

ScottishPower Pension Scheme (SPPS)

Introduction - summary of benefits provided

The main benefit you receive by being a member of this Scheme is your pension when you retire. But the Scheme also provides financial security for you and your family during your working life with ScottishPower.

Here is a reminder of what the Scheme gives you:

- A pension when you retire based on your service in the Scheme and your salary close to or at retirement
- The opportunity to exchange some of your pension for an increased cash sum, which is normally tax-free
- A pension payable for life that increases in line with inflation up to a cap
- Valuable benefits for your dependants and children if you die
- Protection if ill-health forces you to give up work
- Flexible tax effective options for topping up your main Scheme retirement benefits

Good value for money

The Company pays the bulk of the cost of providing your benefits from the Scheme. It would cost you significantly more if you were to provide the same level of benefits yourself.

As a final salary scheme, membership is particularly valuable, as your benefits will generally be based on:

- The length of time you have been a member of the Scheme, and
- Your salary when you leave or retire

Your benefits are not directly linked to the performance of the Scheme's investments, which means it is easier to predict the level of income you will have after you retire. This is important when you are planning your life beyond work.

Although the Scheme provides you with security of benefits which minimizes any investment risk, you do also have the option to take a Cash Equivalent Transfer Value and transfer your benefits to another Pension Plan. The remainder of this Statement provides you with information on the option of a Cash Equivalent Transfer Value (CETV) quotation and the process for transferring your benefits to an alternative pension provider.

Cash Equivalent Transfer Value Policy Statement

General information

- Members have a statutory right to obtain a CETV quotation until they are within 12 months of their Normal Pension Age or in receipt of their pension
- It is the Trustee policy to provide CETV quotations to all members, not in receipt of their pension, on request
- An annual CETV quotation will be provided on request free of charge

- Any subsequent requests for a CETV within 12 months will be charged at £250 plus VAT
- If you are a Contributing Member the CETV quotation will be an illustrative figure based on your accrued benefits at the date of your request. If you wish to obtain a guaranteed CETV quotation you must first Opt Out of the Scheme – see the Opt Out process section below
- If you are a Member with a deferred pension the CETV quotation will be guaranteed for 3 months from the date of quotation and is based on your deferred pension at that date. The guarantee expiry date is detailed on the transfer paperwork
- The CETV can only be paid to another appropriate registered pension scheme
- If your CETV is higher than £30,000 and you are transferring to a defined contribution arrangement you are required to seek advice from an Independent Financial Adviser. The Scheme Trustee will require a statement in writing from your financial adviser confirming that advice has been provided. **Your transfer cannot proceed without this statement**

Requesting a CETV quotation

- If you have not already done so, you should contact the scheme administrators, Capita Employee Benefits to request a cash equivalent transfer value:

Capita Employee Benefits
PO Box 555
Stead House
Darlington
DL1 9YT

Tel: 0345 601 0577

Email: scottishpowerpensions@capita.co.uk

- In certain circumstances your CETV may be referred to the Scheme Actuary for verification so it could take three to four weeks for it to be issued to you. Otherwise your CETV quotation should be issued within 2 weeks of your request being received.

Opt Out Process for Contributing Members

- As an active contributing member of the scheme the CETV that you receive is for illustrative purposes only and cannot be guaranteed. It is based on your accrued benefits at the date of CETV request
- Should you decide to proceed with a transfer you will need to opt out of the scheme and become a deferred member; This means that you will no longer be an active contributing member of the Scheme and will not be able to rejoin at a later date
- You must give two calendar months written Notice of your intention to opt of the Scheme
- You should request an opt out Notice from Capita for completion and return to them
- When returning the Notice you should advise Capita that you wish to obtain a guaranteed CETV quotation on expiry of the 2 months' notice period

- The first stage in this part of the process is for Capita to calculate your Deferred pension at your opt out date
- For members of SPPS, the check that your pensionable salary has matched the increases in the Retail Price Index over the past 10 years must first be carried out. This will take place after the RPI for the relevant month is announced which will likely be 2/3 weeks after your opt out date
- Once your Deferred Pension is known Capita will calculate your CETV which is guaranteed for 3 months from the date of calculation
- In certain circumstances your CETV may be referred to the Scheme Actuary for verification (usually where the value exceeds £1,000,000)
- It may therefore be 5/6 weeks after you have opted out of the Scheme before you receive a guaranteed CETV quotation
- If you had previously received an Illustrative CETV quotation whilst a Contributing Member, you will not be charged for the initial guaranteed CETV quotation after opting out if it is within 12 months of the illustrative CETV being issued

Settlement of your CETV

- You can only transfer your CETV to another registered pension arrangement
- If you decide to proceed with the transfer of your CETV, you must return to Capita the documentation provided with your guaranteed CETV quotation, duly signed and completed
- If your CETV is over £30,000 and you are transferring to a defined contribution arrangement such as a personal pension policy, you must also provide a Statement from your Independent Financial Adviser (IFA) confirming that you have been given independent advice on the transfer
- Capita will review the completed documentation to ensure that it is in order and that your IFA is registered with the Financial Conduct Authority (FCA) to provide advice on Cash Equivalent Transfer Values
- Provided all the documentation is in order and received within the 3 month guarantee period, Capita will settle your CETV within 2 weeks of receiving the documents
- If the documentation is received after the expiry of the 3 month guarantee period a requote of your CETV will be required. There will be a charge of £250 plus VAT for the re-quote
- Once you transfer your benefits to another pension provider ***you and your dependants will no longer be entitled to any benefits from the ScottishPower Pension Scheme***

Further Information

Please note that neither the Trustee nor Capita can advise you whether it is in your interest to transfer your benefits to another registered pension scheme. It is strongly recommended that you take independent financial advice before considering this option. In most circumstances, as outlined in your transfer pack, you will be required to take advice before the transfer can proceed.

The Money Advice Service website provides free and impartial information on choosing a financial adviser and links to details of financial advisers in your area. The website can be accessed at:

<https://www.moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser>

Other organisations from which you can obtain information on pension transfers are:

- The Financial Conduct Authority (FCA)
- The Pensions Advisory Service (TPAS)
- The Pensions Regulator (TPR)
- The Money Advice Service

Contact details for these organisations are below.

Financial Conduct Authority

Consumer Helpline: 0800 111 6768
Open 8am to 6pm, Monday to Friday
Website: <http://www.fca.org.uk/>

The Pensions Advisory Service

Pensions Helpline: 0300 123 1047
Open 9am to 5pm, Monday to Friday
Website: www.pensionsadvisoryservice.org.uk

The Pensions Regulator

Customer Support: 0345 600 7060
Open 9am to 5.30pm, Monday to Friday
Website: www.thepensionsregulator.gov.uk

The Money Advice Service

Customer Support: 0800 138 7777
Open 8am to 8pm, Monday to Friday
Website: <https://www.moneyadviceservice.org.uk/en/categories/transferring-between-pension-schemes>