SuperTrust Online

SuperTrust UK Master Trust

Explanatory Guide

2017

CONTENTS

	Page
Introduction	**3**
Quick Summary of the Plan	**4**
Plan detail	**7**
Joining the Plan	7
Contributions	7
Investment	8
Benefits on retirement	8
Benefits on death	10
Leaving service	10
Further information	**12**
Personal benefit statement	12
Absence from work	12
Part-time service	13
Transfer in	13
Divorce	13
Security of benefits	13
Legal documents	13
Constitution of the Plan	13
The Lifetime Allowance	14
Tax	14
Data Protection Act	15
State Pensions	15
Using benefits as security	16
Forfeiture of benefits	16
Queries or problems	16
Day to day administration	17
The Pensions Advisory Service	17
The Pensions Ombudsman	17
The Pensions Regulator	18

INTRODUCTION

This Guide tells you about the benefits the employer provides for you and your family under the SuperTrust Pension Plan (the Plan).

The Guide can only summarise the main features of the Plan and does not cover every detail which will be found in the full legal documentation governing the Plan. If you want to see a copy of the legal documents or there is anything you are not clear about you should, in the first instance, contact your employer, or you can contact the administrators whose details are included on page 17.

QUICK SUMMARY OF THE PLAN

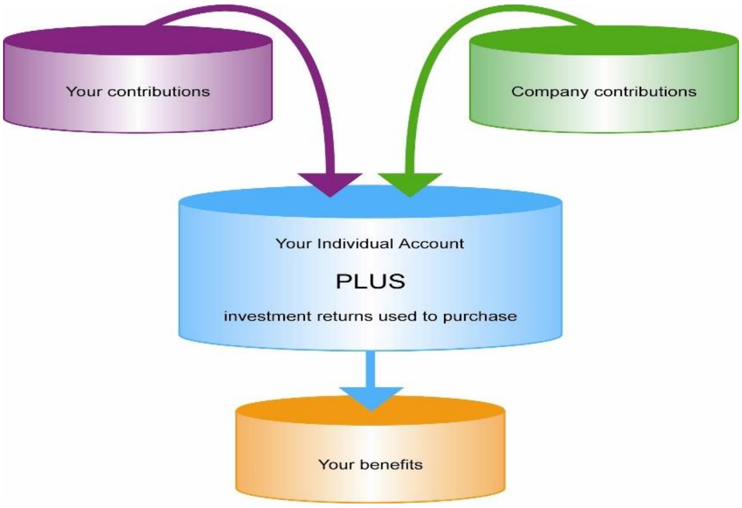
MEMBERSHIP

If you are auto enrolled by your employer you do not have to complete any application.

If you are invited to join the Plan in other circumstances you will be asked to complete and return an Application and Nomination Form.

Contributions

You may contribute to the Plan on a monthly basis by deduction from your pay. Your employer will contribute an amount of your salary as agreed at the time of joining.



Individual account

When you contribute to the Plan an individual account is set up to receive your contributions. The contributions are invested and they build up in your individual account to provide a fund at retirement. You can choose which type of investment for your contributions but the Plan has a default investment arrangement which applies to everyone who does not make a specific request to self select funds.

Retirement Benefits

Your retirement age is 65 but, you may retire earlier. At retirement your individual account will normally be used to purchase an annuity (i.e. an annual pension payable monthly) with an insurance company. You may also take part of your individual account as a tax free lump sum but this will of course reduce the annual pension that will be paid.

Other retirement options such as income drawdown can be arranged with the Trustees

Death in Service Benefits

Should you die in service a lump sum equal to the value of your individual account will normally be paid as a lump sum to beneficiaries, but can be used by the Trustees to buy an annuity for a dependant.

Tax Advantages

The Plan is designed to give certain tax advantages. The following currently apply:

- your contributions will receive full income tax relief and within certain limits you will not be taxed on contributions made by the employer. A tax liability can arise if total contributions from all sources exceed the permitted Annual Allowance set by the Inland Revenue.
- most of the return on the Plan's investments are tax free
- your cash sum at retirement is tax free up to the maximum allowed by the Inland Revenue
- lump sum death benefits would normally be paid to your beneficiaries tax free

Methods of granting tax relief
There are two ways that members may receive tax relief on their pension contributions.

1 **Net pay arrangement**: the employer takes members' gross contributions away from earnings before arriving at taxable pay. Members only pay tax on what's left. This means members get full tax relief unless they don't pay tax, eg because, after allowances, they earn less than the starting rate for income tax.

2 **Relief at source**: the employer takes members' contributions after allowing for basic rate tax relief on the gross contribution. This means a lower pension deduction is taken from their pay. The pension provider then adds basic rate tax relief (currently 20%) to members' pension pots. Members who pay higher rates of tax can only claim any additional tax relief via their Self Assessment tax return.

Under a relief at source arrangement, lower paid workers with taxable payless than £11,000 from 6 April 2016 are advantaged as they receive automatic tax relief on their contributions even if their earnings are below the starting rate for income tax. This doesn't affect the amount of money that goes into the pension scheme, but will increase their take-home pay compared to a scheme using the net pay arrangement.

For example, under a net pay arrangement, a member who earns £10,400 (£200 a week) and pays a contribution of 1% will have the full £2 a week deducted from their pay and paid into their pension. There is no tax due from HMRC and will have less take home pay than under relief at source.

Under a relief at source arrangement, the same member who pays a 1% contribution would have a lower pay deduction of £1.60 a week deducted from their pay and paid into their pension. The scheme would then claim £0.40 from HMRC so that a total of £2 a week is paid into their pension but only £1.60 deducted from pay.

If an employer uses salary sacrifice to manage pension contributions, their lower paid staff do not obtain any advantage under the relief at source arrangement.

- Your employer has chosen to operate Relief at Source where the pension provider claims basic rate tax relief on your behalf. If a higher rate tax payer you need to claim additional relief direct from HMRC

PLAN DETAIL

Joining the Plan

Who is eligible?
You will be advised by the Employer when you are due to be automatically enrolled into the Plan.

Details of how you can apply to join in advance of being automatically enrolled will also be advised by your employer.

You will be invited to complete a nomination of beneficiaries form to assist the trustees in disposing of any death benefits.

Contributions
Over and above any statutory minimum, you choose the percentage of your *pensionable salary which you intend to pay as a regular contribution. As long as the total contributions from you and your employer do not exceed certain limits you will benefit from the automatic tax relief given on your personal contributions.

Your employer will contribute at the rate agreed at the time you join which will not be less than the minimum statutory level.

With tax relief you do not bear the full cost of making your contribution as is shown by the following table assuming you and your employer contribute £100 per month and basic rate tax is being paid at 20%. If you are a higher rate tax payer then additional relief must be claimed direct from HMRC (subject to any changes in the tax laws)

Employee's monthly contribution deducted from pay	Employer's monthly contribution	Tax relief (Your contribution is reduced to account for basic rate tax relief claimed by pension provider)	Amount invested	Cost to employee
£80	£100	£20 (Higher rate tax payers must claim further relief from HMRC direct)	£200	£80 (£60 if relief claimed from HMRC in respect of higher rate tax)

**Pensionable salary will be your basic pay unless otherwise advised by your employer.*

Changes to your basic contribution rate can be made at any time subject to your employer's agreement.

Investment

All employees are automatically enrolled into a default investment agreed between the Plan Trustees and the employer. Employees can change to self-select their own funds within a range of funds offered by the Plan. Details of the self-select range can be provided by the scheme administrators on request.

The default investment automatically invests your account into a blend of growth assets and low risk assets according to your age and proximity to State Pension Age. You have the ability to set a target retirement age which differs from State Pension Age by giving notice in writing to the scheme administrators.

Benefits on retirement

When is retirement?
Your contract of employment will determine when you stop working. The Plan allows flexibility for when you start drawing benefits. You are permitted to draw benefits and continue working if, for example, you approach retirement and work reduced hours.

The normal retirement age for the Plan is age 65 for both men and women which means that, whether or not you have stopped working, you can draw benefits from that age. If you work beyond age 65 you can choose to delay taking benefits (see section headed "*Late retirement*")

If you stop working and are age 55 or more, you can choose to draw your benefits early (see section headed "*Early retirement*"). In certain cases early retirement can commence between age 50 and 55.

How much pension will I receive?
Your pension depends on a number of factors:
1. How much is contributed
2. When you retire
3. The value of your invested funds at retirement
4. Annuity rates at retirement

Options at retirement
At retirement you have the choice of
- a pension or
- a combination of a cash sum and a smaller pension.

The amount of cash is restricted to 25% of your fund. The amount is tax free if you have not exceeded your Lifetime Allowance (or is within any higher limit registered as a protected right from April 2006).

You can decide the level of pension you want for a dependant who survives you but it cannot exceed your own remaining pension.

Pensions can be guaranteed for a certain period so that if you die within that period, there is a balancing payment due. You can choose a guaranteed period as offered by the insurer.

You also have choice regarding the pension increase basis (see *Pension increases* below).

How your pension is paid
An annuity can be bought from an insurance company which means the insurance company will be responsible for paying all installments of your pension and accounting for tax deductions. This ensures you will receive a known level of income for life regardless of how long you survive.

Alternatively, subject to certain restrictions, it may be possible to arrange for an income to be paid directly from your investment account not backed by an annuity and without any guarantees. This means that your funds may not last throughout your lifetime to pay the income you set out to draw.

Pension increases
An annuity can be on the basis of receiving annual increases or be a fixed pension for life. A fixed pension for life starts at a higher amount than an increasing pension but offers less protection against inflation over the longer term. You will have a choice of either basis subject to any legal requirements which may prescribe the basis of buying an annuity.

The trustees do not offer advice on where to buy an annuity or what rates are available. You are strongly urged to use a regulated broker and/or an adviser to ensure you choose the appropriate annuity.

If you draw income direct from your investment account you have flexibility over how much to draw each year and you are also strongly urged to seek regulated advice.

Early retirement
Once you attain 55 years you can ask for your benefits to be put into payment, even if you continue working. This may not be the best option for you and you should seek independent financial advice before taking any benefits early.

Late retirement
If you continue working after normal retirement age the employer's basic contributions will normally cease. If you wish to continue contributing, this will be subject to the agreement of the employer and the Trustee.

You will have the choice of drawing your benefits at any time after normal retiring age, whether or not you have stopped working. Once you stop working you are required to take your benefits.

Benefits on death

Death before retirement

If you die before normal retirement age while in the service of your employer the proceeds of your individual account can be used to secure additional dependants pension or be paid as a lump sum. (Note: A lump sum, but not a dependant's pension, is tested against the Lifetime Allowance for tax purposes)

Under current tax laws the lump sum will not be liable for inheritance tax if the Trustee exercises discretion after your death regarding who will receive the lump sum. To assist the Trustee you are recommended to lodge a nomination of beneficiaries form indicating your wishes, but this is in no way binding on the Trustee.

Death after retirement

These benefits will depend on the choices you made at retirement and will be documented at the time.

Leaving service

If you leave service, payroll deductions will cease automatically when you leave. Pension regulations determine the situations in which you are permitted to be paid any refund of your own contributions on leaving the employer. In no circumstances do the regulations allow the employer contributions to be paid to you in cash. Transfer values to other schemes will, however, include the employer contributions.

You may request a transfer value quotation once every 12 months. If you wish to go ahead with the transfer, this will be based on the value of the individual account at the date of transfer. If you take a transfer value you will be entitled to no further benefits.

Should you die after leaving service having elected to maintain your individual account then the full value of the individual account will be paid to your beneficiaries.

FURTHER INFORMATION

Personal Benefit Statements

Each year you will receive an individual statement showing the contributions paid during the year and the latest value of your individual account with investment returns.

Absence from work

As long as you are receiving pay and making contributions, your membership is not affected by a short term absence.

Injury or illness
For longer term absences arising from injury or illness your membership will also normally be unaffected as long as you remain in receipt of pay and continue to make contributions. Contributions and benefits will normally be based on salary received.

Maternity leave
Whilst on maternity leave you will pay contributions based on your statutory maternity pay or the higher rate of actual pay from your employer. Your employer will, however, pay contributions based on your pensionable salary before you commenced maternity leave.

For any period when you are not in receipt of statutory maternity pay and are unpaid you will have the option of making good any arrears of contributions on your return to work.

Parental leave
Parental leave will be treated as a short term absence and your membership will continue with contributions based on the actual salary you are receiving.

Unpaid absences
Contributions will be suspended for other periods of unpaid absence unless special arrangements are agreed in writing with your employer and the Trustee.

Part-time service

If you are working part-time your membership is unaffected and contributions and benefits will be based on your pensionable salary.

Transfer in of funds from other sources

If you have other existing pensions not yet in payment you can request a transfer in to your individual account.

Divorce

The value of pension rights can be taken into account by the Courts in divorce settlements. It is also possible for a spouse to be given a pension credit with a corresponding reduction to the other party's pension rights.
If you need information on the options available you should contact your employer. Since the Plan will incur charges in handling pensions adjustments on divorce these will be passed on at the time they are incurred. Details of the costs can be provided on request to the Trustee.

Security of benefits

The Plan is set up under a Trust and administered by the Trustee.

The assets and funds of the Plan are treated as independent of the employer's finances.

Although the employer has no intention to discontinue participation in the Plan or to reduce the benefits and contributions it does have the power to do so. In this event, benefits will be paid according to the Trust Deed & Rules.

Legal documents

This booklet is a summary of the legal documents which govern the Plan but if there is any difference between the two, the Trust Deed & Rules will be taken as correct. You may see copies of the legal documents on request.

Constitution of the Plan

The Plan is a constituent part of Supertrust UK Master Trust which allows non-associated employers to participate in a single global arrangement.

The Trustees of the Supertrust UK Master Trust are Supertrust UK Pension Trustees Ltd and Pitman Trustees Ltd. and HR Trustees Ltd They are legally bound to account to you for your benefits and manage the investments of the Plan.

The Lifetime Allowance

There is a Lifetime Allowance set by the government (£1.5m as at 2013). If you draw benefits which are valued in excess of the Lifetime Allowance you will have to pay tax on the excess. (See section on Tax below).

No tax is due until your benefits have actually vested and exceed the Lifetime Allowance (subject to relief given by primary/enhanced protection). Since you may draw benefits at different times from different schemes and might only draw part of your entitlement, special arrangements need to be followed to ensure that tax is correctly applied.

This works by your scheme giving you a certificate of what proportion of your Lifetime Allowance has been used by the benefits you elect to take. It is ESSENTIAL that you retain these details as you will need to certify, to all scheme administrators whenever they quote payment of retirement benefits, whether your Lifetime Allowance will be exceeded if you take the benefits quoted.

If you have registered primary/enhanced protection with the Inland Revenue you will need to supply a copy of your registration certificate to the administrator to allow the correct with-holding tax to be applied.

If you have used part of your Lifetime Allowance but cannot certify that the quoted benefits keep you within the Lifetime Allowance, the administrators are compelled to with-hold tax on the whole of any benefits paid.

If you take benefits, at the same time, from more than one scheme and either will cause you to exceed your Lifetime Allowance, then you must tell one of the administrators to regard themselves as paying the benefits first.

Tax

Favourable tax treatment

The Plan is registered with HMRC and the underlying investments receive favourable tax treatment and are free from capital gains and income tax assessment.

You are entitled to tax relief on your contributions based on prevailing tax laws are not charged tax on the employer's contributions as a benefit in kind.

Annual Allowance limit on contributions

If total contributions from all sources exceed the allowable limit, a personal tax liability arises in respect of the excess, unless you are retiring in the same year.

Tax on funds in excess of Lifetime Allowance

Total funds are tested against a Lifetime Allowance set by the government. When you draw benefits which exceed the Lifetime Allowance you are personally liable for tax on excess funds, currently taxed at the rate of 25% (subject to relief given through primary/enhanced protection). No further tax is levied if taken as a pension, apart from ongoing income tax. If you wish to take the taxed excess funds as cash a further tax charge of 30% is levied (because unlike the pension option, it escapes any future income tax).

The Plan must keep back sufficient funds from your benefits to account for any tax liability.

Tax on pension

Pensions in payment are taxed as earned income after your tax allowances are taken into account.

Tax free lump sums
One quarter of the cash value of your retirement fund can normally be taken as a lump sum and is tax free where you have not exhausted your Lifetime Allowance. You can also request partial "crystallization" of your investment account to take your cash payments over a period of time. In certain cases a tax free lump sum greater than one quarter of your fund is allowed under primary/enhanced protection.

Inheritance tax
Under current inheritance tax law, beneficiaries will not normally be liable for tax on lump sums paid on death under the discretionary trusts of the Plan.

Data Protection Act

Certain data is required in order to administer your benefits. The data you provide when you join the Plan, or make application for a pension and certain HR data already held by your employer will be used for this purpose. Data regarding your health or related to your death benefit nominations may include items categorised as "sensitive data" under the Data Protection Act. In joining the Plan you will be agreeing to this data being processed for the purposes of paying benefits, calculating benefits, statistical and reference purposes and generally where necessary for administering the Plan.

State Pensions

There are currently two parts to the state pension system:

- Basic state pension
- State second pension

The state second pension replaced the state earnings related pension scheme in April 2002

Your entitlement to these state pensions is not affected in any way by your membership of the Plan.

Using benefits as security

To comply with tax approval laws you cannot allow a charge to be taken over your Plan benefits as security for a loan or debt. Your benefits are forfeited if you attempt to give a legal charge.

Forfeiture of Benefits

The Trustee has the power to reduce your benefits to allow an employer to recover a debt owed to the employer arising from criminal, fraudulent or negligent act or omission on your part. You have rights to require that the debt must be enforceable by the Courts before the reduction is applied.

Queries or problems

If you have any queries, you can initially contact the administrators direct who will assist you in obtaining information on the Plan or directing you to someone who can answer your question.

Your employer:
XYZ Company

The administrators:
SuperTrust Solutions Ltd
Elm House
Shackleford Road
Elstead
Surrey GU8 6LB

Email: members@supertrust.co.uk
Telephone: 020 - 332 - 59344

If you have any complaint concerning management of your individual account or payment of benefits, which has not been satisfactorily resolved by your employer, you should contact the Trustee. If unresolved the Trustee is required to provide you with information on how to make a formal complaint under the Internal Disputes Resolution Procedures.

Trustee of Supertrust UK Master Trust
Elm House
Shackleford Road
Elstead
Surrey GU8 6LB

Telephone: 01252 703704

Day to day administration

The Plan is administered day to day by SuperTrust Solutions Ltd. See above for contact details

The Pensions Advisory Service (TPAS)

TPAS is available at any time to help pension scheme members and their beneficiaries sort out a question or concern which they have been unable to resolve with their scheme trustees, administrators or sponsors. OPAS may be contacted at:

11 Belgrave Road

London
SW1V 1RB

Telephone: 0845 6012923
Website: www.pensionsadvisoryservice.org.uk

The Pensions Ombudsman

The Pensions Ombudsman can investigate and settle complaints of maladministration or disputes of fact or law in relation to an occupational pension scheme. The Pensions Ombudsman may be contacted at:

11 Belgrave Road
London
SW1V 1RB

Telephone: 020 7834 9144
Website: www.pensions-ombudsman.org.uk

The Pensions Regulator

The Pension Regulator monitors compliance of pension schemes with the law and can become involved if the trustees, employer or professional advisers have failed in their duties. The Pensions Regulator also keeps records of all pension schemes and their participant companies. They may be able to help in tracking pensions held in schemes with whom you have lost contact or cannot trace. The Regulator may be contacted at:

Napier House
Trafalgar Place
Brighton
BN1 4DW

Telephone: 0870 6063636
Website: www.thepensionregulator.gov.uk