The Uniper Retirement Balance Plan

Find out about the benefits of saving for the future

Member booklet – October 2015

Definitions

There are a number of terms which have special meanings in the Uniper Retirement Balance Plan. These appear in bold throughout and we explain what they mean below.

Additional benefit level

If your **retirement balance** is already being credited with the highest of the five **core benefit levels** (40% of your **pensionable pay**), you can choose to purchase an **additional benefit level**. This will increase your **retirement balance** and can be purchased in multiples of 5% of your **pensionable pay**.

Company

Uniper UK Limited or your employer within the Uniper group.

Core Benefit level

This is the percentage of your **pensionable pay** that you choose to credit to your **retirement balance** each **Plan year**. There are five **core benefit levels**: 20%, 25%, 30%, 35% and 40% of your **pensionable pay**.

Defined benefit

The Plan is a **defined benefit** arrangement in which you build up a specific amount of money that you can use to buy benefits when you retire.

Dependant

This is:

- the person that you are legally married to at the date of your death, or
- any other adult that the Trustees agree can be a **dependant.** (Members can nominate a **dependant** for the Trustees to consider.)

Normal retirement date

This is your 65th birthday.

Pensionable pay

This is your annual salary plus any regular payments that the **Company** tell you is part of your **pensionable pay.**

Plan year

This runs from 1 April to 31 March.

Retirement balance

This is the name of the account that the Trustees set up in your name when you join the Plan. Over time your **retirement balance** will increase – through the **benefit levels** that you choose each year and the inflation-linked increase that your balance receives at the start of each **Plan year**.

State Pension Age

This is the age you start to receive your State Pension. **State Pension Age** is currently 65 for men. For women it is being gradually increased from 60 to 65 over the period from April 2010 to November 2018. Having equalised, it is then to gradually increase to age 66 by October 2020, and to 67 between 2026 and 2028. **State Pension Age** varies by month of birth and the pensions Act 2014 introduces a regular review of it going forward, with the timetable for review being at least every six years.

What does your future hold?

It's never too early to start planning for your life after work.

Some of you will have many years to go before you expect to retire. For others, that time might be getting close. Whenever this process starts, and whatever your plans and dreams, you will need a regular income to help you make the most of life after work. After all, this period of your life could last for upwards of 30 years.

You will receive a pension from the State, but this is unlikely to meet your needs. To make sure your retirement is as good as can be, you need to consider alternative ways of building for your future, and you need to start saving sooner rather than later.

One of the most efficient ways is to join a pension arrangement that your employer provides. **Uniper** has set up the Plan to help you build up an income for when you retire. It also provides financial protection for your dependants if the unexpected happens in the meantime.

The Plan is only open to current active members of the E.ON UK Retirement Balance Plan who will be joining the Uniper business as a direct result of Project One2Two. It was established to provide an identical benefit structure for those members.

This guide gives you a summary of the main features.

An overview

The opportunity to join the Uniper Retirement Balance Plan is a valuable benefit of working for the **company**. Please make the most of it.

How it works

- When you join the Plan, a **retirement balance** account is set up in your name.
- You choose how much you would like to have credited to your **retirement balance** each **Plan year**. You can choose from one of five **core benefit levels**.
- The more you want to credit to your **retirement balance**, the higher the regular contribution rate will be.
- You have the flexibility to switch between **core benefit levels** from the start of each **Plan year** as your circumstances and priorities change.
- You can boost your **retirement balance** still further by paying additional contributions to purchase **additional benefit levels.**
- At the start of each **Plan year**, your **retirement balance** will receive an increase to help protect its value against rising prices.
- When you retire, the **retirement balance** you have built up is used to provide a package of valuable financial benefits.

The benefits of being a member

- The Plan is a **defined-benefit** pension arrangement.

- The **benefit level** you earn each year is a fixed percentage of your **pensionable pay**. Each year you will receive a benefit statement so that you can keep track of how your **retirement balance** is building up.

- As the Plan is a **defined benefit** arrangement, you do not have to make any decisions about how your contributions are invested and the **Company** bears the risks that the Plan's investments do not perform as well as expected.

- The **Company** makes up the difference between the core contributions you pay and the estimated cost of providing the **core benefit level** you have chosen to purchase.

- You benefit from tax relief on all the contributions you pay into the Plan. From April 2011 the tax treatment of contributions changed for those members who receive higher earnings and as a result you may not receive the higher rate tax relief.

- When you retire, you can take up to 25% of your **retirement balance** as a tax-free cash sum (subject to any limits set by HM Revenue & Customs) which is currently paid tax free.

- The remainder of your **retirement balance** will be used to provide a pension. The amount of pension you receive will depend on the **retirement balance** you have built up and the cost of buying a pension at that time.

- There are valuable financial benefits to help support the people who matter to you if you die as a member of the Plan while employed by the **Company**.

How to join

As referred to above, the Plan was established to provide an identical benefit structure to the E.ON UK Retirement Balance Plan. Existing members of the E.ON UK Retirement Balance Plan joining the Uniper business will automatically be invited to join the Plan and will initially be set up on their existing benefit level. Members will also be automatically offered the chance to transfer their existing retirement balance across to the Plan in October 2015 (and will have two months to make this decision).

If you decide not to join or opt out of the Plan, you will not be permitted to re-join at a later date.

Your contacts

For information

If you have any questions about the Plan or your benefits, please contact the Plan administrator, RPMI EPAL.

Write to:

RPMI EPAL
Unit 2, Rye Hill Office Park,
Birmingham Road,
Coventry
CV5 9AB

Telephone	02476 472541
Fax	02476 472545
Email:	enquiries@rpmi.co.uk

The address of the Secretary to the Trustees is:

Scheme Secretary
Uniper UK Limited
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

For advice

By law, neither the Trustees nor the **Company** can give you advice about your pension options. If you want to speak to someone about what might be best for your situation, you may find it helpful to contact an authorised independent financial adviser.

A company called IFA Promotions can help you find advisers in your area. Visit their website at www.unbiased.co.uk or phone their consumer hotline on 0800 085 3250.

This guide gives a summary of the main features of the Uniper Retirement Balance Plan, which is a benefit Category of the Uniper Group of the Electricity Supply Pension Scheme (ESPS). The Plan is governed by the clauses and rules of the ESPS. If there is any difference between this guide and the governing documents (clause & rules), the latter will apply.

October 2015

Where to look next

Getting started

Who can join

The Plan is only open to current active members of the E.ON UK Retirement Balance Plan who will be joining the Uniper business as a direct result of Project One2Two. It was established to provide an identical benefit structure for those members from 1 October 2015.

For completeness, the E.ON UK Retirement Balance Plan closed to new entrants on 1 December 2008.

If you decide not to join

If you decide not to join the Plan or opt out, there are three key points you need to remember.

You will not be able to join at a later date.

You will not be entitled to the Plan's generous death-in-service cover.

Employees who decide not to join the Plan do not receive any of the Plan's death-in-service benefits as outlined in this booklet. However, the **Company** does provide life cover for all employees who are not a member of any of the pension arrangement equal to one years annual basic salary**.**

The **Company** will not pay contributions to any private pension arrangement.

What you pay

The core contributions that you pay into the Plan will vary from year to year. This is because the contribution rate in any **Plan year** depends on the **core benefit level** that you choose to build up and your age on 6 April in that year. The table below shows how this works.

The core benefit level that you choose to build up each Plan year

You choose how much you would like to have credited to your **retirement balance** each **Plan year**. You can choose from one of five **core benefit levels**.

- 20% of your **pensionable pay**
- 25% of your **pensionable pay**
- 30% of your **pensionable pay**
- 35% of your **pensionable pay**
- 40% of your **pensionable pay**

The more you want to have credited to your **retirement balance**, the higher your own contribution rate will be.

You have the flexibility to switch **core benefit levels** from the start of each **Plan year** as your circumstances and priorities change. (See 'Making changes' on page 16.)

Your age on 6 April in each Plan year

The older you get, the more valuable your Plan benefits become. To reflect this, your core contribution rates increase as you get older.

The core contribution rate you pay from the start of the **Plan year** depends on your age on 6 April in that year. This contribution rate remains fixed until the start of the next **Plan year**.

Please remember that if your **pensionable pay** increases during the year, the amount you pay will also increase, since the contribution rate will apply to your higher pay.

Tax advantage

Payroll deducts your Plan contributions from your pay before it is taxed. This means you benefit from tax relief at your highest rate of tax. It also means the real cost of membership is even less than you might think. However from April 2011 the tax treatment of contributions changed for those members who receive higher earnings and as a result you may not receive the higher rate tax relief.

For example, if you pay income tax at the basic rate of 20%, each £1 you contribute actually costs you 80p. You get this 20p tax relief automatically through the payroll.

If you pay income tax at 40%, each £1 you contribute costs 60p. You get this 40p tax relief automatically through the payroll subject to any restrictions introduced from April 2011.

Salary Sacrifice

In July 2009, the Company introduced salary sacrifice which in simple terms means, that by contractual arrangement, your salary is reduced by the amount of your pension contribution and instead the same amount is paid to the Plan by the Company. Your pension benefits are unaffected by this arrangement and you will pay less National Insurance contributions.

The Company intends to continue to offer the salary sacrifice option as the default position unless it is no longer permitted by HMRC or more generally becomes no longer viable.

Your benefit level, your age and your regular contribution rate

The table below gives the current contribution rates for each of the five **core benefit level**.

Your age on 6 April																
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
20%	2.3	2.3	2.4	2.4	2.5	2.6	2.7	2.8	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5
25%	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3
30%	3.4	3.5	3.6	3.7	3.8	3.9	4.1	4.2	4.3	4.4	4.5	4.7	4.8	4.9	5.0	5.1
35%	4.0	4.1	4.2	4.3	4.4	4.5	4.7	4.9	5.0	5.1	5.3	5.5	5.6	5.7	5.9	6.0
40%	4.6	4.7	4.8	4.9	5.1	5.2	5.4	5.6	5.8	5.9	6.1	6.3	6.5	6.6	6.8	7.0

Your age on 6 April																
	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49
20%	3.5	3.6	3.7	3.8	3.9	4.0	4.2	4.3	4.5	4.6	4.8	5.0	5.1	5.3	5.4	5.6
25%	4.4	4.5	4.6	4.7	4.9	5.0	5.2	5.4	5.6	5.8	6.0	6.2	6.4	6.6	6.8	7.0
30%	5.3	5.4	5.5	5.7	5.9	6.1	6.3	6.5	6.7	7.0	7.2	7.5	7.7	7.9	8.2	8.4
35%	6.2	6.4	6.6	6.8	7.0	7.2	7.5	7.7	8.0	8.3	8.6	8.9	9.1	9.4	9.7	10.0
40%	7.2	7.4	7.6	7.9	8.1	8.4	8.7	9.0	9.3	9.6	9.9	10.3	10.6	10.9	11.3	11.6

Your age on 6 April															
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64
20%	5.8	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.5	7.7	8.0	8.2	8.4	8.7	9.0
25%	7.2	7.5	7.7	8.0	8.2	8.5	8.8	9.1	9.4	9.7	10.0	10.3	10.6	10.9	11.2
30%	8.7	9.0	9.3	9.6	9.9	10.2	10.5	10.9	11.3	11.7	12.0	12.4	12.8	13.1	13.5
35%	10.3	10.7	11.0	11.4	11.7	12.1	12.5	13.0	13.4	13.9	14.3	14.7	15.2	15.6	16.0
40%	12.0	12.4	12.8	13.2	13.6	14.1	14.6	15.1	15.6	16.1	16.6	17.1	17.6	18.1	18.6

Example
Year 1
You choose a **core benefit level** of 30%.
You are 25 years old on 6 April in year 1.
Your core contributions from 1 April will be 4.2% of your **pensionable pay**. (With basic-rate tax relief, the actual cost to you is 3.36% of your **pensionable pay**.)

Year 2
You decide to continue building up your **retirement balance** with a **core benefit level** of 30%.
You will be 26 years old on 6 April in year 2.
Your core contributions during the coming **Plan year** will be 4.3% of your **pensionable pay**. (With basic-rate tax relief, the actual cost to you is 3.44% of your **pensionable pay**.)

What the company pays

The **Company** pays the balance of the cost of providing your benefits. This means that it makes up the difference between the core contributions you pay and the cost of providing the **benefit levels** which you purchase each year. In accordance with the clauses & rules of the Plan, the independent Plan actuary advises on the amount needed to cover this cost and reviews this position. As a general guide, the actuary has estimated that the cost to the **Company** is likely to be at least as much as the contributions paid by members.

In addition, the **Company** meets the full cost of providing the benefits that are payable if you are a member and die while employed by the company**,** as well as the full cost of running the Plan.

What happens to these contributions

The contributions that you and the **Company** pay are handed over promptly to the Trustees. The Trustees then invest these contributions. You do not have to make any decisions about how your contributions are invested.

Prudent investment is vital to the health of the Plan. The objective of the Trustees' investment strategy is to ensure that there is enough money to pay the benefits promised to members and **dependants** when they fall due.

The Trustees have overall responsibility for the Plan's investments, but they appoint specialist investment managers to implement their investment strategy. When the managers make their decisions, they follow clear guidelines that the Trustees set out in the Plan's statement of investment principles. If you would like a copy of this document, please contact the Plan's administrators, RPMI EPAL.

As the Plan is a **defined benefit** arrangement, the **Company** bears the risks that the Plan's investments do not perform as well as expected.

How your retirement balance builds up

At the end of each **Plan year**, your **retirement balance** will be credited with the **benefit level** you chose to build up during that year

If you leave pensionable service during a **Plan year**, your **retirement balance** will be credited with a proportion of the **benefit level** you chose to build up that year. We will base this on the number of complete months that you were in pensionable service during that year and your **pensionable salary** throughout that year.

At the start of each **Plan year,** your **retirement balance** will receive an increase. The aim of this increase is to help protect the value of your balance against rising prices, as measured by the change in the retail prices index over the 12 months to the end of September of the previous year.

The examples on pages 14 and 15 show how this works.

Reviewing your progress

The **Company** provides the Plan to help you build up an income for when you retire. However, it is your future and it is up to you to check that your **retirement balance** is building up in the way that suits your needs and circumstances best.

In mid - summer each year, the Plan administrator will send you a personalised benefit statement. This will show the value of your **retirement balance** as at the statement date, the contribution rate you need to pay, if you want to maintain the same level of benefit throughout the **Plan year**, and an illustration of the kind of benefits your **retirement balance** might provide you with. Please read this document carefully and check that your retirement saving is on the right track.

If you decide you want to make a change – for example if you want to switch **core benefit levels** so that your **retirement balance** can build up more quickly - you can do so from the start of the next **Plan year**. (See 'Making changes' on page 16).

Transferring benefits into the Plan

At the moment, members are not able to transfer benefits from other pension arrangements into the Plan.

In order to support Project One2Two, you will be offered a single opportunity to transfer your existing benefits from the E.ON UK Retirement Balance Plan to the Plan in mid-October 2015. This option will be sent directly to your home address and you will have a period of two months to make your decision.

Temporary absence

Sick leave

Most periods of sick leave are likely to be for a relatively short period of time, and these will not affect your membership of the Plan. As long as you are paid sick leave and paying contributions to the Plan, your **retirement balance** will continue to be credited with your chosen benefit level.

However, if you go on unpaid sick leave, you will stop paying contributions to the Plan and will no longer earn benefits (unless the **Company** advises you otherwise.)

Maternity leave

You will remain a contributing member as long as you are receiving maternity pay and are paying contributions to the Plan. The contributions you pay will be based on your actual pay. The credit to your **retirement balance** will continue to be based on the **pensionable pay** you would have received had you not been on maternity leave.

If you go on unpaid maternity leave, you will stop paying contributions and will no longer earn benefits under the Plan.

You will continue to be entitled to the Plan's generous death-in-service and ill-health benefits while you are on maternity leave (whether this is paid or unpaid.)

Paternity and family leave

If you go on paternity leave or family leave, you will remain a contributing member as long as you are on paid leave and paying contributions to the Plan.

If you go on unpaid leave, you will stop paying contributions and will no longer earn benefits in the Plan.

Special leave

Unless the Company advises you otherwise, you will not remain a contributing member during any period of special leave.

Illustrations: how retirement balances can build up

The examples on the following pages show how a member's **retirement balance** could build up over a five year period.

For the purposes of these examples, we have assumed that the member's **pensionable pay** is £20,000 in year 1 and that this rises by £1,000 each year. We have also assumed that the inflation-linked increase applied to the accumulating **retirement balance** is 3% each year.

Example 1: The member chooses a core benefit level of 30% of his pensionable pay each year

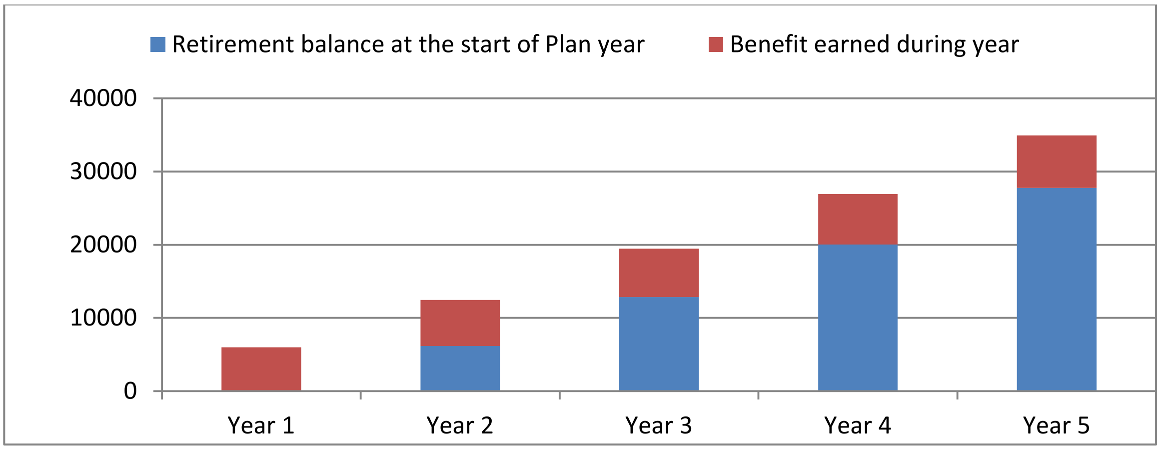
The member's **pensionable pay** in year 1 is £20,000. By choosing a **core benefit level** of 30%, the member gets £6,000 credited to his **retirement balance**.

At the start of year 2, this £6,000 receives an inflation-linked increase of 3% taking it to £6,180.

In year 2, the member's **pensionable pay** goes up to £21,000. Continuing with a **core benefit level** of 30% means that a further £6,300 is added to his **retirement balance**. This means that at the end of year 2, his **retirement balance** has increased to £12,480 (£6,180 plus £6,300).

At the start of year 3, the **retirement balance** of £12,480 receives another inflation-linked increase of 3% taking it to £12,854.

This pattern is repeated over the five-year period as shown in the chart below. By the end of five years, the member's retirement balance has already built up to £34,946.



Core benefit level	30%	30%	30%	30%	30%
Pensionable pay	£20,000	£21,000	£22,000	£23,000	£24,000
Year-end retirement balance	£6,000	£12,480	£19,454	£26,938	£34,946

Example 2: The member changes core benefit level each year as his circumstances change

The member's **pensionable pay** in year 1 is £20,000. Choosing a **core benefit level** of 20% means that £4,000 is credited to his **retirement balance**.

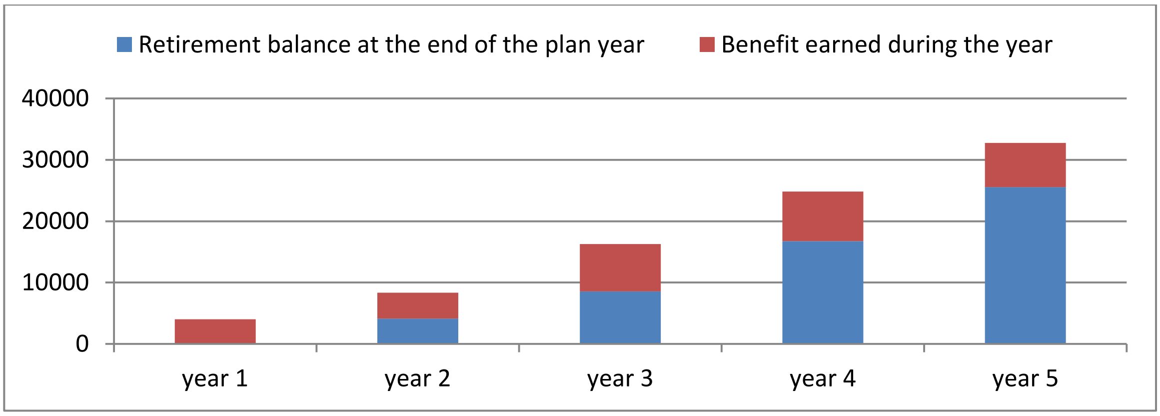
At the start of year 2, this £4,000 receives an inflation-linked increase of 3% taking it to £4,120.

In year 2, the member's **pensionable pay** goes up to £21,000. Choosing another **core benefit level** of 20%means that £4,200 is credited to his **retirement balance**. This means that at the end of year 2, his **retirement balance** has increased to £8,320 (£4,120 plus £4,200).

At the start of year 3, the **retirement balance** of £8,320 receives another inflation-linked increase of 3%, taking it to £8,570.

In year 3, the member's **pensionable pay** goes up to £23,000. Choosing a **core benefit level** of 35% means that £7,700 is credited to his **retirement balance**. This means that at the end of year 3, his retirement balance has increased to £16,270 (£8,570 plus £7.700).

He pattern is replicated over the five-year period as shown in the chart below. By the end of five years, the retirement balance has already built up to £32,752.



Core benefit level	20%	20%	35%	35%	35%
Pensionable pay	£20,000	£21,000	£22,000	£23,000	£24,000
Year-end retirement balance	£4,000	£8,320	£16,270	£24,808	£32,752

Making changes

Switching benefit levels

If you want your **retirement balance** to build up more quickly (or more slowly), you have an opportunity to switch **core benefit levels** at the start of each **Plan year**. You cannot switch **core benefit levels** at any other time. This option is currently provided via the flexible benefits system, My Choice. Enrolment usually runs in the month of February each year and you will be contacted separately about the process.

Paying additional contributions

From April 2006, you will be able to contribute up to 100% of your taxable earnings towards your pension savings, less any statutory (such as National Insurance contributions) or voluntary (such as other benefits you've selected) deductions.

You should also be aware that the maximum contributions are also subject to the Annual Allowance limit (which in 2014/15 was £40,000). This tends to affect higher earners and the way the Annual Allowance is calculated is complex. Details are shown on your benefit statement. If you are in doubt, you should contact the Plan administrators, RPMI EPAL, before you decide to pay additional contributions.

The highest **core benefit level** that you can achieve with your regular contributions is 40% of your **pensionable pay** (see page 9).

If you want to credit your **retirement balance** with more than 40% of your **pensionable pay**, you might want to consider paying additional contributions. These work in the same way as your regular contributions.

- You can choose the **additional benefit level** that you want to credit to your **retirement balance**. This must be in multiples of 5% of your **pensionable pay**.

- The additional contribution rate you pay depends on the **additional benefit level** that you choose to build up each **Plan year** and your age at the start of the **Plan year**.

- Payroll deducts your additional contributions from your pay before it is taxed.

The additional contribution rates have been calculated by the actuary to reflect the full cost of providing the additional benefits. However, the **Company** bears the risks that the Plan's investments do not perform as well as expected.

Your additional benefit level, your age and your additional contribution rate

The table below gives the current additional contribution rates for each additional 10% of your **pensionable pay** that you want to credit to your **retirement balance**.

Your age on 6 April															
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
2.3	2.3	2.4	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6

Your age on 6 April															
34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49
3.7	3.8	4.0	4.1	4.2	4.4	4.5	4.7	4.8	5.0	5.1	5.3	5.5	5.7.	5.8	6.0

Your age on 6 April														
50	51	52	53	54	55	56	57	58	59	60	61	62	63	64
6.2	6.4	6.7	6.9	7.1	7.3	7.6	7.8	8.1	8.4	8.6	8.9	9.2	9.5	9.8

Example

You are 40 years old on 6 April in the coming **Plan year**.

You are already building up your **retirement balance** with the highest core benefit level (40%).

Using the table on page 10, we can see that your core contributions are 8.7% of your **pensionable pay**.

You decide you want to boost your **retirement balance** still further with an additional 10% of your **pensionable pay**.

The table above shows that the additional contributions you need to pay for this additional 10% will be 4.5% of your **pensionable pay**.

You pay these additional contributions on top of your core contributions. This means that your total contributions in the coming **Plan year** will be 13.2% of your pensionable pay.

The total benefit level that will be credited to your retirement balance at the end of the Plan year is 50% of your pensionable pay.

Remember that there are many ways to save for your future. As well as additional contributions, you might want to consider other opportunities such as individual savings accounts, bonds and national savings certificates. If you want to explore all your options, you may find it helpful to speak to an independent financial adviser (see 'Your contacts' on page 6).

What you need to do

If you want to switch **core benefit levels** or pay additional contributions, as referred to above, this option is currently provided via the flexible benefits system, My Choice. Enrolment usually runs in the month of February each year and you will be contacted separately about the process.

Leaving the Plan

Membership of the Plan is voluntary and you can leave at any time, as long as you write to the Plan administrators, RPMI EPAL, giving two complete months' notice.

If you have decided to stop paying contributions but will continue to be employed by the **Company**, please make sure you are doing the right thing for your situation. There are three key points you need to remember.

You will not be able to re-join at a later date.

You will no longer be entitled to the Plan's generous death-in-service cover.

The Company will not pay contributions to any private pension arrangement.

If you have dependants, remember that your decision may also affect their financial security if something should happen to you. Talk to them about your intentions. If you need some advice, you may find it helpful to speak to an independent financial adviser. (See 'Your contacts' on page 6.)

If you decide to leave the Plan, you will have options about what to do with your **retirement balance**. We explain these options on page 23.

Your benefits

When you retire

Your normal retirement date in the Plan is age 65.

When you retire, you will be able to use your **retirement balance** to provide a package of benefits. This section explains your options.

A tax-free cash sum

When you retire, you will be able to take up to 25% of your **retirement balance** as a cash sum (subject to HM Revenue & Customs limits), which is currently paid tax free.

A pension for you

After taking into account any cash sum you may have chosen to receive, the rest of your **retirement balance** is used to buy a pension. The amount of pension you receive will depend on the **retirement balance** you have built up and the cost of buying a pension at that time.

You are currently able to choose where you buy your pension from.

- You currently have the opportunity to convert your **retirement balance** to pension though the Plan. The **Company** currently expects to be able to offer you better terms through the Plan than you would be likely to receive from an external insurance company.

- You can alternatively choose to buy your pension from an insurance company. This is called an 'open market' option. Any costs associated with this service will be taken from your **retirement balance**.

- Under the new 'pension freedoms', you will be able to take the rest of your balance (the remaining 75% after the 25% tax-free cash sum is taken) as a further cash lump sum, but subject to tax if you wish.

The Plan administrator will contact you to explain your options as you get close to your **normal retirement date**.

Buying a pension can be a complicated task. If you feel you need help identifying the right pension for your needs or advice on where to buy this pension from, you should speak to an independent financial adviser. (See 'Your contacts' on page 6.)

A pension for your dependant

You will be able to use your **retirement balance** to buy a pension which includes a pension for your **dependant** in the event that they outlive you. This kind of pension will cost more than a single life pension, though, which means your own pension will be smaller.

Paying your pension

If you choose to buy your pension from an insurance company, your chosen insurance company will then be responsible for paying your pension. Once your pension has started, this insurance company will also be responsible for dealing with any questions you might have.

If you choose to convert your **retirement balance** to pension through the Plan which is an option currently available, the Trustees will be responsible for paying your pension and dealing with your queries.

Once your pension starts, it will be paid for the rest of your life in monthly instalments.

Your pension and tax

You pension will count as earned income for the purposes of calculating tax.

Your State pension

As well as the pension you receive from the Plan, you will also receive a pension from the State when you reach **State Pension Age**. There are currently two parts to your State Pension. These are your basic State Pension and an additional State Pension.

The basic State Pension is a flat-rate amount that is linked to your national insurance (NI) payment record. You will receive the basic State Pension if you have paid enough NI contributions throughout your working life.

The additional State Pension that you build up is linked to your earnings.

The new State Pension from 2016

The Pensions Act 2014 sets out the provisions for the new single-tier State Pension to apply to those who reach State Pension Age on or after 6 April 2016. The full rate of State Pension (which will be set in the autumn of 2015) will be payable to individuals with 35 or more 'qualifying years'. It should be noted that transitional arrangements will apply for those with qualifying years before 6 April 2016 and you should contact the DWP directly requesting a forecast to understand how this applies to you.

You can ask for a State Pension forecast online through the Government's Pension Service website at www.thepensionservice.gov.uk.

Your retirement benefits: an example

You retire at normal retirement date, at which time your retirement balance is £100,000.

- You choose to take 25% of your retirement balance as a tax-free cash sum (£25,000), assuming that the then legislation permits.
- With the remaining £75,000 of your **retirement balance**, you could buy a pension for yourself only.
- You also have the option to buy a pension for yourself that includes an allowance for a **dependant's** pension (equal to half your own pension) that they will receive when you die.

Please remember that the rates at which member's **retirement balances** are converted to pension are reviewed frequently and will change from time to time. However, to give you an idea of the pension your **retirement balance** will buy, we will show illustrative rates on the personalised benefit statement that the Plan administrator will send you in mid-summer each year.

Retiring early

If the **Company** agrees, you can retire at any time from age 55 and use your **retirement balance** to provide benefits.

If this is something you are planning, remember that your **retirement balance** will be reduced to take account of the fact that it is being paid early.

The size of the reduction will depend on your age when you retire. The **Company** sets the reduction factors following advice from the independent Plan actuary and these may change from time to time. The table below shows the reductions that apply as at April 2005.

When you retire, you will have the same benefit options as a member who retires at their **normal retirement date**.

The proportion of your retirement balance that will be available for you to use if you retire before age 65

Your age on 6 April									
55	56	57	58	59	60	61	62	63	64
0.74	0.77	0.79	0.81	0.84	0.86	0.89	0.92	0.94	0.97

Please also remember that you will not receive your State Pension until you reach **State Pension Age.**

If you are retiring early on grounds of ill-health, please turn to page 23 for more information.

Retiring early: an example

You decide to retire early at age 59.

- On the date you retire, your retirement balance is £100,000. This will be reduced to take account of the fact that it is being paid early.

- The table above shows that you will be entitled to receive 0.84 of your retirement balance. This means that £84,000 will be available for you to use to provide a package of benefits.

- You chose to take 25% of your reduced retirement balance as a tax-free cash sum (£21,000), assuming that the then current legislation permits.

- With the remaining £63,000 of your retirement balance, you could choose to buy a pension for yourself only.

  You also have the option to buy a pension for yourself that includes a dependant's pension (equal to half your own pension) that he or she will receive when you die.

Please remember that the rates at which members' retirement balances are converted to pension are reviewed frequently and will change from time to time. However, to give you an idea of the pension your retirement balance will buy, we will show illustrative rates on the personalised benefit statement that the Plan administrator will send you in mid - summer each year.

Retiring late

If the Company agrees to your retiring late, you can continue to pay contributions and build up your retirement balance after your normal retirement date.

When you retire, your retirement balance will be increased to take account of the fact that it is being paid after your normal retirement date.

You will have the same benefit options as a member who retires at their normal retirement date. (See page 19)

If you suffer ill-health

If the **Company** and Trustees agree, you can retire early because of serious ill-health and use your **retirement balance** to provide benefits.

If you have been a member for less than two years, the retirement balance that will be available for you to use will be calculated as if you were taking early retirement. (See 'Retiring early' on page 21.)

If you have been a member for two years or more, the **retirement balance** that will be available for you to use will include an element that takes into account part of the credit that would have been made to your **retirement balance** if you had remained a member of the Plan. Your **retirement balance** will not be reduced, even though it is being paid early.

When you retire, you will have the same benefit options as a member who retires at their **normal retirement date**. (See page 19)

If you leave

Membership of the Plan is voluntary and you can choose to leave at any time, as long as you write to the RPMI EPAL, the Plan administrator, giving two complete months' notice.

If you leave the **Company**, you automatically stop paying contributions to the Plan and will cease to earn benefits.

If you leave, you have a number of options. These depend on how long you have been a member.

Your options

	Your pensionable service at the date you leave		
	Less than 12 months	**Between 12 months and two years**	**Two years or more**
Cash refund	✓	✓	✗
Transfer out	✗	✓	✓
Deferred benefits	✗	✓	✓

* From April 2006, this waiting (or vesting) period will come down from 12 months to 3 months except for deferred benefits.

Cash refund

If you have been paying contributions for less than 12* months' at the date you leave, you will receive an automatic refund of the core and additional contributions you have paid to the Plan. You will pay tax on this refund.

If you have been paying contributions for between 12* months' and two years, you can ask to receive a cash refund. You will also have the other options, as described below.

Please note that the cash refund option is not available if you are part of the salary sacrifice arrangement.

Deferred benefits

If you have been paying contributions for more than 12 months', you can choose to leave your **retirement balance** in the Plan until you retire. This means you will become what is known as a deferred member.

At the start of each **Plan year**, your **retirement balance** will receive an increase in exactly the same way as if you were still a contributing member. The aim of this increase is to help protect the value of your **retirement balance** against rising prices, as measured by the change in the retail prices index over the 12 months to the end of the previous September each year.

When you retire, you will be able to use your **retirement balance** to provide a package of benefits. We explain your options starting on page 19.

If you die while you are a deferred member, the full **retirement balance** that has built up at the date of death will be used to buy a pension for a **dependant**. (See 'If you die' on page 25.)

Transfer out

If you have more been paying contributions for more than 12* months', you can ask the Plan administrator to transfer the value of your **retirement balance** to your new employer's pension scheme or a personal pension, as long as they are willing and able to accept the transfer.

If this is something you want to consider, please contact the Plan administrator and ask for a statement that shows the transfer value of your **retirement balance**. If you want to take a transfer value, please tell the Plan administrator. They will ask for details of your new scheme and make the necessary arrangements.

You can ask the Plan administrator to work out the transfer value of your **retirement balance** once a year.

You can transfer the value of your **retirement balance** at any time up to your 64th birthday, even if is several years since you left the Plan.

NOTE: The retirement balance is the amount available at normal retirement date so the transfer value will be a lower amount.

Keep in touch

Please make sure that you tell the Plan administrator of any changes to your name, address or marital status.

The Trustees have also given the Plan's registration number and contact address to the Pension Schemes Registry. The Registry acts as a central tracing agency to help people keep track of the benefits they have built up in previous employer's pension schemes. If you have lost contact with a previous employer's scheme, the Registry might be able to help put you back in touch.

Pension Schemes Registry
PO Box 1NN
Newcastle upon Tyne
NE99 1NN

Phone: 0191 225 6316

If you die

The Plan provides financial protection and support for your **dependants** if you should die.

If you die while you are a contributing member
- before normal retirement date

The Trustees will pay a cash sum of up to 4 x your **pensionable pay**. When they decide who should receive this sum, the Trustees will take into account information you give on your expression of wish form.

A further sum will be available to provide a pension for your **dependant**. This sum will be equal to 4 x your **pensionable pay** (or the full value of your **retirement balance** at the date of your death if this is a higher amount).

If you want to nominate a **dependant**, please notify the Trustee in writing.

- after normal retirement date

The benefits payable will be calculated as though you had retired the day before you died and used your retirement balance to provide a pension for a dependant. (See 'If you die after retirement' below.)

If you die while you are a deferred member

If you die while you are a deferred member, the full **retirement balance** that has built up at the date of your death will be used to provide benefits for your **dependants**.

If you die after you retire

The Trustees will pay a cash sum equal to the balance of the first five years' pension payments (if your pension is secured with the Plan). When the Trustees decide who should receive this sum, they will take into account the information you give on your expression of wish form.

If you used your retirement balance to buy a pension that includes a pension for your dependant, the Plan will start to pay this pension immediately. This will be the selected proportion of the pension you were receiving the day before your death.

If you used your retirement balance to buy a pension from an insurance company, they will be responsible for the payment of any benefits.

Tell us your wishes

The Trustees decide who receives the cash sum that the Plan pays if you die while you are a member. In this way, the cash sum will not be liable for inheritance tax. This means it can be paid quickly, without waiting for probate.

When the Trustees decide who receives this cash sum, they look at the information you have given on your expression of wish form. This tells the Trustees who you would like to receive the cash sum and what proportion of it you would like them to receive. The Trustees will always take your wishes into account when they make their decision, but by law they do not have to follow them.

If you have not yet filled in an expression of wish form, please do so as soon as possible.

Remember that your wishes may change over time. For example, you might get married or have children. In this case, please fill in a new form and send it to the Plan administrator. You can get a new expression of wish form from the Plan administrator.

Managing the Plan

How the Plan is set up

The Company

The **Company** provides the Uniper Retirement Balance Plan to help you build up appropriate benefits.

The Plan forms a benefit Category of the Uniper Group of the Electricity Supply Pension Scheme (ESPS). The ESPS is set up under trust and so its assets are kept entirely separate from those that belong to the **Company**.

The Trustees

A trustee company called Uniper UK Trustees Limited is the Trustee of the Uniper Group of the ESPS and is responsible for managing the Plan. The directors of the trustee company are called Trustees and are made up partly by directors appointed by the **Company** and partly by directors elected by the members.

To help them make sure the Plan runs efficiently and in members' best interests, the Trustees appoint and work with a number of independent professional advisers. These include actuaries, investment managers and solicitors.

If you would like details of the current Trustees and their professional advisers, please contact the Plan administrator.

Its governing documents are the clause and rules of the Uniper Group of the ESPS and the rules of the Plan. The directors of the trustee company are called the Trustees.

The Plan administrator

The daily administration of the Plan is carried out by RPMI EPAL.

If you have any questions about your benefits, please get in touch with RPMI EPAL. Their contact details are on page 6.

If you have any general questions on pension matters, please contact the Pension secretary.

More information

We will keep you in touch with how your **retirement balance** is building up and how the Plan is developing.

The Plan administrator will send you a personalised benefit statement once a year in mid - summer. This will show you an up-to-date value of your **retirement balance.**

There are other documents that you can ask to see in due course. These include:

- the clauses and rules of the Uniper Group of the ESPS;
- the Trustees' annual report and accounts;
- the Trustees' statement of investment principles; and
- the actuary's valuation report.

Please contact the Plan administrator if would like to see any of these documents (please note that some will be unavailable until later in 2016).

The Plan and HMRC

The Uniper Retirement Balance Plan is a benefit category of the Uniper Group of the Electricity Supply Pension Scheme, which is a registered pension scheme. This currently gives the Plan the following valuable tax advantages:

- you receive full income tax relief on the core contributions and any additional contributions you pay;
- your beneficiaries do not normally pay any tax on any cash sum that is payable if you die; and
- the Plan has some tax relief on its investment income and capital gains.

In return for these tax concessions, HMRC imposes limits on the amounts of benefits and contributions that can be paid.

The 2004 Finance Act replaced these limits with a smaller number of tax allowances from April 2006. As long as you do not exceed these allowances, you will not be affected by the new rules. The main allowances are an 'annual allowance' and a 'lifetime allowance'.

The 'annual allowance' is the increase in the value of benefits paid into a pension scheme in respect of any member in a given tax year.

This allowance is set at £215,000 for the 2006/07 tax year. This annual allowance is reduced to £40,000 for the 2015/16 tax year under recent changes.

The 'lifetime allowance is the total value of the benefits which a member receives from all tax approved UK pension schemes when benefits are paid. This allowance was set at £1.5 million for the 2006/07 tax year and increased in subsequent years. However a recent change has resulted in this limit being reduced to £1.25 million for the 2015/16 tax year and from April 2016 it will reduce further to £1 million.

If you think you might be affected, or would like more information, please contact the administrators, RPMI EPAL.

Keeping your details private

The Trustees need to keep personal information about you so that they can work out and pay benefits to you and your **dependants**. To make sure the Plan continues to operate smoothly, they may need to give this information to other parties from time to time. These may include:

- the administrators;
- professional advisers;
- the trustees and employers of other schemes and their professional advisers if your **retirement balance** is being transferred; and
- the **Company**.

When you join the Uniper Retirement Balance Plan, it will be assumed that you agree to this.

If you want to know more about the details the Trustees hold about you, please contact RPMI EPAL, the Plan administrator. (Their contact details are on page 6.)

Making changes to the Plan

At the moment, there are no plans to change the Uniper Retirement Balance Plan. However, the clauses and rules that govern the Plan do allow for it to be changed at any time.

In cases of divorce

The courts must now take into account the value of pension benefits in any divorce settlement. The courts have the power to order the Trustees to pay all or part of your benefit entitlement to your former husband or wife, or to share your pension rights between you and your former husband or wife before they come into payment.

Using benefits as security

The trust deed and rules do not allow you to transfer or promise any of your Plan benefits to someone else or use them as security. If you did this, you could lose your right to benefits from the Plan.

If you need to sort out a problem

If you have a complaint about the Plan, please contact RPMI EPAL, the Plan administrator, and they will try to resolve it for you quickly. If they cannot, or if you are not happy with their reply, there is a special procedure you can follow.

You can get a copy of the full procedure from the Scheme Secretary – the address is on page 6.

As required by the Pensions Act 1995, the Scheme has an internal procedure for resolving any disputes which may arise.

The Trustee has established a Determinations Committee to deal with all complaints under a one stage process. The Determinations Committee has delegated powers to consider complaints and to respond on behalf of the Trustee.

A member or beneficiary who has a disagreement with the Trustee (for example, regarding a decision the Trustee has taken or the services provided by the Scheme's administrators) should write to the Secretary at the address shown below giving full details of their complaint.

The Secretary will investigate the complaint and prepare papers for consideration by the Determinations Committee of the Trustee. The Determinations Committee meets regularly and an agenda and papers will be circulated at least five working days before the date of the meeting. The Secretary will write to the complainant advising when their case will be reviewed. The Determinations Committee will consider the complaint and send a written reply within three calendar months of receipt. If it is not possible to reply within the three month period the member or beneficiary will be notified of the expected date by which a written reply will be sent.

If the complainant is not satisfied with the response from the Trustee given by the Determinations Committee then the member or beneficiary can submit the case to tPAS (the Pensions Advisory Service) for consideration. tPAS is an independent organisation which exists to help members and beneficiaries of registered pension schemes and trustees resolve problems.

If TPAS is unable to find a satisfactory solution the case can be referred to the Pensions Ombudsman. Complaints usually have to have been considered by tPAS before they will be heard by the Pensions Ombudsman. The Pensions Ombudsman decision is generally final and binding.

Other organisations

There are three other organisations that can help members and their beneficiaries with any questions or worries that they have about their pension arrangements.

- **The Pensions Advisory Service (tPAS)**

  tPAS is available to assist members and beneficiaries in connection with any pension query they may have, or with any difficulty they have failed to resolve with the Scheme Trustees or administrators. tPAS can be contacted at:

  11 Belgrave Road
  London
  SW1V 1RB

- **Pensions Ombudsman**

  The Ombudsman has the power to investigate any complaints and settle disputes between Trustees and managers or employees and the complainant. He will usually only become involved if tPAS has been unsuccessful in sorting out the problem.

Complaints must normally be referred to the Ombudsman within three years of the act or omission occurring. The Ombudsman cannot investigate a dispute once formal legal procedures have been started. The Ombudsman may be contacted at the same address as tPAS (see above).

- **Pension Tracing Service**

Information about the Scheme (including the address at which the Trustees may be contacted) has been given to:

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

The Tracing Service acts as a central tracing agency to help individuals keep track of the benefits they have in previous employers' schemes.

- **The Pensions Regulator**

The Pensions Regulator is the regulator of work based pensions in the UK. The Pension Regulator works with pension scheme trustees and scheme managers, and with your employer, to help protect your pension. The Pension Regulator may be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

- **Data Protection**

Your details are held on computer for use by the Trustees of the Plan. This information and its use have been registered under the Data Protection Act 1998 which gives you certain rights to ensure that the information is accurate and that proper security is maintained.