Trustee and Me

Retirement - Your Guide

Standard Life Staff Pension Scheme

About this guide

This guide is split into sections and is aimed at those members who might be considering retiring and taking their benefits due from the Standard Life Staff Pension Scheme ("the Scheme"), including, for example, the payment of the tax free cash sum and/or your pension due from the Scheme.

The Scheme offers important benefits for you and your dependants, including a pension for you at retirement and valuable benefits if you die while a member of the Scheme.

Section 1

High level summary of your retirement options

Providing a summary of the types of benefits in the Scheme and how to access them

Section 2

Important information about your benefits

The benefits under the Scheme are covered in more detail in this section

Section 3

Retirement and pension flexibilities - the options

Information and a deeper dive into the new flexibilities introduced for people accessing their retirement savings from age 55

Section 4

Retirement and the quote process in more detail

A look at the options available including getting a retirement quote before you decide, and going ahead with your retirement from the Scheme.

Disclaimer:

UK laws and tax rules may change in the future. The information in this guide is based on our understanding in April 2019. Your personal circumstances also have an impact on tax treatment.

References to the Company mean the company within Standard Life Aberdeen group (Standard Life Aberdeen plc and its subsidiaries) that is/was your employer.

Additional support

To support the main guide, we have included some additional content and contacts below

Question and answer

We have included a handy Q&A section to help you understand some of the most common questions around retirement, the process and your options - See page 16

Additional support

We have included a reference guide to additional areas of support when considering retiring - See page 18

Although every effort has been made to ensure that the content is accurate, this is intended only as a guide and not to give you advice. The guide is not a legal document and your membership of the Scheme is subject to the Scheme's Trust Deed and Rules (which may be amended from time to time). These are the legal documents that will always overrule this guide in the event of any inconsistency or question of interpretation, and which set out the full details of your benefits. This guide is also subject to statutory laws that may change in future.

If you or your adviser have any questions on this guide please contact Mercer at: ***standardlifepensions@mercer.com***

Section 1

High level summary of your retirement benefit options

Defined Benefit (DB) section retirement benefits

As a member in the Scheme depending on when you joined and what options you chose in 2008, you may have built up a DB Scheme pension. This means that when you reach your Normal Pension Age (NPA), which for the Scheme is age 60 (you may have a different NPA if you joined the Scheme prior to 1982), you will be due a pension for life. Your pension is broadly worked out using your years of 'pensionable service' and your 'pensionable salary'. The period over which your pensionable service and pensionable salary is measured also depends on when you joined the Scheme and what options you chose in 2008 (see the FAQ Section for more details). Pensionable service for the purposes of the DB section ceased with effect from 16th April 2016 for all members.

You may have paid contributions whilst you were building up this DB Scheme pension but the amount of DB Scheme pension you will be paid does not depend on the investment returns achieved on these contributions.

Defined Contribution (DC) section retirement benefits

Since April 2016, you and the Company may have paid regular DC contributions into the Scheme. Depending on the option you chose in 2008, the Company may have paid contributions since 2008 and you may also have paid DC Additional Voluntary Contributions (DC AVCs) into the Scheme.

DC benefits are where money paid to a pension scheme by you and/or your employer is put into a pot and invested. The value of your DC pot can go up or down depending on how the investments perform.

The amount you get when you take your DC pension will depend on how much you have paid in, how well the investments have performed and how you decide to take the money.

Accessing your retirement benefits

There are two main ways to access your pension benefits:

Option 1: Retirement from the Scheme

The working assumption is that you retire and take your DB and DC benefits from the Scheme at your NPA, although there are options to retire earlier or later than your NPA.

Further details on when you can retire and options regarding the benefits available are provided later in this guide.

Option 2: Transfer your benefits to another pension scheme

You may be able to transfer some or all of the value of your pension to another pension scheme. If you transfer out the full value of your pension, you would give up any rights to any further benefits from the Scheme. Some further information on the circumstances under which you may want to transfer your benefits is provided later in this guide. There is also a separate Transfer Guide which provides more detail on the transfer process. This can be found on the member Hub at: **www.slsps.co.uk** or from Mercer, the scheme administrators at: **0330 100 3491** or by e-mail at: **standardlifepensions@mercer.com**

Section 2

Important information about your benefits

When can you retire?

As mentioned in the previous section, the Scheme's Normal Pension Age is 60 (you may have a different NPA if you joined the Scheme prior to 1982). However, currently you may retire from the Scheme once you have reached age 55 (or 50 in some cases depending on when you joined the Scheme), this is referred to as Early Retirement.

Early retirement due to ill-health

If you have a mental or physical disability which makes you unfit for work, you may be entitled to retire from the Scheme, with no minimum age. The Company must consent to early retirement if you are employed by them and you are continuing to participate in the Scheme when you make this request. Your condition must meet the legal definition of "ill-health" for the pension to be put into payment. Ill-health in these circumstances mean;

The Scheme administrator has received evidence from a registered medical practitioner that the member is (and will continue to be) incapable of carrying on his occupation because of physical or mental impairment, and that he has in fact ceased to carry on his or her occupation.

If you are in serious ill-health the Trustees can pay your benefits as an immediate lump sum. In order to qualify for this, the Trustees would need a report from your medical practitioner that confirms you meet HMRC's definition of serious ill-health. This effectively means that you would have less than 12 months to live.

The level of benefits you receive from the DB Section will vary depending on when you choose to retire and also any tax free cash taken. The level of benefits you receive from the DC Section will depend on their value at your date of retirement.

Late retirement

You may ask the Trustees to delay your pension so that the pension starts after your NPA. This is called late retirement. You may only defer payment of your pension beyond age 75 with the Trustees' consent. If you are still employed by the Company, you will usually continue to accrue DC benefits until you take your pension.

A pension that starts to be paid after your NPA will be calculated the same way as a pension at NPA but increased to take account of the expectation that it will be paid over a shorter period. The amount of increase will be decided by the Trustees' actuary.

If you wish to find out more about early or late retirement, please contact Mercer (details on the back page).

Options available

DB section

Whenever you obtain a retirement illustration (see Section 4 for details of how to do that) it will show details of your DB section benefits from the requested retirement date. This will include details of any increases that apply to your pension in payment.

At retirement, you can choose to give up part of your DB scheme pension and receive a tax free cash sum* and a smaller pension.

DC section

Your DC benefits (or fund) will be based on the total contributions that you and the Company have paid into the DC section of the Scheme and the investment returns achieved on those contributions.

At retirement, you can choose to use your DC fund to provide your tax free cash or you can choose to transfer out the DC fund (in whole or part) to access the pension flexibilities which are covered in more detail in the section headed. Retirement and pension flexibilities - the options.

*the technical term for this is Pension Commencement Lump Sum (PCLS for short). The PCLS is limited in size by HM Revenue and Customs (HMRC). The amount of your PCLS depends on the level of your DB scheme pension and the value of your DC benefits.

Scheme pension increases

DB section

Once you start to receive your DB scheme pension it will usually increase each year. There are different rates of increase that apply to different elements of your pension. Further details on how the increases are calculated can be found in the FAQ section at the back of this guide.

The pension payable includes an amount which is payable between retirement and your State Pension Age (this is referred to as the State Scheme Deduction in the Scheme Rules). It is designed to bridge the gap between retirement from the Scheme at age 60 and when your State pension starts. Once your state pension comes into payment, this payment is removed. However, in general, it is smaller than the State Pension you will receive so overall, you should see an increase in your income at State Pension Age.

DC section

The extent to which any pension from your DC savings increases in retirement depends on the choices you make at retirement.

Additional option for members whose employment was transferred to Phoenix

At any point before retiring from the Scheme, members of the Scheme whose employment was transferred to Phoenix will have the opportunity to transfer their benefits earned whilst a member of the Phoenix Group Flexible Retirement Plan back into the Scheme.

Please note that whilst the Trustees are facilitating the ability to transfer back into the Scheme, members considering this should seek professional advice in order to determine whether this is in their best financial interests to do so.

Don't forget to review your DC investment choices

If you are considering retiring before or after your NPA, it is important that you review your investment choices for you DC savings to ensure that they remain appropriate. Please refer to the Scheme investment guide for more details on your investment choices. A copy can be found on the member Hub at: www.slsps.co.uk

Benefits if you die

In this section we outline the benefits that are payable from the Standard Life Staff Pension Scheme. You may have additional death benefits through your employment and you should contact your employer for details of these benefits. The following benefits may be paid to your dependants and/or beneficiaries*:

Before you retire – DB section

A pension for your spouse/partner payable for the rest of their life. The spouse/partner's pension will increase each year in a similar way to your pension.

Before you retire – DC section

The value of your DC savings would be paid to your beneficiaries.

After you retire – DB section

- If you die within 5 years of your normal pension age, depending on what option you chose in 2008 when changes were made to the design of the Scheme, a cash sum based on the balance of 5 years' unpaid instalments of your DB pension will be paid to your dependants.
- A pension for your spouse/partner payable for the rest of their life. The spouse/partner's pension will increase each year in a similar way to your DB pension.

After you retire – DC section

- Any benefits due in relation to your DC savings will depend on the choices you made at retirement, see section 3 for more information on this.

*further information on benefits payable to your beneficiaries can be found in the Beneficiaries Guide, also available from the member Hub at: www.slsps.co.uk

Section 3

Retirement and pension flexibilities - the options

On 6 April 2015, the law changed to allow UK pension schemes that provide DC benefits to offer members different ways to access these benefits. There are new, flexible options for taking retirement income and fewer restrictions on the amount that can be withdrawn as cash.

As explained above, the flexible options ***only apply to your DC savings***. It is possible to exercise some of these flexibilities from the Scheme. But, if you want to access other flexibilities which the Scheme doesn't offer or if you want to access any of the flexibilities in relation to your DB benefits, then you would need to transfer them out of the Scheme to a suitable DC arrangement. Please refer to the Transfer Guide for more details regarding the options on transfer, a copy of which can be found on the Hub at: **www.slsps.co.uk**

Below we outline the flexible options in relation to your DC savings, most of which are available from within the Scheme.

A different kind of pension

You can use some or all of your DC savings to buy a pension from an insurance company at retirement (referred to as an annuity). When you buy an annuity you choose the frequency of payments, the level of inflation protection, and whether to provide an income for dependants after your death. The amount of annuity that your DC savings buys depends on your choices, and also on factors including market conditions at the time that you take benefits, and your age and health. Below is a summary of the different pensions to choose from:

Single life pension

This pays you a pension for the rest of your life. The pension stops when you die - nothing is paid to any dependants you leave.

Joint life pension

This pays you a smaller pension for the rest of your life and then pays a pension (often half the amount of your pension) to your dependant or dependants after you die.

Enhanced or impaired life pension

If you smoke and/or have health problems you might be able to get a higher pension. This is because you will not be expected to live as long as someone in better health or who doesn't smoke.

You also have further options on how your pension is paid, for example:

Level pension

This pays you a pension that stays the same for the rest of your life - it does not increase. This means that the purchasing power of your pension will reduce over time as it won't keep pace with inflation.

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Increasing or "escalating" pension

This pays you a lower starting pension than a level pension but it will increase each year for the rest of your life. You can choose the type of increases you want. They could be:

- A fixed rate (for example 3% a year) or,
- In line with inflation with or without an upper limit (for example, in line with inflation up to a limit of 3% per year).

Cash

Although the new options mean that individuals can take all of their DC savings as cash, it is important to understand how that would work in the Scheme. There are two options:

1. Take all of your DC savings as cash

The technical term for this is taking an Uncrystallised Funds Pension Lump Sum (UFPLS). You can exercise this option only once when you come to draw your benefits from the Scheme. If you want to do this, then the first 25% of your DC savings would be paid tax free and the balance will be taxed as income received in that year, at your normal marginal rates.

2. Use some or all of your DC savings to fund your tax free cash

You are allowed to take a proportion of both your DB benefits and your DC savings as a tax free cash sum. The maximum amount you can take free of tax is broadly 25% of your Scheme benefits. In calculating the maximum amount of tax free cash you can take, we aggregate both your DB and DC benefits (the formula for calculating tax free cash in respect of your DB benefits is slightly different). This means that, in most cases, members can take most, if not all, of their DC savings in one lump sum, tax free.

What happens if I have DC savings in excess of the tax free amount?

If you have elected to aggregate your DB benefits and DC savings to calculate the maximum cash, and you have cash in excess of the tax free amount remaining, your options are to use the excess in order to buy an annuity or to transfer to a separate arrangement that allows you to "drawdown" on your DC savings.

If you take your tax free amount from your DC savings and your DB benefits separately, then you may use any excess DC cash to purchase an annuity.

3. Transfer out all of your DC savings to a suitably approved pension scheme or product

The full value of your DC savings can be transferred to another pension arrangement. This may be useful if you want to make use of the flexi access drawdown options available (see below).

Drawdown

The Scheme Rules **do not allow members to "drawdown" their DC savings** in the Scheme. If you want to have flexibility over how much cash you take and how frequently you draw this down then you would need to transfer your DC and/or your DB benefits to a suitable drawdown arrangement outside of the Scheme. As you will be changing your DB pension benefit into a DC investment, you will need to take appropriate professional financial advice before you do this (see section "Before you Decide" for more information on this).

Drawdown allows you to take income out when you want to. You can take different amounts out at different times, and there is no limit on the amount you take out at a given time.

You can use drawdown to take a fixed income for a short period.

You will not be locked in to income drawdown. If you decide in the future that you want to buy an annuity from an insurance company you can. So for example you could:

- Take your maximum tax free cash sum,
- Use drawdown in the early years of your retirement and,
- Buy a pension with the remainder of your drawdown fund in future to guarantee you an income in later life.

Tax and income drawdown

You will pay income tax at your highest rate on any income you take out of a drawdown arrangement. You might be able to keep the amount of income tax at a lower level by being careful about the amount of income you take out each year.

The current Lifetime Tax Allowance (LTA) is £1,030,000, this will increase to £1,055,000 for the 2019/2020 tax year and may increase or decrease in the future. If your accumulated pension savings are above the LTA, you will also have to pay an additional 25% tax charge on the excess. You should note that the LTA charge is generally considered more penalizing for DC funds. In the DB Scheme, a pension of up to £50,000 a year would attract no LTA charge. In a DC pension fund a pot of £1m can reasonably be expected to generate a smaller pension than that. An adviser can help you look at your options and consider what each option means for you and your circumstances.

Investment and income drawdown

You would need to choose investments for your pension savings. You will need to try and keep some of your pension savings growing so that inflation does not reduce their value. In seeking that return there is a risk that your savings could fall in value if your investments do not perform as expected. On the other hand, if your investments perform well you would benefit from the investment returns.

Drawdown and dependants

You can leave any money still in your drawdown arrangement to your dependants when you die.

If you are under 75 when you die, your dependants may take your remaining investments tax free.

If you are 75 or more when you die, your dependants will be able to take the remaining money out of your left over savings at any time and pay income tax at their highest rate. It doesn't matter how old they are, and there are no limits on how much they can take. They could also take the left over savings as a single amount of cash but they would pay tax on it at their highest rate for that year. Your dependants would also have to pay tax on any amount above your LTA.

Shopping around

There are lots of different pensions available from different insurance companies as well as lots of different companies offering drawdown arrangements. Before you decide, you should ask a financial adviser what type of pension and/or drawdown would be best for you (see the following section headed "Before you Decide").

Before you decide

Here are some of the other things you need to think about before you make your decision

Professional financial advice

As explained above, to fully access the new flexible retirement options you would need to transfer your DC and/or DB benefits out of the Scheme into a different arrangement.

Although transferring your DB benefits to a DC arrangement would allow you to access all of the new flexibilities, it is important that you fully understand the implications of transferring so you can determine if this is right for you. With this in mind, the Government has made it a requirement that anyone planning to transfer benefits from a DB arrangement to a DC arrangement must take independent financial advice first if their DB benefits are worth £30,000 or more.

The Trustees strongly encourage taking professional financial advice before making a transfer, whatever the size of your pension.

Please note: the £30,000 figure refers to the overall 'transfer value' of your pension - not the yearly amount of pension you've built up. You may find that a yearly pension of around [£1,000 to £2,000] is worth £30,000.

Please see the section below headed "Going Ahead" for information about finding an a financial adviser.

Benefits for your dependants

The Scheme automatically pays a pension for your dependants if you die before them.

If you transfer your benefits out of the Scheme, this also stops any benefits your dependant would have received from the Scheme.

- If you buy a different type of pension, you choose whether or not to include a dependant's pension with it.
- If you take income drawdown, any money left over after you die would be available for the dependant you name but there is no guarantee that any money would be remaining at this time.

You should discuss this with your husband, wife, civil partner or anyone else who might be eligible for a pension if you die before them, before you make your decision.

Protected retirement age

The Scheme has a protected early retirement age of 50 for deferred members who joined the Scheme prior to 6 April 2006. Members with a protected early retirement age of 50 can take their retirement benefits from age 50 from the Scheme. Members without a protected early retirement age can take their retirement benefits from age 55 from the Scheme, which is the current normal minimum pension age for HMRC purposes.

If you have a protected early retirement age, this will usually be lost if you transfer your benefits out of the Scheme. It may, however, be possible for you and at least one other member of the Scheme to transfer your benefits out of the Scheme in a manner that meets certain requirements imposed by HMRC and which protects your early retirement age in the receiving scheme.

You may therefore be able to take your retirement benefits from age 50 in the receiving scheme, provided that the relevant HMRC requirements have been met and the rules of your receiving scheme allow this to happen. This is known as a 'buddy transfer'. The other transferring member does not need to have a protected early retirement age.

The availability of your protected early retirement age in the receiving scheme will depend on the rules of your receiving scheme and HMRC's own assessment of the validity of your 'buddy transfer'. The Scheme is not responsible for this and you should ask your IFA and the receiving scheme for further information and advice if you wish to consider the option of a 'buddy transfer'.

If you intend to transact on a 'buddy transfer' basis you and the other member must each complete the Scheme's block transfer agreement, which is enclosed with your transfer pack, and return this with your 'application to proceed with transfer of benefits' form.

If you have agreed with more than one other member of the Scheme that you will transfer your benefits to the same receiving scheme at the same time, please contact Mercer to request a block transfer agreement suitable for use where there are more than two members involved.

Your health

If you take your DB pension from the Scheme, you get the same level of income whatever your state of health and resultant life expectancy.

If you smoke or have health problems which limit your life expectancy, you might find that transferring your benefits out of the Scheme and buying an 'enhanced' or 'impaired life' annuity gives you a higher level of income.

Inflation

The DB Scheme pension includes set pension increases that would help protect your benefits against future inflation.

You could transfer out and buy a level pension. This would not protect you against future inflation. The cost of living would rise, but your pension would not. You might think having a higher starting pension is more important than the future inflation risk.

If you choose income drawdown, you would need to invest your pension savings to try and make them grow faster than inflation. The kinds of investments that grow well also have a higher risk of falling in value quickly.

Tax matters

Starting to draw your pension early while you are still in employment could mean that you pay more income tax, as your tax liability is based on your total income.

Choosing investments

If you transfer your pension savings out of the Scheme, you will need to invest the money, either for a short time or for a longer time in the future. This depends on what you want to do with your pension savings.

- If you use your cash transfer value to buy a pension immediately, you will not need to invest it.
- If you think you might buy a pension in the near future, you will need to choose investments that will protect the value of your pension savings.
- If you decide to buy a short-term annuity or use income drawdown, you will need to keep some of your pension savings growing.

In choosing your investments, you will need to consider carefully the balance between risk and return. To keep sufficient funds to keep paying your pension for the rest of your life, you will have to seek adequate returns. But, most investments have a risk that their value goes down. If this happens you may also have to reduce the amount of pension you draw each year.

You also need to consider that, if you decide to transfer your DB benefits to a DC arrangement, unlike in the Scheme, you would be taking all the investment risk, which could considerably affect the value of pension you will receive in the future if your investments do not perform as expected.

You should plan who will manage your investments if your health suffers. You may currently feel capable of managing your investments, but this may be more difficult as you get older. You also need to consider whether your spouse or partner would be able to manage the investments if you were to die.

Investment is a complicated subject and we cannot provide investment advice. The Money Advice Service website, *www.moneyadviceservice.org.uk* has more information about personal pensions and investment choices. Your adviser will also be able to advise you about your investment choices.

Section 4

Retirement and the quote process in more detail

Approaching NPA

Around 6 months before your NPA, Mercer will write to you to remind you that you have the option to take your benefits from the Scheme. The letter will direct you to the Mercer Oneview site where you can obtain an estimate of your retirement benefits.

You can login to one view at:
www.merceroneview.co.uk/standardlife
or via Lifelens.

If you don't have your login details or have any problems logging in to the Oneview site, please contact Mercer on: **0330 100 3491**.

This will give you a good idea of the retirement benefits available.

You can login to Oneview as often as you want to see your estimated retirement benefits.

Request a formal quote

If, having viewed the retirement illustration on Oneview, you are interested in retiring you should contact Mercer to request a formal Retirement Quotation. This will include all the necessary information as well as the forms that you will need to complete and send back to Mercer to enable your retirement benefits to be set up.

Thinking of retiring before NPA

Once you reach age 55 (50 if you have a protected retirement age) you can log on to Oneview at any time to get an illustration of your retirement benefits. If you want to proceed with retirement then you should request a formal quote as outlined above.

Retirement due to ill- health

If you are in ill-health you may be able to apply for your pension irrespective of your age. If you are still employed by Standard Life Aberdeen and participating in the Scheme then you will need their consent before a quotation can be provided, so please contact your HR Department in the first instance.

If you have already left Standard Life Aberdeen's employment (and that includes members who transferred to the Phoenix Group), please contact Mercer* in the first instance if you would like to be considered for an ill-health early retirement. Medical evidence from a recognised Medical Practitioner will be required to support your request for an early retirement quotation due to ill-health, which either Mercer or the Company (if you are still employed by them) will facilitate.

Retirement due to serious ill-health

If your request is due to serious ill-health (HMRC define serious ill-health as having less than 12 months to live), you should contact Mercer* in the first instance and they will arrange for the relevant medical evidence to be provided.

Retiring after NPA

If you have already passed your NPA of 60 then you will need to contact Mercer* for the relevant quotation.

Proceeding with retirement

You will need to complete and return all the relevant paperwork along with the requested documentation (e.g. birth and marriage certificates) as directed on your retirement pack. Mercer will return your certificates as soon as they have verified your details and will process your retirement benefits based on your instructions. Mercer will write to you confirm the final benefits settled and when they will be paid to you.

Your pension will be paid on the 15th of each month and is paid in arrears. It is likely that your first pension payment will be paid in the 15th of the month directly following your retirement date, however this will depend upon when you return the relevant documents to complete the settlement of your benefits.

Please note that if you are retiring from Active status Mercer must await the investment and allocation of your final regular contribution. Your employer will deduct your final contribution on the next payday immediately following your retirement date, and can take up to 5 working days to invest and allocate your contribution. Due to this Mercer cannot set-up your pension to be paid until the 15th of the month following the investment of your final contribution.

*Mercer can be contacted on **0330 100 3491**
or by e-mail at: **standardlifepensions@mercer.com**

Retirement

Frequently Asked Questions

In this section we answer the questions members typically ask.

When are pensions paid from the Scheme?

Pensions are paid from your retirement date for the rest of your life. In some circumstances there may be a delay between your retirement date and payment of benefits. This can happen because savings in the DC section must be disinvested, or because annuities must be bought and put into payment separately.

DB pensions are paid on the 15th of each month in arrears, in sterling.

The Scheme's payroll will deduct UK income tax from the pension payments according to your tax code. You will be issued with a payslip from the Scheme when you first retire and thereafter you can view your payslip online each month via the Mercer OneView site. Annuities will have different arrangements for payment dates and payslips.

If you live outside the UK, you may be subject to local tax also.

The Lifetime Allowance (LTA) is the total amount of savings you can build up over your lifetime, in all registered pension plans you have, without incurring a tax charge. The LTA includes payments into your pensions from both you and your employer. Pension savings built up in excess of the LTA are subject to a tax charge when you come to take your benefits. Your benefits are tested against the LTA if you die in service, if you die after leaving service but before retirement, and at the time that you put your pension into payment. There may be further tests against the LTA if you choose income drawdown (which is not available within the Scheme). The tax charge is 55% of any amount you take from your pension savings as a lump sum over the lifetime allowance and 25% of any amount you take as pension income (and income tax is payable on the pension income).

Is my pension reduced if I retire early?

If you are retiring early, then your Pension will be reduced by what's called an Early Retirement Factor. The reduction reflects the fact that, on average, your pension will be paid for a longer period of time. The factors are set by the Trustees on advice from the Scheme Actuary and are reviewed periodically (usually every 3 years).

Different factors apply depending on whether you were employed (either by Standard Life Aberdeen or the Phoenix Group) immediately prior to your retirement or if you have already left Standard Life Aberdeen's or the Phoenix Group's employment before applying to take your benefits.

If you are retiring early ***due to ill health*** and you are still in service with Standard Life Aberdeen immediately prior to retirement, then your pension will not be reduced by an Early Retirement Factor. If you are retiring early due to ill-health and you are a deferred member (and that includes employees of the Phoenix Group in this instance) your pension will be reduced by the application of an early retirement factor.

If you are retiring ***due to serious ill-health*** then, irrespective of your status, no early retirement factor will be applied.

How would my pension be calculated on late retirement?

Your DB pension will be calculated the same way as your pension at normal pension age, but it will be increased to take account of the expectation that it will be paid over a shorter period. The amount of increase will be decided by the Trustees' actuary.

Your DC savings will remain invested until your late retirement date and the same options as detailed in the New Flexibilities - Options within the Scheme section will apply.

What is the latest age I can defer taking my pension to?

Retirement cannot be delayed after your 75th birthday without the Trustees' consent.

Can I retire and take only my DB or only my DC benefits?

No, you have to take both your DB and DC benefits at the same time.

How often can I get a retirement quote?

You can log on the Mercer Oneview site and get an indicative retirement quote at any time (unless your request is for an ill-health early retirement quote or a late retirement quote, in these instances you need to contact Mercer direct). The Oneview site also has details of the current value of your DC pot. This is just an illustrative figure and is not a formal Retirement quote. There are no restrictions on how often you can access Oneview for an indicative retirement quote. If you experience any difficulties accessing Oneview or using the quoting function please contact Mercer on the phone number below.

If you want a formal guaranteed quote then you need to contact Mercer on 0330 100 3491 or by e-mail at: standardlifepensions@mercer.com to request this.

How are the increases to my DB pension calculated?

Different levels of increase apply to different elements of you DB pension as detailed in the table below:

Pension element	Increase applying
GMP you've built up since 6 April 1988	CPI up to 3% a year
Pension above GMP you built up before 6 April 1997	RPI up to 2.5% a year
Pension you built up between 6 April 1997 and 5 April 2005	CPI up to 5% a year
Pension you've built up since 6 April 2005	CPI up to 2.5% a year

Notes:

- Pension increases are usually linked to inflation - that is, the rising cost of living - in some way. Many pension schemes have used two measures of inflation in recent years: the **Retail Prices Index ('RPI')**, and the **Consumer Prices Index ('CPI')**. Both track the costs of various goods and services, although there are differences - for example, the RPI includes the housing market, while the CPI does not. The CPI is now the more common 'standard' measure, and tends to be lower than the RPI.
- Your pension will include a **Guaranteed Minimum Pension ('GMP')** if you worked at Standard Life between 6 April 1978 and 5 April 1997, and paid the full amount of National Insurance. GMPs are payable at age 60 for women and 65 for men. We don't show increases to any GMP you built up before 6 April 1988, because the Government adds those to your State pension.
- In addition to the above, a recent High Court decision has partly clarified how overall pension scheme benefits should be calculated where members have accrued a GMP between 17 May 1990 and 5 April 1997. It is possible that your benefits will need to be recalculated resulting in a higher pension entitlement for you, however it is likely to take some time for the full effects of the judgement to be considered and any adjustment to your benefits to then be applied. Please be assured that if it is necessary to adjust your benefits in this way you will be notified of this in due course.
- In years when CPI or RPI go over the limits shown in the table, the Scheme may pay a 'discretionary' increase - that is, pay more than the rules say it has to - to help your pension keep up with inflation.

Additional support

Useful organisations

Unbiased is the UK's largest selection of financial advisers. All advisers listed on this site are authorised and regulated by the FCA.

Website: www.unbiased.co.uk

The **Money Advice Service** is an independent service set up by the Government to provide a range of information about consumer finances, including obtaining independent financial advice.

The **Money Advice Service** also has a directory of financial advisers that specialise in providing advice about retirement. You can use this directory to search for advisers who are pension transfer specialists. You can also search by postcode.

Website: www.moneyadviceservice.org.uk
Phone: 0800 138 7777 (call rates may vary)

The Pensions Advisory Service (TPAS) is an independent, non-profit organisation that provides free information and guidance across the whole range of pensions, including State, occupational and personal.

Phone: 0800 011 3797
Email: enquiries@pensionsadvisoryservice.org.uk
Website: www.pensionsadvisoryservice.org.uk

The Government's **Pension Wise** service has online guidance about the flexible benefit options available at retirement. People aged over 50 with DC pension savings may also make an appointment to speak to a guidance adviser free of charge. The guidance is general, will not recommend specific options, and should not be regarded as a substitute for financial advice.

Website: www.pensionwise.gov.uk
To make an appointment with an adviser, call 0800 138 3944

Trustee and Me

Find out more

This guide is intended for members of the Defined Benefit Scheme

Log on to
www.merceroneview.co.uk/standardlife/login.tpz
for more information on your pension savings and scheme or contact Mercer on 0330 100 3491

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