

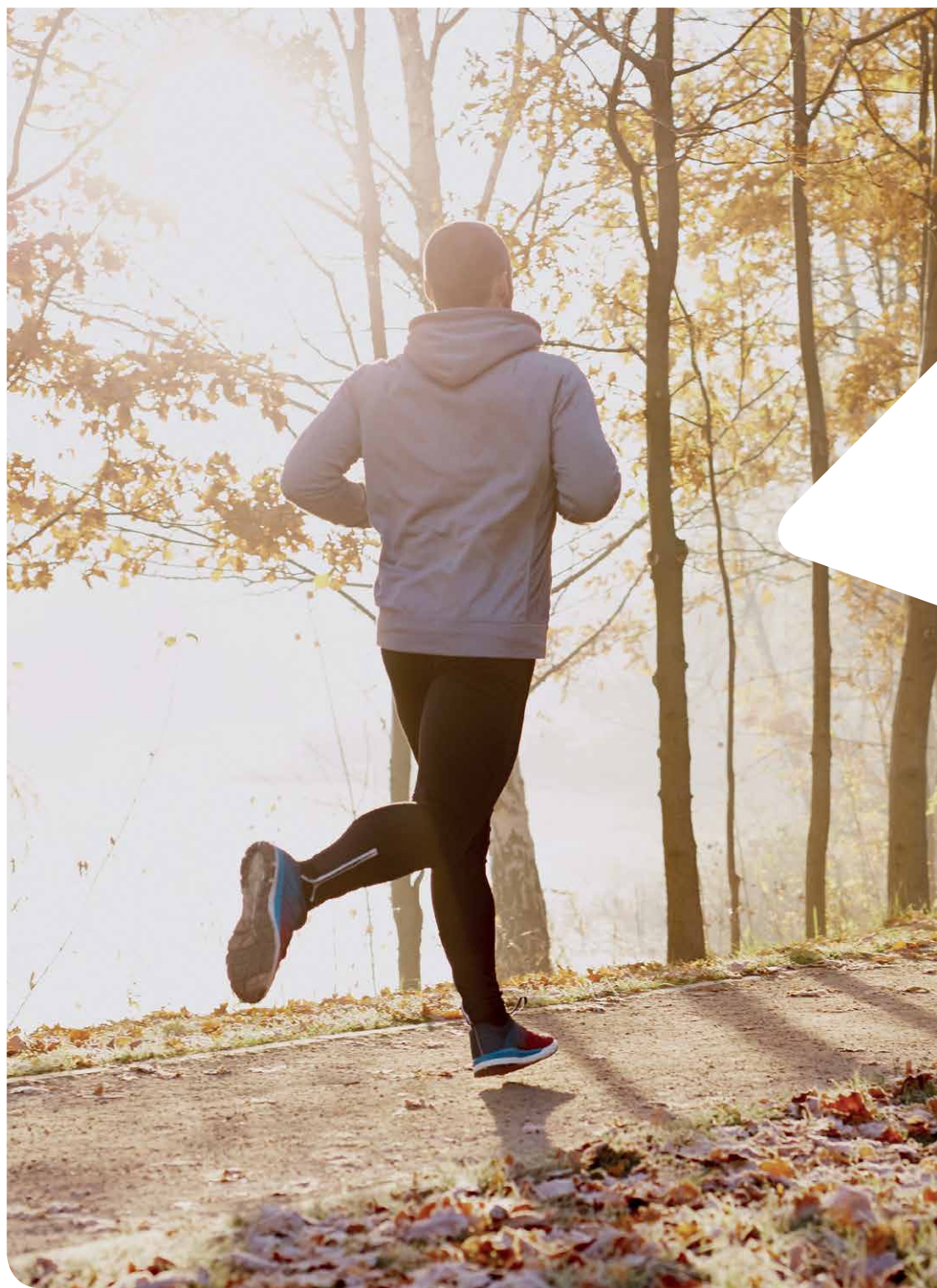
A close-up photograph of a hand dropping a coin into a pink piggy bank. The piggy bank is in the foreground, and the hand is positioned above it, with the coin just entering the slot. The background is blurred.

YOUR  
FUTURE

# BAXI GROUP PENSION SCHEME

MEMBERS BOOKLET

**BAXI**  
●●●● HEATING





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# WELCOME TO BAXI PENSIONS

This booklet you're holding explains the Baxi Group Pension Scheme (**BGPS**), which is also known as the "money purchase" section.

The BGPS can provide valuable benefits for you and for your family, for example:

- The pension and/or lump sum when you retire
- A cash lump sum if you die in service

The best thing about it is that you get great value for money: you can choose how much to contribute, and the Company will contribute a sum of double that amount, up to a certain limit.

The Scheme is set up under a trust and managed by the Trustees, meaning that the fund it builds up for you, referred to as your Retirement Account, is kept separate from the Company's other assets. Your Retirement Account is clearly identifiable, and separate from the assets of the defined benefit sections of the BGPS.

The BGPS has a Trust Deed and Rules, which sets out how it operates, including details of benefits and contributions. This booklet is only a summary, so if there is any difference between it and the Trust Deed and Rules, the Trust Deed and Rules are what you should rely on. Also, if the Trust Deed and Rules does not cover any point you're interested in, you should query it. Don't read anything in this booklet as providing definitive guidance.

If you have any queries about anything else in this booklet, the person to direct them to is the Pensions Administrator. See Section 10 of this booklet for contact details.



## BENEFIT LIMITS

There are limits on your benefits from the Scheme, which are set out in the Trust Deed and Rules. You will be notified of these limits should they apply to you.

## LIFETIME ALLOWANCE & ANNUAL ALLOWANCE

These terms are explained in Section 9. They are unlikely to apply to most Scheme members, but it's your responsibility to monitor whether they apply to you.

## SCHEME WEBSITE

The Scheme has its own website which can be found at [www.conduenthr.co.uk/baxi](http://www.conduenthr.co.uk/baxi). Amongst other things, this allows you to access information about your benefits, change your investments, and see what options might be available to you on retirement. You can set your own login details the first time that you access the site.



# MEMBERSHIP & JOINING

## WHO CAN JOIN THE SCHEME?

If you work for the Baxi Group, then you are eligible to join the Scheme. However, you can't be a member of more than one section of the BGPS, so if you are already an active member of one of the defined benefit sections, you will need to leave that section before joining this one.

If you wish to join the Scheme when you are already receiving a pension from one of the defined benefit sections of the BGPS, your membership will be subject to certain terms and conditions. These mainly relate to your qualification for life assurance benefit and will be explained when you apply.

## JOINING THE SCHEME

If you are not already a member of the BGPS and you meet certain criteria set by the Government, you will automatically become a member of the Scheme. This happens about three months after you start working for the Company. You will be informed about the process by your HR contact.

If you are not automatically enrolled because you do not meet the criteria, or if you want to join the Scheme as soon as you join the Company, you can apply to join.

Joining is easy, all you need to do is complete an Application Form and indicate your chosen contribution level and investment fund(s). You should also complete a Nomination Form (see Section 5 "Death Before Retirement"). Normally, these forms will be given to you when you start at Baxi as part of your joiner pack, however, further supplies are available from your HR contact.

You will be covered for a life assurance benefit, which is equal to your Basic Salary in the first three months of your employment with the Company. If you haven't joined the Scheme by the end of this period, this cover will cease, and you will not be covered for any death in service benefits.

Once you have joined the Scheme, you will be covered for the full death in service benefits set out in Section 5 ("Death Before Retirement"). This cover starts when your Application Form is received by HR (assuming it is correctly filled in), or on the date you're auto-enrolled in the Scheme, if applicable.

In some circumstances, the insurer for the life assurance benefit may require satisfactory medical evidence before you are covered for this benefit. You will be notified if this applies to you.

## CAN I LEAVE THE SCHEME WITHOUT LEAVING EMPLOYMENT?

Yes. You can withdraw from the Scheme at any time, by giving your HR contact reasonable notice in writing.

If you leave the Scheme, your life assurance cover will automatically lapse, even if you remain in Company employment.

If you want to re-join the Scheme at a later date, you will usually need the consent of the Company. Your membership will be subject to certain terms and conditions (mainly relating to life assurance benefit), which you will be notified of at the time.

However, if you meet certain criteria set by the Government, you may be auto-enrolled again by the Company in the future. Again, you will be notified if this applies to you.

## WHAT ABOUT TEMPORARY ABSENCES?

Your membership of the Scheme is not affected by most absences from work, provided they are for relatively short periods. If you are away for a longer period, your membership may, with the agreement of the Trustees and the Company, be continued on terms decided by the Company.

If you have not returned to work by the end of the agreed period, you will be treated as having left the Scheme and your benefits will be dealt with as described in Section 8 of this booklet.

## MATERNITY LEAVE

The law relating to maternity leave is complicated, and further information will be provided before leave commences about how it affects your pension.

The main principle is that your membership of the Scheme will continue if you are on paid maternity leave of any kind. The level of contributions you pay will be based on the maternity pay you receive. The Company will continue to pay contributions based on the salary you received prior to maternity leave, and cover for the Scheme's death in service benefits (see Section 5) will continue at the same level as before. You will also remain covered by the Company's group income protection insurance, subject to certain terms and conditions, which will be notified to you before your maternity leave commences.

## ADOPTION LEAVE, PARENTAL LEAVE & PATERNITY LEAVE

Further information will be provided if you apply for adoption leave, parental leave (including shared parental leave) or paternity leave.

## WHAT HAPPENS IF I CANNOT WORK BECAUSE OF ILLNESS?

If you are absent from work due to ill health or an accident, you may remain a member of the Scheme, subject to the consent of the Trustees and the Company. This would normally be limited to a maximum of three years, or if later, for as long as you are receiving a group income protection insurance income.

Details of the contributions payable by you and the Company during your period of absence will be provided to you at the relevant time. You will also be notified whether you remain covered for the Scheme's death in service benefit.

Unless you have been notified otherwise, you will be covered by the Company's group income protection insurance if you are absent for more than six months. The insurance will provide a continuing income of 50% of your Basic Salary as at the 1 December (the renewal date) prior to the beginning of your absence. This is subject to a maximum limit of 75% of Basic Salary, less the State long-term incapacity benefit for a single person.

The income will continue for a maximum of three years subject to you still satisfying the definition of disability under the terms of the insurance policy.

The group income protection insurance is provided by the Company and is not part of your pension Scheme. The terms and conditions of the group income protection insurance, including the criteria for benefit to be payable, are determined by the insurer and they may change over time. The Baxi Group also reserves the right to review the availability and level of the group income protection insurance, or to discontinue it, subject to giving you advance notice of any change.

If you're still unable to work after three years (or when your group income protection insurance income ceases) you may be able to take an ill-health pension based on the value of your Retirement Account. However, if you are under age 55, this will only be available if the Company, after consulting the Trustees, decides that either:

- you are suffering from "total incapacity". This means that you are so ill that you are unlikely ever to be able to work again, in any capacity, or
- you are suffering from "partial incapacity". This means that you are too ill to do your current job, but may be able to do other work in the future.

If you retire from employment with the Company because of total incapacity and then die before age 65, a lump sum will be payable, equal to three times your Pensionable Earnings in



the last complete tax year before you left. If you leave a spouse, civil partner or dependant when you die, an additional sum of up to two times your Pensionable Earnings will also be available. The Trustees may use this to provide a pension for the people you leave behind, or may pay it to them as a lump sum. Note that these benefits are not payable if you retire on grounds of partial incapacity.

Other benefits may also be payable on your death, depending on the options that you selected at retirement (see Section 6).

## SMART PENSIONS

If you participate in Smart Pensions, your benefits and contributions during any period of temporary absence shall be as notified to you by the Company and the Trustees at the relevant time.



# CONTRIBUTIONS

## YOUR CONTRIBUTIONS

You can choose to make contributions of 3% or 4% of your Pensionable Earnings to your Scheme, which will usually be paid through a salary sacrifice arrangement called Smart Pensions (see below).

Your contribution rate doesn't have to stay the same, and you can change it whenever you like, subject to certain limits imposed by the Trustees. If you wish to change your rate of contributions, you should give one

month's notice in writing to your HR contact. Contributions continue until you leave the Scheme, retire or reach age 75 – whichever comes first.

If Baxi has auto-enrolled you in your Scheme, it will notify you of the initial contribution rate payable by both parties. These contributions will comply with the Government's auto-enrolment requirements. However, you will still be able to change your contribution rate as set out above.

## THE COMPANY'S CONTRIBUTIONS

The Company doubles your contributions up to certain limits, as shown in the table below:

Your contribution	The Company's contribution
3%	6%
4%	8%

For the purpose of working out both your own and the Company's contributions, your Pensionable Earnings will be limited to the Earnings Cap.

Both your own and the Company's contributions are invested in your Retirement Account and build up largely free of tax.

## WHAT IS SMART PENSIONS?

Most members make contributions through a salary sacrifice arrangement called Smart Pensions. This agreement automatically reduces your salary by the amount you specify and allows the Company to pay it into the Scheme on your behalf (along with its own contribution, as detailed above).

This is a direct advantage to you because, by reducing your salary, you pay less National Insurance contributions. Ultimately, this means your total take-home pay should be higher.

Smart Pensions will not affect your income tax position either, because all contributions (regardless of whether they are made by you or by the Company on your behalf) are deducted from your pay before income tax. This means that, up to certain limits, you receive tax relief at your highest rate.

A small number of members may not benefit from contributing through Smart Pensions. You will be notified if this applies to you.

## CAN I PAY MORE TO MAKE MY RETIREMENT ACCOUNT GROW FASTER?

Yes. You can make contributions above 4% of Pensionable Earnings, which will be classed as Additional Voluntary Contributions (AVCs) and will also receive tax relief. However, the Company won't match these contributions. Also note that any AVCs will be deducted directly from your pay, and cannot be paid through Smart Pensions.

You can make pension contributions of up to 100% of your earnings, but you will be liable to a tax charge if the total annual contributions paid to your pension exceed the Annual Allowance. The current standard Annual Allowance is £40,000, although in some cases it can be lower than this. You can find out more about the Annual Allowance in Section 9.

You can start and stop paying AVCs at any time. However, you will need to give reasonable notice of any change in order to allow time for the payroll to be amended.

You can also choose how your AVCs are invested. The investment options are the same as for your normal contributions and you can invest your AVCs in any of the funds on offer.

AVCs are credited to your Retirement Account. At retirement, they are used to provide benefits for you, in the same way as the rest of your Retirement Account.

If you leave the Scheme, your AVCs will be treated in the same way as your normal Scheme contributions (see Section 8). If you pass away in service before taking your benefits from the Scheme, the part of your Retirement Account attributable to your own contributions (including your AVCs) will be refunded after taking into account investment return.

Please contact the Pensions Administrator if you would like more information about AVCs, or would like to start paying AVCs.

## CAN I TRANSFER BENEFITS FROM A PREVIOUS PENSION SCHEME?

You may be able to transfer benefits into your Scheme from a previous pension with the consent of the Trustees. Please contact the Pensions Administrator if you would like any further information.

# INVESTMENT CHOICES

## WHO INVESTS MY RETIREMENT ACCOUNT?

Your Retirement Account buys units in one or more of a range of pooled investment funds offered by Threadneedle Investment Management ("Threadneedle"). This ensures that the assets underlying your Retirement Account are always clearly identifiable.

The Trustees monitor the performance of the investment manager, and may make changes from time to time. These changes could include the appointment of a new professional investment manager, or changes to the range of investment funds available. You will generally be notified if such a change takes place. However, the Trustees reserve the right to move your Retirement Account to a different investment manager or to a different investment fund, if they believe it is in your best interests.

## WHAT ARE THE INVESTMENT CHOICES?

For details of the investment choices available to you, please read the "Investment Supplement" and Threadneedle booklet entitled "Investing for a Sunny Day".

## WHAT HAPPENS IF I DON'T WANT TO MAKE AN INVESTMENT DECISION?

If you would rather not make an investment choice yourself, your contributions will automatically be invested in the default investment option nominated by the Trustees. You can learn more about this in the Investment Supplement. However, you can change your investment fund at any time by logging onto the Scheme's website ([www.conduenthr.co.uk/baxi](http://www.conduenthr.co.uk/baxi)) or by requesting an investment switch form from the Pensions Administrator.

## WHAT HAPPENS IF I AM AUTO-ENROLLED INTO THE SCHEME?

If you become a member of the Scheme through auto-enrolment, your contributions will automatically be invested in the default investment option nominated by the Trustees.

However, you retain the option to change your investment fund at any time as detailed above.

# DEATH BEFORE RETIREMENT

## WHAT HAPPENS IF I DIE WHILE I AM STILL WORKING?

If you pass away while you are a contributing member of the Scheme a lump sum will be payable.

This sum will consist of three times your Pensionable Earnings in the previous tax year, plus a refund of the part of your Retirement Account that is derived from your contributions (i.e. any contributions that you have paid directly to the Scheme and the contributions that the Company has paid on your behalf). These funds will be adjusted to take account of investment return. The part of your Retirement Account that is derived from the Company's own contributions is retained by the Scheme.

If you leave a spouse, civil partner, or dependant, an additional sum of up to two times your Pensionable Earnings in the previous tax year will also be available. The Trustees may use this to purchase a pension for your spouse, civil partner or dependant, or alternatively they may pay it to him or her as a lump sum. If you do not leave a spouse, civil partner or dependant, this benefit will not be payable.

If you have been employed by the Company for less than a complete tax year at the date of your death, your benefits are based on the annual rate of your Pensionable Earnings at the date of death. If there is any doubt, the Company will specify your Pensionable Earnings for the purpose of this benefit.

### Notes:

1. If you rejoin the Scheme after opting-out, you will only be covered for this death in service benefit if the Trustees agree. The Trustees will take into account whether the Scheme is able to obtain insurance for you.
2. If you were already receiving a pension from one of the defined benefit (DB) sections of the BGPS, and have continued life assurance cover up to normal retirement age in that DB section, you will not be covered for the death in service benefit described above.

### Important: Nomination Forms

Most lump sum benefits on death are usually tax-free under current legislation. This is because the Trustees have discretion to decide who, amongst a wide category of your relatives and dependants, should receive it. However, you can have a say in this decision by using a Nomination Form to specify who you want to receive the benefit. The Trustees will always consider any nomination that you make, although they will not be bound by it.

If you are not married or in a civil partnership, you should indicate on a Nomination Form any persons who are financially dependent on you, and who may therefore qualify as a dependant.

It is also important that you keep your Nomination Form up to date to reflect changes in personal circumstances, such as divorce or adoption.



# YOUR OPTIONS AT RETIREMENT

## WHAT HAPPENS TO MY RETIREMENT ACCOUNT ON RETIREMENT?

Your Retirement Account provides benefits once you retire - whether you choose to do so at the standard retirement age (65) or otherwise (see page 12 for details on retiring earlier or later).

Your Retirement Account is made up of the value of your contributions (i.e. any contributions that you have paid directly to the Scheme, including AVCs, and any contributions that the Company has paid on your behalf through Smart Pensions), plus the Company's contributions paid in respect of you, any transfer values which may have been received from an earlier scheme, and any investment return. The value of your benefits will depend on the level of the contributions and the investment return, as well as your age when you choose to retire, and the options that you select at retirement (including any charges).

If you use your Retirement Account to buy a pension, the value of that pension will also depend on the annuity rates when you retire.

## WHAT BENEFITS CAN I HAVE?

Your Retirement Account can be used to provide one or more of the following benefits, within HMRC limits and (in some cases) subject to the consent of the Trustees:

- a pension
- a cash lump sum
- a transfer to another pension arrangement

These options are summarised below. Further details will be provided as you approach your retirement age, but if you want more information before then, please contact the Pensions Administrator (see Section 10 for contact details).

Please note that, whichever option you select, the amount of benefits that you receive will be limited to the value of your Retirement Account.



## USING YOUR RETIREMENT ACCOUNT TO PROVIDE A PENSION

You may decide to purchase an annuity with your Retirement Account. This would provide you with a regular income (a pension). Most annuities are payable from the date on which you retire to your date of death, but you can also get annuities that pay a pension for a specified length of time.

If you decide to buy an annuity, there are a number of different options available. For example:

- You may choose a pension of a fixed amount, or you may prefer a pension that increases each year, e.g. in line with inflation.
- You may be able to buy a pension with guaranteed payments for a minimum period, for example five years. If you decide to buy a pension with a five-year guarantee and you die before five years' pension payments have been made, the remainder will usually be paid as a lump sum. For example, if you die three years after retiring, a lump sum equal to two years' instalments of pension would be paid.

- You may decide to use part of your Retirement Account to buy a pension for your spouse, civil partner or other dependant, payable after your death. The value of pension you can provide for this person(s) will depend on what's in your Retirement Account, the level of annuity rates when you retire, and the age of your spouse, civil partner or dependant(s).

When buying an annuity, you may also be able to take part of your Retirement Account as a cash lump sum, subject to the consent of the Company. This lump sum is tax free under current legislation. You can usually take up to 25% of the value of your Retirement Account as cash. Of course, the more cash you take, the less money will be left in your Retirement Account to purchase your pension.



## TAKING ALL OF YOUR RETIREMENT ACCOUNT AS CASH

If the Trustees agree, you may be able to take all of your Retirement Account as a one off cash lump sum at retirement, instead of using it to provide a pension. If you choose this option, 25% of the lump sum will be tax-free, and the remainder will be subject to tax at your marginal rate of income tax.

## TRANSFER TO ANOTHER PENSION ARRANGEMENT

You may decide to transfer your Retirement Account to another pension arrangement. You will usually be able to do this at any time up to your retirement.

Transferring your Retirement Account may allow you to access other options that are not available from the Scheme. For example, you may be able to access a flexible income option such as a flexi-access drawdown (FAD) arrangement. With flexi-access drawdown, your Retirement Account remains invested and you can withdraw money from it as-and-when you want, a bit like a bank account. However, you will need to check with the FAD provider whether there are limits on withdrawals, and whether any charges apply.

## CHARGES

The Scheme does not charge for the options that it offers at retirement.

However, charges may be imposed by the insurance company if you are buying an annuity, or by the receiving pension arrangement if you are taking a transfer. If you are thinking of buying an annuity or transferring your Retirement Account, you should ask for details of any charges that may apply.

## CAN I RETIRE EARLY?

If you are over the age of 55 you may retire early and use your Retirement Account to provide benefits. You may also be able to retire before age 55 if the Company, after consulting the Trustees, decides that you are suffering from such severe ill-health that you are unable to work.

If you retire early the value of your Retirement Account will be less than at age 65 since you will have less time to build up your funds. Also, if you want to use your Retirement Account to buy a pension, it will cost more, as it will be paid for longer. If you are planning to take early retirement, you may wish to consider paying AVCs (see page 6) to boost your Retirement Account.

## WHAT HAPPENS IF I RETIRE LATE?

If you agree with the Company to continue working after age 65, you will generally have the following choices:

- Use your Retirement Account to provide benefits at age 65 (if the Company agrees to this)
- Continue paying contributions to the Scheme
- Leave the Scheme but defer taking benefits until you actually retire

Further information will be provided if this applies to you.

## IMPACT ON INVESTMENTS

If you are invested in one of the Lifestyle options and decide to retire earlier or later than 65, it may affect your investments, as the Lifestyle options usually assume that you will be retiring at the standard age. Be aware that this includes the default option selected by the Trustees.

If you plan to retire at a different date, you should consider changing your target retirement date under the Lifestyle option. For further details, see the "Investment Supplement".

## CAN ANYONE HELP ME TO DECIDE WHICH OPTION IS BEST FOR ME?

While neither the Trustees nor the Company can provide you with financial advice, there are a number of organisations that will.

The Money Advice Service has been set up by the government to help people make the most of their funds. Its website, [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk) has lots of helpful information about pensions and retirement income, including information on the options available for members of our pension scheme.

Pension Wise is a free and impartial government service offering information and guidance to members of the pension scheme, and you'll find a lot of information on its website ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)). Any member of our scheme who is over the age of 50 is also entitled to free one-to-one guidance from Pension Wise to help them to decide how to use their pension savings. You can receive this guidance either over the telephone or face-to-face just call 0300 330 1001 to book an appointment.

You may also wish to consider taking independent financial advice to help you to decide which option is most suitable for you. Please note that financial advisers normally charge, and you will be responsible for any costs incurred. You can learn more about finding an independent financial adviser near you in section 10 of this guide.

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## DEATH AFTER RETIREMENT

### WHAT BENEFITS ARE PAYABLE IF I DIE AFTER RETIREMENT?

This depends on the options that you choose at retirement.

If you use your Retirement Account to buy an annuity, benefits may be payable, depending on the type of annuity. For example, if you choose to allocate part of your Retirement Account at retirement to provide a spouse's, civil partner's or dependant's pension, this becomes payable on your death.

If you choose an annuity with a pension payment guarantee and die within that guaranteed period after retiring, the balance of the remaining guaranteed pension will be paid, normally as a lump sum.

If you choose to take all of your Retirement Account as a one off cash lump sum at retirement, no further benefits will be payable on your death.

You should consider the needs of you and your family carefully when you retire, ensuring you choose the most appropriate benefits at retirement. Under normal circumstances, you can't change these choices at a later date.

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## BENEFITS ON LEAVING THE SCHEME

If you leave your Scheme while still employed, and are not taking immediate benefits, or if you leave the Company altogether, you have the following options:

### LEAVING WITHIN THE FIRST 30 DAYS OF MEMBERSHIP

If you leave the Scheme within the first 30 days of membership, you are usually treated as if you never joined the Scheme in the first place. Any contributions you have made in this period will be paid back to you (less tax and National Insurance contributions, where applicable).

## MORE THAN 30 DAYS OF MEMBERSHIP

If you choose to leave the Scheme at a later date, you can either leave your Retirement Account in the Scheme or, depending on the circumstances, take a transfer payment.

- Leaving your Retirement Account in the Scheme

You may leave your Retirement Account where it is and it will remain invested until you retire. You cannot pay any more contributions into your Retirement Account and the Company will stop contributing to it.

Your Retirement Account will usually be used to provide benefits for you when you reach age 65 (see Section 6 for details). However, if you are age 55 or over, (or below age 55 and suffering from serious ill health), you may be able to take your benefits early. Alternatively, you may delay taking your benefits until after age 65, if you prefer, provided that you give notice to the Trustees at least one month before your 65th birthday. The latest date on which you can take your benefits from the Scheme is your 75th birthday.

If you are invested in one of the Lifestyle options and decide to retire earlier or later than 65, it may affect your investments, as the Lifestyle options usually assume that you will be retiring at the standard age.

If you plan to retire at a different date, you should consider changing your target retirement date under the Lifestyle option. For further details, see the "Investment Supplement".

If you die before you retire, the current value of your Retirement Account will be paid as a lump sum. The Trustees have discretion as to who receives the lump sum, but will take any nomination you make into account. The lump sum is usually tax free.

- Transfer payment

You may be able to transfer the value of your Retirement Account to your new employer's pension scheme, or to another pension arrangement. If you are interested in this option, further details can be obtained from the Pensions Administrator.

## KEEPING US INFORMED

If you leave your Retirement Account in the Scheme, please be sure to tell the Pensions Administrator if you move or your circumstances change, otherwise they may not be able to trace you when your pension becomes payable. You should also ensure that your Nomination Form is kept up-to-date (see Section 5 for further details).

# GENERAL INFORMATION

## SCHEME CONSTITUTION

The assets of the BGPS are held under a trust and are entirely separate from the Company. Your Retirement Account is also clearly identifiable to you, and is kept separate from the assets of other sections of the BGPS.

The BGPS is run by Trustees, who are responsible for the administration and the investment of the money paid into it. The Trustees are there to protect the interests of all members. They employ a number of professional advisers. The names of the Trustees and their advisers are published in the Annual Report of the BGPS.

The Trustees must act in accordance with the Trust Deed and Rules, which are the formal and overriding documents that govern the **BGPS**. As explained on page 1, the Trust Deed and Rules will always override this booklet in the event of any discrepancy.

## TAX POSITION

The BGPS is a registered pension scheme for the purposes of the Finance Act 2004. This means that under current legislation:

- You will usually receive tax relief on your contributions, including AVCs

- You can usually receive some cash tax free on retirement
- Lump sum death benefits are normally paid tax free
- All pensions paid are treated as earned income for tax purposes

Membership of the Scheme does not affect your entitlement to a State pension.

## LIFETIME ALLOWANCE AND ANNUAL ALLOWANCE

HMRC imposes tax charges if your contributions and benefits exceed a level set out in law. It is your responsibility to monitor the value of your benefits and contributions if you wish to avoid these tax charges.

### Lifetime Allowance (LTA)

When your benefits commence, the value of all your benefits from the Scheme and from any other registered pension schemes, including personal arrangements, is compared to an amount known as the Lifetime Allowance (LTA). The LTA for the 2017/18 tax year is £1 million, increasing to £1,030,000 for the 2018/19 tax year. If the value of your benefits exceeds the LTA, then you will be liable for a tax charge on the excess.



## Annual Allowance (AA)

The value of the benefits you earn in each tax year from all registered pension schemes is compared with an amount known as the Annual Allowance (AA). The AA is currently £40,000, although it may be lower if you earn over £110,000 a year.

If the value of your annual benefits for any given year exceeds the AA, you will be liable for a tax charge on the excess. The value of your benefits earned during a tax year in the Scheme is the amount of contributions you and the Company have paid taken together.

If you choose to take your Retirement Account as a one off cash lump sum, this will affect your AA for any future savings, reducing it to £4,000. This also applies if you transfer your Retirement Account to another pension arrangement and use it for flexible income (e.g. flexi-access drawdown or multiple lump sums).

Details of the LTA and AA and how they work can be found on the websites of HMRC and the Pensions Advisory Service:

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

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

The LTA and the AA may change in the future, but you will be able to obtain the current rates from the websites mentioned above.

## CAN I USE MY SCHEME BENEFITS AS SECURITY?

Your Scheme benefits are strictly personal. You cannot assign them to someone else, for example to provide security for a loan or mortgage. Any attempt to do so may result in loss of benefits.

## SCHEME CHANGES

The Scheme may be altered to comply with changes to legislation. It can also be changed or discontinued in accordance with the Trust Deed and Rules.

Although the Company has every intention of continuing the Scheme, there can never be a guarantee to this effect. The Company must reserve the right to amend, withdraw or discontinue the Scheme at any time. If your benefits or rights are affected, you will be given written notice.

## DISCONTINUANCE OF THE SCHEME

If the Scheme is discontinued, the Trustees will use the assets for the benefit of the members and their dependants in the way set out in the legal documents of the Scheme and as required by law. This is an unlikely event - but if it comes to pass, the Trustees will notify you of the options available to you.

## DIVORCE AND PENSIONS

In the event of divorce or the dissolution of a civil partnership, your pension rights in the Scheme will usually be taken into account along with the rest of your assets. As a result, your pension rights could become subject to a court order, requiring the Trustees to allocate part of your benefits to your former spouse or civil partner.

Per

Differenc

Income

ACTUAL

St  
Wo  
Inter  
Total

53  
4,215  
£630  
£12,938

PROJECTED

State pension  
Work pension  
Interest

£8,09  
£4,21  
£1,00  
£13,30

# HELP & FURTHER INFORMATION

## WHERE TO GET MORE INFORMATION

If your pension has not already started, you will automatically receive an annual benefit statement that shows your personal benefit entitlement from the Scheme.

Each year, the Trustees produce a report on the progress of the Scheme, together with audited accounts. A copy of the latest Annual Report and Accounts is available on request from the Pensions Administrator.

You can also ask to see a copy of the Trust Deed and Rules and the Trustees' Statement of Investment Principles.

Hargreaves Lansdown offers Baxi Group Pension scheme members a full retirement service including annuity and flexi access drawdowns option to find out more visit [www.retirementsservice.co.uk/baxipension](http://www.retirementsservice.co.uk/baxipension).

The Pensions Administrator will be happy to answer any queries you may have.

The contact details are:

### **Baxi Group Pension Scheme**

Buck HR Services  
5th Floor  
Temple Circus  
Temple Way  
Bristol  
BS1 6HG

Tel: 0330 123 9581

Email: [baxipensions@buck.com](mailto:baxipensions@buck.com)

## DATA PROTECTION

The Trustees collect personal information about you and use this to calculate and pay your benefits under the Scheme and to administer the Scheme as a whole. The Trustees are required to keep this information secure and to process it in accordance with data protection laws.

The Trustees may share your information with the Company and third parties in relation to the administration of the Scheme, including service providers and professional advisers. However, it will not be shared with third parties for marketing purposes.

If you would like to know more about how your personal information is collected and used, please ask the Pensions Administrator for a copy of the Trustees' privacy notice.

## TRACING PREVIOUS PENSION RIGHTS

Information about the Scheme has been given to the Registrar of Occupational and Personal Pension Schemes. If you have lost track of your benefits under a previous scheme, you can contact the Registrar, who will provide you with an up-to-date address of the trustees of that scheme.

The Registrar's address is:  
PO Box 1NN  
Newcastle-upon-Tyne  
NE99 1NN

## HELP WITH PENSION PROBLEMS

If you have a problem concerning your Scheme membership, you should contact the Pensions Administrator in the first instance.

If your problem cannot be resolved in this way, the Scheme has a formal procedure for resolving disputes between members and the Trustees. You can obtain a copy of the procedure from the Pensions Administrator.

There are also other channels you can use:

## THE PENSIONS ADVISORY SERVICE (TPAS)

TPAS was set up to give free help and advice to anyone experiencing difficulties over their pension rights. It is available at any time to assist members and beneficiaries of the Scheme in connection with any pensions queries that they may have, or with any difficulties they may have encountered and which they have failed to resolve with the Trustees or Pensions Administrator. You can contact TPAS through your local Citizens Advice Bureau or at the address given in the section below.

## PENSIONS OMBUDSMAN

You may also refer a complaint to the Pensions Ombudsman for an adjudication. The Pensions Ombudsman is appointed under the Pension Schemes Act 1993. They are available to investigate and determine complaints or disputes of fact or law referred in relation to occupational pension schemes - for example from an individual or between an individual and the trustees. Scheme members, beneficiaries, and prospective members may call upon the services of the Pensions Ombudsman. However, please note that, in practice, the Ombudsman will generally only consider a matter after you have been through the Scheme's internal dispute resolution procedure.

Both TPAS and the Ombudsman can be contacted at: 11 Belgrave Road, London, SW1V 1RB.

#### Telephone

TPAS General Office: 0207 630 2250  
TPAS Pension Helpline: 0845 601 2923  
Pensions Ombudsman: 0207 630 2200

#### E-mail

TPAS: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)  
Pensions Ombudsman: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

#### Web

TPAS: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)  
Pensions Ombudsman: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## THE PENSIONS REGULATOR (TPR)

TPR is a regulatory body set up to supervise occupational pension schemes. It can intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties.

TPR's address is:  
Napier House  
Trafalgar Place  
Brighton  
East Sussex  
BN1 4DW

## FINDING AN INDEPENDENT FINANCIAL ADVISER

If you would like to take independent financial advice, you can find an adviser near you by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk) or by calling 0330 1000 755.

Please note that you will be responsible for any costs incurred. You may wish to ask the financial adviser for a quote of the likely fees involved.



# SOME JARGON EXPLAINED

In this Booklet, certain words and phrases have special meanings. These are explained below.

## **Basic Salary**

Your basic annual salary at any time, excluding fluctuating emoluments such as overtime, shift pay, commission, bonus etc.

## **BGPS**

The Baxi Group Pension Scheme.

## **Company**

Either your employer or the principal employer of the Scheme, Baxi Group Limited, depending on the context.

## **Dependant**

Any individual the Trustees consider to be financially dependent on you.

## **Earnings Cap**

This is the Scheme's maximum earnings limit for calculating pension contributions and benefits based on the principles formerly used by HMRC. The limit is £159,600 for the 2018/19 tax year, and is normally increased each year in line with price inflation.

## **HMRC**

Her Majesty's Revenue & Customs (formerly known as the Inland Revenue).

## **Investment Return**

The amount by which your Retirement Account rises or falls due to investment income and changes in capital value. Investment return can be positive (if the value of your fund rises) or negative (if the value of your fund falls).

## **Membership**

Your period of Company service as a member of the BGPS. This includes your period of service as a member of any previous pension scheme from which you have transferred your benefits into the BGPS. If you left the BGPS and subsequently re-joined, both periods of service may count towards your membership, depending on the circumstances.

## **Pensions Administrator**

The organisation appointed by the Trustees to administer the Scheme on a day-to-day basis. This is currently Conduent HR Services, and its contact details are given in Section 10.



### **Pensionable Earnings**

Your gross (PAYE) earnings, excluding any profit-related bonuses, benefits-in-kind, cash alternatives paid instead of benefits-in-kind, other non-cash remuneration, and such other emoluments as the Company may specify to be non-pensionable. Pensionable Earnings are subject to the Earnings Cap.

### **Retirement Account**

The fund comprising both your and the Company's contributions (including contributions paid through Smart Pensions), any AVCs you have paid and any transfers you have brought into the Scheme from previous pension arrangements, all invested on your behalf. Your Retirement Account is kept separate from all other assets of the BGPS.

### **Scheme**

This is the defined contribution section of the BGPS (sometimes also known as the money purchase section).

### **Smart Pensions**

This is the Company's salary sacrifice arrangement relating to pension contributions. Where members participate in Smart Pensions, they do not pay contributions to the Scheme. Instead, the Company pays an amount equal to both its own contribution and the member's contribution, and the member's salary is reduced by an amount equal to his or her pension contributions. However, Smart Pensions does not apply to AVCs.



Baxi Heating UK Limited  
Brooks House  
Coventry Road  
Warwick CV34 4LL

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



March 2018