you believe you may need in relation to the Plan.

St Mary's University Group Life Assurance Scheme

If you die whilst employed by St Marys University (the University), the St Mary's University Group Life Assurance Scheme may provide a cash sum benefit for your dependants.

Who is covered by the life assurance scheme?

As long as you're a permanent employee, you'll normally be covered from the first day of joining the St Mary's University Pension Plan, provided you're 'actively at work' on that day, i.e. present and physically and mentally able to perform the normal duties associated with your role.

You should not normally have to provide any medical information to be covered. However, if your benefit amount exceeds the insurance company's 'free cover level' then you may be requested to provide evidence of your health. This may include details of your current state of health and previous medical history. Based on the information provided, cover above the 'free cover level' may then be restricted or refused.

Cover will normally stop at the earlier date of you leaving the University, ceasing active membership of the St Mary's University Pension Plan or reaching the age of 75.

How much will it cost you?

There is no cost to you. The University pays for the life assurance cover (and you don't have to pay tax or NI on that cost).

How much will be paid when I die?

The cash sum will normally be 3 x your current basic annual salary or wages plus the annualised value of your employer's regular replacement pension contributions under a University wide pension plan, childcare vouchers, cycle to work scheme or any other agreed scheme in respect of your Salary Exchange.

This will not normally be subject to Income or Inheritance Tax. It will however, count towards the Lifetime Allowance (see important note below).

Who will it be paid to?

If you were to die whilst a member of the St Mary's University Group Life Assurance Scheme, the Trustee (which is the University) will need to decide to whom the cash sum benefit should be paid. In arriving at a decision, the Trustee will be guided by any beneficiary nomination you have made.

You may nominate who you like, for example your spouse, partner, children or perhaps a charity. You may also nominate multiple beneficiaries and suggest how the cash sum benefit should be split.

It is therefore important you complete the beneficiary nomination (available from HR). You should also review your nomination from time to time and in particular after any change to your personal circumstances.

Please note, you're likely to have separate beneficiary nomination forms for your pension plan and life assurance policy.

Completed forms should be sent to the Trustee via HR (in a sealed envelope marked as follows):

Your name

Your NI number

To the Trustee of the Group Life Assurance Scheme

Beneficiary Nomination dated …………..

Only to be opened in the event of my death.

IMPORTANT NOTE - The Lifetime Allowance

The Lifetime Allowance affects few individuals but it's important to consider.

Any cash sum benefits payable from the St Mary's University Group Life Assurance Scheme will count towards the Lifetime Allowance. This means your beneficiaries will be subject to a tax charge if the total value of pension savings you have taken and benefits payable on your death from UK-registered pension and life assurance schemes exceeds the Lifetime Allowance. The Lifetime Allowance is £1,073,100 for the tax year 2020/21.

If you have claimed protection in relation to the Lifetime Allowance:

- Please inform HR, as the University aims to provide life assurance cover in a tax efficient manner; and
- Strongly consider seeking financial advice, as being covered under the St Mary's University Group Life Assurance Scheme may affect the protection you have claimed. If you do not have a Financial Adviser, see Useful contacts for details of how to find one.

If you require further information, please contact HR.

What you need to know

- You may be joined automatically, and if not you can still apply.
- Provides a cash sum benefit if you die whilst employed by the University.
- There is no cost to you.
- It is important you nominate who you would like to receive the cash sum benefit.
- You should review your beneficiary nomination form from time to time, particularly if your personal circumstances change.
- If you have claimed protection in relation to the Lifetime Allowance, please inform HR and strongly consider seeking financial advice.

Jargon buster

The following are brief explanations of some technical terms used in this guide.

Access age

The age at which it is assumed you'll begin to take benefits from your pension account. This may affect how your pension savings are invested (see Lifestyle investment switches below).

Annual Allowance

The annual limit on the total payments that can be made across all the pension arrangements you may have without incurring a tax charge.

Annuity

An insurance contract that will pay a secure regular income for life.

University

St Mary's University.

Default/Default investment arrangement

How your pension savings are normally invested if you have not chosen your own investments.

Lifestyle investment switches

Investment switches designed to give some protection to the value of pension savings in the years approaching your access age.

Lifetime Allowance

The total value of pension savings that can be built up across all the pension arrangements you may have without incurring a tax charge.

Pensionable earnings

This is your basic annual salary before any deductions made in respect of the pension contributions via Salary Exchange or any reductions due to membership of the University's childcare voucher, cycle to work scheme, or any other scheme that is offered by the University that may attract tax relief.

Plan

The St Mary's University Pension Plan.

Volatility

Volatility is an indication of how much an investment is expected to fluctuate in value (up or down). Investments with higher volatility are expected to have larger fluctuations in value than those with lower volatility.

Important information

Important notes

This guide does not form part of the Plan's legal documents and does not confer any legal rights to benefits. It does not provide financial advice, only information and should be read together with the Key Features Document and other literature supplied by Aviva.

The University uses the Plan to meet its obligations under the auto-enrolment pensions law.

The University or Aviva may make changes to the Plan from time to time, and you'll normally be notified of significant changes that are relevant to you.

This guide has been prepared by Barnett Waddingham LLP, the University's pension advisers. Barnett Waddingham LLP is authorised and regulated by the Financial Conduct Authority.

The information provided is based on Barnett Waddingham's understanding of current tax laws and legislation, which may be subject to change in the future. The tax information included is relevant to the tax year 2020/21 and is likely to change from year to year.

The State Pension

If you've paid enough NI, you should receive a State Pension. To understand more about the State Pension, what you might receive and when, visit www.gov.uk/state-pension.

General Data Protection Regulation

Your data will be held, processed, disclosed and used by the University, its pension advisers and Aviva for relevant purposes in connection with the Plan. The University will act in compliance with the General Data Protection Regulation (GDPR).

You should ensure your personal details held by Aviva are correct and up to date, particularly your address (for communication purposes) and your beneficiary nomination.

In the course of providing the Plan, the University, Aviva and Barnett Waddingham may require information from you in relation to your marital status (which may include the gender of your spouse or civil partner) and / or information about your (or your partner's) health. Such information will be used to determine the benefits payable to you and your beneficiaries.

In addition the University, Aviva and Barnett Waddingham may hold any or all of the following items of personal information about you:

- Personal details including your name, NI number, gender, age, date of birth, postal and/or email address and telephone number.
- Descriptions relating to your physical and mental health (to the extent they are relevant to the calculation and payment of your benefits from the Plan).
- Salary and data relating to investments and personal assets held outside of the Plan.
- Employment history, including employment dates and historic pay records.
- Bank account details for payment of benefit instalments; HMRC tax code.

Your personal data is provided by the University or may be obtained directly from you. It is not publicly accessible data. The personal data collected relates to your employment and membership of the Plan. Your personal data will be stored for the duration of your membership (and, where applicable your dependants' membership) of the Plan.

Your data may be shared with sub-processors for particular outsourced activities such as bulk printing jobs, confirmation of address/existences, offsite backup and archive.

Your data may also be shared with other professional advisers and regulatory bodies (including, but not limited to HM Revenue & Customs, the Department for Work and Pensions the Financial Conduct Authority and The Pensions Regulator) where it is necessary for the running of the Plan.

In relation to your personal data you may have certain rights such as:

- The right to access your personal data on request.
- The right to have your personal data rectified if it is inaccurate or incomplete.
- The right to have your personal data deleted or removed if there is no reason for its continued storage and processing.
- The right to object to your personal data being processed and to restrict the processing of your personal data in certain circumstances. While processing is restricted, the data controllers are permitted to store the personal data to ensure the restriction is respected in future. You'll be informed if a restriction on processing is lifted.
- The right to lodge a complaint about the data controller with the Information Commissioners Office (ICO).

Please note that these rights in relation to having personal data removed or deleted and the right to object to personal data being processed only apply where the data is not needed for the fair operating of the Plan. If you choose to exercise your rights to withhold data or insist on its deletion, then it may not be possible for the University, Aviva or Barnett Waddingham to perform their duties in relation to the Plan, and your benefits could be affected.

Further details about GDPR and your rights under GDPR can be found on the ICO's website at www.ico.org.uk.

Complaints about the Plan

There is help if things go wrong. If you have a complaint concerning the Plan or its pension advisers, please raise this with HR. If your complaint specifically relates to service from Aviva, please raise this directly with them but also make HR aware.

The Pensions Ombudsman is an independent body set up by the Government that has legal powers to settle complaints and disputes. Its service is free – visit its website to find out more (see Useful contacts). The Pensions Ombudsman will investigate your concerns and, if it believes there are grounds, it will attempt to mediate between you and the other party.

Useful contacts

The University's pension advisers

Employer Consulting, Barnett Waddingham LLP
Decimal Place, Chiltern Avenue, Amersham, Bucks, HP6 5FG

The Plan's Provider

Aviva | PO BOX 1550, Milford, Salisbury, SP1 2TW
0345 602 9221 | ngp.questions@aviva.com | www.aviva.co.uk/membersite

To find a Financial Adviser

The Personal Finance Society
www.thepfs.org/yourmoney/find-an-adviser/

For pension scheme disputes and complaints

The Pensions Ombudsman
10 South Colonnade, London, E14 4PU
020 7630 2200 | www.pensions-ombudsman.org.uk

For guidance around benefit options

Pension Wise
0300 330 1001 | www.pensionwise.gov.uk

For free guidance on pension savings

The Pensions Advisory Service
0300 123 1047 | www.pensionsadvisoryservice.org.uk

For information about the State Pension

www.gov.uk/state-pension

For help in tracing old pensions

Pension Tracing Service
The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU
0345 600 2537 | www.gov.uk/find-pension-contact-details

The St Mary's University Pension Plan