Jaguar Pension Plan

(Halewood Section)

Guide for Members

April 2013

CONTENTS

Words with Special Meanings	3
An Overview of the Plan	5
Plan Membership	6
Contributions	7
Retiring	9
Other Options at Retirement	11
Pension Payments and Increases	13
Leaving the Plan	14
Death Benefits	15
The State Pension	18
Tax and National Insurance	19
Extra Information	20

WORDS WITH SPECIAL MEANINGS

We have tried to keep this guide as simple as possible. However you will come across some frequently used terms and technical pensions words. Here is what they mean:

Active Member	A member currently employed by Jaguar Land Rover and making contributions to the *Plan* through their pay.
Actuary	An independent expert who advises the *Trustee Board*.
Administrators	The external providers of all the *Plan*'s Administration. They are responsible for the day-to-day running of the *Plan* including dealing with queries, providing you with figures and calculations and paying your pension once retired. The *Plan*'s administrator is AON Hewitt. See the section 'Who to contact for more information' on page 20 to obtain their contact details.
Average Qualifying Earnings	Are calculated in accordance with legislation for each year of your pensionable service on and after 6 April 2012.
Company	Jaguar Land Rover
Deferred Pension	A pension payable to a former *Active Member* of the *Plan* who has left the *Company*'s employment or has opted out of the *Plan*, but has not yet retired. The pension is paid at retirement.
Final Pay (for hourly paid employees)	Your hourly personal rate of pay multiplied by the number of hours in the standard week. Your hourly personal rate of pay includes grade rate productivity allowance and, where applicable, lead operator's allowance, group leader's allowance, line worker's allowance and electronics allowance but excludes such elements of your pay notified to you as non-pensionable.
Final Pay (for salaried employees)	Your basic salary excluding such elements of your salary notified to you as non-pensionable.
Ford Fund Guarantee	Put simply, a guarantee that ensures that where a benefit would have been higher had you remained in the Ford Fund (in the same grade as when you left it and allowing for subsequent benefit improvement to the Ford Fund) this higher benefit will be paid. The detailed application of the guarantee is governed by the formal Trust Deed and Rules of the *Plan*.
Guaranteed Minimum Pension (GMP)	The minimum pension which an occupational pension plan has to provide for those employees who were contracted out of the State Earnings Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997. See the section 'The State Pension' on page 18 for further explanation.

Pensionable Pay (for hourly paid employees)	Your *Final Pay* from the completed tax year, in which your *Final Pay* and attendance supplement added together is the highest, in the last 10 tax years before you leave. The *Final Pa*y is then multiplied by the *Uplift Fraction* and any attendance supplement for that year is added on.
Pensionable Pay (for salaried employees)	The highest amount of *Final Pay* in any completed year ending on the 31st March, in the last 10 such years before you leave, multiplied by the *Uplift Fraction.*
Pensionable Service	The number of continuous complete years and months you have been a contributing member of the Jaguar Pension Plan. Any service you completed in the Ford Fund will be taken into account.
Plan	Jaguar Pension Plan.
Protected Rights	A notional fund made up of the savings you made on NI contributions between 6 April 1997 and 5 April 2012 as a result of the *Plan* being contracted out of the Second State Pension. Please see the section 'The State Pension' on page 18 for further explanation.
State Pension Age	The age at which your State Pension benefits become payable.
Trustee Board	The Board of Trustee Directors of Jaguar Land Rover Pension Trustees Limited. This is the corporate trustee set up to run the *Plan* (see the section 'How the *Plan* is run' on page 20)
Uplift Factor	A calculation that allows paid holiday to be taken into account.

AN OVERVIEW OF THE PLAN

What are the advantages to being a member of the Jaguar Pension Plan?

You will receive

- Tax relief on your contributions
- Retirement benefits
- Increases to your pension each year
- A good investment for the future
- Protection for you and your family for life

You can choose to

- Make extra payments to the *Plan* to increase your benefits
- Retire early
- Exchange some of your pension for a tax-free cash sum when you retire

If the unexpected happens

- You may receive a pension if ill health forces you to give up work early
- A cash sum will be payable if you die while you are contributing to the *Plan*
- Your spouse or civil partner (or if the *Trustee Board* agree, another dependant if you do not have a spouse or civil partner) will receive a pension if they outlive you
- Your children may receive a pension when you die

The rest of the guide gives you more details about all of these benefits

PLAN MEMBERSHIP

Can I join the *Plan* if I am not already a member?
No. The Halewood section of the Jaguar Pension Plan was a section set up solely for the transfer of Ford Fund members in 2001.

Can I choose to leave the *Plan*?
You can choose to leave the *Plan* if you wish. This is called opting out. To opt out you must give one month's notice by filling in a Cessation of Membership form. Please contact the *Administrators* if you would like a form.

If I leave, will I be able to join the *Plan* again later?
No. If you decide to opt out you will **not** be able to re-join the *Plan* at any time.

Can I transfer other pensions into the Jaguar Pension *Plan*?
The *Trustee Board* have currently suspended transfers from any previous arrangements into the *Plan*.

Can I continue to contribute to other pension arrangements?
You can pay into other pension arrangements as well as the Jaguar Pension Plan. HMRC stipulates that you may contribute to as many pension plans as you wish as long as the combined contribution total does not exceed the total of your annual income. You may wish to take independent financial advice as other HMRC factors such as the Annual Allowance and the Lifetime Allowance may also limit the total amount you are able to contribute (please see the section 'HMRC limits' on page 19). If you are paying into other pension plans you will have to make your own arrangements for deductions as this cannot be done through *Company* payroll.

CONTRIBUTIONS

How much will it cost me to be a member of the *Plan*?
You pay 7% of your pay into the *Plan*.

What counts as your pay for these purposes depends on whether you are an hourly paid or salaried employee:

- If you are an **hourly paid employee**, your pay is your hourly personal rate of pay, multiplied by the number of hours in the standard week, then multiplied by the *Uplift Fraction*, then finally added to your attendance supplement. Your hourly personal rate of pay includes grade rate productivity allowance and, where applicable, lead operator's allowance, group leader's allowance, line worker's allowance and electronics allowance.

- If you are a **salaried employee**, your pay is your basic salary multiplied by the *Uplift Fraction*.

You receive tax relief on the contributions you pay to the *Plan*. Both you and the *Company* pay reduced National Insurance because the *Plan* is contracted out of the Second State Pension (see the section 'The State Pension' on page 18).

I participate in the Salary Sacrifice arrangement. How does this affect my contributions?
The Pensions Salary Sacrifice arrangement was introduced on 1st September 2009. If you opt into the arrangement you do not make any contributions from your earnings. Instead you agree to give up an amount of your earnings that is equivalent to the amount you would otherwise pay in pension contributions (7%). The *Company* shall then pay this amount to the *Plan* (in addition to its normal *Company* contributions described in the section 'What does the *Company* contribute to the *Plan*? on page 8').

Your earnings before any deduction for Salary Sacrifice is called your Notional Pay. As this higher Notional Pay is used to calculate your benefits, rather than your earnings after the reduction, your benefits will remain the same and will be unaffected by the Salary Sacrifice arrangement.

The fact that your earnings have been reduced will mean that you pay less National Insurance contributions and will therefore have a higher net pay than colleagues with the same pay who do not participate in the Salary Sacrifice arrangement.

The table below shows a typical example of the cost of membership based on the 2012 – 2013 tax year. It shows the difference in cost between members of the Salary Sacrifice arrangement and members paying contributions from their earnings.

	With Salary Sacrifice 7.00%	Without Salary Sacrifice 7.00%
Notional Pay	£27,453.40	N/A
Earnings	£25,531.48	£27,453.40
Member pension contribution (£pa)	nil	£1,921.92
Estimated NI contributions (£pa)	£1,873.04	£2,072.72
Estimated income tax (£pw)	£3,309.80	£3,309.80
Net income (£pa)	£18,971.68	£18,788.12

What does the *Company* contribute to the *Plan*?
The benefits that you build up in the *Plan* will probably cost a great deal more than the amount you pay in. The *Trustee Board* employs an *Actuary* who reviews the *Plan*'s finances, usually every three years. The *Actuary* works out how much is needed to pay for the benefits, taking into account what the members pay. The *Company* then pays whatever is needed to make up the difference. This amount can vary from time to time and is agreed by the *Company* and the *Trustee Board* on the advice of the *Actuary*.

If you want to know how much the *Company* is paying at the moment, you should look in the Trustee's Annual Report and Accounts.

Can I pay extra into the *Plan*?
You can continue making extra payments into a separate account to increase your *Plan* benefits, if you were doing so on a regular basis (monthly or weekly) before 6 April 2013. These are called Additional Voluntary Contributions (AVCs). When you retire you use your AVCs to buy extra pension benefits. AVCs are particularly useful if you are thinking of retiring early or if you need to make up for time when you were not paying into a pension plan. You receive tax relief on any AVCs you pay.

The *Plan* has appointed the Prudential Assurance Society and Aegon (Scottish Equitable) as the investment providers for the *Plan*'s AVCs*.* They offer a range of investment accounts and you should refer to the separate AVC booklet for details.

How much extra can I pay?
Your total payments to AVCs cannot exceed 15% of your gross pay less the normal contributions you make to the *Plan*.

You may also wish to take independent financial advice in connection with the HMRC Annual Allowance and Lifetime Allowance (please see the section 'HMRC limits' on page 19)*.*

RETIRING

Retiring at age 65

When can I retire?
The normal date for retirement is your 65th birthday. As soon as you retire from the *Company* you will be able to receive your pension. You can however continue to accrue benefits in the *Plan* if you continue to work past age 65.

What will I receive when I retire?
The *Plan* will pay you a pension for the rest of your life. You will also be able to exchange part of your pension for a tax-free lump sum, leaving you a smaller pension (see the section 'Taking part of your pension as a tax-free lump sum' on page 11.)

How is my pension worked out?
Your pension will be worked out in the following way:

1/52 x your *Pensionable Pay* x your *Pensionable Service*

Look at the section 'Words with special meanings' on page 3 to help you work out your *Pensionable Pay* and *Pensionable Service*.

Any service you completed in the Ford Fund will also be taken into account. If the *Ford Fund Guarantee* produces a higher pension, this higher pension will be paid instead.

Retiring before age 65

What is the earliest I can retire?
The earliest you can retire is age 55. However, you must have the agreement of the *Company*.

What will I receive if I retire before age 65?
Your pension will be worked out in the same way as described in the section 'Retiring at age 65' above, using your *Pensionable Pay* and *Pensionable Service* at the date you retire.

Because you are retiring before the normal retirement age, your pension is likely to be paid over a longer period and may therefore be reduced. If the *Company* consents and you are over 58 when you retire, your pension will not be reduced. If the *Company* consents and you are between ages 55 and 58 when you retire, your pension will be reduced by 0.75% for each month between the date you leave service and your 58th birthday.

If you are over 55 and the *Company* retires you from service (other than because of incapacity) the *Company* may offer you an unreduced pension. This is called special early retirement.

If the *Ford Fund Guarantee* produces a higher pension, this higher pension will be paid instead. Any reductions however will still apply.

Retiring through ill health

What if I become too ill to work?
If you are an *Active Member* and the *Trustee Board and the Company* agree that you are too ill to do your job, you may receive a pension when you stop work, whatever your age. The *Trustee Board* and the *Company* will require evidence of your ill health.

How is my Incapacity Pension worked out?
Your pension will be worked out in the same way as in the section ‘Retiring at age 65’. However if you retire before age 62, it will be calculated as if you had stayed in Pensionable Service until your 62nd birthday. If the *Ford Fund Guarantee* produces a higher pension, this higher pension will be paid instead.

OTHER OPTIONS AT RETIREMENT

Taking part of your pension as a tax-free cash lump sum

Can I take part of my pension as cash?
Yes. When you retire (for whatever reason and at any time) you can exchange some of your pension for a tax-free cash lump sum.

How much of my pension can I take as cash?
HMRC places limits on how much tax-free cash you can take.

Your lump sum may also be restricted if the amount of pension remaining would be less than your *Guaranteed Minimum Pension (GMP)*. See the section 'Words with special meanings' on page 3 for a definition of the *GMP*.

How is my cash lump sum calculated?
The equation for calculating the lump sum is:

$$\boxed{20 \times P / (3+(20/CF))}$$

P = Pre-commuted pension. This is the total amount of your pension before any calculation is made for the lump sum.

CF = Commutation Factor. This determines how much cash lump sum you will receive for every £1 of pension that you give up. The commutation factor will change depending on your age when you retire. It is set by the *Trustee Board* on advice from the *Actuary*. If the *Ford Fund Guarantee* applies, then the lump sum will be calculated using the Commutation Factor applicable in the Ford Fund at the time of your retirement.

Below is an example calculation. It is based on a man retiring at age 65 with a pension of £8000 per annum.

Pension = £8,000: Commutation Factor at 65 (for men) = 9.08

20 x P: 20 x 8,000 = 160,000

(3+(20/CF)): (3+20/9.08) = (3+2.2) = 5.2

160,000 / 5.2 = 30,769.23

In this example the man would be able to take a lump sum of £30,769.23. His remaining pension would be £4,611.32 per annum.

Variable pension option

What is the aim of the Variable Pension Option?
You may choose to retire and start drawing your pension from the *Plan* before you reach *State Pension Age*. If you do this your total income will increase when you reach *State Pension Age* and begin to receive your State Pension benefits on top of your *Plan* pension. The aim of the variable pension option is to even out your total income so that you receive the same amount before and after you reach *State Pension Age*.

How does it work?
It works by allowing you to take a larger *Plan* pension before you reach *State Pension Age* and a smaller *Plan* pension once you reach *State Pension Age* and you begin to receive your State Pension. You will be issued with the appropriate figures when you retire.

Once you have opted for the variable pension option, you cannot change your mind even if the amount of Basic State Pension changes.

PENSION PAYMENTS AND INCREASES

How will my pension be paid?
Your pension will be paid before the 1st of each month, directly to your bank or building society account.

It will be taxed in the same way as your wages under the PAYE system. You will not pay National Insurance contributions on your pension.

You will receive a pension payslip each year or each time your pension increases by £5 or more. With your pension payslip you will receive an explanation of how we have worked out your pension increase and a P60.

Will my pension be increased?
Pensions are increased every year on the 1st April. You will receive an increase to your pension if you are already receiving your pension before that date. The amount of the increase will depend on whether you have reached *State Pension Age*:

<u>If you are below *State Pension Age*</u>:
Your whole pension will be increased by the rate of inflation (capped at 5%). If you have given your consent, the rate of inflation will be based on the change in the Retail Prices Index at the previous September. If you have not given your consent, the rate of inflation will be based on the change in the Consumer Prices Index at the previous September. If you would like more information about the consent requirements, please contact the *Administrators*.

If there happens to be negative inflation, the pension will not be reduced. Instead there will be neither an increase nor a decrease.

<u>If you have reached *State Pension Age*:</u>
Once you reach *State Pension Age*, different increases will be applied to different parts of your pension.

If you joined the *Plan* before 6 April 1997, part of your pension will be your *Guaranteed Minimum Pension (GMP)*. See the section 'Words with special meanings' on page 3 for a definition of the *GMP*.This part of your pension will increase in line with government announced increases.

The difference between your *GMP* and the rest of your pension is called the 'excess'. The excess will increase by the rate of inflation (capped at 5%). If you have given your consent, the rate of inflation will be based on the change in the Retail Prices Index at the previous September. If you have not given your consent, the rate of inflation will be based on the change in the Consumer Prices Index at the previous September. If you would like to consent to your pension being increased in line with RPI rather than CPI or would like more information about how consenting to this would affect your pension, please contact the *Administrators*.

If there happens to be negative inflation, the pension will not be reduced. Instead there will be neither an increase nor a decrease.

LEAVING THE PLAN

What happens if I leave the *Plan* before I retire?
You can leave the *Plan* either by leaving the *Company*'s employment or by opting out. If you leave the *Plan* before you retire, you may be able to choose between deferring your pension, retiring early or transferring your benefits into a new pension arrangement.

Deferring your pension
You can leave your pension in the *Plan* until you retire. When you retire you will be paid a *Deferred Pension*.

Your pension will be worked out in the same way as in the section 'retiring at age 65' on page 9 using your *Pensionable Pay* and *Pensionable Service* at the date you leave the *Plan*. However part of your pension will increase between the date you leave the *Plan* and the date you retire. The increase will depend on your length of service in the *Plan*. Any pension in excess of your *GMP* that you accrued before 5th April 2009 will increase by 5% **or** the rate of inflation, whichever is lower. Any pension in excess of your *GMP* that you accrued past 6th April 2009 will increase by 2.5% **or** the rate of inflation, whichever is lower. (See the section 'Words with special meanings' on page 3 for a definition of the *GMP*.)

If you choose to take your *Deferred Pension* before age 65, it may be reduced due to the fact that it is likely to be paid over a longer period.

Transferring your benefits to another pension arrangement
You may be able to transfer the value of the benefits you have built up in in the Jaguar Pension Plan to a new pension arrangement if you have one. The *Administrators* will work out the value of the transfer on the advice of the *Actuary.*

Retiring early
If you are over 55 or are suffering from ill health you may wish to consider retiring early and drawing your pension as soon as you leave the *Plan*. Please see the section 'Retiring before age 65' on page 9.

DEATH BENEFITS

What happens if I die before I leave the *Plan*?
If you die whilst still an *Active Member* of the *Plan*, it is known as death in service. The following benefits are payable in these circumstances:

<u>A lump sum payment</u>
A lump sum of 2½ times the yearly rate of your *Final Pay* at the date of your death will be paid. Your *Final Pay* for these purposes will not include any holiday bonus but will include any individual performance payment notified to you on the last occasion before your death.

A further sum may also be payable if no spouse's, civil partner's, other dependant's or children's pension is being paid **or** if this pension is limited (because you have less than 5 years' Pensionable Service) to the amount of your *Guaranteed Minimum Pension* (*GMP)* (please see the section 'Words with special meanings' for a definition of *GMP*). This extra sum will be equal to your contributions to the *Plan* with interest at a rate of 3.5% a year, less the amount that the *Trustee Board* considers necessary to provide any *GMP* pension.

If you die at or after age 65, a further sum of £1500 will be paid.

The *Trustee Board* will decide who this lump sum will be paid to and will take your Nomination form into account (see the section 'More information about the lump sum on death' on page 17)*.*

<u>A spouse's or civil partner's pension</u>
If you have a spouse or civil partner they will receive a pension when you die. This is equal to one half of the pension you would have received had you stayed in the *Plan* until age 62 (if you die before this age). It is calculated using your *Pensionable Pay* at the date of your death.

If your spouse or civil partner is more than 10 years younger than you, their pension will be reduced. However it cannot be reduced by more than 0.2% for each year of age difference greater than 10. Neither can it be reduced below the value of the minimum pension that the *Trustee Board* is required to pay to spouses or civil partners by law.

<u>A pension for other dependants</u>
If you do not have a spouse or civil partner, the *Trustee Board* can pay a pension to anybody else who may depend on you financially at the time. This can include an unmarried partner of the same or opposite sex but does not include a child eligible to receive the children's pension. The *Trustee Board* will look at your personal circumstances when you die to see who will qualify, and will require evidence that they were financially dependent on you.

Your dependants will receive an amount equal to some or all of the spouse's or civil partner's pension that would have been payable.

<u>A children's pensions</u>
If you have children, they may be eligible to receive a children's pension.

Each eligible child (up to a maximum of 4 children) will receive 12.5% of the pension that you would have received had you stayed in the Plan until age 62 (if you die before this age). It is calculated using your *Pensionable Pay* at the date of your death. The *Trustee Board* has discretion to vary the proportionate share of pension that each child receives.

Your children must be below age 16, or age 23 if in full time education. They must be your own biological children, adopted children, step-children, or any other children who in the *Trustee Board*'s opinion were financially dependent on you or towards whose maintenance you were contributing at the time of your death. A children's pension, which would otherwise be payable after the child reaches age 16, will stop if the child marries.

What about if I die after I have retired?

If you die after you retire the following benefits will be paid:

<u>A lump sum payment</u>

A lump sum of £1500 will be paid.

If you die within 5 years of retiring and no spouse's, civil partner's, other dependant's or children's pensions are payable, an extra sum may be paid. This sum will be equal to the value of the remaining pension payments that would have been payable over the rest of the 5 year period.

The *Trustee Board* will decide who to pay the lump sum to, taking your Nomination form into consideration (see the section 'More information about the lump sum on death' on page 17).

<u>A spouse's or civil partner's pension</u>

If you have a spouse or civil partner they will receive a pension when you die. This is equal to one half of your pension at the date that it started.

If your spouse or civil partner is more than 10 years younger than you, their pension will be reduced. However it cannot be reduced by more than 0.2% for each year of age difference greater than 10. Neither can it be reduced below the value of the minimum pension that the *Trustee Board* is required to pay to spouses or civil partners by law.

<u>A pension for other dependants</u>

If you do not have a spouse or civil partner, the *Trustee Board* can pay a pension to anybody else who may depend on you financially at the time. This can include an unmarried partner of the same or opposite sex but does not include a child eligible to receive the children's pension. The *Trustee Board* will look at your personal circumstances when you die to see who will qualify, and will require evidence that they were financially dependent on you.

Your dependants will receive an amount equal to some or all of the spouse's or civil partner's pension that would have been payable.

What if I die after leaving the *Plan* but before retiring?

If you have a *Deferred Pension* in the *Plan* and die before you start taking it the following benefits will be provided:

<u>A lump sum payment</u>

The amount of the lump sum will depend on when you die:

- If you die **before age 65** the following will be paid:
    - a sum equal to your basic contributions with interest at the rate of 3.5% a year less the amount necessary to provide a pension to your surviving spouse or civil partner.

- If you die **on or after age 65**, the following will be paid:

- a sum equal to the maximum amount of tax-free cash lump sum you could have taken had you retired immediately before your death (see the section 'Taking part of your pension as a tax-free lump sum' on page 11). This will be paid to your estate unlike the rest of the lump sum.
- a sum of £1500.
- if there is no spouse's or civil partner's pension payable, a sum equal to the value of 5 years' pensions payments based on the pension you would have received immediately before your death if you had taken the maximum amount of tax-free cash lump sum possible.

The *Trustee Board* will decide who to pay the lump sum to, taking your Nomination form into consideration (see the section 'More information about the lump sum on death' below)

<u>A spouse's or civil partner's pension:</u>
If you have a spouse or civil partner they will receive a pension when you die. The amount they receive will depend on when you die:

- If you die **before age 65** this pension is equal to the minimum amount that the Plan is required to pay to your spouse or civil partner by law in respect of your Pensionable Service before 6 April 2012, plus 1/60th of your *Average Qualifying Earnings* for each year of your Pensionable Service on and after 6 April 2012.

- If you die **on or after age 65** this pension will be one half of the pension you would have received had you taken your pension immediately before your death with no reduction for payment of a tax-free cash lump sum.

More information about the lump sum on death
The *Trustee Board* will decide who the lump sum will be paid to when you die. This is to ensure that the lump sum is not considered part of your estate and is not therefore made subject to inheritance tax. When deciding who to pay the lump sum to, The *Trustee Board* will take your Nomination form into consideration. Your Nomination form lets the *Trustee Board* know who you would like the money to go to if you die. The *Trustee Board* will normally follow your wishes but it is not obliged to do so. It is important to keep your Nomination form up to date. Your benefit statement will show you when you last submitted a Nomination form. If your circumstances have changed since this date please contact the *Administrators* to obtain a new form.

THE STATE PENSION

The State Pension is made up of the Basic State Pension and the Second State Pension (S2P).

Will I get the Basic State Pension?
You will receive the Basic State Pension when you reach *State Pension Age*, provided you have paid sufficient National Insurance contributions.

Your Basic State Pension is not affected by being in the Jaguar Pension Plan.

Will I get the Second State Pension (S2P)?
S2P is an additional State Pension that is earnings related. Before 6 April 2002, there was a similar arrangement called the State Earnings Related Pension (SERPS). The Jaguar Pension Plan has contracted out of S2P and SERPS. This means that you will not qualify for these while you are in the Jaguar Pension Plan. In return, both you and the *Company* pay lower National Insurance, and the *Plan* undertakes to provide benefits that are at least as good as the 'missing' S2P.

How will the *Plan* provide benefits that are at least as good as the missing S2P?
If you were in the *Plan* before 6 April 1997, part of your pension will be your *Guaranteed Minimum Pension (GMP)*. This provides roughly the same benefits as those you would have received from SERPS.

After 5 April 1997 this changed. If you joined the *Plan* before 1 July 2001, part of your pension will be your *Protected Rights*. Your *Protected Rights* is a notional fund made up of the savings you made on NI contributions between 6 April 1997 and 5 April 2012 as a result of the *Plan* being contracted out of S2P. Your pension in respect of your Pensionable Service between 6 April 1997 and 5 April 2012 must not be below the amount that could be provided by this fund. Contracting out through *Protected Rights* was abolished in April 2012.

Now the *Plan* must provide benefits at least as good as a 'sample scheme' defined by the government. This is called the Reference Scheme test and ensures that the benefits you receive from the *Plan* will be at least as good as those you would receive from S2P.

TAX AND NATIONAL INSURANCE

What tax will I pay?
When you retire you will pay income tax on your pension. However you will stop paying National Insurance contributions.

What tax relief will I get?
If you take part of your pension as a cash lump sum on retirement, this lump sum will be tax free (see the section 'Taking part of your pension as a tax-free lump sum' on page 11.) Cash lump sums paid on your death are also tax-free because they do not form part of your estate (see the section 'More information about the lump sum on death' on page 17).

You do not pay tax on the contributions you pay to the *Plan*.

Both you and the *Company* pay reduced National Insurance because the *Plan* is contracted out of the Second State Pension (see the section 'The State Pension' on page 18).

There are also tax concessions on the *Plan*'s investments.

HMRC limits
HMRC applies two allowances to your benefits: the Lifetime Allowance (for the value of the benefits you build up over your whole career to retirement) and an Annual Allowance (for the increase in value to your benefits in any year). You can build up benefits above these allowances, but if you do, you will pay a tax charge on the excess.

The lifetime allowance is currently £1.5 million, which means that you would need to retire on an income of more than £75,000 to go over it. However, the lifetime allowance will reduce to £1.25m for tax year 2014 -15 onwards. The annual allowance is £50,000 which equates to building up pension of just over £3,000 a year.

These allowances apply to benefits from all sources (apart from the State). So if you have a number of pension arrangements, you must check that the combined benefits do not exceed the allowances. If you are close to the annual allowance, you may wish to obtain independent financial advice. It may be possible for you to carry forward unused allowance from previous years to maximise your contributions in the current year.

EXTRA INFORMATION

Full details and further information
This is only a general guide to your benefits. It is not a legal document. Full details of the *Plan* are set out in the *Plan's* Trust Deed and Rules which are complex legal documents setting out your rights and obligations under the *Plan*. If there is any difference between the Trust Deed and Rules and this guide, the Trust Deed and Rules will preside. Nothing in this guide shall be taken to be an indication as to how any exercise of discretion shall operate under the Plan.

You can also get information about the *Plan* from the Trustee's Annual Report and Accounts. This includes information about the *Plan*'s investments.

To obtain a copy of either the Trust Deed and Rules or the Trustee's Annual Report and Accounts, please contact the *Administrators*.

How the *Plan* is run
The Halewood section of the Jaguar Pension Plan was a section set up solely for the transfer of Ford Fund members in 2001.

The *Plan* is managed by a corporate trustee, Jaguar Land Rover Pension Trustees Limited. This corporate trustee is entirely separate from Jaguar Land Rover and is operated by Trustee Directors who sit on the *Trustee Board*. Half of the Trustee Directors are appointed by the *Company* whilst half are appointed by the members. The *Trustee Board* is responsible for running the *Plan* and must act in the best interest of you and your dependants.

The *Trustee Board* meets regularly to look at the investment performance of the *Plan*'s assets, to check that the administration of the *Plan* is running smoothly and to address any other issues that present themselves. The *Trustee Board* takes specialist advice from the *Plan*'s *Actuary*, auditor, investment consultant and solicitor.

Data Protection
The *Trustee Board* and the *Company* hold certain personal information about you so that they can run the *Plan* properly. This includes your name, address, age, marital status, and any other details needed to work out your benefits. Under the Data Protection Act, the *Trustee Board* can use this information (or pass it on to their advisers) provided it is only used for the purposes of running the *Plan*. As a *Plan* member, you agree to this.

Who to contact for more information
If you have any questions regarding this guide, would like any further information about the *Plan*, or would like to see any official *Plan* documents, please contact the *Plan Administrators*, JLT Benefit Solutions. The *Administrators* are responsible for administering the *Plan* on behalf of the *Trustee Board*:

Jaguar Pension Plan
JLT Benefit Solutions
St James House
7 Charlotte Street
Manchester

M1 4DZ
Telephone 0845 078 2052
email: jaguar@jltgroup.com

Problems or complaints

Problems or complaints can usually be resolved informally with the *Administrators*. However if you have an issue you cannot resolve in this way, please follow the internal disputes resolution procedure detailed below.

Stage 1 – Pensions Manager

You should submit full details of your case in writing (including your payroll number and National Insurance number, if known) to the Pensions Manager at the following address:

Jaguar Land Rover Pension Trustees Limited
Pensions Department
Block 17
Lode Lane
Solihull
West Midlands
B92 8NW

You should expect a written reply within 20 working days. In the event that a full reply cannot be given within the time limit an interim reply will be sent explaining the delay and the date a full reply can be expected.

Stage 2 – *Trustee Board*

If you are not satisfied with the reply from the Pensions Manager, you may write direct to the Chair of the Trustees at:

Jaguar Land Rover Pension Trustees Limited
Block 17
Lode Lane
Solihull
West Midlands
B92 8NW

You should expect a written reply within 30 working days. In the event that a full reply cannot be given within the time limit an interim reply will be sent explaining the delay and the date a full reply can be expected.

You may also be asked to explain your grievance or dispute in person at a trustee meeting. If so, you will be informed of the date and a colleague or representative may attend with you.

If you are still not satisfied with the outcome, you may wish to contact the Pensions Advisory Service as your next step (see the section 'Other Organisations' immediately below)

Other Organisations
You may find the following organisations useful:

The Pensions Advisory Service (TPAS)
TPAS is an independent non-profit organisation that provides free information, advice and guidance on the whole spectrum of pensions, including state, *Company*, personal and stakeholder schemes. You may wish to contact TPAS if you have a complaint that has not been adequately resolved by following the internal dispute resolution procedure described above.

TPAS, 11 Belgrave Road, London, SW1V 1RB
0845 601 2923 or visit their website, where you can submit an online enquiry.
www.pensionsadvisoryservice.org.uk
enquiries@pensionsadvisoryservice.org.uk

Pensions Ombudsman
If TPAS cannot resolve your problem, you can contact the Pensions Ombudsman who investigates and determines disputes. The Ombudsman will normally expect you to have tried resolving the dispute using the *Plan*'s internal dispute resolution procedure first.

Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB
020 7630 2200
www.pensions-ombudsman.org.uk
enquiries@pensions-ombudsman.org.uk

The Pensions Regulator
The Pensions Regulator oversees the running of pension plans to ensure trustees, employers and advisers are fulfilling their duties.

Napier House, Trafalgar Place, Brighton, BN1 4DW
0870 6063636
www.thepensionsregulator.gov.uk

The Pension Tracing Service
The Pension Tracing Service can help you to find any 'old' plans you are no longer in contact with, but that may be due to pay your benefits. If you want to use this service you can complete an online form through the Pension Tracing Service at www.direct.gov.uk. Alternatively you can contact them on the details below:

Pension Tracing Service, The Pension Service, Tyneview Park,
Whitley Road, Newcastle Upon Tyne, NE98 1BA
0845 6002 537