Your benefits

Your guide to SIPS (Portsmouth) benefits
SIPS (Portsmouth) is a benefit edition in the BAE Systems Pension Scheme, which replicates the benefits of the Portsmouth section of the Shipbuilding Industries Pension Scheme following the transfer of that scheme into the BAE Systems Pension Scheme on 1 October 2019.

Your benefits are a valuable part of your remuneration package from the Company. This Guide explains how the benefits work by providing you with useful information about contributions, retirement and death benefits.

The full details are set out in the Rules that govern the Scheme. The Rules is the legal document governing the Scheme and will always override this Guide if there is ever a dispute.

It is important that you take time to read this Guide and understand fully the benefits available to you. If you still have questions after reading the Guide, contact details are provided on page 13.

Navigate to:
- Introduction
- Making sense of it all
- Benefits summary
- How it works
- Benefits in detail
- Leaving the Scheme
- Help with questions or problems
- Additional information and useful contacts

Further Information
Visit: www.baesystemspensions.com
Administration Centre: 0345 601 0607
Overseas: +44 (0)141 222 5125
Email: member.enquiries@sips-pensions.co.uk
Annual Allowance
This is HM Revenue & Customs’ (HMRC) maximum amount of tax-privileged pension savings you can make in each tax year. The Annual Allowance available depends on a number of factors, particularly if you are a high-earner or the Money Purchase Annual Allowance applies to you. You will receive tax relief on contributions up to 100% of your yearly earnings (or £3,600 (gross) if this is greater) across all your pension savings each tax year. If your pensions savings across all your pension schemes are more than the Annual Allowance, you will be taxed at your highest marginal rate on the excess. There are provisions for unused Annual Allowance from previous years being used to offset potential tax liability.

Average Final Pensionable Pay
Your Pensionable Pay averaged over the last 36 complete months of Pensionable Service prior to your leaving service or death (whichever occurs first).

Company/Employer
BAE Systems plc and any related Employer participating in this Scheme.

Final Pensionable Pay
This is the greatest of:
- Your Pensionable Pay averaged over the last 12 complete months of Pensionable Service (or, if less, the total number of complete months in Pensionable Service) before you leave service or die (whichever occurs first);
- Your Pensionable Pay averaged over the last 36 complete months of Pensionable Service (or, if less, the total number of complete months of Pensionable Service) before you leave service or die (whichever occurs first);
- The highest average of your Pensionable Pay at the beginning of any three consecutive completed Scheme Years of Pensionable Service in the last ten years, before you leave service or die (whichever occurs first);
- Your highest Pensionable Pay at the beginning of any completed Scheme Year of Pensionable Service in the last five Scheme Years before you leave service or die (whichever occurs first).

If you joined the Scheme on or after 1 June 1989 Average Final Pensionable Pay and Final Pensionable Pay will be limited to an amount specified by the Trustee. The amount is usually increased in April each year in line with inflation. This increase is at the Trustee’s discretion.

Guaranteed Minimum Pension (GMP)
This is the minimum pension which the Scheme must pay a member (and widows/widowers) in respect of contracted-out contributions paid between April 1978 and April 1997.

Incapacity
This means physical or mental incapacity that prevents (and will continue to prevent,) a member from following his or her normal occupation and seriously impairs the member’s earning capacity.

Lifetime Allowance
This is set by HMRC as a limit on the total value of an individual’s savings within all registered pension schemes that can receive tax breaks. Savings within registered pension schemes above this limit are subject to tax penalties.

Longevity Adjustment Factor (LAF)
This is the adjustment figure which is applied to any pension you earn after 1 July 2011. Improved mortality rates may mean that future pensions are expected to be paid for longer and the Longevity Adjustment Factor will reduce your pension earned after 1 July 2011 to take account of this.

The Scheme Actuary will set the amount of this Longevity Adjustment Factor each year. The current Longevity Adjustment Factor applicable to your benefits is shown each year on your annual benefit statement. There are different Longevity Adjustment Factors which apply to benefits on normal retirement, ill-health retirement and to benefits payable following death before retirement.

Normal Retirement Date
Your 65th birthday.

Pay
The yearly rate of your basic salary or wages and any other fixed cash remuneration you receive from the Employers. If you participate in SMART Pensions, Pay for the purpose of this definition will be the basic salary or wages and any other fixed cash remuneration you would have received if you had not participated in SMART Pensions. If you joined on or after 1 June 1989, Pay, for the calculation of the lump sum death benefits detailed on page 9, will be limited as described in Final Pensionable Pay.

PCLS
Pension Commencement Lump Sum. This is an optional cash lump sum received at retirement in exchange for part of your pension. It is currently not subject to income tax.

Pensionable Pay
Your Pay at the date you joined and at each subsequent 1 April. Pensionable Pay is fixed until the following 31 March.

Annual Retirement Date
Your guide to SIPS (Portsmouth) benefits

Pensionable Service
The sum of:
- Your service with the Employers after joining calculated in years and complete months; plus
- Any years and months credited to you and notified to you in writing on joining in respect of Pensionable Service under a previous pension arrangement.

Scheme
The BAE Systems Pension Scheme.

Scheme Year
A period of 12 months ending on 31 March.

SIPS
Shipbuilding Industries Pension Scheme.

SIPS (Portsmouth)
SIPS (Portsmouth) is a benefit edition in the BAE Systems Pension Scheme, which replicates the benefits of the Portsmouth section of the Shipbuilding Industries Pension Scheme following the transfer of that scheme into the BAE Systems Pension Scheme on 1 October 2019.

SMART Pensions Arrangement
Provided you are employed by companies wholly owned by BAE Systems or participating Joint Venture Companies, all contributions (excluding any Additional Voluntary Contributions) will be made under the SMART Pensions arrangement, unless you choose to opt out of SMART Pensions. If you have any queries in respect of SMART Pensions please contact the Administration Centre. Contact details can be found on page 13.

Trustee
BAE Systems Pension Funds Trustees Limited.
Benefits summary

As a member of SIPS (Portsmouth) you have access to a number of valuable benefits for you and your family. More detailed information about these benefits can be found in the following sections.

Benefits if you leave
If you leave employment with your Employer, or opt out of the Scheme, you will be entitled to a deferred pension or you may be able to elect to transfer your benefits to another arrangement.

Benefits when you retire
When you retire you will have a pension paid for life or can opt to take a reduced pension paid for life, plus a lump sum.

Benefits upon death
A pension for your spouse or civil partner and lump sum if you die.

As a member, you have access to a number of valuable benefits.
How it works

As a member of SIPS (Portsmouth) you will belong to either Tier A or Tier B. Tier A provides a higher level of benefits for a higher level of contributions, whilst Tier B provides a lower level of benefits for a lower level of contributions. Members can move from one tier to the other Tier on any 1 April.

Tier A

<table>
<thead>
<tr>
<th>Cost to member</th>
<th>9.29% of Pensionable Pay</th>
</tr>
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Benefits
- 1/60th x Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service prior to 1 July 2011
- 1/60th x Average Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service on or after 1 July 2011.

Tier B

<table>
<thead>
<tr>
<th>Cost to member</th>
<th>7.29% of Pensionable Pay</th>
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Benefits
- 1/80th x Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service prior to 1 July 2011
- 1/80th x Average Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service on or after 1 July 2011.

Joining SIPS (Portsmouth)

Who can join
SIPS (Portsmouth) is closed to new members.

What it costs

Employer contributions
The Employers pay the balance of the cost of providing benefits from the Scheme after taking account of member contributions and investment returns. The amount of the Employer contributions is decided by the Trustee after considering actuarial advice and consulting with the Company.

Your contributions
The level of contributions is detailed on this page. The member contribution rate is reviewed from time to time by the Employer in consultation with its employees and so may vary.

Under current legislation your contributions are deducted through payroll from your gross pay so you get full and immediate tax relief on them. If you participate in SMART Pensions you accept a reduction in your Pay, which is equal to the basic contributions that you would otherwise be required to pay.

SMART Pensions
If you participate in SMART Pensions you will not make contributions to the Scheme. Instead, the Company will pay an additional amount into the Scheme, which is exactly the same as the amount of money that you would otherwise pay if you did not participate in the SMART Pensions arrangement.

How you can pay more – Additional Voluntary Contributions (AVCs)
In addition to the contributions you are required to pay, you may also pay Additional Voluntary Contributions (AVCs) to provide greater benefits for yourself and/or your family.

Benefits from your AVCs
Your AVCs are invested in your own separate fund, which earns investment returns. When you retire you may use the fund to provide a Pension Commencement Lump Sum (PCLS), subject to HM Revenue and Customs (HMRC) limits, or to provide an additional pension.

If at retirement your AVC fund is larger than that required to secure the maximum PCLS allowed to you by HMRC, or you do not wish to take all or any of your entitlement as a PCLS, then the remaining AVC fund will be used to buy additional benefits.

Paying AVCs
Currently, you may start paying AVCs at any time. If you wish to pay AVCs you must complete an application form, which is available from www.hartlinkonline.co.uk/SIPS or your Human Resources department.

The Trustee may at any time change its policy on allowing members to pay AVCs or may impose conditions that it thinks are reasonable.

If you wish to vary or stop your AVCs, you may do so by completing the relevant form which is available from www.hartlinkonline.co.uk/SIPS or your Human Resources department.

Further Information

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Investment Choices
You may choose to invest your AVCs in a number of investment funds offered by the Trustee, which may change from time to time. Full details of the current investment choices can be found in the separate AVC leaflet, a copy of which can be obtained from the Administration Centre.

AVCs on leaving service
If you leave the Scheme before Normal Retirement Date and do not take early retirement, your AVC fund will remain with the AVC provider. It will earn investment returns until such time as you retire or opt to transfer out your benefits to another registered pension arrangement.

See page 11 on transferring your benefits if you leave service.

Part-time employment
If, during the same period of continuous Pensionable Service, you have been in full-time employment and part-time employment, or the basic number of hours a week worked in part-time employment has varied from time to time, the Trustee will calculate your benefits as it considers appropriate after taking account of the number of hours worked.

It may be that your Pay is reduced during the Scheme Year because of a reduction in the basic number of hours you work per week. If this happens, for the purposes of determining the contributions payable, your Pensionable Pay for the remainder of the Scheme Year will be your Pay at the date on which you are first considered to be in part-time employment.

Absence
You will normally be treated as having left service if you stop receiving contractual pay or statutory sick pay from the Company. If you are treated as still being in service, the Company and the Trustee may agree that special terms should apply in respect of your contributions and benefits during any period of absence. You will be notified in writing of any special terms that apply.

If your absence is due to maternity leave, adoption leave or paternity leave, you will continue accruing pension during your paid statutory ‘ordinary maternity leave period’, ‘ordinary adoption leave period’ or ‘ordinary paternity leave period’. You will have to pay contributions to the Scheme based on your actual pay but your benefits will be based on your normal Pay.

If you do not receive any Pay for these periods, you do not have to pay contributions to the Scheme. During any period of ‘additional maternity leave’, ‘additional adoption leave’ or ‘paternity leave’, you will only be treated as still being in Pensionable Service for so long as you receive contractual pay from the Company. You will have to pay contributions to the Scheme based on your actual Pay.

The benefits accrued during any period of ‘additional maternity leave’, ‘additional adoption leave’ or ‘paternity leave’ will be based on your normal Pay.

If you take any other paid leave for family reasons you will pay contributions and accrue benefits based on your actual Pay. Additional unpaid family leave will only count as Pensionable Service subject to the agreement of the Trustee and the Employer.
The benefits payable on your retirement and death are described in this Section. Benefits payable if you leave before retirement are described on page 11. We note that for pension earned after 1 July 2011, a Longevity Adjustment Factor (LAF) will be applied.

Retirement

Your pension at Normal Retirement Date

If you leave before Normal Retirement Date you will receive a pension for the rest of your life at a yearly rate of:

- 1/60th x Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service prior to 1 July 2011 whilst you were in Tier A

- 1/80th x Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service on or after 1 July 2011

- 1/60th x Average Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service prior to 1 July 2011 whilst you were in Tier A

- 1/80th x Average Final Pensionable Pay for each complete year (plus a proportion for complete months) of Pensionable Service on or after 1 July 2011

Your Pension earned after 1 July 2011 will be reduced by the LAF applicable at your retirement date.

Early retirement (not due to Incapacity)

If you leave service (not on the grounds of Incapacity) before Normal Retirement Date but after reaching age 55 you may, with the consent of the Trustee and the Employer, choose to draw your pension immediately. If you joined the VT Group Section of SIPS before 1 July 1991 and leave after reaching age 60, you may choose to take an immediate pension without the consent of the Trustee or the Employer.

If you choose to take early retirement your pension will be calculated as for retirement at Normal Retirement Date based on your actual Pensionable Service, current Final Pensionable Pay and current Average Final Pensionable Pay. The LAF for the Scheme Year in which your pension starts will also be applied to any pension earned after 1 July 2011. Your pension will then be reduced for early payment on a basis that the Trustee considers reasonable after taking advice from an actuary. If the Member joined the VT Group Section of SIPS before 1 July 1991:

- Any part of a woman’s pension that is attributable to Pensionable Service before 1 July 1991 will be reduced for early payment only if the pension starts before her 60th birthday, and will then be reduced only in respect of the period between the date the pension starts and her 60th birthday.

- Even if the Company does not consent, any part of a man’s pension that is attributable to Pensionable Service between 17 May 1990 and 1 July 1991 will be reduced for early payment only if the pension starts before his 60th birthday, and will then be reduced only in respect of the period between the date the pension starts and his 60th birthday.

In some cases, because of the requirements for contracting-out of S2P and especially if your Pensionable Service is not very long, you may not be able to receive your benefits early and may have to defer taking them until a later date up to Normal Retirement Date. If this applies to you the Trustee will let you know if you apply for early retirement.

Early retirement through Incapacity

Regardless of your age, if you leave service before Normal Retirement Date because of Incapacity, you may take an immediate pension based on your current Final Pensionable Pay and the Pensionable Service you could have completed up to Normal Retirement Date. A LAF will be applied in the case of retirement through Incapacity.

Incapacity in this context means physical or mental impairment that prevents (and will continue to prevent) you from following your normal occupation and seriously impairs your earning capacity. The Trustee’s decision as to whether you are suffering from Incapacity will be final. The Trustee will obtain medical evidence and consult the Employer before deciding whether you are suffering from Incapacity.

Until Normal Retirement Date, the Trustee may from time to time require evidence of your continued Incapacity. If not satisfied, the Trustee may reduce or suspend your pension for any period before Normal Retirement Date or may adjust benefits payable on your death.

Late retirement

If you stay in service after Normal Retirement Date, you will receive your pension when you actually leave service. In this case, your pension will be calculated as for retirement at Normal Retirement Date but will be based on all of your Pensionable Service up to your date of leaving. For any pension amount earned after 1 July 2011, the LAF for the Scheme Year in which you reached Normal Retirement Date will also be applied to your final benefits.

If you are still in service on reaching age 75, you will be treated for the purposes of SIPS (Portsmouth) as having left service on reaching that age and your pension will be paid from that age.
Benefits in detail

Retirement lump sum option
When you retire you may be able to exchange part of your pension for a cash lump sum known as a PCLS. Under current tax legislation, this PCLS is paid free of tax. The maximum PCLS is broadly 25% of the value (as defined by HMRC) of your benefit. In some cases the amount of PCLS available may have to be restricted because of benefits you may be entitled to from other pension schemes or because of the requirements for contracting-out that previously applied. If this affects you the Trustee will let you know at the time you are due to retire. The amount of pension that you give up in exchange for a PCLS will depend on the factors in use by the Trustee when you retire, and so may be less than 25%.

Dependant’s pension option
If the Trustee allows, you may give up part of your own pension before it starts to provide a pension on your death for one or more dependants. A dependant includes a spouse, civil partner or a child (under 18, or in full-time education or training approved by the Trustee). It also includes someone who is financially dependent on you. The Trustee decides whether someone is a dependant. This pension would be paid in addition to other death benefits. If you give up some of your pension to provide for a dependant on your death, you are required to retain a certain level of pension yourself. The reduction will only take effect if you and the nominated dependant survive until you retire. However, if your dependant dies before you retire, the reduction to your pension will still apply.

If you would like more information about giving up pension to provide an optional dependant’s pension, please contact the Administration Centre.

Choices on retirement
As soon as the Trustee is informed by your Employer that you are to retire, the Trustee will write to you stating the various options open to you. You will be asked to confirm your choice(s) in writing to the Trustee.

How your pension is paid
All pensions are paid into a bank, building society or Post Office account. They cannot be paid by cheque; however special arrangements can be made if you are retiring abroad. Pensions are usually paid monthly in advance on the first day of each month. You will not automatically receive a monthly payslip by post, and instead you will receive one only when there is a change of £5 or more to your pension. However, please note that payslips are available to view online at www.hartlinkonline.co.uk/SIPS. You will receive a P60 shortly after the end of every tax year.

Increases to your pension
Currently your pension in payment will be increased each year (on each 1 July) on the basis set out below:

- Pension in payment earned on or after 1 July 2011 will increase by the lower of the increase in the Consumer Prices Index (CPI) and 2.5%.
- Pension in payment earned before 1 July 2011 (except for any GMP) will be increased by 5% or the increase in the Retail Prices Index (RPI), whichever is lower, each year. Additional pension increases may be payable if the pension you receive that is attributable to Service before 1 July 2011 is less than the pension you would have received had it been increased by 3% each year since you retired.

Different rules apply to any GMP payable. No increase will be paid on the part of your pension which represents the GMP you earned before 6 April 1988. Any GMP earned between 6 April 1988 and 5 April 1997 will be increased each year in line with the CPI each year capped at 3% per annum.

Proportionate increases are given in the first Scheme Year of retirement to any pension beginning after 1 July. These increases do not apply to AVC benefits or benefits you have transferred in from other schemes.
Death benefits

Death in service

If you die in service while an active member, then the following benefits will be payable:

If you die in service before Normal Retirement Date the pension will be equal to one half of the pension you would have received had you stayed in Pensionable Service until Normal Retirement Date, based on your Final Pensionable Pay at the date of your death.

If you die in service on or after Normal Retirement Date the spouse's pension will be equal to one half of the pension you would have received had you retired immediately before your death without giving up any pension for a PCLS or optional dependant's pension as appropriate.

Evidence of health

Benefits payable on your death will be subject to any restrictions imposed by any person with which they are reinsured. The Trustee may decide that these benefits will also be reduced if you are unable to satisfy the Trustee that you are in good health, or if your death results from a cause specified in a notice to members.

Death in retirement

> Lump sum:
If you die within five years after starting to receive a pension a lump sum will be payable. It will be equal in value to the balance of pension payments which would have been paid to you during the remainder of the five-year period, ignoring future increases.

This benefit will not be paid if you took early retirement through Incapacity and die before your Normal Retirement Date. The lump sum benefit set out below will be paid instead.

> Early retirement through Incapacity – death before Normal Retirement Date:
A lump sum equal to 3.5 times (if you were in Tier A) or 2.5 times (if you were in Tier B) of your Pay at date of death will be paid in the event of your death before Normal Retirement Date while in receipt of any Incapacity pension from the Scheme. The lump sum will be paid by the Trustee to the person or persons the Trustee, in its discretion, decides should benefit after considering your Expression of Wish Form in accordance with the Rules. This benefit is payable in addition to the spouse's or civil partner's pension explained below.

> Spouse's or civil partner's pension:
A spouse's or civil partner's pension is payable if you die whilst in receipt of a pension. The spouse's pension is equal to one half of the pension you were receiving at the date of your death, or which you would have been receiving at the date of your death if you had not given up part of your pension for a PCLS or optional dependant's pension at retirement.

Payment of Death Benefits

The pension for a surviving civil partner will be the same as for a surviving spouse.

If you do not leave a legal spouse or civil partner, but you are in a relationship that resembles a marriage, the Trustee may consider your current partner as your surviving spouse or civil partner; however they are not bound to do so.

A spouse's or civil partner's pension is payable for life; it does not stop if your spouse or civil partner remarries or forms another civil partnership. The pension will increase on a similar basis to that described on page 8.

Children's pensions may also be payable, as described on page 10.

The lump sum will be paid by the Trustee to the person or persons the Trustee, in its discretion, decides should benefit in accordance with the Rules of the Scheme.

You can help the Trustee decide who will receive the lump sum benefits payable on your death by completing an Expression of Wish Form. The Trustees will consider your wishes but are not legally bound by them.

Please note that the Trustee will not pay any benefits to charities, societies or clubs.

You can obtain an Expression of Wish Form from www.hartlinkonline.co.uk/SIPS or from the Administration Centre. The completed form should be returned to the Pensions Service Centre in a sealed envelope. You should complete a new Expression of Wish Form if your wishes or circumstances change.

Further Information

Visit: www.baesystemspensions.com

Administration Centre:
0345 601 0607

Overseas: +44 (0)141 222 5125

Email: member.enquiries@sips-pensions.co.uk
Help the Trustee with your benefits by completing an Expression of Wish Form
**Leaving the Scheme**

**Deferred pension**
If you leave service before Normal Retirement Date and without becoming entitled to an immediate pension, you will receive a pension for life from your Normal Retirement Date. The pension will be calculated as described on page 5 based on your Final Pensionable Pay and Pensionable Service to the date of your leaving service.

Your deferred pension will be increased for the period up to your retirement as follows:

- The pension in excess of Guaranteed Minimum Pension (GMP) will be increased by the percentage required by revaluation laws; and
- The GMP will be increased as required by contracting-out laws.

The pension will also increase each year after it starts to be paid as described on page 8.

When you leave service the Trustee will send you a deferred pension statement detailing the benefits to which you are entitled and which may be transferred (see 'Transfer' section to the right).

After reaching age 55 it may be possible for you to take your deferred pension early providing the Trustee agrees. The pension will be reduced as the Trustee considers reasonable, having considered the advice of the Scheme Actuary. If this option is of interest you should contact the Administration Centre when you approach this age.

If the Trustee agrees, a member entitled to a deferred pension may take it later than the Normal Retirement Date (but before leaving all employment and in any event before age 75).

**Transfer**
If you leave with a deferred pension that has not started to be paid, you may opt to transfer the value of your pension into another employer’s pension scheme or personal pension at any time up to one year before Normal Retirement Date. You are, however, advised to take independent financial advice before deciding to transfer.

The transfer value is calculated in accordance with statutory requirements and advice provided by the Scheme Actuary appointed by the Trustee. It represents the current cash value of the benefits you built up whilst a member. The transfer value takes into account the probability that the benefits will be paid and will reflect market conditions at the time it is calculated.

If you request a transfer value you will receive a Statement of Entitlement showing your transfer value, which will normally be guaranteed for three months. In certain circumstances the amount shown in the Statement of Entitlement could be altered.

**Opting out**
Membership is voluntary and you may withdraw from membership at any time by giving at least six weeks’ written notice to the Trustee. Should you opt out, benefits will not be payable until you are entitled to them under the Rules. If you are considering opting out you should give the matter careful thought and are urged to seek independent financial advice.

If you withdraw, you will be entitled to a deferred pension payable at Normal Retirement Date. You will not be able to draw your pension for as long as you remain in employment with the Company.

If you decide to opt out:
- You will lose the benefit of the Company’s commitment to meet the balance of the cost of the future pension provision.
- You will lose the protection provided by SIPS (Portsmouth) to you and your family in the event of your death in service.
- You will lose the part of the protection provided by SIPS (Portsmouth) to you and your family in the event of your early retirement from the Company on account of serious ill-health.
- You will lose the opportunity to earn a pension linked to your future earnings and service.
- You cannot subsequently change your mind, as SIPS (Portsmouth) is closed to new entrants.
- You may be automatically enrolled into a different pension scheme at some point in the future.

If considering opting out you should give the matter **careful thought**

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Further Information
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Administration Centre: 0345 601 0607
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Email: member.enquiries@sips-pensions.co.uk
Help with questions or problems

If you have any comments or questions, or you are dissatisfied with anything to do with the Scheme, you should contact the Administration Centre, whose details are under the ‘Additional Information’ section of this guide on page 13.

If you have a complaint which cannot be resolved by the Administration Centre you should write to Group Pensions with details of your complaint at the following address:

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

Group Pensions will try to resolve your dispute, but if they are unable to do so to your satisfaction, you will be provided with a formal complaints form for you to invoke the Scheme’s Internal Disputes Resolution (‘IDR’) Procedure. Please note that the IDR Procedure cannot be invoked for complaints between you and your Employer.

Once you have completed and returned the IDR form, your complaint will be considered by a committee of the Trustee. You will normally receive a formal response to your complaint within two months. If your complaint is not dealt with within two months you will be sent a letter explaining the reason for the delay.

If you are not satisfied with the committee’s decision, you will be able to raise the matter with the full Trustee Board. Further details will be provided with the committee’s decision.

TPAS and the Pensions Ombudsman

TPAS is an independent voluntary organisation with a network of local experts. TPAS can help you if you have any general requests for information or guidance concerning your pension arrangements. TPAS can be contacted at:

> 11 Belgrave Road, London SW1V 1RB
> 0800 011 3797
> www.thepensionsadvisoryservice.org.uk

You may also refer a complaint to the Pensions Ombudsman, free of charge. The Pensions Ombudsman may investigate and determine any complaint of maladministration or any dispute of fact or law in relation to a pension scheme. The Pensions Ombudsman normally expects a member to have tried to resolve their complaint through the Internal Dispute Resolution Procedure first (see left).

Contact with the Pensions Ombudsman needs to be made within 3 years of the event(s) you are complaining about – or, if later, within 3 years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

> 10 South Colonnade, Canary Wharf, E14 4PU
> 0800 917 4487
> enquiries@pensions-ombudsman.org.uk
> www.pensions-ombudsman.org.uk

You can also submit a complaint form online at www.pensions-ombudsman.org.uk/our-service/make-a-complaint/

The Pensions Regulator

The Pensions Regulator (TPR) is able to intervene in the running of pension schemes where trustees, employers or professional advisers have failed in their duties. TPR also acts as the Registrar of Occupational & Personal Pension Schemes. The register contains basic information on all registered pension schemes to enable employees to trace the source of their benefits. Information concerning the Scheme (including the address at which the Trustee may be contacted) has been supplied to the Registrar.

TPR can be contacted at the following address:

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

Further Information

Visit: www.baesystemspensions.com
Administration Centre: 0345 601 0607
Overseas: +44 (0)141 222 5125
Email: member.enquiries@sips-pensions.co.uk
The running of the Scheme

The Scheme is set up under trust. The Trustee of the Scheme is BAE Systems Pension Funds Trustees Limited, a company limited by guarantee. The contributions paid to the Scheme by both the members and the Company are invested by the Trustee in funds that are totally separate from the assets of the Company.

SIPS (Portsmouth) was contracted out of the State Second Pension (S2P) until contracting-out was abolished in April 2016. The Scheme is a registered Scheme for the purposes of The Finance Act 2004 with Her Majesty’s Revenue and Customs (HMRC). One of the requirements of the Rules is that the Trustee is bound by any requirements of HMRC and governing legislation.

Assigning your benefits

You cannot assign or charge your benefits (e.g. as security for a loan). If you try to assign or charge your benefits, you may lose them.

Data protection

The Trustee of your pension scheme will collect and process information about you that may be subject to data protection laws. For more information about how we use and disclose your personal information, how we protect your information, our legal basis to use your information, your rights and who you can contact, please refer to the relevant sections of our privacy notice at www.baesystems.com/en/privacy.

The Company may terminate its participation in the Scheme by giving written notice to the Trustee in accordance with the Rules. An Employer may terminate its participation by giving written notice to the Trustee in accordance with the Rules. The Scheme Annual Report and Accounts is available on request. Your benefits are, to a certain extent, dependent on the continued existence of the Employers who participate. In the event of one or all of the Employers ceasing to participate, the Trustee would provide benefits in accordance with the Rules. In the event that there was a shortfall of assets within the Scheme, which couldn’t be met by the Employers, then it would not be possible to secure all benefits in full for members and their dependants. However, the Pension Protection Fund, which was set up in 2005, will, subject to certain conditions being met, ensure that members receive a minimum level of benefits.

Further information

For further information about SIPS (Portsmouth) or about your entitlement you can make contact by one of the means listed below. You can also request a copy of the annual report prepared by the Trustee by contacting us using these details.

Please note, we are happy to assist with queries about your benefits but the Administrators, Trustee and Employers cannot give you financial or investment advice. If you are not sure what to do regarding your benefits and need financial advice we recommend you see an Independent Financial Adviser: www.unbiased.co.uk

By writing to:
> Private Sector Pensions (SIPS), Capita, 2 Cutlers Gate, Sheffield, S4 7TL
> 0345 601 0607
> (or +44 (141) 222 5725 if calling from overseas)
> member.enquiries@sips-pensions.co.uk
> www.hartlinkonline.co.uk/SIPS

Disclaimer

This guide is intended to help you understand SIPS (Portsmouth) and does not override the detailed Rules. The Trustee may amend the Rules at any time after consultation. You will be told about any changes which affect your benefits. If you wish to see the Rules or if you have any queries, you should contact the Administration Centre using the contact details shown above.

Further information

Visit: www.baesystemspensions.com
Administration Centre: 0345 601 0607
Overseas: +44 (0)141 222 5125
Email: member.enquiries@sips-pensions.co.uk

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07.19.TC3540d.123