

Preparing for your future

Your guide to the BAE Systems
DC Retirement Plan



Welcome

This is an interactive pdf. **Use the menu to the right** to navigate to the information you need. If you see an underlined reference in the text, you can click on this to read more information elsewhere in the guide or visit an external website.

Whether you plan to retire in 5 or 45 years, you need to think about where your income will come from when you do.

To help you prepare, you'll automatically join our DC Retirement Plan as soon as you start working for the Company.

A plan designed for you

It's important to start saving for retirement as soon as you can, and the DC Retirement Plan has been designed to help you do just that, whatever age you start. With Company contributions and easy ways to keep track of your progress, saving for retirement doesn't have to be difficult.


But the Plan doesn't just provide for your future. You will also have protection in case you have to stop work early because of ill health, and valuable benefits for your beneficiaries if you should die.

More information to help you on your way

- > Selecting the right investment is a key part of building up your retirement savings.
- > There may be forms that you need to complete during your Plan membership, for example to change what you pay or your chosen beneficiaries.
- > A dedicated website provided by [Standard Life](#) provides you with all the information you need to manage your Plan.

Disclaimer

This guide is intended to provide you with helpful information about the Plan, but it does not create any binding rights or obligations. The Trust Deed and Rules govern the Plan and these will take priority should there be any conflict between this guide and the Trust Deed and Rules. A copy of the full Trust Deed and Rules can be obtained by contacting the [Pensions Service Centre](#), but you should note that these documents may be changed in the future and this guide only reflects the position at the time of publication. References to external websites are given for information only. No responsibility is accepted for the content or accuracy of the information provided through these sites.

 **BAE Systems pensions**
Because planning is
part of the journey

Further Information

Visit: baesystems.com/pensions

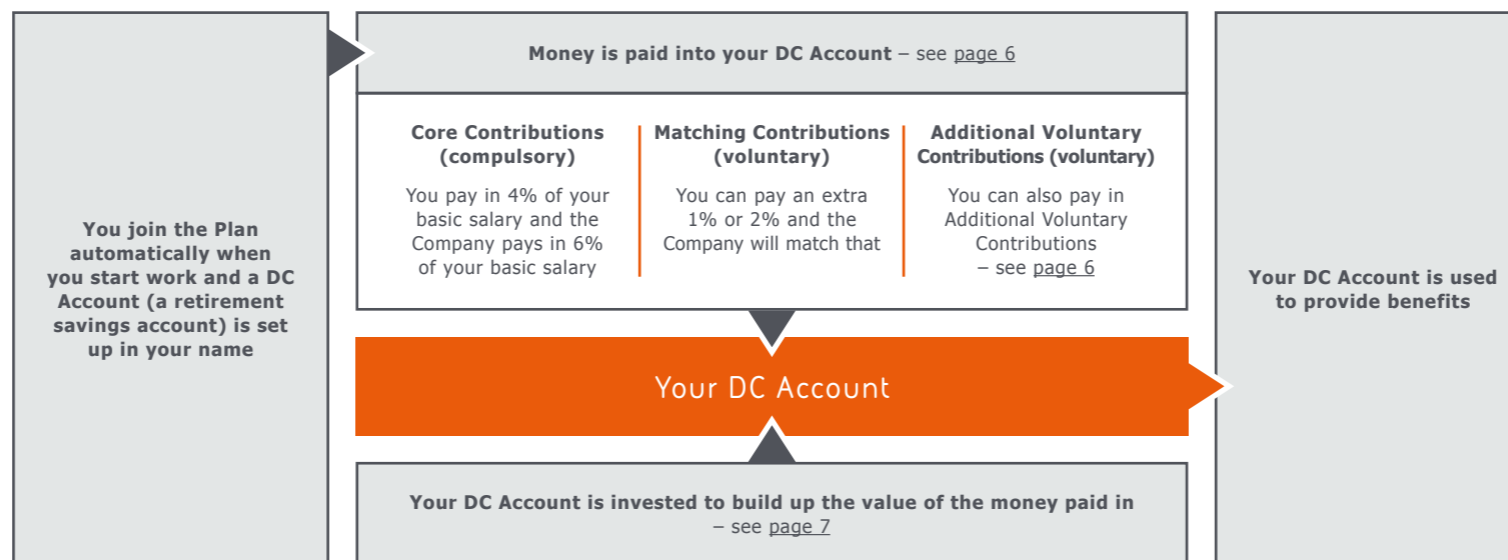
Pensions Service Centre:
0800 917 9568

Email: fulwood.pensions@equiniti.com

How the plan works – a brief overview

Your savings build up in a DC Account. The **benefits** you receive will depend on the amount paid into your DC Account and the **investment** returns it earns.

How do I build up savings in the plan?



A tax-effective way to save for the future

The contributions and investment returns in your DC Account benefit from tax advantages – see [page 12](#)

What happens...

...when I retire?

Your DC Account can be used to buy benefits. You will have flexibility on how you receive income in retirement. You may want to buy a pension, take some or all as cash, or drawdown funds gradually. There are many options to suit different circumstances, including making provision for your beneficiaries after your death. See [page 8](#).

...if I leave the Company?

The DC Account is yours and stays invested, or you can transfer the value of your DC Account to another registered pension scheme. See [page 10](#).

...if I stop working because of ill health?

There is partial income protection for up to five years through an insurance company policy while you are a member of the Plan. See [page 9](#).

...if I die?

If you die while paying contributions into your DC Account, your beneficiaries would receive a lump sum of six times your basic salary at the date of your death and a lump sum equal to the value of your DC Account.

If you die after leaving the Plan, either because you have left the Company or opted out, and before you take your benefits, your beneficiaries would receive a lump sum equal to the value of your DC Account.

If you die after you have used your DC Account to buy benefits, there are no further benefits payable from the Plan and any benefits for your beneficiaries will depend on how you used your DC Account at retirement. See [page 8](#).

Further Information

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Taking control of your savings

You choose how much you pay, where you **invest** and when you aim to retire to suit your circumstances and **future plans**. It's really important that you **take control** of your savings by thinking about these things.

The Plan provides flexibility to allow you to choose options that suit your circumstances and match your future plans:

- > You can increase the amount of contributions that you and the Company pay by choosing to pay Matching Contributions – see [page 6](#).
- > You can decide whether you want to pay your contributions through SMART Pensions – see [page 7](#).
- > You can choose how your DC Account is invested from a range of funds – see [page 7](#).
- > You can set a Target Retirement Age to help keep your plans on track and ensure that you're sent the right information as you get close to retirement. Doing this is particularly important if you invest your DC Account in a Lifestyle option.

It's really important that you take control of your savings by thinking about how much you pay in and how your DC Account is invested, because the amount of benefits you receive at retirement will depend on the value of your DC Account, which is based on what is paid in and investment returns.

 It's really important that you **take control** of your savings

What support will I receive?

To help you take control of your savings, we will communicate regularly with you.

Information when you join

Approximately one month after joining the Plan, you will be sent a letter with information on:

- > Paying Matching Contributions;
- > Paying Additional Voluntary Contributions;
- > How to change the funds your DC Account is invested in;
- > How to change your Target Retirement Age;
- > How to manage your DC Account online.

Manage your DC Account online

You can manage your DC Account using the Standard Life online service. You can register for their online services by going to standardlife.co.uk/activate. You will need your individual Plan number which will be shown on the membership certificate you will receive from Standard Life shortly after they have received your first contribution via payroll.

Annual statements

You will also be sent a statement each year to help you keep track of your savings in the Plan. It will give you an idea of the amount of pension you could have at retirement based on your savings so far.

Annual reports

Each year, the Trustee reports on the Plan's finances and investments.

Information as you get closer to retirement

Approximately six months before your Target Retirement Age, we'll send you information on your options and the help available to choose the best way to access your benefits under the Plan.

A dedicated website provided by [Standard Life](#) provides you with all the information you need to manage your Plan.

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Joining the plan

You'll **join** the Plan automatically if you are eligible and start paying contributions into your DC Account immediately.

How do I join?

You'll join the Plan when you join the Company, and start paying contributions into your DC Account immediately – see [page 6](#).

What if I don't want to stay in the plan?

Membership of this Plan isn't compulsory and you can choose to leave at any time.

It's really important that you think carefully about what you'd miss out on if you decide to leave the Plan. The Company pays contributions into the Plan towards your savings and you would lose these future contributions if you leave. You would also lose the lump sum benefit of six times your basic salary that would be paid to your beneficiaries if you died in service, even if you continue working for the Company. You would also lose the partial income protection provided if you have to stop working because of ill health.

You are able to leave at any time after joining the Plan by giving the Company and the Trustee two months' written notice. The form can be obtained from the [Standard Life](#) website or by contacting the [Pensions Service Centre](#).

If you change your mind and want to re-join the Plan, you may need to provide evidence of good health, and the benefits payable on death in service or the partial income protection may be restricted.

Can I transfer-in benefits from other pension schemes?

If you have pension benefits from previous pension arrangements, you may be able to transfer the value of those benefits into your DC Account. Further information on how to investigate a possible transfer-in can be found on the [Standard Life](#) website or can be obtained by contacting the [Pensions Service Centre](#).



Further Information

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Paying and investing your contributions

You and the Company pay a Core Contribution, but you can pay more and receive more from the Company. You also **save tax** on your contributions and most people **pay less NI** through SMART Pensions. Your contributions are invested in the way you choose.

What contributions will I pay?

Core Contributions (compulsory)

You must pay the Core Contribution of 4% of your basic salary into your DC Account. You'll automatically start paying this contribution through the salary sacrifice arrangement called SMART Pensions – see [page 7](#).

The Company also pays a Core Contribution of 6% of your basic salary into your DC Account.

Matching Contributions (voluntary)

Matching Contributions are additional contributions that you can choose to pay that are matched by the Company. You can choose to pay a Matching Contribution of either 1% or 2% of your basic salary.

You can start paying Matching Contributions into your DC Account as soon as you join the Plan. Matching Contributions are also paid through SMART Pensions – see [page 7](#).

Additional Voluntary Contributions (voluntary)

You can also choose to pay Additional Voluntary Contributions into your DC Account. Additional Voluntary Contributions are paid by salary deduction (not through SMART Pensions) so that you can start, stop or change the amount of Additional Voluntary Contributions you pay at any time.

You don't pay any tax on the contributions you pay into your DC Account (see [page 12](#)), so the amount you see your take-home pay reduce by is less than the actual contribution you choose to pay.

The table below summarises the different contributions that you can pay and what the Company will pay in too:

	You pay	The Company pays	Total paid into your DC Account
Core Contributions	4%	6%	10%
Matching Contributions:			
Tier 1: +1%	5%	7%	12%
Tier 2: +2%	6%	8%	14%
Additional Voluntary Contributions	Any amount	–	

Example

Sarah earns £30,000 a year and pays income tax at 20%. The table below shows what she could pay each month, what the Company would pay and the actual cost to Sarah because of the savings in tax she gets because of the effect of tax relief.

	Sarah pays	The Company pays	Total paid into Sarah's DC Account	Actual cost to Sarah
Core Contributions	£100	£150	£250	£80
Matching Contributions:				
Tier 1: +1%	£125	£175	£300	£100
Tier 2: +2%	£150	£200	£350	£120

So, if Sarah took advantage of the 2% Matching Contributions, £350 would be paid into her DC Account each month, but because of the tax relief and Company contributions she receives, it would only cost her £120.

Change your contributions

You can change your Matching Contributions and/or Additional Voluntary Contributions at any time.

- > To change your contributions, complete the Matching Contributions, Additional Voluntary Contributions and Investment Choices Form, which you can download from the [Standard Life](#) website.

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Paying and **investing** your contributions

What is SMART pensions?

SMART Pensions is a salary sacrifice arrangement that enables employees and the Company to pay lower National Insurance (NI) contributions and most members receive higher take-home pay as a result.

Very simply, when you participate in SMART Pensions, you do not pay contributions into your DC Account. Instead, the Company pays your contribution for you and your basic salary is reduced to compensate. The reduction in your pay results in lower NI payments and so, in most circumstances, your take-home pay is higher.

Some employees may not be eligible to pay contributions through SMART Pensions if, for example, their salary is below a certain level or they work overseas. We check that you're eligible to pay contributions through SMART Pensions, so you don't need to take any action.

Your Core Contributions and any Matching Contributions will automatically be paid through SMART Pensions, but any Additional Voluntary Contributions you choose to pay will be paid by salary deduction (not through SMART Pensions) so that you can start, stop or change the amount of Additional Voluntary Contributions you pay at any time.

Paying your contributions through SMART Pensions is not compulsory. If you want to opt out, you can do this on the form that is included in the starter pack issued to you soon after you join the Plan. You will also have the opportunity to opt in and opt out each September by completing the relevant form, which can be downloaded from the BAE Systems [pensions website](#).

How will my contributions be invested?

Standard Life has been appointed to provide a range of investment funds for members of the Plan to invest their DC Accounts in. If you do not make an investment choice regarding your DC Account, your own and the Company's pension contributions will be invested in the Default Investment Option which is currently the Flexible Lifestyle Investment Profile.

It is very important to review your investment choices regularly so that you can make changes as your circumstances change.

Please remember that the value of investments can go down as well as up and the value of your DC Account at any time will depend upon the contributions paid in, the investment performance and fund charges of your chosen funds.

What is my Target Retirement Age?

When you join the Plan, your Target Retirement Age will be set at 65.

You can set a different Target Retirement Age to help keep your retirement plans on track, but not one below age 55. This will ensure that you're sent the right information as you get close to your chosen retirement date.

It is particularly important to review your Target Retirement Age, and change it if you wish, if you invest your DC Account in one of the Lifestyle Investment Profiles.

Change your Target Retirement Age

You can change your Target Retirement Age by downloading the form on the [Standard Life](#) website.

Find out more about SMART pensions and investing

- > Visit the BAE Systems [pensions website](#) to view a copy of the SMART Pensions booklet.
- > To opt out or in of SMART Pensions, complete the relevant form, which you can download from the BAE Systems [pensions website](#).
- > Visit the [Standard Life](#) website to view a copy of the Investment Guide, which explains investing, the funds available and the charges that apply to each fund.
- > Your welcome pack (issued to you soon after you join the Plan) will give you details of how to manage your investment choices. Alternatively, you can make changes by completing and returning the Matching Contributions, Additional Voluntary Contributions and Investment Choices Form available on the [Standard Life](#) website.

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Benefits at retirement

You **choose** when you retire and the **benefits** you receive.

What happens when I decide to retire?

You can use your DC Account to buy benefits at any time after age 55, as long as you are no longer employed by the Company.

The amount of benefits you can buy will depend on the value of your DC Account, which depends on the contributions paid in by you and the Company and the investment returns earned on your investment (after fund charges).

You should bear in mind that choosing to retire early will mean that your DC Account has had fewer contributions paid in and has been invested for less time than if you retired later. Also your pension would potentially be payable for longer which would affect the amount of benefits you can buy.

When you do decide to retire, you'll have a number of options to consider.

The purchase of a pension (often called an annuity) may appeal to you but there are other options.

You can take as much of your DC Account in cash as you want to. The first 25% is tax-free. You pay tax (at your highest rate of income tax) on any cash you take above that amount.

You may want to consider the use of drawdown, which means that you use part of your DC funds to start providing an income or take cash while the balance of your fund will remain invested.

Example

Dan has a DC Account worth £100,000. The maximum tax-free cash lump sum he could take would be £25,000, leaving £75,000 to secure an income.

Members can secure an income by buying a pension from an insurance company that is payable for the rest of their life (called an annuity). There are many different types of pension you can buy – for example, you could buy a pension that:

- > Increases each year or stays at the same level;
- > Is guaranteed to continue to be paid for a minimum period after you die;
- > Provides a pension for your partner when you die;
- > Takes into account your state of health when you retire (for example, if your life expectancy is reduced, you may receive a more generous pension).

All pensions are treated as earned income and are taxed under the PAYE system.

Once you have used your DC Account to buy benefits you will stop being a member of the Plan. It's extremely important to shop around so that you get the best deal for your circumstances.

You have full flexibility and choice about how and when you use your pension savings. However you will not be able to access the DC flexibilities, such as drawdown within the Plan itself. You can transfer your DC Account to another DC pension arrangement of your choice so that you can get access to these options if you wish. If you do not exercise this option then you will be required to apply your DC Account to purchase an annuity with an insurance company.

Further Information

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Benefits for ill health

Partial income protection is provided for **up to five years** if you are unable to work because of ill health.

What if I cannot work because of ill health?

Subject to meeting the insurer's policy terms and conditions partial income protection is provided by the Company for members of the Plan who are unable to work due to ill health.

The replacement income provided under this protection is 50% of your basic salary. It would be paid to you via the PAYE system in place of your normal salary for a maximum period of five years, subject to you continuing to meet the insurer's policy terms and conditions.

Whilst in receipt of partial income protection the Company would work with you and the insurer to support your recovery with the eventual aim of you returning to work.

Benefits on death

Before you retire, the Plan provides a **lump sum** for your beneficiaries if you die. You should let us know who your chosen beneficiaries are by completing an Expression of Wish Form.

What happens if I die?

The benefits payable will depend upon your circumstances:

- > **If you die while paying contributions into your DC Account**, your beneficiaries would receive:
 - A lump sum of six times your basic salary at the date of your death; and
 - A lump sum equal to the value of your DC Account.
- > **If you die after leaving the Plan**, either because you have left the Company or opted out, and before you take your benefits, your beneficiaries would receive a lump sum equal to the value of your DC Account.
- > **If you die after you have used your DC Account to buy benefits**, there are no further benefits payable from the Plan and any benefits for your beneficiaries will depend on how you used your DC Account at retirement.

Who are my beneficiaries?

Your beneficiaries include anyone you nominate to receive your death benefits, which could be your spouse, civil partner, children or any other financial dependants.

So that death benefits can be paid without Inheritance Tax, the Trustee has full discretion to decide which beneficiaries will receive these benefits. You can nominate who you would like the Trustee to consider by completing an Expression of Wish Form.

An Expression of Wish Form can be obtained from the [Standard Life](#) website or by contacting the [Pensions Service Centre](#).

You should complete a new Expression of Wish Form on joining the Plan and whenever your circumstances or wishes change.

 You should let us know who your chosen **beneficiaries** are

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Benefits on leaving

If you leave, you cannot pay any more into your DC Account, but you can leave it invested and use it to buy **benefits** at retirement. You have other **options**, including transferring it to another scheme, depending on how long you've been a member.

Leaving the Plan

If you leave service with less than 30 days Pensionable Service, you would receive a refund of your Core Contributions, less tax. You would not receive a refund of any Company contributions paid into your DC Account.

If you leave service with more than 30 days Pensionable Service, you may:

1. Leave your DC Account invested in the Plan*;
2. Transfer the value of your DC Account to another registered pension scheme.

If you are over age 55, you could use your DC Account to buy benefits immediately – see [page 8](#).

Important note about refunds and transfers

- > If you pay contributions through SMART Pensions, any refund made up of your own Core Contributions or Matching Contributions will be based on the amount of contributions you have actually made.
- > If you do not pay contributions through SMART Pensions, any refund made up of your own Core Contributions or Matching Contributions will be based on the value of your own contributions in your DC Account, rather than the amount of contributions you have actually made. Depending upon investment performance, the refund payable may be more or less than the contributions you have actually paid in.
- > The tax currently payable on refunds is 20% on any amount up to £20,000 and 50% on any amount over and above £20,000.
- > You cannot have a refund if you have transferred benefits into the Plan.
- > You can only transfer your DC Account to a pension scheme or policy that is registered with HM Revenue & Customs.

How do I transfer to another pension scheme?

If you want to transfer the value of your DC Account to another pension scheme, you should contact the [Pensions Service Centre](#). The amount transferred will be the value of your DC Account at the time the transfer payment is made.

What happens to my DC Account if I leave it invested in the Plan?

If you leave the Company, you would no longer be able to pay contributions into the Plan, but you would still be able to choose how your DC Account is invested, make changes to your fund choices and change your Target Retirement Age – visit the [Standard Life](#) website to view a copy of the Investment Guide for more information.

It is important that you keep the [Pensions Service Centre](#) informed of any changes to your address if you leave to ensure that your benefits can be paid to you when they become due.

- > If you leave your DC Account invested in the Plan, the Trustee may transfer your DC Account to a separate pension policy (after giving you notice).

If you leave the Plan, and are not retiring, your options will depend on how long you have been paying contributions into your DC Account.

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Absence

Your membership normally **continues** if you keep paying into your DC Account during short absences.

Most absences for short periods will not affect your membership and you will remain a member as long as you pay at least Core Contributions.

If you stop paying Core Contributions, you will be treated as if you had left the Plan, unless you are absent due to sickness or the Company has agreed otherwise. You may also lose the lump sum benefit of six times your basic salary that would be paid to your beneficiaries if you died in service and the partial income protection provided if you have to stop working because of ill health.

If you are absent due to family leave (ordinary maternity, paternity or adoption leave), you would be treated as still in service for as long as you have a statutory or contractual right to return to work with the Company.

If you are absent as a result of other parental leave, including additional maternity or adoption leave, you would be treated as having left the Plan, even though you may have a contractual right to return to work, unless:

- > You return to work at the end of that period of leave;
- > The Company agrees to pay at least its Core Contributions during the period of absence; and
- > You pay the Core Contributions that you would have paid during your period of absence on your return to work.



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You receive **tax relief** on your contributions and investment returns, up to certain limits set by HM Revenue & Customs.

The Plan receives certain favourable tax concessions because it is a registered pension scheme. Currently, these concessions are:

- > You pay less tax, as there is full income tax relief on any contributions you pay into your DC Account (some restrictions apply to high earners – see below);
- > You will not have to pay income tax or capital gains tax on the investment returns earned by your DC Account;
- > Tax-free cash lump sums may be payable on retirement or death.

Are there any restrictions on these concessions?

There are two main restrictions that apply:

Annual Allowance

The Annual Allowance is a threshold for how much total retirement benefit you can build up each year across all registered pension schemes, before incurring additional tax charges. Any excess pension savings above the Annual Allowance are subject to a tax charge, which will be collected through the self-assessment process.

Tapered Annual Allowance: The Tapered Annual Allowance will apply to members who currently have a total taxable income of more than £240,000. You need to be aware that individuals with taxable income over £200,000 may also be affected. The income components include personal sources of income (such as investment income or income from a buy-to-let property), together with employment-related income and a measure of the increase in pension savings over the tax year.

Money Purchase Annual Allowance: Where members choose to transfer their DC/AVC benefits to another scheme and subsequently access those defined contribution benefits through the pension flexibility rules, a Money Purchase Annual Allowance (MPAA) will be applied to the amount of money you can then save to any other defined contribution arrangement. In other words, only contributions paid into a defined contribution arrangement up to the MPAA (currently £4,000) will benefit from tax relief. If you pay into a defined contribution arrangement and are subject to the MPAA, then you can accrue defined benefits up to the Annual Allowance less any defined contribution payments up to the MPAA.

Please be aware that in any tax year you cannot claim tax relief on your contributions to pensions schemes in excess of your annual earnings. Your contributions include AVCs but not contributions made by the company under SMART.

Lifetime Allowance

If the total value of benefits you build up in registered pension schemes during your lifetime exceeds the Lifetime Allowance, the excess benefits will be taxed at a special rate of tax.

There are transitional protections available, namely Fixed Protection 2016 and Individual Protection 2016.

More information on these restrictions can be found on the BAE Systems [pensions website](#).

If you believe you may be affected by the restrictions set out above, you should seek independent financial advice. Further information on all these restrictions is available through the [gov.uk](#) website.

Do you have primary, enhanced, fixed or individual protection?

A few employees with very high pension savings will be in a position that they have exceeded or may exceed the Lifetime Allowance in the future and such employees may have registered protection against the effect of this with HM Revenue & Customs.

If this applies to you, joining an employer's pension plan or life assurance scheme will mean that any Enhanced or Fixed Protection you have registered with HM Revenue & Customs will cease to apply, with tax consequences. Similarly, if you have Primary or Individual Protection, joining the Plan may involve you paying extra tax upon taking benefits.

If you have Primary, Enhanced, Fixed or Individual Protection, please contact the [Pensions Service Centre](#) and seek independent financial advice before deciding to join the Plan (please note that this advice is at your own cost).

The Company and the Trustee are not responsible for any tax charge or loss of tax relief you incur by joining the Plan.

The Plan receives certain **favourable** tax concessions

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Contact details

Contact the Pensions Service Centre for day-to-day queries.

Pensions Service Centre

You can ring the BAE Systems Pensions Service Centre on **0800 917 9568** (or if calling from overseas **+44 (0)121 415 0891**) or email: fulwood.pensions@equiniti.com

Alternatively you can write to the Pensions Service Centre at:

- > Pensions Service Centre, PO Box 1194, Crawley, West Sussex, RH10 0FZ

How can I assess Standard Life's dedicated website?

The [Standard Life](#) website provides you with all the information you need to manage your Plan.

In addition, to allow members to keep a close eye on their investments Standard Life's [Online Service](#) is available to all members of the Plan. It provides information specific to your individual Plan benefits. Once registered for the service, you can:

- > See the current value of your fund.
- > Change your investment profile.
- > Access information regarding the funds you can invest in and the previous performance of these funds.
- > Use online tools to produce an estimate of the benefits you will receive at your target retirement age.
- > Investigate the impact of paying different levels of contributions and/or changing your target retirement age.
- > Learn about the options available to you at retirement.

You can register for their online services by going to standardlife.co.uk/activate.

Once you have completed the simple registration process you will be able to manage your DC Account online.

Please note your activation code will expire after 30 days. If your code has expired or if you have any problems accessing this service please call Standard Life on **0345 606 0098**, between 8am and 6pm Monday to Friday.

Where can I get advice?

The Company, its employees, the Trustee and Standard Life are not authorised under the Financial Services and Markets Act 2000. This means that they cannot give investment advice or advise you whether to join the Plan. The information in this guide is intended to help you make your own decisions. However, if you are in any doubt, you should consult an Independent Financial Adviser, who may charge a fee for their services.

To find an Independent Financial Adviser, visit: directory.moneyadviceservice.org.uk or unbiased.co.uk

Pension Wise

The Government offers a pension guidance service called 'Pension Wise'. If you are age 50 or over, Pension Wise will offer you free and impartial face-to-face guidance from specialists at The Pensions Advisory Service and Citizens Advice, to help you understand what your pension choices are and how they work.

For more information please visit: pensionwise.gov.uk

If in doubt, consult an independent financial adviser



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The small print

All the information that **we need to provide by law**, but that you might not need to read straight away.

Who is the Company?

Where we refer to the Company, we mean BAE Systems or any other employer who is allowed to pay into the Plan.

Who are the Trustees?

The Plan is a section of the BAE Systems Pension Scheme ("the Scheme") which is established under a trust managed by a Trust Company, BAE Systems Pension Funds Trustees Limited. The Trust Company has its own Board of Directors (known as the Trustee). The Board is made up of 18 Trustees; nine are appointed by the Company and nine are nominated by the Scheme members (including members of the Plan). The Trustee is responsible for supervising the correct operation of the Scheme through its managers, with the assistance of other professional advisers.

Plan members' DC Accounts are held separately from the fund that is used to provide benefits to members of other sections of the Scheme.

Auto enrolment

It is a requirement for employers to automatically enrol certain employees into a qualifying pension scheme. The Plan is a qualifying pension scheme for the purposes of auto enrolment.

If you leave the Plan but remain in employment with the Company, the Company may need to auto enrol you at a future date.

Pensions Consultative Committees

A consultative process exists within the Scheme to promote a good understanding of pension matters. The Pensions Consultative Committees are made up of Pensions

Representatives who are elected by the membership to represent the pension interests of all Scheme members.

The functions of the consultative committees are to:

- > Represent the views of Scheme members in consultations with the Company on matters relating to the Scheme;
- > Assist the Trustee with the communication of information to members of the Scheme; and
- > Nominate representatives for appointment to the Trustee Board as Member Nominated Trustees.

Contact details for your local Pensions Representative can be found on the BAE Systems [pensions website](#).

Amendments to the Plan

The Company, with the consent of the Trustee, may, by deed amend the Plan at any time. You will be given written notice, if required, if your benefits or rights under the Plan are materially affected by such amendment(s).

The partial income protection for members of the Plan who cannot work due to ill health for up to five years does not form part of the Plan. It is provided by the Company and is not a responsibility of the Trustee. The Company may change or terminate these arrangements at any time.

Assignment of benefits

You must not attempt to assign your benefits to obtain cash payments or as security for loans. Under the Plan Rules, there can be no legal claim on the Plan by anyone other than the person entitled to

the benefits under the Plan Rules. Your benefits would cease to be payable and would come under the control of the Trustee for payment at their discretion.

Divorce

Divorce proceedings may result in the Courts instructing the Trustee to pay part of your DC Account to your ex-spouse.

What should I do if I have a query or complaint?

If you have a query about the Plan, you should contact the [Pensions Service Centre](#) who will normally be able to resolve it. However, should you be dissatisfied with the response you receive, the Trustee has put in place a formal Internal Dispute Resolution (IDR) procedure for resolving complaints or disputes. The procedure provides for lodging a complaint, to which a response must normally be made within two months. You may then appeal to the Trustee and this second stage must normally also be dealt with within two months. You may obtain a copy of the full formal IDR procedure by writing to Group Pensions at:

- > BAE Systems plc, PO Box 87, Warwick House, Farnborough Aerospace Centre, Farnborough, Hampshire, GU14 6YU.

If you are dissatisfied with the outcome of the IDR process, the following external organisations are available to investigate complaints.

The Pensions Advisory Service (TPAS) is an independent voluntary organisation with a network of local pension experts. TPAS is available to assist scheme members and beneficiaries with any pension query they may have or any difficulty which they have failed to resolve with the scheme trustees or administrators.

Further Information

Visit: baesystems.com/pensions

Pensions Service Centre:
0800 917 9568

Email: fulwood.pensions@equiniti.com

The small print

You may also refer a complaint to the Pensions Ombudsman and/or TPAS. The Pensions Ombudsman (appointed under Section 145(2) of the Pension Schemes Act 1993) may investigate and determine any complaint of maladministration and dispute of fact or law in relation to an Occupational Pension Scheme where the person makes a complaint in accordance with the Act.

There is no charge for these services. TPAS and the Pensions Ombudsman may be contacted at:

TPAS

- > Money and Pensions Service, 120 Holborn, London, EC1N 2TD
- > **0800 011 3797**

Pensions Ombudsman

- > 10 South Colonnade, Canary Wharf, E14 4PU
- > **0800 917 4487**
- > pensionsadvisoryservice.org.uk
- > pensions-ombudsman.org.uk

Will I receive any other benefits?

State Pension

Benefits from the Plan are payable in addition to any State Pension you may receive.

For further information about your State Pension, visit gov.uk/yourstatepension or call **0800 7310 175**.

Pension Tracing Service

If you were a member of any previous employers' pension schemes, you may also receive benefits from those schemes. The Pension Tracing Service helps individuals keep track of benefit entitlements they have in previous employers' schemes.

If you have difficulty finding where pensions you have earned in the past are located, contact the Pension Tracing Service.

- > The Pension Service, Mail Handling Site A, Wolverhampton, WV98 1LU
- > **0800 731 0193**
- > gov.uk/find-pension-contact-details

You may also receive benefits from any personal pension plan(s) you have.

The Pensions Regulator

The Pensions Regulator is the regulator of work based pension schemes in the UK. Created under the Pensions Act 2004, its aims include protecting members' benefits and promoting good administration. The Pensions Regulator is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator can be contacted at:

- > The Pensions Regulator, Napier House, Trafalgar Place, Brighton, BN1 4DW
- > thepensionsregulator.gov.uk

Fraud Compensation Fund

The Fraud Compensation Fund was established under the Pensions Act 2004 to provide compensation to occupational pension schemes, with insolvent employers, that suffer a loss that can be attributable to an offence involving dishonesty. The Fraud Compensation Fund became operational on 1 September 2005 and replaces the former Pensions Compensation Board.

- > **0345 600 2541**
- > ppf.co.uk/fraud-compensation-fund

Financial Services Compensation Scheme

Standard Life is covered by the Financial Services Compensation Scheme (FSCS). The FSCS has been set up to provide protection to consumers if authorised financial services firms are unable, or likely to be unable, to meet claims against them.

The Trustees' pension contract with Standard Life will normally be covered; however it is important to note that different limits apply to different types of investment. The availability of compensation depends on a number of factors, but pensions are normally covered under the 'long-term contract of insurance' category which covers 90% without limit.

- > **0800 678 1100**
- > fscs.org.uk

Data Protection

The Trustee is registered with the Information Commissioners Office for the processing of your personal data for purposes connected with its trusteeship of the Plan. In order to administer the Plan, personal data about you and your relatives and dependants will be processed by the Trustee and the Plan's administrators, which include third parties who provide ancillary services such as printing and storing of your personal data, and advisers.

By joining the Plan, you consent that your personal and sensitive personal data may be passed, where required by law or under contract, to other third parties including, but not limited to insurance companies, the Company, any possible purchaser of the Company or its business and any trustees, administrators or advisers of any other pension arrangement where a transfer of your pension rights is being made or considered.

In certain circumstances, it may be necessary to transfer your personal/sensitive personal data to third parties located outside of the European Economic Area. Should this occur, the Trustee will ensure that this is done under contract with the necessary safeguards in place to guarantee you the same rights as you would be afforded within your own country of residence.

For more information about how the Trustee uses and discloses your personal information, how it protects your information, its legal basis to use your information, your rights and who you can contact, please refer to the relevant sections of the Privacy Notice at:

- > baesystems.com/en/privacy

Disclaimer

This guide is intended to provide you with helpful information about the Plan, but it does not create any binding rights or obligations. The Trust Deed and Rules govern the Plan and these will take priority should there be any conflict between this guide and the Trust Deed and Rules. A copy of the full Trust Deed and Rules can be requested from the [Pensions Service Centre](#), but you should note that these documents, and the relevant tax and other legislation, may be changed in the future and this guide only reflects the position at the time of publication. References to external websites are given for information only. No responsibility is accepted for the content or accuracy of the information provided through these sites.

Further Information

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Email: fulwood.pensions@equiniti.com