

## Pensions and Redundancy

This fact-sheet explains your pension options and highlights some issues you need to be aware of if you are made redundant.

### What Are My Options?

You will have the option of either leaving your benefits in the Plan until retirement or, at any time in the future, transferring the value of your benefits to another registered pension arrangement. Please note that if the value of your benefits exceeds £30,000 we may need to see confirmation that you have taken Independent Financial Advice.

### Defined contribution (DC) members

If you are a member of one of the DC sections (Money Purchase 2003 Section or Auto Enrolment Section), your pension pot will remain invested in the Plan until you retire. Alternatively, you can transfer the value your pension pot to another registered pension arrangement.

If you decide to transfer, we will pay the full value of your pension pot to your chosen pension arrangement.

### Defined benefit (DB) members

If you are a member of one of the DB sections of the Plan, your pension built up to your date of leaving the Plan is calculated as a fraction of your final pensionable salary for each year of pensionable service. The fraction applicable depends on the Rules for your section of the Plan, you can read more about your section on our website at [www.pearson-pensions.com/library/#section-information](http://www.pearson-pensions.com/library/#section-information)

If you decide to transfer your benefits to another pension arrangement at any time in the future, we will pay the cash equivalent of your benefits in the Plan to your chosen pension arrangement.

### All members

You can currently apply to start receiving your pension from age 55, with Company agreement. Please note that the government intends to increase the minimum retirement age from 55 to 57 from the 6 April 2028.

If you do retire early, your annual pension is likely to be less than the pension you would otherwise have received if you retired at the Plan's normal retirement age of 62. Details of your pension on retirement can be provided on request.

The pensions team will write to you at your home address after you have left, providing you with a personal statement setting out your pension options and the relevant figures to enable you to make your decision.

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## Frequently Asked Questions?

### Can I use my redundancy payment to enhance my benefits in the Plan?

Yes, you can pay part, or all, of your redundancy payment into the Plan as Additional Voluntary Contributions (AVCs). These will be invested with Aviva in your choice of funds and used to provide additional benefits when you retire, or added to your transfer value.

### Will I receive tax relief on my AVCs?

AVCs qualify for income tax relief in the same way as your normal contributions to the Plan. This means they are a tax-efficient way of saving, particularly if your redundancy payment exceeds the £30,000 tax-free limit. Before deciding to make AVCs we recommend that you check your Annual Allowance and Lifetime Allowance limits. You can find further information about the Annual Allowance and the Lifetime Allowance on the Plan website at [www.pearson-pensions.com/annual-allowance-lifetime-allowance](http://www.pearson-pensions.com/annual-allowance-lifetime-allowance) or the HMRC website [www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension)

### What benefits are payable if I die after leaving but before retirement?

Although death in service benefits cease at your date of leaving, if you leave your benefits in the Plan, a pension will normally be payable to your spouse or civil partner, together with a refund of your own contributions. These benefits will be calculated in accordance with the Rules of your Plan section. Please see the Plan website for details relating to your section of the Plan. Remember to keep your expression of wish up to date, you can do this by completing the form on our website at [www.pearson-pensions.com/expression-of-wish-form](http://www.pearson-pensions.com/expression-of-wish-form)

### What happens to my (AVCS)?

If you were making AVCs, these would stop at your date of leaving. The AVCs would be treated as follows:

- If you chose to transfer to another pension arrangement, the value of your AVCs would also be transferred.
- If you chose to leave your pension benefits in the Plan, your AVCs would remain invested in the Plan.

### Should I obtain financial advice?

We recommend that you seek independent financial advice before making any decision that affects your pension. Neither the Trustee, the Company, nor the pensions team are allowed to give any financial advice. You can find an independent adviser in your area on the MoneyHelper website at: [www.moneyhelper.org.uk/en/pensionsand-retirement/taking-your-pension/find-a-retirement-adviser](http://www.moneyhelper.org.uk/en/pensionsand-retirement/taking-your-pension/find-a-retirement-adviser). You will have to pay for the advice or services that you receive from the adviser.

### Where can I obtain further help?

The Pensions Advisory Service ([www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)) provides free independent and impartial information and guidance. Pension Wise ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)) – if you are over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options. Book a virtual 1:1 with the pensions team. Simply go to [www.pearson-pensions.com/book-a-meeting](http://www.pearson-pensions.com/book-a-meeting)

This fact-sheet is intended to provide you with a summary of information. The specific options available to you will depend on your personal circumstances and the Rules of the Plan Section that applies to you. The Trustee has made every effort to ensure that this fact-sheet is accurate. However, in the event of any inconsistency between this fact-sheet and the Rules of the Plan, the Rules of the Plan will always prevail. This fact-sheet refers to matters which may be subject to change. You should always check that you have the most up to date information by contacting the Pensions Team before making any decision.