

DB retirement process

Pension guide – Information for employees

This guide provides BAE Systems defined benefit (DB) pension scheme members with a brief explanation of the process and timings for drawing your pension immediately on leaving employment.

1. What is my pension scheme retirement date?

Your retirement date from your DB pension scheme depends on your scheme/section, and is **different** to the date you actually leave employment and 'retire' from the Company. This is summarised in the table below.

For the purpose of this guide 'Retirement date' refers to your pension scheme retirement date, i.e. the date from which your pension is payable from your pension scheme (again, this is **not** the same as the date you actually leave employment and 'retire' from the Company).

	Scheme	Retirement date
1	<ul style="list-style-type: none">BAE Systems Pension Scheme (Level 125-200, Level 100+, 2000 Plan, Aircrew, Passport)BAE Systems Executive Pension Scheme	1st of the month following the date you leave the Company (or stop paying contributions)
2	<ul style="list-style-type: none">BAE Systems Pension Scheme (Alvis, SIPS)Royal Ordnance Pension Scheme	The day after you leave the Company (or stop paying contributions)

It is important to understand that the date you enter on your retirement application form, and the date your line manager enters onto SuccessFactors, must be your date of leaving, i.e. your last date of employment. **This is different to your date of retirement from the pension scheme which will be automatically calculated for you and will be after this date.**

As shown on the table above, how this works is different depending on which scheme/section you are a member of:

- If you are a member of a scheme in row 1 above, then your date of retirement from the pension scheme will be the **first of the month following your date of leaving** (for example, if your date of leaving is 1 August then your date of retirement from the pension scheme will be **1 September**).
- If you are a member of a scheme in row 2 above, then your date of retirement from the pension scheme will be the **day after your date of leaving** (for example, if your date of leaving is 1 August then your date of retirement from the pension scheme will be **2 August**).

It is therefore important that SuccessFactors is updated correctly with your date of leaving and **not** your date of retirement from the pension scheme.

2. When will I receive my pension once I've retired?

Details are set out below to help you fully understand the process for setting up your pension. Once your date of leaving employment has been agreed the following steps will happen:

- 1** Once your date of leaving has been confirmed through SuccessFactors by your line manager a notification will be sent by HR to Aptia. Please note this will be no sooner than **three months** before your date of retirement. For example, if your line manager submits your date of leaving five months before your retirement date, the notification will be sent to Aptia three months before your retirement date and not any earlier. You do not need to contact Aptia directly to tell them you are retiring – this needs to be done formally by the Company.
- 2** Within about **two weeks** of being notified, Aptia will send you a retirement pack which will include the documentation you will need to complete and return to confirm your choices. Once you have decided what option you want to take you need to complete the forms and return these to Aptia along with any other documentation they have requested. The easiest way to confirm your details is via Aptia's online portal at www.contactpensionsadmin.com/baes
- 3** Aptia will then need to wait for your final salary and contribution details to be sent to them. This will be done by your payroll team, usually at the start of the **month after** you receive your final salary payment. **You don't need to do anything – this will happen automatically.**
- 4** If you have defined contribution (DC) savings held with the Mercer Master Trust, and you have chosen to receive these funds with your DB retirement benefits, Aptia will liaise with Scottish Widows to disinvest your funds. The request can only be made once you have returned your completed forms and your final contribution and salary details have been received from your payroll team. Please note if a DC contribution was deducted from your final month's salary, this final contribution needs to be invested meaning the disinvestment process may take slightly longer.
- 5** Your retirement settlement will be processed once full details are received, i.e. you have returned your fully completed retirement documentation, final contribution and salary details have been received from your payroll and any AVCs/Level 100+ DC benefits have been disinvested. If you have chosen to receive a tax-free cash sum, this will be paid by Aptia within about **two to three weeks**.
- 6** Your monthly pension is due with effect from your retirement date (see the table above for retirement dates for each scheme) however it may be up to **three months** from your retirement date until your pension can be put into payment depending on what point in your pay period you retire. Your first pension payment will be paid in the next available payroll run (see the table below for pay dates for each scheme). Your first payment will include the backdated arrears due from your retirement date.

An indicative timeline from Aptia showing the above steps is included in the [Appendix](#). Please note this is intended as a guideline only. The important things to be aware of are:

- The **difference** between the date you leave employment and your date of retirement from the pension scheme; and
- The retirement process, importantly that Aptia need to receive details of your final salary from the Company, which is usually provided to them at the beginning of the month **after** you leave service.



In most cases, these gaps will be minimised if the date you leave employment is at the end of the month.

3. What date is my pension paid?

Your pension will be paid in monthly instalments (in advance) for the rest of your life. Your first instalment will include any arrears due from your retirement date. The pay date depends on your scheme/section. This is summarised below.

Scheme	Monthly pay date
<ul style="list-style-type: none">• BAE Systems Pension Scheme (Levels 125-200, Level 100+, Aircrew, Passport)• BAE Systems Executive Pension Scheme	1st working day of the month
<ul style="list-style-type: none">• BAE Systems Pension Scheme (2000 Plan)• Royal Ordnance Pension Scheme	Last working day of the month
<ul style="list-style-type: none">• BAE Systems Pension Scheme (SIPS)	1st of the month (if this falls on a weekend, payment will be made on the previous working day)
<ul style="list-style-type: none">• BAE Systems Pension Scheme (Alvis)	6th of the month (if this falls on a weekend, payment will be made on the previous working day)



Retirement Settlement Expectations

Validation



Preparation



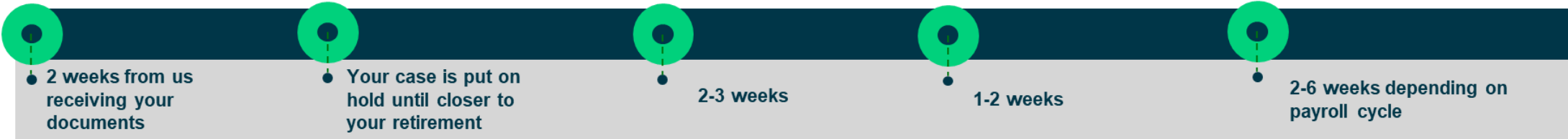
Disinvestment



Settlement



Payment



We will check the documents you have returned include everything we need
If any further information is required we will request this from you

Once we have everything we need from you we will contact you to confirm this
We will pend your case until closer to your retirement date as we cannot start the settlement process until approximately 4 weeks before

If you have savings in the Mercer Master Trust that you want to transfer into the Scheme or have other AVCs we will request the disinvestment. The disinvestment cannot be processed until your retirement date has been reached
This usually takes about 2-3 weeks

Once we have everything we need we will write to you to confirm the amount of your final benefits and when you will receive them
If you have chosen to receive a tax-free cash sum this will be paid to you as soon as possible

Your monthly pension will be set up for the earliest available payroll after the settlement process has been completed
This is likely to be 1-2 months after your date of retirement

Please note this timeline is intended as a guideline only