

YOUR REWARD



# A guide to the TSB Pension Scheme



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Throughout this document you will see the following icons which signpost you to further information.



Points out **useful things to consider.**



Highlights **important actions** that you can take.



Points you to address details for **useful organisations.**



Directs you to **phone numbers** for useful and relevant organisations.



Points you to **email addresses** for useful organisations.



**Signposts relevant websites** for you to source further information.

# Welcome to the TSB Pension Scheme (or ‘the Scheme’)

TSB recognises the importance of saving for your future. The Scheme forms part of your Reward and gives you choices over how much you save and where contributions are invested.

## Contributing to your future

As part of our commitment to help you save for your future, TSB offers valuable benefits. The Scheme helps you:

### Save for your retirement.

- Company contributions – TSB more than doubles the core contributions made to your account.
- Investment choices – You have a wide range of choice and flexibility, and can make changes at any time.

### Increase your take-home pay.

- National Insurance savings – Offered through SmartSaver. Instead of you making contributions directly to your account, TSB makes contributions on your behalf. In exchange your pay is reduced by the value of those contributions, resulting in National Insurance savings and increasing your take-home pay.
- Tax relief – You receive tax relief on the contributions you pay. If you participate in SmartSaver, you do not pay tax on the value of contributions paid on your behalf.

### Provide protection for those around you.

- Free life cover – Four times your basic pay if you die while employed by TSB, plus an additional four times your basic pay if you also have one or more qualifying dependants.
- Ill-health benefits – Should you need to leave work due to illness, benefits payable may be increased.

Relying on the Basic State Pension and State Second Pension might not give you enough income in retirement. Benefits from the Scheme are paid in addition to State retirement benefits.

Consider this

This guide will help you gain a better understanding of the TSB Pension Scheme and the benefits it provides, as well as helping you plan for your retirement.



You can find more detailed information about auto-enrolment at [tsbpensionscheme.co.uk/joining](http://tsbpensionscheme.co.uk/joining)  
For information about pensions and saving for retirement see [www.gov.uk/workplace-pensions](http://www.gov.uk/workplace-pensions)

## Auto-enrolment

From 1 July 2012, the government introduced pension auto-enrolment legislation to encourage UK workers to save more for retirement. It requires UK employers to enrol all eligible workers into a pension scheme which meets minimum requirements, i.e. a qualifying scheme.

The TSB Pension Scheme is a qualifying scheme that exceeds the government's standards for retirement provision. No action is required on your part to join. You will be automatically enrolled in the Scheme on the day you join TSB (unless your employment contract states otherwise).

If you choose to opt out of the Scheme while you're still employed by TSB, you may be automatically enrolled back in at a later date.

## Freedom and choice in pensions

At Budget 2014, the government announced fundamental changes to how people can access their pension savings. As a result, from April 2015, there is additional flexibility and choice in how you take your benefits. You will have the option of taking up to 25% of your savings as a tax-free cash lump sum, and with the rest you can choose to:

- buy a guaranteed income for life (this is known as a 'pension' or an 'annuity');
- take regular income from your savings (subject to income tax at your marginal rate) and leave the rest invested (this is known as 'income drawdown'); or

- take all your savings as cash, either in one go or as a series of lump sums (subject to income tax at your marginal rate).

Please note that most of these options are only available to you if you transfer-out your benefits at retirement to a suitable pension provider (usually an insurance company).

## Guidance

You will have the right to free and impartial guidance at retirement to help you make confident and informed decisions on how you use your pension savings in retirement. Pension Wise is the government's new free, impartial and independent guidance service to help you understand your choices.

Pension Wise offers you:

- guidance (online, over the telephone or face to face) to explain what options you have and to help you think about how to make the best use of your pension savings;
- information about the tax implications of different options and other important things you should think about; and
- tips on getting the best deal, including how to shop around.



Visit [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) for more information or to book an appointment, call **0300 330 1001**.

## Communicating with you

As a member of the Scheme, you'll receive regular communications including:

- an annual benefit statement that gives you details of the benefits you are building up in the Scheme; and
- a newsletter on pension-related matters which can include highlights of the Scheme's Annual Report and latest developments.

# Planning your retirement

Ask yourself the following questions:

When would I like to retire?

How much income will I need in retirement?

How will I access my pension savings?

What other savings or sources of income will I have?

How can I build up enough savings to achieve my target income?

How can I protect my savings as I approach retirement?

Do I have any dependants to provide for?

Everybody's different

The answers to these questions will shape the decisions you make. The Scheme is designed in such a way that recognises that people have different priorities at different times. It allows for changes as you make your way through life, and gives you the flexibility to alter your choices throughout your membership.

For example, if you're a long way from retirement, you might want to invest in growing your savings. As you get closer to retirement, you'll probably want to protect the savings you have already built up. The Scheme makes these decisions easier by helping you understand the impact of any choices you make.

Action point

## Helping you make plans

We have provided you with an online planner to show you the difference that changing your target retirement age, or the amount of contributions made to your account, can make to your plans. See the **Planning tools** section of the Scheme website for more details.

# How it works

The TSB Pension Scheme is a defined contribution (DC) pension scheme (also known as a money purchase scheme).

Your benefits at retirement are determined by:

- the value of your account (made up of contributions and any investment returns less any charges); and
- the costs of the retirement benefits options you choose.

## Contributions



## Investments



## Benefits



## Retirement



## Other retirement income

Income from other sources may include:

- state benefits
- other pension arrangements
- other investments including ISAs and shares

# Your savings

You will be automatically enrolled in the Scheme on the day you join TSB (unless your employment contract states otherwise). You will pay a core contribution rate at the minimum of 3% and will receive the minimum Company contribution of 8% of your basic pay.

If you do not want to join the Scheme, you can opt out by downloading a form from the auto-enrolment section of the website.

## Company contributions

You choose a core contribution rate from a minimum of 3% up to 5% of your basic pay. The Company also makes contributions to your account up to a maximum of 13%, depending on the core contribution rate you choose.

Core contribution rate	Company contribution rate	Total invested in your account
3%*	8%*	11%*
4%	10%	14%
5%	13%	18%

\* If you do not choose a core contribution rate, it will be 3% and the Company contribution will be 8%.

## Additional contributions

You can choose a contribution rate of more than 5%. Any contributions over 5% are classed as additional contributions and do not attract a matching contribution from TSB. Please note that the maximum Company contribution is 13%.

You can make additional contributions directly from your basic pay and will receive immediate tax relief on these contributions.

You can also make single one-off payments outside payroll. You will not receive immediate tax relief on these payments but can claim tax back from HM Revenue & Customs (HMRC). If you would like

to do this, please contact Equiniti, the Scheme Administrator, for further details. Equiniti's contact details are provided on the last page of this guide.

There is no limit to the amount you can contribute in any tax year, subject to minimum pay and deduction requirements, such as National Insurance or any Flex choices you have made. However, you should be aware of the Annual Allowance (AA) and Lifetime Allowance (LTA) limits set by HMRC. If your contributions exceed these limits you may be required to pay an additional tax charge.

### Consider this

Under auto-enrolment legislation, the TSB Pension Scheme is a qualifying scheme.

A qualifying scheme is one which meets or exceeds the government's standards for retirement provision – including the level of contributions paid. If, in any pay period, the level set by the government is more than that shown in the table opposite, your employer will pay extra to ensure the legal minimum is met.

## Changing your contributions

You can change your contributions at any time.

If you would like to choose or change your contribution rate, visit the Flex website or contact your Flex provider for further information. You can find more information at [tsbpensionscheme.co.uk/contributions/smartsaver](https://tsbpensionscheme.co.uk/contributions/smartsaver)

Any changes you make will take effect from the month following the date your request is received.

## Transferring benefits into the Scheme

With the agreement of TSB, you may be able to transfer pension benefits from another arrangement into the Scheme. The transferred-in account will be treated as additional contributions and you will need to decide how they are invested. You cannot transfer benefits from a contracted-out pension arrangement into the Scheme. Please note, you must obtain appropriate independent advice if you plan on transferring benefits from a defined benefit (DB) arrangement with a cash equivalent transfer value above £30,000.

## SmartSaver

SmartSaver is a cost-effective way to make contributions. Instead of you making contributions directly to your account, TSB makes contributions on your behalf. In exchange, your pay is reduced by the value of those contributions.

As a result, you pay less National Insurance and your take-home pay increases.

Most TSB people are automatically included in SmartSaver and therefore do not need to do anything. However, some people are automatically opted out if they will not benefit from participating. For more information, see the SmartSaver guide.

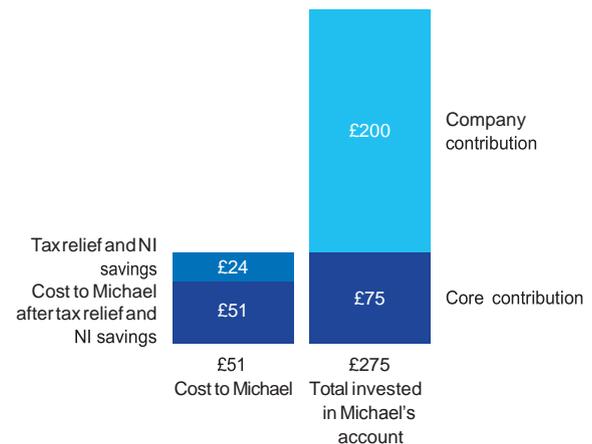
## Tax relief

You receive income tax relief on the contributions you pay, or on the contributions paid on your behalf if you participate in SmartSaver.

Consider this

Michael earns £2,500 a month and his core contribution rate is 3% (£75). He participates in SmartSaver, so he receives National Insurance (NI) savings of £9, in addition to tax relief of £15 (assuming he is a basic rate taxpayer) - a total saving of £24 each month. The Group pays an additional 8% (£200) into his account. So, Michael gets £275 invested in his account for a net cost of £51 a month.

Note: If Michael didn't take part in SmartSaver, the same amount (£275) would be invested in his account but he would not receive NI savings. Therefore, the net cost to him would be £60 a month (£75 core contribution less £15 tax relief).



# Your investment choices

The investment options in the Scheme are designed to give you choice and flexibility.

If you don't make any investment choices, your account will be invested in a default strategy chosen by the Trustee. The Trustee's selection of default strategy does not amount to a recommendation that it is suitable to your personal circumstances or needs.

## Cost-effective investments

Investment providers have annual charges to cover their costs. These costs are known as Total Expense Ratios (TERs) and are calculated as a percentage of the value of the investment funds and are deducted by the investment providers. We have negotiated excellent rates with the investment providers to ensure the costs you pay are low for the type of funds offered.

You can find details of the current fund charges on the Fund charges factsheet in the **Library** section of the Scheme website. The Trustee reserves the right to vary charges, introduce additional charges, and withdraw or vary any of the available funds without prior notice to you. These charges can apply to both the accrued value of your account and future contributions.

You can make changes to your investment choices at any time. Changes will usually be processed within 10 working days.

## Investments to meet your needs

You can choose from one of two investment approaches: LifePlan or PersonalChoice.

- **LifePlan** - Designed to adapt automatically to most members' changing investment priorities as they move through their career towards retirement.
- **PersonalChoice** - You might want to have more control over how your account is invested, so PersonalChoice provides you with additional options.

Action point

Full details of your investment options can be found in **Investment choices for the TSB Pension Scheme**.

# Benefits before retirement

## If you die while you are employed

The following benefits are payable if you die while you are employed by TSB:

Benefit	Payable if you are:
Core cash lump sum of four times your basic pay	An employee of TSB, whether you are a contributing member of the Scheme or not.
Additional cash lump sum of four times your basic pay	An employee of TSB and a contributing member of the Scheme and have a qualifying dependant when you die. This is subject to the conditions of qualifying dependant being met.
Value of your account	A member of the Scheme.

For example, if a member with a basic pay of £25,000 were to die in service, a core cash lump sum of £100,000 (£25,000 x 4) would be paid to the member's beneficiaries along with the value of his/her account. If the member had a qualifying dependant, an additional cash lump sum of £100,000 may be paid, subject to the consent of TSB. The Trustee has discretion to determine who the lump sum is paid to.

You can nominate members of your family or other beneficiaries to receive the core cash lump sum and additional lump sum payable, although the additional lump sum can only be paid to a qualifying dependant. Your beneficiaries and/or your qualifying dependant could then use any lump sum received as they wish which could include the purchase of a pension.

The Trustee uses its discretion about who to pay any lump sum to, taking the member's wishes into account. Under current legislation, this allows it to be paid free of Inheritance Tax.

### Action point

You should complete a Nomination Form to let the Trustee know who you would like to receive any lump sum payable if you die while employed by TSB. You should update it if your circumstances change (e.g. if you get married, divorced or have children).

If death-in-service benefits are insured, and if for any reason the insurer does not pay out the full amount, benefits will be restricted to the amount received from the insurer. If this occurs, you will be advised of any restrictions in place.

## If you become ill

If you have to leave TSB due to incapacity, you may be able to receive ill-health benefits. To be considered for ill-health benefits you must have been a contributing member of the Scheme for a minimum of five years continuously. TSB will determine your eligibility for incapacity, based on medical advice. Payment of incapacity benefits is also subject to TSB's consent. If you have been a contributing member of the Scheme for more than two years continuously but less than five years, you will still be able to take your benefits but there will be no enhancement for early payment. If you have been a contributing member of the Scheme for five years continuously, there may be an enhancement for early payment but this is at the discretion of TSB.

If death-in-service and incapacity benefits are insured, and if for any reason the insurer does not pay out the full amount, benefits will be restricted to the amount received from the insurer. If this occurs, you will be advised of any restrictions in place.

### If you are absent from work

If you are absent from work and the absence has been authorised by TSB (including paid, unpaid and family leave), you will normally be able to continue membership of the Scheme. Contributions and the level of benefits payable on death in service or incapacity will be dependent on TSB's policy in force at the time.

### If you leave TSB or decide to opt out of the Scheme

#### General provisions

If you leave TSB or decide to leave the Scheme at any time you are employed by TSB (known as opting out), all contributions to your account (core contributions, Company contributions and any additional contributions) will stop. You will also no longer be able to transfer benefits into the Scheme from other schemes. If you opt out, you will continue to be covered for the core cash lump sum of four times your basic pay if you remain a TSB employee, but you will not be entitled to the additional cash lump sum payable to any qualifying dependants. There are a number of options for you to consider, depending on when you joined the Scheme and how long you have been a member.

### If you joined the Scheme before 1 October 2015

Membership of the Scheme:	Benefits on leaving TSB:
Less than three months	<p>You will receive a refund of the value of your own contributions less tax. Where you have participated in SmartSaver, this will be the value of any contributions made by TSB on your behalf (i.e. core and additional contributions) less tax and National Insurance.</p> <p>You will not receive a refund of any Company contributions made to the Scheme.</p>
At least three months but less than two years	<p>You will be able to:</p> <ul style="list-style-type: none"> <li>transfer the full value of your account, including Company contributions, to another registered pension arrangement; or</li> <li>take a refund of the value of your own contributions. Where you have participated in SmartSaver, this will be the value of any contributions made by TSB on your behalf (i.e. core and additional contributions) and paid via Payroll, less tax and National Insurance. Where you have made any contributions directly to the Scheme and outside SmartSaver, this will be the value of your own contributions, less tax. Please note, you will not be able to take a refund of your own contributions if you have transferred-in benefits.</li> </ul> <p>You will not receive a refund of any Company contributions made to the Scheme.</p>
Two years or more	<p>You will be able to:</p> <ul style="list-style-type: none"> <li>transfer the full value of your account to another registered pension arrangement; or</li> <li>leave your account in the Scheme until you retire. You can change your investment choices prior to retirement.</li> </ul>

## If you joined the Scheme from 1 October 2015

Membership of the Scheme:	Benefit on leaving TSB:
Less than or equal to 30 days	<p>You will receive a refund of the value of your own contributions less tax. Where you have participated in SmartSaver, this will be the value of any contributions made by TSB on your behalf (i.e. core and additional contributions) less tax and National Insurance.</p> <p>You will not receive a refund of any Company contributions made to the Scheme.</p>
More than 30 days	<p>You will be able to:</p> <ul style="list-style-type: none"><li>• transfer the full value of your account to another registered pension arrangement; or</li><li>• leave your account in the Scheme until you retire. You can change your investment choices prior to retirement.</li></ul>

Consider  
this

Once you have left TSB, you will no longer benefit from life cover. You may want to arrange separate cover or check your new employer's arrangements.

## Re-joining

You should consider the implications before opting out of the Scheme.

If you decide to re-join the Scheme, this would be at TSB's discretion. You may also need to provide TSB and the Trustee with evidence of your health.

The benefits payable on death would be restricted to the core cash lump sum of four times your basic pay while you are not a member of the Scheme. On re-joining, this would be similarly restricted for the first 12 months of any subsequent period of membership.

## Auto re-enrolment

If you opt out of the Scheme whilst still employed, in line with government legislation, on every third anniversary of 1 April 2014, we will automatically enrol you in the Scheme if the following apply:

- you are employed by TSB;
- you ordinarily work in the UK;
- you are aged between 22 and State Pension age;
- you earn more than £10,000\* (2015/16 tax year) a year including bonus, overtime etc; and
- you are not currently a member of the Scheme (or you were previously a member and you opted out).

If you don't currently meet the criteria above but your circumstances change in the future, making you eligible for auto-enrolment, due to legislative requirements we will automatically enrol you into the Scheme in the month this happens (or from the 1st of the following month, if you reach age 22). We will write to you at your home address to tell you if this happens.

You can opt out of the Scheme again at any time.

\*The Income Tax Personal Allowance may change from year to year. Please visit [www.gov.uk](http://www.gov.uk) for details of income tax rates and allowances.

## Opting out in accordance with the auto-enrolment requirements

Having been auto-enrolled, if you opt out within one month of joining and in accordance with the auto-enrolment requirements, you will receive a refund of your contributions and be treated as if you never joined the Scheme.

If you opt out beyond one month or leave TSB, you will receive benefits as set out in the table on page 11 if you were auto-enrolled before 1 Oct 2015 or receive benefits as set out in the table on page 12 if you were auto-enrolled from 1 Oct 2015.

## If you decide to opt out of SmartSaver

If you want to opt out of SmartSaver, see the SmartSaver guide.

If you do opt out, the contributions made to your account will not be affected. However, you would not benefit from National Insurance savings.

## If you die or become ill after leaving the Scheme

If you die after leaving the Scheme but before you start receiving your pension, the value of your account will be paid as a lump sum or used to provide a pension for one or more of your dependants, as decided by the Trustee.

If you become ill after leaving the Scheme but before you start receiving your pension, the value of your account will be used to purchase an immediate pension, subject to you satisfying the incapacity requirements and receiving the approval of TSB. You would still have the option to take up to 25% of your account as a tax-free cash sum. In exceptional circumstances, it may be possible to pay your entire account as a lump sum.

# Benefits on retirement

## When you can take your benefits

Your normal retirement age is your 65th birthday (unless a different age is shown in your employment contract).

However, you can choose to take your benefits at any time from age 55, provided TSB agrees. You may also be able to take your benefits earlier than this if you qualify for incapacity benefits.

If you intend to retire before normal retirement age, you will need to save more to receive the same level of retirement benefits. This is because:

- the value of your account will normally be lower as there will be less time for you and TSB to contribute and for your savings to grow; and
- your retirement income will be payable for longer.

You can choose to take your retirement benefits and continue working for TSB, provided TSB agrees. You can also choose to rejoin the Scheme and continue to contribute, and TSB will make contributions too. This is known as flexible retirement.

## What benefits you can choose

### 1 Cash

On retirement, you can take up to 25% of your account as a one-off, tax-free cash sum (this may be liable for a tax charge if you don't have sufficient Lifetime Allowance remaining). However, this will reduce the amount of money you will have available for other retirement benefits. This means that if you had £100,000 in your account, you could take up to £25,000 as a tax-free cash sum. The remainder of your account (i.e. £75,000) would then be used for other retirement benefits.

Alternatively, you can choose to take more of your account as cash, either as a one-off lump sum for the entire value of your account, or as a series of smaller lump sums, with up to 25% usually being tax free and the remainder taxed at your marginal rate. This option is only available to you if you transfer-out your benefits at retirement to a suitable pension provider (usually an insurance company). If choosing this option, you should consider the following:

- it's important to plan how much you'll need in retirement. It may be tempting to spend too much of your savings in the first few years but this could mean in the later years you have to rely on the State Pension alone, which may not be enough to meet your needs;
- if you choose to withdraw your account from the Scheme as cash and you don't need to spend all of your savings straight away, it's important to consider what you are going to do with them and the impact inflation will have. If your savings don't at least keep up with inflation they will be worth less and less over time;
- taking cash may have implications for people with debt or those who are entitled to means-tested benefits. If you might be impacted in this way you should seek further guidance;
- if you plan to continue saving into a pension, now or in the future, taking cash may further restrict the amount you can save into a DC pension; and
- if you die after having taken cash, it becomes a personal asset and would be treated as any other cash saving on your death.

Under this option, if the value of your retirement account is above £10,000, you will first need to transfer your account out of the Scheme to a retirement provider. Different providers will charge different fees and will offer different investment options. It's important to consider what different providers will offer you and what charges will apply.

If you are considering taking this option you may want to seek independent financial advice.

## 2 Pension (annuity)

At retirement, you can use the money that is in your account (after any tax-free cash sum taken) to buy a pension (also known as an annuity) from a pension provider (usually an insurance company). A pension will provide you with a regular retirement income payable for the rest of your life. The amount of pension you will receive depends on the type of pension you buy. You can choose:

- whether your pension is paid for a fixed period (e.g. 20 years) or for the rest of your life;
- whether or not your pension will increase, decrease or stay the same each year;
- to have a pension paid to one or more of your dependants on your death after retirement (e.g. one-half or two-thirds of your own pension); and
- to have the payment of your pension guaranteed for a fixed period you choose. This means that if you were to die within the guarantee period, the value of the unpaid pension would be paid to your dependants as a lump sum.

Whether your pension is paid in advance or arrears, monthly or less often will depend upon the pension provider you choose. You will pay income tax on your pension in the same way as you do on your pay at the moment.

Other options may also be available at retirement and full details will be provided to you at that time. When you choose your pension, you should think about your own circumstances and you should also remember that the more extra benefits you choose, the lower your annual pension will be.

Visit the online **Pension modeller** to see the impact of changing your retirement age on the value of your pension benefits.

## 3 Drawdown

You can choose to draw an income from your account (subject to income tax at your marginal rate) as and when you like, with the remainder staying invested. This option is only available to you if you transfer-out your benefits at retirement to a suitable pension provider (usually an insurance company). If choosing this option, you should consider the following:

- you can vary the amount you take and when, or you can take the same amount each time. It's up to you;
- it's important to plan how much you'll need in retirement. It may be tempting to spend too much of your savings in the first few years but this could mean in the later years you have to rely on the State Pension alone, which may not be enough to meet your needs;
- your savings are invested, therefore they can go down as well as up. There is a risk that returns are poor and your savings don't last as long as you thought they would;
- charges will continue to be taken from any savings left invested so it is important to consider the impact they have on your funds;
- this choice allows you to keep your options open; you can adapt if your circumstances change. For example, you could later buy an annuity with any remaining savings, or cash out;
- if you plan to continue saving into a pension, now or in the future, income drawdown may further restrict the amount you can save into a DC pension; and
- on death, your retirement savings will be passed on to your beneficiary and may be subject to tax.

Different providers will charge different fees and will offer different investment options. It's important to consider what different providers will offer you and what charges will apply.

If you are considering taking this option you may want to seek independent financial advice.



Visit [tsbpensionscheme.co.uk/the\\_journey\\_to\\_your\\_retirement](https://tsbpensionscheme.co.uk/the_journey_to_your_retirement) for more information when planning your retirement.

## Level of retirement benefits

The level of retirement benefits you will receive depends on:

- the amount of contributions made to your account (core contributions, company contributions and any additional contributions);
- your investment choices and how they perform;
- whether you take a tax-free cash sum at retirement; and
- the type of retirement benefit you choose.

All of these factors mean that it is not possible to predict the level of benefits you will receive when you retire. However, the Scheme administrator will send you an annual pension statement providing estimates of what your retirement income might be at your target retirement age. This will help you to see whether you are on track to receive the retirement income you want.

## Making your decision

As you approach your normal retirement age, you will receive a personal illustration. This will provide you with the up-to-date value of your account along with full details of the options available to you.

Retirement providers vary the amount they charge for the same type of retirement product so it is worth asking a number of companies to provide quotations. The Trustee has appointed Hargreaves Lansdown, a leading UK annuity broker who, if you choose to use their services, can provide you with quotations from a number of annuity providers if you are interested in buying a pension, along with information on their income drawdown product. However, please note that there are other providers available. As you approach retirement, you will be provided with more information about this service and any fees which may apply.

If you are considering retiring early or late, visit [tsbpensionscheme.co.uk/the\\_journey\\_to\\_your\\_retirement](https://tsbpensionscheme.co.uk/the_journey_to_your_retirement) for more information. You may also wish to speak to an independent financial adviser (IFA) about the options available. You can find details of an IFA in your local area by visiting [www.unbiased.co.uk](https://www.unbiased.co.uk)

# General information

## Financial advice

If you would like financial advice, you should speak to a qualified independent financial adviser (IFA). Please note that employees of TSB, the Trustee and the Scheme administrator cannot give you financial advice. For details of an IFA in your area visit

[www.unbiased.co.uk](http://www.unbiased.co.uk)

You will also have the right to free and impartial guidance at retirement to help you make confident and informed decisions on how you use your pension savings in retirement. Pension Wise is the government's new free, impartial and independent guidance service to help you understand your choices.

Visit [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) for more information or to book an appointment, call **0300 330 1001**.

## Scheme Trustee

The Scheme is run by a trustee body. The Trustee runs the Scheme according to the Rules and looks after its assets on behalf of members and their beneficiaries. The assets are kept completely separate from those of TSB. The Trustee delegates the day-to-day administration to the Scheme administrator.

TSB has the right to change or discontinue the Scheme at any time.

## Tax

The TSB Pension Scheme is registered with HM Revenue & Customs (HMRC). Under current legislation, this gives you and TSB certain tax advantages.

Any contributions made through payroll will receive immediate tax relief subject to the Annual Allowance (AA). The AA is £40,000 from 6 April 2014. The AA is subject to change each tax year with the latest details available at [www.gov.uk/tax-on-your-private-pension/annual-allowance](http://www.gov.uk/tax-on-your-private-pension/annual-allowance). It is also worth noting that if you draw retirement benefits from any defined contribution pension arrangement, in most cases your AA will reduce to £10,000. This is sometimes referred to as the 'Money Purchase Annual Allowance'.

The pension you receive will be subject to income tax under the PAYE system, although you may take up to 25% of the value of

your benefits within the Lifetime Allowance (LTA) as a tax-free cash sum. The LTA is £1.25 million from 6 April 2014 and reduced to £1 million from 6 April 2016.

More information about the AA and the LTA can be found in the tax information section of the Scheme website [www.tsbpensionscheme.co.uk](http://www.tsbpensionscheme.co.uk) and at [www.gov.uk](http://www.gov.uk)

HMRC will assess total pension contributions against the AA over a period known as the Pension Input Period (PIP) which runs from 6 April to 5 April each year.

Most members are unlikely to exceed the AA or LTA. However, if you think you might be affected (perhaps because you have built up significant benefits in other arrangements) you should contact the Scheme administrator. Contact details can be found on the back of this guide.

Statements made in this guide in relation to the tax treatment of contributions and benefits are based on the Trustee's understanding of tax law and practice at the date of publication. Contributions and benefits will be subject to tax according to the actual law and practice at the time of payment.

## Pensions and divorce

By law, retirement benefits must be taken into account when joint assets are assessed on divorce.

If the Court issues a pension-sharing order, a share of your account (known as a pension credit) may be awarded to your ex-spouse or ex-registered civil partner. If this happens, the Trustee will require your ex-spouse or ex-registered civil partner to transfer this pension credit out of the Scheme at the time the order is received.

## Annual Report

The Annual Report, which includes the Trustee's report, the Scheme's financial statements and notes, and an investment summary is available to you on request.

## Data Protection

The Trustee of the Scheme is a data controller in respect of personal data processing for the administration of the Scheme.

As data controller, the Trustee holds and processes certain personal data about you, as a Scheme member, and possibly those of your dependants and beneficiaries. Personal data means information that can be used to identify you, such as your name. The Trustee holds and processes this data to properly administer the Scheme and to comply with the law.

The types of data the Trustee may collect and hold will include, for example, your National Insurance number, date of birth and your postal address. The Trustee generally collects this data from you and TSB. Some of the data the Trustee collects may be classed as 'sensitive data', such as information you tell us about your health when applying for ill-health pension benefits. The Trustee may require your consent to collect and hold this data.

As the Trustee is assisted by third parties to properly administer the Scheme, your personal data may be shared with these parties, including for example, the Scheme's administrator, the Trustee's professional advisers (such as the Scheme's lawyers), service providers, regulators and Government bodies. Your personal data may also be shared with TSB.

Further information on how the Trustee uses your personal data and your rights regarding that data can be found at [www.tsbpensionscheme.co.uk/pensions\\_talk](http://www.tsbpensionscheme.co.uk/pensions_talk). If you have any questions you can call Equiniti on 0345 266 9214 or email [tsbpensions@equiniti.com](mailto:tsbpensions@equiniti.com).

## Protection for your investments

The funds we offer for you to invest in are currently provided through Zurich Assurance Limited. Zurich arranges the investments under an insurance policy we have with them. This is a common way of investing under UK pension schemes and helps us give you easy access to a range of investment funds.

The Trustee's policy with Zurich is currently covered by the Financial Services Compensation Scheme (FSCS). In the unlikely event that Zurich is unable to meet its financial obligations the Trustee would be able to make a claim to the FSCS for the value of the policy with Zurich.

The underlying funds are managed by third parties, currently by Legal & General and BlackRock.

Although the Legal & General funds are provided by life companies under a contract with Zurich the FSCS does not apply in these circumstances. Accordingly, Legal & General have structured their businesses with a view to ring-fencing your pension savings from other insurance risks, and therefore the risk of Legal & General being unable to meet their liabilities is seen as very small.

The BlackRock fund is provided through a unit trust, which is separate from BlackRock and therefore ring-fenced from liabilities of other BlackRock entities.

There is a risk that some or all of your investment would not be recovered if a third party fund provider were to become insolvent and there can be no absolute guarantee that funds will never be affected by fraud. However, the underlying investment funds and the arrangements to access them are structured to minimise the risk of this happening, and the funds are subject to strict financial regulation.

We keep the way we provide you access to investments under the Scheme under regular review. We are satisfied that our current arrangements are in line with the industry best practice and, although it's a complicated arrangement, it's worth it to enable us to offer you the range of funds we do, which we hope in turn encourages you to save for your benefits.

## Resolving disputes

If you have a complaint, you should initially refer it to the Scheme administrator who will review the complaint and send you a written response.

If the issue is still not resolved to your satisfaction, there is a formal procedure to follow, called the Internal Dispute Resolution Procedure (IDRP).

To apply, you must complete an IDRP form, which includes all the details required from you by law. Alternatively, you may choose someone else to apply on your behalf, such as a member of your family, a friend or a lawyer.

If you have ceased to have an interest in the Scheme, you must apply within 6 months of the date you ceased to have an interest.

You can download an IDRP form and details of the IDRP from the forms and documents section of the website, or you can request it from the Scheme Administrator using the contact details on the back of this guide. Your completed form should then be sent to:

 The Trustee  
The Law Debenture Pension Trust Corporation p.l.c.  
Fifth Floor  
100 Wood Street  
London  
EC2V7EX

 [catherine.palarca@lawdeb.com](mailto:catherine.palarca@lawdeb.com)

The Trustee will give full consideration to your complaint and will make a decision within four months of the date it receives your application. You will be notified of the decision within 15 working days of it being made. If a decision can't be reached within four months, you will be told the reasons why and when you can expect it.

At any stage of the process, you could contact the Pensions Advisory Service (TPAS) for advice. If you are dissatisfied with the Trustee's decision, you could contact the Pensions Ombudsman using the contact details in the Regulatory and State scheme bodies section.

If there has been a failure of duties by the Trustee, TSB or professional advisors, the Pensions Regulator (TPR) is able to intervene in the running of the Scheme. Contact details for TPR can be found in the Regulatory and State scheme bodies section.

# Regulatory and State scheme bodies

## Regulatory bodies

There are a number of organisations that can help and advise you about pension schemes.

### The Pensions Advisory Service

If you need information and guidance concerning your pension arrangements contact The Pensions Advisory Service.

 The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB

 0300 123 1047

 [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### The Pensions Ombudsman

If you have a complaint or dispute with your pension provider concerning your workplace or personal pension arrangements you should contact The Pensions Ombudsman.

 The Pensions Ombudsman  
10 South Colonnade  
Canary Wharf  
London E14 4PU

 0800 917 4487

 [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

### The Pensions Regulator (TPR)

TPR is able to intervene in the running of schemes where trustees, managers, employers or professional advisers have failed in their duties.

 The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton BN1 4DW

 0345 600 0707

 [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## State Pension

The State Pension is a flat-rate pension payable from State Pension age to everyone who has enough National Insurance contributions or credits. As a member of the Scheme, you are building up an entitlement to the State Pension.

You can get an estimate of your State Pension from [www.gov.uk](http://www.gov.uk)

You can also request a State Pension statement by writing to:

 Future Pension Centre  
Department for Work and Pensions  
Tyneview Park  
Newcastle upon Tyne NE98 1BA

 0800 731 0175

 [www.gov.uk/state-pension-statement](http://www.gov.uk/state-pension-statement)

By participating in SmartSaver the amount of S2P you receive will reduce. For the majority of colleagues, their potential National Insurance savings will outweigh this reduction.

To learn more on SmartSaver go to [www.tsbpensionscheme.co.uk/contributions](http://www.tsbpensionscheme.co.uk/contributions)

## Pension tracing service

The Pension Tracing Service provides a free tracing service for people who have lost touch with a former pension scheme. The Pension Tracing Service can be contacted at:

 Pension Tracing Service  
The Pension Service  
Tyneview Park  
Whitley Road  
Newcastle upon Tyne  
NE98 1BA

 0800 731 0193

 [www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension)



# Contact us

You can find further information online at [www.tsbpensionscheme.co.uk](http://www.tsbpensionscheme.co.uk)

If you have any questions about the TSB Pension Scheme, please contact the Scheme administrator:

 Equiniti Limited  
PO Box 4945  
Aspect House  
Spencer Road  
Lancing  
BN99 8LQ

 0345 266 9214

 [tsbpensions@equiniti.com](mailto:tsbpensions@equiniti.com)

## Disclaimer

The full terms and conditions of the TSB Pension Scheme are contained in the Rules. The Rules are formal documents that are the legal basis of the TSB Pension Scheme and will prevail in the event of any disagreement. Nothing in this document confers any entitlement to benefits.

The Trustee may change any or all of the terms and conditions outlined in this guide at any time without prior notice to you. If there is any discrepancy between the content of this guide and the Rules, the Rules will always take precedence.

This document is also available in large print, Braille or audio format.