



babcockTM

Babcock Retirement Savings Scheme (BRSS section)

Part of the Babcock International Group Pension Scheme

Your Guide to the Scheme
Your benefits explained

Looking after your future, today.

Welcome

Babcock has provided pension benefits for the people it employs since the beginning of the last century.

The BRSS section of the Babcock International Group Pension Scheme (the Scheme) provides a valuable range of benefits that reflect Babcock's commitment to attract and motivate staff of the highest quality.

No matter how far away retirement may seem, it's important to start building up your pension. And the earlier you start to plan for your retirement, the more pension you could receive.

As well as providing you with flexibility as to how you take your benefits when you retire, the Scheme provides financial protection for you and your family from the day you join.

This guide provides an overview of your Scheme benefits, but it doesn't cover every aspect of them. You can find full details in the Trust Deed and Rules (the Scheme's governing documents), which will always overrule this guide if any question of interpretation should arise.

Occasionally, the Trustee has had to use specific pension terms – where this is the case, you'll find a glossary on page 16.

For more information about any aspect of the Scheme, visit **www.myoneday.co.uk** or contact your HR representative.



For further information



Website:
www.myoneday.co.uk



If you need help with **oneday**, email us:
oneday@babcockinternational.com

Contact us



Call Aviva:
0345 604 4463



Email:
babcock@aviva.com



Write to:
**NGP Customer Operations
Babcock Retirement Savings Scheme
PO Box 1550
Salisbury
SP1 2TW**

Contents

Membership	3	Periods of temporary absence from work	12
Contributions	4	A note on the State Pension	13
Your investment choices	6	Useful information and contacts	14
Your benefits on retirement.....	8	Glossary	16
Benefits on death and leaving	10		

Membership

How to join

As part of the Government's automatic enrolment initiative, you'll be automatically enrolled into the Scheme if you:

- › earn above the earnings threshold to qualify for automatic enrolment;
- › are at least age 22 (but under State Pension age); and
- › usually work in the UK.

How do I get auto-enrolled?

Your HR representative will get in touch and let you know whether you're eligible for automatic enrolment into the Scheme.

Can I opt out of automatic enrolment into the Scheme?

Yes. Although the Company must automatically enrol you first, you're able to opt out. Your HR representative will explain the process for opting out when they contact you about your enrolment.

I don't qualify for automatic enrolment – can I still join the Scheme?

Yes. Even if you don't meet any of the criteria above, you can still ask to join the Scheme and receive contributions from Babcock. Normally you can join at any age from 16 to 75. If you continue your membership after age 75, life cover won't normally be provided so you should speak to your HR representative about your specific circumstances.

To join the Scheme, complete the 'Opt-in' and 'Expression of wish' forms. You can find both in the 'Document library' in the BRSS section of www.myoneday.co.uk



Contributions

Each pay period, contributions from yourself and Babcock go into your Personal Account. Your HR team can tell you the contribution rates that you and Babcock pay into the BRSS section.

The amount you and Babcock contribute is expressed as a percentage of your salary.

You can find out more about the contribution rates that you and Babcock pay in the Scheme's 'Benefits and Contributions' leaflet. You can request a copy of the leaflet from your HR representative.

Tax relief on your contributions

Paying into a pension is one of the most tax-efficient ways to save for your retirement. Any contributions you make are eligible for tax relief at the highest rate you pay. So, for example, if you pay the current basic rate of Income Tax at 20%, every £1 contribution you make actually only costs you 80p.



The contributions that Babcock make into your Personal Account are also free of tax and National Insurance (NI) contributions.

Salary Sacrifice

To ensure that your contributions are made as efficiently as possible, Babcock automatically operates a Salary Sacrifice arrangement. This means that Babcock makes contributions on your behalf and, in return, you agree to reduce (or 'sacrifice') your salary by the amount you would have ordinarily paid (plus tax relief) into your pension. You then pay less NI because your salary is 'lower' and you also receive immediate Income Tax relief.

You can, if you wish, opt out of the Salary Sacrifice arrangement and pay your contributions directly into the Scheme.

To find out more about how Salary Sacrifice works, go to the BRSS section of www.myoneday.co.uk

Are there limits to how much I can save?

Yes. If your total pension contributions (including the ones Babcock makes) exceed the Annual Allowance (AA), you'll have to pay an AA tax charge through your tax return.

When you retire, the total value of all your pension savings (including contributions from employers and across all schemes) is also measured against the Lifetime Allowance (LTA). If your total pension savings exceed this limit, you could be liable for an LTA tax charge.

You can find the latest limits for the AA and the LTA at **Your Scheme > The basics > Contributions** in the BRSS section of www.myoneday.co.uk. Remember, tax rules may change in the future.



Contributions (continued)

Making additional contributions

You can start making extra savings at any time. This could be a good option if you're planning on retiring early or you've taken breaks from making pension savings.

Babcock doesn't match any additional contributions you make.

The same tax rules apply to your additional contributions as they do to your main contributions (see page 4). You can invest your additional contributions in any of the same range of investment funds as your main contributions.

If you're making your contributions through the Scheme's Salary Sacrifice arrangement, your additional contributions will also be made through Salary Sacrifice. See page 2.

If you're not making your contributions through Salary Sacrifice, your additional contributions will be taken from your gross salary at the same time as your main Scheme contributions.

Transferring other pensions into the Scheme

These days most of us will have more than one pension by the time we retire, but did you know that you can combine them? The Trustee allows active members of the Scheme to transfer other pensions (like a previous employer's pension) into their Personal Account.

Not only could having all of your pensions in one place make planning for your retirement simpler, but you could also find you end up paying lower overall charges.

To find out more about transferring other pensions into the Scheme, please get in touch with Aviva using the details on page 2.

It's always a good idea to take regulated financial advice to find out if transferring is right for you. To find an independent adviser near you, go to www.unbiased.co.uk

To pay your contributions from your gross salary, you'll need to contact payroll – just follow the instructions at [Your Scheme > The basics > Contributions](#) in the BRSS section of www.myoneday.co.uk

Your investment choices

It's up to you how and where your Scheme contributions are invested. In this section, you'll find a quick summary of the choices available to you.

As your circumstances change, your priorities and views – including your attitude to risk – may change too. So, it's important that you regularly review where your contributions are invested and whether you're still on target to get your desired retirement income.

All the investment options available through the Scheme are designed to give you the choice and flexibility to help you choose the right investments for you.

Lifestyle Strategy Funds

Building and managing an investment portfolio isn't for everyone, so if you'd prefer to only make limited decisions about your investments, you can choose from a number of ready-made strategies available through the Scheme.

Known as Lifestyle Strategy Funds, they're carefully selected by the Trustee and its investment adviser to combine a number of funds and asset classes into one portfolio. By spreading your investments like this, you can help reduce risk.

There are three Lifestyle Strategy Funds to choose from. Find out more by visiting **The basics > Investments** in the BRSS section of www.myoneday.co.uk

How do Lifestyle Strategy Funds work?

While you're in the early or middle stages of saving for your retirement, a Lifestyle Strategy Fund will invest your pension in funds that aim to give you a good level of growth over time. In BRSS, these stages last from when you join BRSS to around 20 years before you retire.

As you approach your Target Retirement Age (TRA), your investments will automatically move gradually from growth funds to funds that are designed to:

- › help protect your money
- › reduce volatility
- › closely match how you want to take your benefits at retirement.

If you don't make an investment choice, the Trustee will automatically put you in the Target Lump Sum Lifestyle Fund – the default lifestyle fund. The graph on the opposite page shows how the Target Lump Sum Lifestyle Fund – the default Lifestyle Strategy Fund – gradually moves your funds to lower-risk investments as you approach your TRA.

Find out more by visiting **The basics > When you retire** in the BRSS section of www.myoneday.co.uk

The Trustee will normally assume your TRA is 65, but you can change this at any time. Either update your TRA in your Personal Account or let Aviva know using the details on page 2. This is so that Aviva will know when to move your funds.

Why would I choose a Lifestyle Strategy Fund?

Choosing one of the three Lifestyle Strategy Funds helps to take the time and effort out of managing your investments because your Personal Account automatically invests in growth funds when you're younger and switches to less risky funds as you approach retirement to help protect your savings. If you feel uncomfortable managing your own investments, or don't have the time, then one of the Lifestyle Strategy Funds may suit you. Find out more about the three types of Lifestyle Strategy Funds in *Your benefits on retirement* on page 8.

Your investment choices (continued)

Self-Select Funds

If the Lifestyle Strategy Funds don't quite meet your requirements, or you want to take more control of your investments, you can choose your own investment strategy from the Scheme's Self-Select Funds. You can change which funds you're invested in at any time by logging into your Personal Account or by contacting Aviva using the details on page 2.

You must invest **either** in one of the Lifestyle Strategy Funds or choose from the Self-Select Funds – you can't invest in both at the same time.

How does it work?

Self-Select allows you to invest in any combination of the funds available through the Scheme.

If you're a confident investor and you understand the associated risks involved in the different funds, Self-Select may suit you. If you're unsure about planning your own investment strategy, you can seek independent financial advice. Find an adviser near you at www.unbiased.co.uk

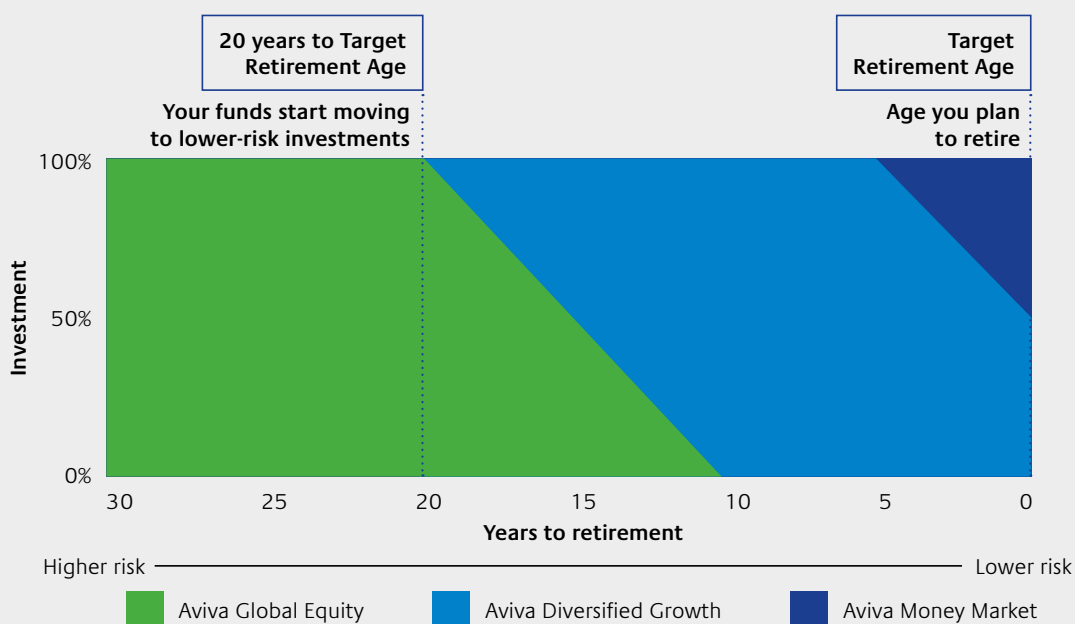
Why would I choose Self-Select?

Self-Select gives you more control and allows you to choose from any combination of the funds available through the Scheme. You can also choose how much of your existing Pension Account and future contributions you want to allocate to each fund.

If you don't Self-Select your fund(s), your money will be invested in the Target Lump Sum Lifestyle Fund – the default Lifestyle Fund. You can change this at any time by logging into your Personal Account or by contacting Aviva.

In the Target Lump Sum Lifestyle Fund...

The Target Lump Sum Lifestyle Fund is the default investment choice. It gradually moves your funds to lower-risk investments as you approach your TRA. This choice also assumes you'll take your entire Pension Account as a lump sum when you retire. So if you're not planning to retire at 65 or to take your Pension Account as a lump sum, you should review your investment choices and choose funds you're comfortable with.





Your benefits on retirement

When you retire

You can decide how you take your benefits. The Scheme's Normal Retirement Age is 65, but you can take your benefits at any time from age 55 (this is increasing to age 57 from 2028). Unless you've already told Aviva you have a different retirement age in mind, age 65 is the Target Retirement Age used in the Lifestyle Strategy Funds.

The default investment choice also assumes you'll take your entire fund as a lump sum when you retire. So if you're not planning to retire at 65 or to take your fund as a lump sum you should review your investment choices and choose funds you're comfortable with.

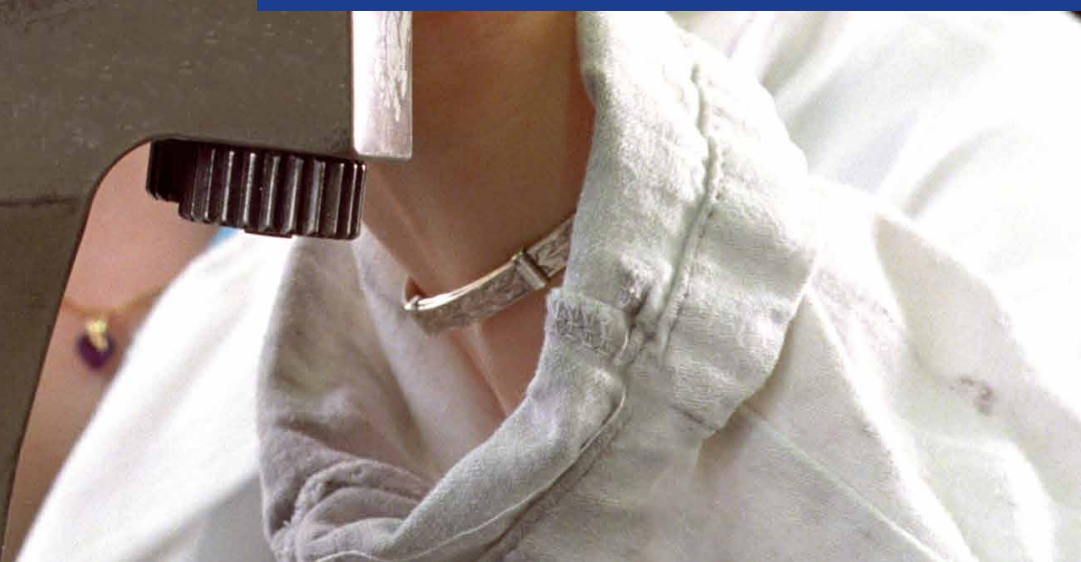
The value of your benefits on retirement will depend on several factors, including the amount of the contributions paid by you and Babcock, the performance of investments, plus any charges applied.

As you approach retirement, Aviva will also start to contact you with further information about your options and you can find out more at www.myoneday.co.uk and logging into your Personal Account.

Making the right choice for you

To help make sure you choose the right option at retirement for your circumstances, you can speak to Aviva or get help from Hargreaves Lansdown. The Trustee has appointed them to support you as you approach your retirement.

You can also find free Government advice on the choices available when you retire at www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension



What choices are available to you?



Cash

You can take all of your Personal Account as a one-off cash lump sum at retirement. The first 25% of this sum is tax-free and the remainder is taxed at your marginal rate of Income Tax. This option could mean you have to pay a large tax charge.



Take money as and when you need it – flexibility

You can leave your Personal Account invested in the BRSS section and take lump sums whenever you like. The first 25% of each lump sum you take is tax-free and the remainder is taxed at your marginal rate of Income Tax.



Guaranteed income for life – annuity

You can use your Personal Account to buy a pension from an insurance company – this is called an ‘annuity’. Buying an annuity will provide you with a regular income for the rest of your life, but you can also buy them for fixed periods. You can take 25% of your Pension Account as a tax-free lump sum before you start taking an income, and then use the remainder to buy the annuity. The income you’ll receive will depend on how much an insurance company will provide in exchange for your Pension Account. It will also depend on the type of annuity you’d like, e.g. whether it increases each year in line with inflation and whether you’d like to provide any dependants’ benefits.

If you’d like to buy an annuity from an insurance company, a financial adviser will be able to help, or you can contact Aviva or Hargreaves Lansdown. Please note that the Trustee of BRSS or Babcock employees cannot provide you with advice.



Drawdown

This option is only available if you transfer your Pension Account to another provider.

Take 25% of your fund as a tax-free lump sum and then leave the rest of your fund invested with a provider of your choice, taking lump sums whenever you like. These lump sums will be taxed at your marginal rate of Income Tax.

If you’re still employed by Babcock when you take part or all of your benefits, you can continue to pay pension contributions. You also have the right to transfer all or part of your pension to another suitable approved pension provider.

Ill-health retirement

If you’re seriously ill, you may be able to take ill-health early retirement and access your Personal Account from any age. You’ll need to complete an independent medical assessment and gain the Trustee’s approval.

If you’re currently employed by Babcock, you can contact your HR representative for more information about ill-health early retirement. If you no longer work for Babcock but wish to explore this option, please contact Aviva using the details on page 2.

If you’re suffering from serious ill health and meet certain conditions (broadly speaking, you have less than a year to live), the Trustee can pay your entire pension benefits to you as a single cash lump sum.

Benefits on death and leaving

If you die while you're still employed by Babcock

Lump sum death benefit

If you die while you're still making contributions into the Scheme, a tax-free lump sum will usually be payable. You can find out more in the 'Benefits and Contributions' leaflet. You can request a copy of this from your HR representative.

Dependants' benefits

In addition to the lump sum above, the value of your pension savings in your Personal Account on the date of your death will normally be paid as a lump sum to your spouse, civil partner or any other person who is financially dependent on you.

You can nominate different beneficiaries for this benefit and the lump-sum death benefit using an 'Expression of wish' form.

To find out more, please contact your HR representative.

Expression of wish form

Although the Trustee decides who receives the lump sum death benefit, you can guide their decision by indicating your wishes on an 'Expression of wish' form. The form allows you to nominate any dependants or beneficiaries, such as your spouse, children, parents or other close relatives. The Trustee may also consider other persons or organisations you nominate, such as registered charities. The 'Expression of wish' form isn't legally binding.

The Trustee strongly advises you to complete an 'Expression of wish' form so that they can consider your nomination(s).

Don't forget to update your nomination(s) by completing a new form if your circumstances change – for example, if you get married or divorced. You can update your wishes as often as you like.

Download your 'Expression of wish' form from www.myoneday.co.uk



Benefits on death and leaving (continued)

Leaving the Scheme while working for your employer

You can opt-out of the Scheme at any time. You'll need to complete the 'Opt-out' form and send it to your HR representative. You can download the form from www.myoneday.co.uk

Your membership will cease around one month from the end of the pay period and the Company will send the Trustee your written notice to opt-out, depending on payroll cut-off dates.

If you're considering opting out of the Scheme, the Trustee strongly recommends that you seek appropriate financial advice. The Scheme provides a valuable package of benefits, such as life cover, at a relatively low cost. Opting out may not necessarily be in your best interests as you could lose your life cover benefit. You can find a financial adviser near you at www.unbiased.co.uk

If you opt-out of the Scheme, you can re-join at a later date by completing an 'Opt-in' form, although this may affect your death-in-service lump sum benefit. You should check with your HR representative to see if this will affect you.

You may have to leave the Scheme if your employment conditions change. If you do leave, your benefits will be treated as follows.

If you leave Babcock's employment

You can leave your pension savings in the Scheme until your retirement date and have the same options as described on page 9. Alternatively, you can transfer your pension savings to your new employer's arrangement, or other suitable pension arrangement in your own name, at any time.

Please read the information on www.myoneday.co.uk about pension scams before you make any decisions.

If you do decide to transfer out of the Scheme, the Trustee strongly recommends you take regulated financial advice to see if it's right for you. You can find an independent financial adviser near you at www.unbiased.co.uk

Transfer values are calculated based on the value of your pension savings in your Personal Account on the date the Pension Account is transferred.

Death in deferment

If you die after stopping contributions but before accessing your pension savings, the value of your Personal Account on the date of your death will normally be paid as a lump sum to your spouse, civil partner or any other person who is financially dependent on you.

No death in service lump sum is paid as you're no longer an active member of the Scheme, unless you have been otherwise notified by Babcock. You can nominate different beneficiaries using an 'Expression of wish' form as described on page 10.



Periods of temporary absence from work

Most absences are for a relatively short time and wouldn't normally affect your Scheme membership. If you're absent for a long time, your membership may be affected. If this is likely to happen, your HR representative will be in touch to provide details of your options.

If you're absent due to illness or injury, your membership will usually continue, provided your employer agrees and continues to pay you. If you're away from work for any other reason except maternity, paternity, adoption or family leave, your employer decides whether your membership should continue and for how long.

You're normally treated as having left employment if you don't return to work at the end of the agreed absence.

Maternity leave

If you go on paid maternity leave (including Statutory Maternity Leave), your membership of the Scheme will continue and your employer will keep paying contributions based on your Pensionable Salary before you went on maternity leave.

The Company will pay both its and your contributions for the duration of your paid maternity leave. If you participate in Salary Sacrifice, the Company will continue to pay contributions to the Scheme based on your Pensionable Salary before taking into account a Salary Sacrifice reduction.

During this period, you won't have to pay any contributions into the Scheme unless you opt to pay additional contributions. If you take additional unpaid maternity leave the Company will only pay contributions if you make contributions into the Scheme.

You can either pay these during your maternity leave or when you return to work.

If you continue your contributions, they will be based on the notional salary you would have been receiving had you been working.

If you don't return to work after your maternity leave, you'll no longer be a member of the Scheme.

Paternity and family leave

If you qualify for paternity or family leave, your membership of the Scheme will continue as though you are working.

Contributions will continue to be paid into the Scheme based on the actual salary you receive during your absence (including Statutory Paternity Pay).

The Company will continue to pay contributions based on the basic salary you would have been receiving if you were working.

Adoption leave

If you take adoption leave your pension and death benefits will continue in the same way as for maternity leave.

A note on the State Pension

Being a member of BRSS doesn't affect your entitlement to the State Pension. The normal age at which you can receive your State Pension depends on when you were born. For men born before 6 December 1953 and women born before 5 April 1950, the State Pension age (SPA) is 65 and 60 respectively. However, if you were born after these dates, currently your SPA is likely to be in the range of 65–68 for a man, and 60–68 for a woman.

To get an estimate of your SPA and find out more about how the State Pension works, visit www.gov.uk/browse/working/state-pension

More information about State Benefits

For queries relating to your State Benefits, you can contact The Pension Service, part of the Department for Work and Pensions (DWP):

Address:

**The Pension Service, Post Handling Site A,
Wolverhampton, WV98 1AF**

Telephone:

0800 731 0469

Website:

www.gov.uk/contact-pension-service

For help with tax, National Insurance, personal and occupational pensions queries:

Online form:

www.tax.service.gov.uk/shortforms/form/PSH_General

Address:

**Pension Schemes Services, HM Revenue and
Customs, BX9 1GH**

Telephone:

0300 123 1079

Website:

www.gov.uk/government/organisations/hm-revenue-customs/contact/pension-scheme-enquiries



Useful information and contacts

How the Scheme is run

The Scheme is set up and run in accordance with its Trust Deed and Rules (the Rules).

Nothing contained in this guide or the Scheme website can override the Rules. The Scheme's assets are held entirely separately from those of the Company. The Scheme is managed by Babcock Pension Trust Ltd, a separate Trust Company that acts in the best interests of its members and their dependants and in accordance with the Rules.

Contributions to the Scheme are invested under the control of the Trustee. The funds are held in a trust, which is legally independent of the Company.

Each year the Trustee publishes its annual report which you can find on www.myoneday.co.uk. Please contact Aviva if you would like a copy of the latest annual report or any previous annual reports posted to you.

Registration with HM Revenue and Customs

The Scheme is a registered scheme under the Finance Act 2004.

Changing or winding up the Scheme

In line with legal requirements, the Rules contain provisions to amend or close the Scheme. If changes that may affect your benefits are proposed, the Trustee will inform you before any final decision is made.

Change of investment funds

The Trustee, in consultation with the Company, reserves the right to appoint another insurance company, building society or other financial institution to manage the investment of the Scheme funds. If this happens, the Trustee will notify you in advance or at the earliest possible date following the change.

If you divorce or dissolve a civil partnership

Pension rights are always taken into account as part of your assets when the court is arranging a divorce settlement or a dissolution order of a civil partnership.

The Trustee must comply with any order made by the court in divorce or dissolution proceedings. These orders can affect your benefit rights under the Scheme, including any benefits payable on your death. A charge will be applied to your funds if a Pension Sharing Order is made.

Member information

You can access your Personal Account through Aviva at workplace.aviva.co.uk/myworkplace

You'll also be able to find important Scheme documentation and general information at www.myoneday.co.uk

Financial advice

The Trustee can't give you any form of financial advice. For a list of financial advisers in your area visit at www.unbiased.co.uk

The Pension Tracing Service

The Pension Tracing Service, run by the Department for Work and Pensions (DWP), holds details of all occupational pension schemes. If you need help to trace pension benefits from a previous employer, for example if you leave and lose touch with your employer, you can ask for help from the Pension Tracing Service at no cost to you.

You can call them on **0800 731 0193** or visit their website at www.gov.uk/find-pension-contact-details

Have a problem with your Scheme pension?

If you have a complaint about the Scheme, this can normally be resolved quickly by contacting your HR representative. If the matter can't be resolved informally, the Scheme has a Formal Dispute Resolution Procedure. You can get details of the procedure by contacting Aviva.

If you have any pension queries, or you've got a problem with your pension that you've not been able to resolve with the Trustee, you can turn to MoneyHelper and the Pensions Ombudsman for help.

You can contact MoneyHelper on **0800 011 3797** or through www.moneyhelper.org.uk/en/pensions-and-retirement/pension-problems

If you're not able to resolve your dispute with MoneyHelper's assistance, you should then contact the Pensions Ombudsman. They can investigate and settle any complaint or dispute of fact or law to do with an occupational pension scheme.

You can contact the Pensions Ombudsman on **0800 917 4487** or through www.pensions-ombudsman.org.uk

Useful information and contacts (continued)

The Pensions Regulator (TPR)

TPR is responsible for regulating UK pension arrangements. It has the power to intervene in the running of a scheme where trustees, employers or professional advisers have failed in their duties.

For more information, visit

www.thepensionsregulator.gov.uk

Assigning your Scheme benefits

Your Scheme benefits are strictly personal and cannot be assigned to any other person or used as security for a loan.

Data Protection

To operate the Scheme, the Trustee needs to hold personal data about you.

The Trustee is registered as Data Controllers under the provisions of the Data Protection Act 1998, and all personal information relating to you and your dependants will be treated by the Trustee, its advisers and administrators, and the Company and its advisers, as confidential, as set out in the Data Protection Act 1998. As Data Controllers, the Trustee may process your personal data, obtained from you or the Company, and enable it to be processed by third parties appointed by the Trustee, or the Company, for purposes connected with the Scheme.



Glossary

Annual Allowance (AA)

This is the maximum amount of pension savings you can make (or have made for you by your employer) in a single year that will receive full tax relief. Details of the current AA can be found at www.myoneday.co.uk

Company

The Babcock Group of employers.

Babcock

Means either Babcock International Group PLC or your current employer within the Babcock International Group.

Lifetime Allowance

This is the total value of your private and work pension, not including any State Pension, which you can build up over your lifetime without paying a tax charge. You can find details of the current LTA at **Your Scheme > The basics > Contributions** in the BRSS section of www.myoneday.co.uk

Normal Retirement Age (NRA)

This is the age the Trustee assumes you want to retire, unless you've told us a different age. The NRA is 65.

Normal Retirement Date

This is your 65th birthday.

Pensionable Salary

Unless notified otherwise, this is your basic salary on joining the Company or from time to time while you're in service or any other definition as notified to you by the Company.

Spouse

Your legally recognised spouse — that is your husband or wife, recognised by marriage, or your civil partner, recognised by the civil partnership ceremony.

State Pension age (SPA)

The State Pension is payable from your SPA, which varies depending on when you were born. Generally your SPA will be between 65 and 68 but there are some exceptions to this. To find out your SPA and to find out more about how the State Pension works visit www.gov.uk/state-pension-age

Target Retirement Age (TRA)

This is normally your 65th birthday unless you've told Aviva that you want to retire at a different age.

