



DC SECTION

A GUIDE FOR MEMBERS

OCTOBER 2022



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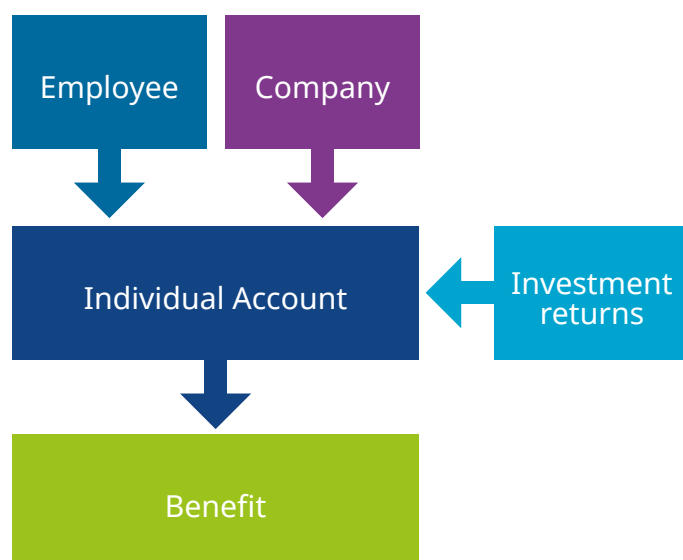
How the MMC UK Pension Fund – DC Section works

MMC UK believes that the provision of retirement benefits is an important part of your compensation package and offers a flexible pension arrangement designed to help you plan for the future, whatever your age or personal circumstances.

The purpose of the MMC UK Pension Fund – DC Section (the Fund) is to:

- provide you with savings for when you retire; and
- provide a lump sum should you die before retirement.

The Fund is a defined contribution (DC), also known as money purchase, plan. Both you and the *Company* contribute an agreed amount to an *Individual Account* set up for you in the Fund. **More information about contributions is included on page 5.**



You then choose how your *Individual Account* is invested from a range of funds offered under the Fund. **More information on your investment options is shown in the "Investment Guide", on the Trustee's website at www.pensions.uk.mmc.com and on Mercer OneView at www.merceroneview.co.uk/mmc_pensions**

The value of your *Individual Account* will change over time, not just because contributions continue to be made, but also because the value of the investment funds may go up or down.

At retirement, you can use the value of your *Individual Account* to provide benefits through a range of different options such as purchasing a pension, known as an annuity, drawing as income, or taking all or part of your account as a cash sum.

Your retirement income will depend on the size of your *Individual Account* (both from contributions and investment returns), and, if securing a pension via an annuity with an insurer, both the cost of annuities when you retire, and the type of annuity you require (for example, one that includes guaranteed annual increases, or one that includes a spouse's pension). **More information about your options at retirement is included on pages 8 and 9. More details on your options at retirement can also be found in the 'Retirement Flexibility Guide' on the Trustee's website at www.pensions.uk.mmc.com**

It is your responsibility to make sure there is sufficient money available to be able to provide the retirement income you want. **More information on paying additional contributions is included on page 5.**

Contact details

If you have any questions about the Fund, or need any information about your own benefits, please contact:

MMC UK Pensions Arrangements
Maclaren House
Talbot Road
Stretford
Manchester
M32 0FP

Tel: **0330 100 3597**

Online: **<https://contact.mercer.com>**

Website: **www.pensions.uk.mmc.com**



MMC UK Pension Fund – DC Section in detail

You will be contractually enrolled into the Fund when you join the *Company* although you will be able to opt out if you do not wish to join. Please note that we may have to re-enrol you into the Fund at least once every three years in order to comply with the *Company's* automatic enrolment obligations but again you will be able to opt out if you wish. If you decide to opt out, you also have the right to re-join the Fund once every 12 months.

Your own contributions and the contributions paid or credited by the *Company* are allocated to your *Individual Account*, and the money is then invested on your behalf. When you join, you will be asked to indicate your choice of contribution rate through Prosper, the flexible benefits programme, and you will be able to choose your investment funds using Mercer OneView, a secure, web-based service. If you do not make a choice, then your *Individual Account* will be invested in a default fund chosen by the Trustee.

Contributions

You will make monthly contributions to the Fund, which are matched by the *Company* based on the table below:

Member contribution (% of <i>Pensionable Salary</i>)	<i>Company</i> contribution (% of <i>Pensionable Salary</i>)	Total contribution (% of <i>Pensionable Salary</i>)
2%*	6%	8%
3%	9%	12%
4% or more	12%	16% or more

* *The core contribution for members who do not elect a higher contribution rate. For colleagues who join the Company from 1 October 2022 onwards the default contribution rates are 2.5% from the member and 6.5% from the Company, based on the same definition of Pensionable Salary.*

You can contribute more than 4% of *Pensionable Salary*; however the *Company* match will not be more than 12%.

Your contributions

You must pay at least 2% (2.5% for new joiners from 1 October 2022 onwards) of *Pensionable Salary* as a monthly contribution. The *Company* will match your contributions between 2% and 4% of *Pensionable Salary* (between 2.5% and 4% of *Pensionable Salary* for new joiners from 1 October 2022 onwards). The actual cost to you will normally be much less than your gross contribution, because you receive full tax relief on your contributions at the maximum rate to which you are liable. So, if you pay tax at 20%, each £1 you contribute costs you 80 pence. The PAYE system automatically adjusts for tax without any action on your part.

You can change the level of your monthly contributions at any time throughout the year by visiting Prosper. Please see below for further information on varying your contributions.

Company contributions

The *Company* will pay or credit a contribution equal to three times your own contribution up to 12% of your *Pensionable Salary*, as shown in the table above.

If you do not choose your level of contribution through Prosper, the default member contribution rate will be 2% with the *Company* paying 6% of *Pensionable Salary*. For new joiners from 1 October 2022 onwards, the default member contribution will be 2.5% with the *Company* paying 6.5% of *Pensionable Salary*.

MMC UK may vary these rates from time to time, but your contribution rate will not be increased without your consent.

Varying your contributions and other methods of saving

If you wish to boost your retirement benefits, you may choose to do so by paying more into your *Individual Account*.

You can currently do this by:

- Varying your monthly contributions any time through Prosper.
- Make a Single Contribution payment outside Prosper by completing a form that you can get from the Fund website, www.pensions.uk.mmc.com.
- Making a lump sum payment through bonus sacrifice.

You can pay up to 100% of your taxable earnings from the *Company* into the Fund and tax relief should normally be available on the full amount. However, the *Annual Allowance* will act as a limit by which your retirement benefits and/or savings under all registered pension schemes can grow in a year before being subject to tax.

As well as being a member of the Fund, you may also pay into other pension arrangements such as a personal pension plan. The *Annual Allowance* and the *Lifetime Allowance* will apply to the total of your contributions to, and your benefits from, all registered pension schemes of which you are a member.

Although additional contributions and personal arrangements may be an appropriate method of saving for retirement, there are other more flexible forms of investment available to you and we strongly advise you to seek professional financial advice before you make any decisions.

Costs

The *Company* currently pays for the administration costs of the Fund and for providing the default death in service lump sum (see page 11).

An investment charge is automatically deducted from the value of your *Individual Account* by the investment manager. Indicative information on the current charges is set out in the “Investment Guide”, which can be found on the Fund website.

The way administration costs and investment charges are met may be changed from time to time. You will be notified of any change in approach to the charges structure.

PaySmart

PaySmart allows you to have your share of the cost of your contributions met by giving up part of your salary. For most members, *PaySmart* will be the default choice for paying your contributions.

Through *PaySmart* you agree to give up part of your salary equivalent to the contribution you would have paid towards your retirement benefits.

As a result:

- Your gross pay reduces.
- You stop paying personal contributions to the Fund.
- The *Company* increases its contributions toward your retirement benefits by the amount you would have paid in so that the total contribution paid is unchanged.
- Your net pay rises. This is because you do not pay National Insurance Contributions on the amount of salary you have given up.

PaySmart is open to all *Contributing Members* of the Fund, except where the salary adjustment for *PaySmart* and your other choices you have made in Prosper would take your earnings below the level required to ensure that you will receive at least the National Minimum Wage. If this applies to you, the default will be for you to pay contributions from your salary. Further details regarding *PaySmart* are available on the Trustee’s website:

www.pensions.uk.mmc.com



Investment

Investment funds

You choose how your *Individual Account* is invested from a number of different investment funds chosen by the Trustee. The funds are explained in more detail in the “Investment Guide”, which accompanies this guide. You select how much of your *Individual Account* is invested in each of the available funds through Mercer OneView. If you do not make a selection, your *Individual Account* will be invested in a default fund determined by the Trustee.

You may change your investment choices through Mercer OneView at any time and there is no administration fee for doing so. The Trustee reserves the right to apply an administration fee for investment changes in the future and you will be notified in advance if a fee is payable.

You make your investment choices through the secure Mercer OneView online portal. Mercer OneView protects the confidentiality of your personal data through the use of a unique User ID and a passcode.

Neither the Trustee, the Administrator, nor the *Company* are able to provide advice in connection with your choice of investment funds and nothing in this guide shall be deemed to constitute investment advice. If you are in any doubt about your investment choices, you are strongly recommended to seek professional financial advice.

The Trustee, the Administrator and the *Company* will not be liable for any loss arising from the choice you make from the investment options made available to you.

The Trustee may change the selection of investment managers and/or range of investment funds available from time to time. This could affect past and/or future investments and investment charges. You will be notified of any such change.

Your default retirement date is your 65th birthday. However, you can change this and choose an alternative target retirement date on OneView.



Retirement benefits

Choosing your benefits at retirement

Shortly before you reach age 65 (or the alternative target retirement date that you have selected through OneView) your retirement options will be sent to you and you will be given a statement showing the value of the benefits you have earned in the Fund.

The Fund offers you flexibility, giving you choice over the type of benefits you purchase in retirement as set out below.

The Pensions Decision Service

Whether you find planning your retirement daunting or exciting, what's most important is getting the right outcome for you.

As a Fund member, you will have access to the Pension Decision Service as you approach retirement. The service provides you with a dedicated Retirement Relationship Manager on hand to help with any questions you may have.

Further details about the service are available at: www.pensions.uk.mmc.com/member-update.html

Accessing your DC savings in the Fund

Once you are 55, you will have a number of options for how you access your DC savings in the Fund when you retire. (From April 2028, the minimum early retirement age will increase to 57.) Broadly speaking, you will have three main options.



Option One: Take all your money in one go

How does it work?

You can take all of your DC savings in the Fund as a single cash payment. The first 25% is currently tax free and the remainder will be taxed as income*.

Advantages

- You are free to spend or invest as much of your pension savings as you like.

Disadvantages

- If you spend your savings too quickly, or you live longer than expected, you could run out of money before you die.

- Withdrawing a large amount of cash in a single tax year may push you into a higher tax bracket than you are normally paying.
- "Emergency" rate Income Tax may be deducted from your cash payment, and you may not be able to reclaim it until several months into the next tax year.
- If you withdraw your savings as a single cash payment and they are worth more than £4,000, only the first £4,000 of any future contributions made each year to any other similar pension savings arrangements will benefit from tax relief.



Option Two: Take all your money in up to 3 stages

How does it work?

You can leave your savings invested in the Fund and withdraw your money in up to three cash lump sum payments. 25% of each withdrawal you make is currently tax-free* with the remainder taxed as income. Your third withdrawal will need to cover all of your remaining savings in the Fund and close your account.

Advantages

- You can choose to withdraw as much or as little as you like from your savings at any time.
- Your remaining funds may grow if your investments perform well.

- You may want to leave your savings in the Fund as a tax efficient way to pass on money to your dependants when you die.
- You can defer buying an annuity if you think annuity rates might improve in the future, or your life expectancy may worsen, providing you with a higher income.

Disadvantages

- It will be your responsibility to ensure you have enough money to spend throughout your retirement.
- Any future pension contributions will generally be limited by the *Money Purchase Annual Allowance*.



Option Three: Buy an income for life with a cash option

How does it work?

You can use your savings to buy a guaranteed income for life from an insurance company in the form of a product known as an annuity. You can currently also take up to 25% of the value of your savings as tax-free cash*, with the remainder being used to buy your guaranteed income.

Advantages

- The annuity product will provide you with a guaranteed income in retirement until you die, even if you live longer than you expect.
- For most type of annuities if the economic climate worsens after you have purchased an annuity this will not have any impact on the income you will receive.

Disadvantages

- If you die earlier than expected you may not get the full value of your pension savings back.
- Your money will be paid to you as a regular income, so you will not be able to withdraw any large amounts in the future.
- If market conditions improve or your life expectancy worsens in the future the amount of income you receive will not improve.

Income drawdown

If you wish to leave your DC savings invested and withdraw money in more than three instalments ('known as income drawdown'), you will need to transfer to an alternative pension arrangement that offers this. Income drawdown is not currently available directly from the Fund.

Cash lump sum option

You may be able to take part or all of your *Individual Account* as a cash sum when you retire.

Under current legislation, a cash sum of up to 25% of the value of your *Individual Account* (subject to a maximum of 25% of your *Lifetime Allowance*) will be tax free.

*subject to a maximum of 25% of your *Lifetime Allowance*

Retirement

Choosing to retire early

Currently, you may choose to take your benefits from the Fund at any time after your 55th birthday (57th birthday from April 2028), subject to the agreement of MMC UK and the Trustee. Your benefits will depend on the value of your *Individual Account*, the type of benefit you choose and (if applicable) the cost of buying a pension at the time you retire.

Retiring early on medical grounds

The *Companies* operate an Income Protection Scheme for current employees, which may provide an income on long-term disability, subject to insurer acceptance. This benefit is not provided from the Fund. Full details are available from your HR department.

Under exceptional circumstances, it may be possible for you to retire before age 55 (age 57 from April 2028) with an immediate pension. For these circumstances to apply you must, in the opinion of MMC UK and the Trustee, be permanently unable to carry out your normal occupation and your earning capacity must be seriously impaired. Appropriate medical evidence would need to be obtained. The amount of your benefits in such circumstances will depend on the value of your *Individual Account*, your age and the nature of your illness.

If you are in serious ill-health (and a registered medical practitioner confirms that you are expected to live for less than 12 months) you may be able to take a serious ill-health lump sum payment.

Late retirement

You may leave your *Individual Account* in the Fund after age 65, subject to the consent of the *Company* and the Trustee. If you are a *Contributing Member* of the Fund when you reach age 65, your own contributions and the contributions paid or credited to your *Individual Account* by the *Company* would continue until your actual retirement date unless you ask for them to stop. Your *Individual Account* will be used to provide benefits at your actual retirement date.

Flexible retirement

Subject to agreement of the *Company* and the Trustee, from age 55 (age 57 from April 2028) you may apply for flexible retirement by completing a form available in the forms section of the Fund website to receive payment of the MMC UK pension benefits and continue to work for the *Company*. You can also choose to continue contributing to the Fund and receive the *Company's* contribution in line with the table on page 4.





Death in service lump sum

To find out the lump sum payable should you die in service please log into your Prosper account. As you will see in Prosper you can increase and reduce the multiple of life assurance cover. This can be done upon joining the Company, at annual enrolment and should you experience certain life events.

It is important that you complete and keep up to date an Expression of Wish form to assist the Trustee in the distribution of this lump sum payment (see 'Expression of Wish form' on the next page). Please refer to the section on 'Inheritance tax' on page 19 for further details of how this benefit will be paid.

The insurer may impose limits on the amount payable (e.g. in the event of a catastrophe), which may mean that a lesser amount is payable in the event of your death.

The benefit may be provided via insurance arrangements outside of the Fund where the benefit exceeds certain limits.

Registered/unregistered death benefits

Any benefit above £500,000 will be insured under the life assurance policy secured via the MMC UK Additional Benefits Scheme (also known as an Excepted Group Life Policy) so that it will not count towards the *Lifetime Allowance*.

Please note that you can request to have all of your life assurance benefit insured via the MMC UK Additional Benefits Scheme Excepted Group Life Policy so that it will not count towards the *Lifetime Allowance*.

Death before retirement but after leaving service

If you leave employment with the *Company* but keep your benefits in the Fund, the full value of your *Individual Account* will be paid to your beneficiaries.

Death after retirement

In the event of your death after retirement, your dependants will be entitled to the benefits you may have specified to be provided to them on retirement (see pages 8 and 9). There are a number of different scenarios which you may have chosen, such as:

- Lump sum payments.
- A continuing pension.
- A Spouse/*Dependants'* pension.

In addition to the pension flexibilities implemented by the Government in April 2015, there has been a number of changes to the tax treatment of death benefits in retirement.

The position in regard to 'unused' defined contribution benefits, (where no lump sum or pension income have been paid from or secured by the Member's Fund) and annuities in payment will be as follows:

Death before age 75

- Fund value can be paid tax-free to nominated beneficiaries.
- If you have purchased a joint life or lifetime annuity with a guarantee period and die before age 75, the continuing payments can be made to the beneficiary tax-free.

Death from age 75

- Fund value can be used to provide an income to nominated beneficiaries, with payments being taxed at their marginal rate of income tax.
- Fund value can be paid as a lump sum to nominated beneficiaries, net of a 45% tax charge, which will change to the recipient's marginal rate of income tax from 6 April 2016.

Death benefits paid from the Scheme continue to be free from inheritance tax.

Expression of Wish form

One of the duties of the Trustee is to decide who should receive any lump sum that becomes payable under the Fund if a member dies whilst employed by the *Company*. To help the Trustee make this decision, you should complete an Expression of Wish form if you have not already done so to notify the Trustee of your chosen beneficiaries. The Trustee will take your wishes into account, but has absolute discretion in determining who should receive any lump sum death benefit that becomes payable on your death and is therefore not bound to follow your wishes. You should at all times ensure that your Expression of Wish form is up-to-date.

If you wish to change your beneficiaries, you should complete a new form immediately. Forms can be completed online through Mercer OneView, details of which can be found on page 3.



Leaving

If you leave the Fund before you take your retirement benefits, your own contributions and the contributions paid or credited by the *Company* will cease.

The benefits which you will receive when you leave will depend on how long you have been a member of the Fund and the date you joined, as follows.

Where you have 30 days or more continuous contributory membership of the MMC UK Pension Fund

Your *Individual Account* will remain invested in the Fund until you retire, die or transfer it out of the Fund. With MMC UK and Trustee consent, you can defer taking your benefits or take them early (but not earlier than age 55 (age 57 from April 2028) unless you are in ill health).

Where you have less than 30 days continuous contributory membership and joined the MMC UK Pension Fund

You will receive a refund of your own contributions, less tax.

If you have made your contributions via *PaySmart*, the *Company* will make a special payment to you equivalent to the contributions you would have paid, less tax and National Insurance Contributions.

Transferring your Individual Account

If you have at least 30 days contributory membership of the Fund you may ask the Trustee to transfer the value of your *Individual Account* to one of the following registered pension arrangements:

- a pension plan with your new employer (if that plan accepts transfers in); or
- a personal pension plan or stakeholder plan of your choice, or
- an individual insurance policy in your name (commonly known as a “buy-out” policy).

If you decide to transfer, the transfer value will be equal to the value of your *Individual Account*.

If you need the statement because of a settlement on divorce or the dissolution of a civil partnership, you should tell the Trustee as further information may be needed from you. The Trustee is not obliged to provide another statement within 12 months of the date of your last request. You will also continue to have access to Mercer OneView where you can review the current value of your *Individual Account*.

You should seek professional financial advice before proceeding with a transfer. Various rules and regulations apply to transfers and you will be advised if these affect you.

Opting out of the Fund

You may choose not to join the Fund at your first opportunity, or you may opt out at a later date.

You can opt out of the Fund through Prosper (if for lifetime allowance reasons), or by completing a form (for any other reason), which can be obtained from the the Fund website. This must be submitted at least one month before you wish to opt out.

If you have chosen to leave the Fund, you may be able to join in the future on the standard contribution basis at your own request subject to the consent of the *Company*.

You should be aware that under the automatic enrolment legislation, if you decide to opt out of the Fund the *Company* must allow you to re-join once in any 12 month period. In addition, you will generally be automatically re-enrolled every three years into the Fund at which time you can choose to opt out again.

MMC UK will advise you if you are to be re-enrolled and will provide information on how you can opt out at that time.

Temporary absence

General

If you are on temporary absence and continue to be paid (including statutory sick pay) your membership will continue, however contributions and death in service benefits will be on a basis determined by the Trustee. You will be notified if such special terms apply to you.

If you stop receiving contractual pay, statutory sick pay or an income through the Income Protection Scheme, your membership of the Fund will end (except that for three years you will usually be covered for the death in service lump sum). Under certain circumstances your membership may be continued with the *Company's* and the Trustee's consent, but it may be on special terms.

Maternity leave

If you are away from work to have a baby, your membership under the Fund will continue during your maternity leave.

During maternity leave pension contributions will be based on the pay you would have received had you been working normally. Please refer to your *Company's* maternity leave policy for confirmation of how employee and employer pension contributions are paid during leave, including shared parental leave.

Should there be any non contributory period you can make up for missed contributions (and thereby the *Company's* contributions) when you return to work.

Your death in service lump sum benefits will be continued during this period as if you were working normally, based on *Pensionable Salary* as if you were not on maternity leave.

If you do not return to work after your maternity leave, you will leave the Fund. The date you leave the Fund is taken as the date when your own and the *Company's* contributions stop.

Paternity leave

Subject to certain qualifying conditions, currently you may take up to two weeks of paid paternity leave on the birth (or adoption) of a child. Your death benefits and your own and the *Company's* contributions will be continued on the same basis as for ordinary maternity leave during this period.

Adoption leave

During adoption leave your death benefits and your own and the *Company's* contributions will be continued on the same basis as for maternity leave. References to 'maternity leave' should be read as 'adoption leave'.



Further information

Looking after your interests

The Fund is established under a Trust and administered by a corporate trustee, MMC UK Pension Fund Trustee Limited. Amongst other things, this means that the Fund's assets are legally separate from those of MMC UK and the *Company*, and the Trustee is responsible for ensuring that members' interests are protected, as required by law. The administration of benefits and the investment of the Fund's assets fall within the responsibility of the Trustee.

The members of the board of MMC UK Pension Fund Trustee Limited serve as individual Trustee Directors. Most of the Trustee Directors are appointed by MMC UK but at least a third of them are Member Nominated Trustee Directors.

You can contact the Trustee through the Administrator at the address on page 3.

Keeping you in the picture

Knowing where you stand with your pension is very important. As a member of the Fund, you will be sent regular information designed to keep you informed about your benefits and the Fund in general.

You will have access to Mercer OneView (www.merceroneview.co.uk/mmc_pensions) a secure web-based portal, through which you can make your investment choices and review the current value of your *Individual Account*. Mercer OneView also has regularly updated factsheets on the Fund's investment funds.

Each year on Mercer OneView you will be able to view your personal statement showing the value of your *Individual Account*, the contributions credited or paid into it during the year and the estimated pension that could possibly be provided. The estimated pension will be based on assumptions on future investment returns, among other factors.

Any examples given to you concerning the value of your *Individual Account* or your possible benefits at retirement depend on the assumptions made about contribution levels, investment returns and the cost of buying a pension when you retire. Whether the examples accurately predict the benefits ultimately payable depends on whether these assumptions are borne out in practice. The amount of your benefits cannot be guaranteed.

You may ask the Trustee for a statement of the value of your *Individual Account* at any time. If you need the statement because of a settlement on divorce or the dissolution of a civil partnership, you should tell the Trustee as further information may be needed from you. The Trustee is not obliged to provide another statement within 12 months of the date of your last request.

You will be able to request the MMC UK Pension Fund annual report and accounts with more details and performance figures. Please contact the Administrator using the details on page 3.

Staying in touch

Keeping in touch while you are employed by the *Company* is one thing, but it's easy to lose touch if you move on.

If you leave and your benefits remain in the Fund, the Trustee will keep a record of your last known address so that you can be contacted about your benefits or any issues affecting the Fund. It is important that you keep the Administrator informed of any change of address once you have left.

If for any reason you lose track of the Trustee's or MMC UK's address, you will be able to contact them through The Pension Tracing Service. In common with other pension schemes, the Trustee provides information about the Fund, including details of an address at which it can be contacted, to The Pension Tracing Service. The address to write to is:

The Pension Service 9
Mail Handling Site A
Wolverhampton WV98 1LU

Tel: **0345 6002 537**

Website: www.gov.uk/find-lost-pension

Help at hand

The Trustee aims to give you clear, straightforward information that is timely and easy to understand. However, communication is a two-way process and we recognise that there may be occasions when there are questions you want to ask, or issues you would like to discuss with someone. In the first instance, please contact the Administrator at the address on page 3.

Seeing eye to eye

Most queries or problems can be dealt with and resolved, informally, as they arise. However, in rare cases a disagreement may occur that requires a more formal procedure for its resolution. In these circumstances a formal complaint may be made through the Fund's Internal Dispute Resolution Procedure (IDRP).

The IDRP applies to matters concerning the Fund which affect members and others who may have an interest in the Fund. It does not apply to disputes between employees and the *Company* or MMC UK. It cannot be used for complaints or disputes which are already the subject of court proceedings or under investigation by the Pensions Ombudsman.

The IDRP is a two-stage process. Under the first stage your complaint or dispute will be considered and decided upon by the Scheme Secretary. If you are happy with the decision, the process ends there. However, if you are not satisfied with the result of the first stage, you will have six months in which to ask the Trustee to reconsider and decide upon your complaint under stage two. Normally, a decision under either stage will be made within two months.

Complaints and appeals must be made in writing and must contain certain information. If you are unable, or you do not wish, to make the complaint or appeal yourself, you can nominate someone else to act on your behalf.

The Trustee aims for formal complaints to be the exception rather than the rule. However, should the need arise, full details of the procedure are available from the Administrator at the address on page 3.

Outside help

In addition to the Fund's own IDRP, the Government has established two independent agencies to help, should an issue arise which cannot be resolved directly between a pension scheme and a member or other person who may have an interest in it. They are the Pensions Advisory Service (TPAS) and the Pensions Ombudsman.

TPAS is an independent, voluntary service that is available to assist members and beneficiaries of the Fund in connection with any pension queries they may have at any time, or any difficulties they have failed to resolve with the Trustee or Administrator of the Fund. TPAS will offer advice on a particular case and, if necessary, may refer it to the Pensions Ombudsman. The address of TPAS is:

120 Holborn, London EC1N 2TD

Tel: **0800 011 37017**

www.moneyhelper.org.uk

(you can also email TPAS through the website)

The Pensions Ombudsman may investigate and decide upon any complaint or dispute of fact or law referred to him in relation to an occupational pension scheme. However, the Pensions Ombudsman normally insists the matter is first dealt with through the Fund's IDRP and raised with TPAS. If you have any complaint or dispute that cannot be resolved by the IDRP or by TPAS, you may refer it to the Pensions Ombudsman at:

10 South Colonnade

Canary Wharf

London E14 4PU

T: **0800 917 4487**

E: enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk

To help people understand their retirement choices, the Government has introduced a free and impartial pensions guidance service called Pension Wise, which can be accessed at

www.moneyhelper.org.uk or by telephone on

0800 138 3944. This service provides guidance and not financial advice.

The Pensions Regulator

The Pensions Regulator helps to ensure that work-based pension schemes in the UK are properly run. It is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator can be contacted at the following address:

Napier House,
Trafalgar Place, Brighton, BN1 4DW
T: **0345 600 0707**
E: customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk

Professional financial advice

You may want to seek professional financial advice on some of the decisions you need to make about your membership of the Fund – for example, if you are thinking of paying additional contributions or are looking at your options on retirement. You can find a regulated financial adviser in your area by visiting: www.fca.org.uk/consumers/finding-adviser

Please note that you are responsible for your choice of professional financial adviser and any fees you incur while seeking and receiving advice.

Automatic enrolment legislation

The Fund meets MMC UK's obligations under the Government's automatic enrolment legislation; the Fund is a qualifying pension arrangement, which means it meets or exceeds the Government's standards for workplace pension schemes.

Data protection legislation

The Trustee works together with MMC UK to provide the benefits under the Fund. In order to administer the Fund properly, the Trustee (or other parties who act on behalf of the Trustee) needs to hold information about you and your entitlements. In accordance with General Data Protection Regulation (GDPR), only such details as are required to fulfil obligations to members and legal and regulatory obligations are collected and stored.

Your personal data is treated in strictest confidence and will only be used for the proper administration and operation of the Scheme. It may be disclosed to third parties in connection with this purpose, including:

- MMC UK and other companies in connection with the operation of the Fund,

- insurance companies to arrange particular entitlements,
- professional advisers of the Trustee, and
- Government or regulatory organisations, if the Trustee is obliged to do so.

Disclosure may be within or outside the European Economic Area (EEA).

Where you are asked to supply information relating to your dependants, you should inform those individuals first; they might like to read this guide to find out how personal data is handled. Where information from your doctor is required, this will not be sought without your permission. If you have a financial representative or professional financial adviser, the Trustee will liaise with that person or firm and share information only on your written instructions. If you die while you are a member of the Fund the Trustee will liaise with your personal representative(s), relatives and possibly your work colleagues who may supply us with information relating to you. If information is used to conduct statistical analysis and surveys, you would not be identified personally.

Please note that all the information asked for is necessary and without it the Trustee would not be able to properly administer your benefits under the Fund.

The Trustee is the data controller under the Data Protection Act 1998.

The State Pension Scheme

The State Pension is a regular payment from the government that most people are entitled to claim when they reach the State Pension Age. How much you will receive will depend on your National Insurance records.

The structure of the State Pension was changed with effect from April 2016 to make it easier to understand. You can find out more about the current and former State Pension by searching for 'State Pension' online at www.gov.uk.

State pensions are paid from *State Pension Age*. This is currently 65 for both men and women and is increasing to 67 between 2026 and 2028. The government also plans to increase the State Pension age further, to 68, between 2037 and 2039, although this is still pending approval.

You can check your State Pension age by searching for 'State Pension Age' online at www.gov.uk.

As a member of the Fund you will participate fully in the State Pension Scheme, so you will be entitled to receive the Basic State Pension, subject to a full National Insurance Contribution record, and to earn benefits in the *State Second Pension* which are payable from *State Pension Age*.

You may obtain a statement from the Future Pension Centre of how much pension you are likely to receive from the State. This can be done at any time by completing the form on www.gov.uk/state-pension-statement-online or by downloading a paper copy and returning it to the Future Pension Centre.

Divorce or dissolution of a registered civil partnership

If you get divorced or your registered civil partnership is dissolved, your benefits under the Fund may become subject to a court order. This would require the Trustee to allocate a specified part of your retirement benefits and death benefits under the Fund to your ex-spouse or your ex-civil partner. Your *State Second Pension* benefits may also be affected.

If a court order applies to your the Fund benefits, you will be given details of the reduction to apply to your benefits. Any pension deducted from your own entitlement may have an impact on your *Lifetime Allowance* and you should seek further advice if this applies to you.

On divorce or dissolution you should tell the Trustee about the changes in your personal details. You should also consider changing any Expression of Wish form you have previously completed online at Mercer OneView (see page 3 for details).

Insured benefits

Currently, any insured lump sum death in service benefit over £500,000 is insured through the Excepted Group Life Policy (EGLP) for all members and this is managed through the Trustee of the Additional Benefits Scheme. In normal circumstances, you will be covered for the full benefit automatically without any enquiry into your state of health. Restrictions may be imposed on your benefit in certain circumstances, as mentioned above.

Members who believe they may have a *Lifetime Allowance* issue can apply to have all their benefits paid under the EGLP as long as they meet certain criteria.

Inheritance tax

Under current legislation, lump sum death in service benefits paid under the Fund are not normally subject to Inheritance Tax. This is because under the Rules of the Fund, the Trustee has absolute discretion to decide who receives such a lump sum payment. Whilst the Trustee is not bound to follow your wishes, it will take them into account. It is therefore important that you let the Trustee know who you would like to receive the lump sum by completing an Expression of Wish form and keeping it up-to-date. Forms can be completed online through Mercer OneView, details of which can be found on page 3.



HM Revenue & Customs registration and restrictions

The MMC UK Pension Fund, of which the Fund is a part, is registered with HM Revenue & Customs under the Finance Act 2004. This means that the Fund and its members receive important tax advantages:

- For most employees, full tax relief on your contributions up to 100% of your taxable earnings and on the *Company's* contributions (subject to the *Annual Allowance*).
- A cash sum option on retirement, which will be tax free (unless the value of your benefits from all pension arrangements exceeds the *Lifetime Allowance*).
- Lump sum death benefits are normally tax free, unless the member dies after the age of 75.
- You are not taxed on the *Company's* contributions.
- Favourable tax relief on your investments in the Fund.

These tax advantages only apply to the value of your benefits up to certain levels i.e. any benefits paid in excess of the *Lifetime Allowance* or contributions paid in excess of the *Annual Allowance* will be subject to additional tax charges. The *Lifetime Allowance* and the *Annual Allowance* are usually reviewed annually by HM Revenue & Customs.

You should keep track of your *Lifetime Allowance* and you will be required to provide the Trustee with evidence about your available *Lifetime Allowance* before benefits come into payment. Please note that the above tax advantages are subject to change by HM Government at any time.

Rules

The Trustee administers the Fund in accordance with the Rules which govern the Fund. The Rules can be amended by the Trustee and MMC UK at any time subject to restrictions applied by law.

This guide provides a summary of the Fund and does not cover all the Fund's detailed provisions which are set out in the formal Rules. This guide does not confer any entitlement to benefits, which can only be conferred by the Rules, and does not amend the Rules. Whilst every effort has been made to accurately reflect the Rules, if there are any differences between this guide and the Rules, the Rules will always take precedence. The Rules also take precedence over any other communication you may receive in connection with the Fund from time to time.

A copy of the Rules can be requested from the Administrator, at the address on page 3, although a charge may be made.

Transfers from previous arrangements

Transfers from previous arrangements may be accepted into the Fund. The guide and application form can be found in the Forms section on the Fund website.

Amendment and discontinuance

Subject to the Fund's Rules, MMC UK reserves the right to amend or discontinue the Fund at any time. If your benefits or rights are affected you will be given written notice.

Giving up your benefits

Except in limited circumstances allowed by law and the Rules, your benefits under the Fund cannot be assigned, forfeited or used as security for a loan.

Definitions

Annual Allowance is a limit set by the Government on the amount by which your pension benefits and/or pension savings can grow in any one tax year before being subject to tax. If you believe that you will exceed the Annual Allowance in any tax year please contact the Administrator (see page 3 for details) for information on how you may be able to mitigate the impact. The current Annual Allowance is shown on the HM Revenue & Customs website at www.gov.uk/tax-on-your-private-pension/annual-allowance

Base or Basic Salary is your annual rate of basic yearly remuneration. It does not include car allowances, bonuses, commissions, overtime earnings or any other benefits. It is before any adjustments as a result of Prosper benefit choices.

Company/Companies is the MMC UK company that employs you and which has elected to participate in the Fund.

Contributing Member is a member who is currently paying contributions to the Fund and building up retirement benefits.

Individual Account is an account set up in your name whilst contributing to the Fund.

Lifetime Allowance is a total limit set by the Government on the amount of pension savings that will qualify for tax relief. If you believe that you may be reaching your *Lifetime Allowance* limit please contact the Administrator (see page 3 for details) for information on your options.

The current Lifetime Allowance is shown on the HM Revenue & Customs website at www.gov.uk/tax-on-your-private-pension/annual-allowance

The Lifetime Allowance will apply to all of the pension benefits you build up over your entire working life and will be triggered by a benefit crystallisation event such as payment of retirement income or death benefits.

MMC UK is Marsh & McLennan Companies UK Limited.

Money Purchase Annual Allowance

Once you have accessed any of your DC pension savings flexibly you will only receive tax relief on any further contributions to DC arrangements up to the Money Purchase Annual Allowance (MPAA) of £4,000 each year. Any contributions made by you or on your behalf by your employer that exceed this annual amount will be subject to a tax charge.

PaySmart is the method by which your gross salary is reduced by the amount you wish to contribute to the Fund, and the Company pays a corresponding amount to the Fund.

Pensionable Salary is your Base Salary or Basic Salary, capped at the annualised equivalent of £250,000. Any salary above £20,833.33 per month is not pensionable.

Qualifying Earnings is your gross annual earnings that fall between limits set by legislation. The current limits are shown on www.gov.uk

State Pension Age is currently 65 for men and women and is increasing to 67 between 2026 and 2028. The government also plans to increase the State Pension age further, to 68, between 2037 and 2039, although this is still pending approval. The State Pension Age will be reviewed regularly in the future.

This guide applies to employees eligible to join the MMC UK Pension Fund – DC Section only.