

# BOC Pension Scheme

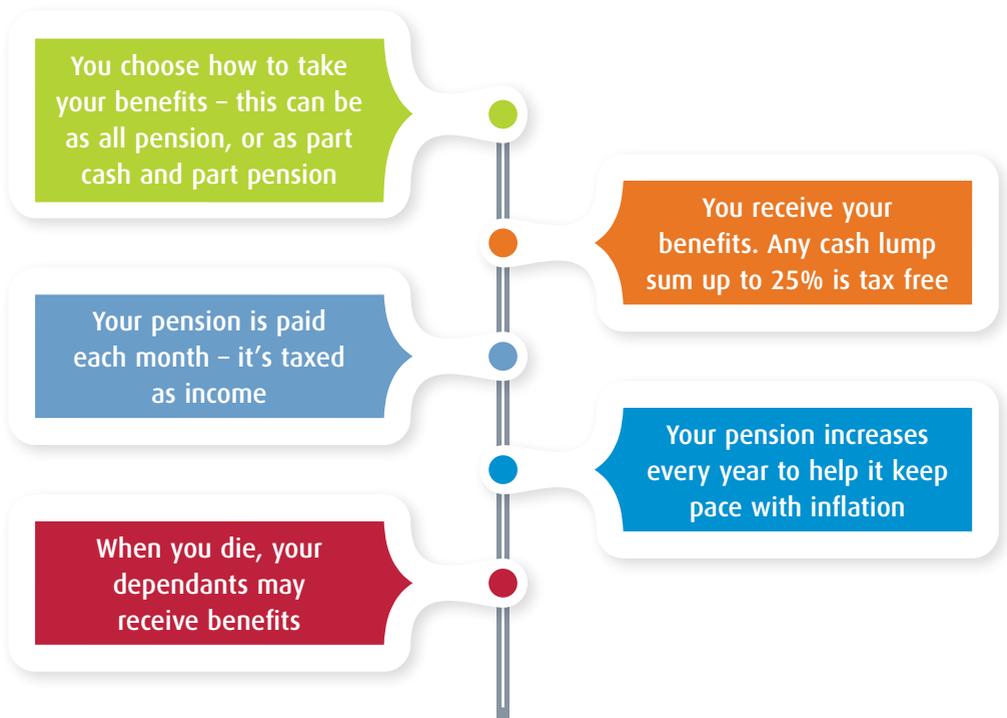
Taking your benefits



## ? I'm retiring – what happens now?

This pack explains your choices when it's time to take your benefits from the BOC Pension Scheme (the Scheme). Please read this booklet together with the enclosed benefit statement. If you were a member of the Gist Ltd Pension Scheme (GLPS), this merged with the Scheme in 2020 so this booklet applies to you too.

### How it works...



BOC Pension Services cannot give you advice about your benefits. If you need advice, you can find a financial adviser in your area by visiting [unbiased.co.uk](https://www.unbiased.co.uk)



## Your options – main Scheme benefits

We've provided three options on your enclosed benefit statement:

### Option 1 – Pension only

This shows the pension available if you don't take any tax-free cash. You might choose this if you want to maximise your pension.

### Option 2 – Maximum tax-free cash + reduced pension

This shows the maximum tax-free cash sum you could take and what your reduced pension would be. You might choose this option if you want to take as much tax-free cash as possible.

### Option 3 – Alternative tax-free cash amount + reduced pension

You can choose any amount of tax-free cash up to the maximum amount. You might choose this option if you plan to use your tax-free cash for a specific purpose, e.g. paying off your mortgage, but want to maximise your remaining pension.



You can take up to 25% of the total value of your pension as a tax-free cash lump sum.

If you would like to access more options, known as pension flexibilities, you could transfer your Scheme benefits into a defined contribution arrangement.

Transferring out of a defined benefit arrangement like the Scheme is a big decision. Before you can do so, the law says you must take financial advice if the value of your benefits is £30,000 or more. Whatever the value of your benefits, though, it is always wise to seek financial advice if you're considering transferring out.

You can find a financial adviser at [unbiased.co.uk](https://www.unbiased.co.uk)

**Turn over for more details about your main Scheme options →**



# Your options – main Scheme benefits

## continued

### Deciding how much tax-free cash to take

**There are several factors you should consider:**

- Depending on how long you live, the value of the pension you give up in exchange for cash may be greater than the cash sum.
- By giving up some of your pension for tax-free cash, you lose the benefit of pension increases on that portion of your pension.
- Your pension is subject to income tax, while up to 25% of the value of your benefits taken as a cash lump sum is tax free.



## Early retirement

You can take your benefits from age 55 (age 57 from 6 April 2028), but your benefits may be reduced as we expect that we will have to pay them for longer. The amount your pension would reduce by would depend on your age, Qualifying Service and your reason for leaving. Your benefit statement will take these factors into account.

## Redundancy

If you qualified at the time of redundancy for an unreduced pension from age 55 (or date of leaving if later), your pension will not be reduced for early payment. If you prefer, you can delay payment of your redundancy pension up to age 65 (or age 70 if you left after 31 March 2011). When your benefits are paid, they will receive a special increase to reflect this late payment. Any dependant's pension would not receive this increase.





## Your options if you have made Additional Voluntary Contributions (AVCs)

AVCs are now paid into the My BOC Pension Plan (the Plan), administered by Legal & General.

If you've made AVCs, you have a number of options as to how you take these benefits:

### Tax-free cash

You can take up to 25% of the combined value of your Scheme benefits and AVCs (subject to the Lifetime Allowance) as tax-free cash. Unless you request otherwise, the cash will automatically be taken from your AVC Account first. This is likely to be beneficial to you because of the calculation involved.

### Extra pension

You can use your AVC Account to provide extra pension from the Scheme. You can choose:

**AVC Option 1** To provide a pension for the rest of your life

**AVC Option 2** To provide a pension for the rest of your life and then a pension to your spouse or partner after your death



The figures shown in your statement are based on AVC Option 1. If you choose AVC Option 2, your AVC pension will be lower (as part of your Account will be used to buy a pension for your spouse or partner). If you would like an estimate based on AVC Option 2, please contact BOC Pension Services.

## Transferring your AVC Account to access more options

As an alternative to having your AVC pension paid by the Scheme, you can use all of your AVC Account to purchase benefits from another provider (e.g. an insurance company). You would still be able to take tax-free cash if you chose this option. Transferring allows you to:

### Buy an annuity

This turns your savings into a guaranteed income. You can buy an annuity for life or for a fixed-term period.

### Access income drawdown

With income drawdown you can take a variable income whenever you choose. The Scheme doesn't offer income drawdown, so if you choose this option you must move your Account to another provider. Your Account will remain invested with your chosen provider.



In the Plan, you may have more options as to how you take your AVCs when you retire.

Please contact Legal & General for more information:

Email: [employerdedicatedteam@landg.com](mailto:employerdedicatedteam@landg.com)

Phone: 0345 070 8686

Write to: First Contact, Legal & General, Ground Floor Knox Court, 10 Fitzalan Place, Cardiff, CF24 0EB

Or visit [legalandgeneral.com/workplace/b/boc/](https://legalandgeneral.com/workplace/b/boc/) for more information about the Plan.



## How your main Scheme pension is paid

We pay your pension monthly in advance directly into your bank or building society account. This happens on the 6th day of each month, or the following working day if that falls on a weekend or bank holiday.

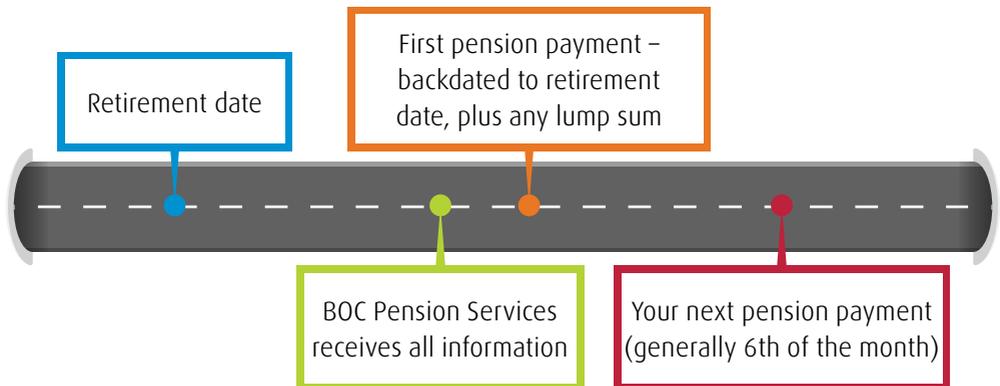
So we can pay your pension and any lump sum you decide to take, you need to provide your bank or building society account details on the enclosed *Retirement benefit claim* form. You'll receive a pension payslip each April if your pension changes by £1 or more. You'll also receive a P60 each March, detailing the amount of pension you have been paid that year.



If any correspondence is returned to BOC Pension Services (e.g. because you have moved house and not told us), your pension will be suspended until we hear from you.

### Your first pension payment

Your first pension payment will be made as soon as we have all the forms from you and information from any other providers – this may be four to six weeks after your retirement date. The amount will be backdated to your retirement date, and will include your tax-free cash lump sum if you have chosen this option.





## Tax and tax allowances

Your pension will be subject to income tax in the same way that your salary was while you were working.

Tax will be deducted before your pension is paid to you, based on the tax code issued to us by HM Revenue & Customs. The Inspector of Taxes will send you a notice of your tax code. You can contact them using the details below:

 [www.gov.uk/government/organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)

 0300 200 3300

Please quote employer reference 673/B203

### Lifetime Allowance (LTA)

The LTA is the total amount of pension savings (excluding State Pension) you can build up throughout your lifetime tax free. If you receive any benefits above the LTA, you may incur a tax charge.



We'll measure how much of your LTA your Scheme pension uses up. You must let BOC Pension Services know how much LTA any of your other pensions have already used. You can do this on the *Declaration of retirement benefits* form. If you do not provide this information, the law states we must assume you have used up all of your LTA. We will then have to apply a tax charge (up to 55%) to your entire pension. You only begin to use up your LTA when a pension comes into payment.

The Money Purchase Annual Allowance (MPAA) will affect you if you take some or all of your benefits while continuing to contribute to a defined contribution scheme, like the My BOC Pension Plan. If you think you might be affected, contact BOC Pension Services.



You can check all current pension allowances and limits at [www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension)



## Pension increases

After you retire, the pension you receive is increased on 1 April every year to help it keep pace with inflation.

If your pension has been in payment for less than a year, you will receive a pro-rated increase.

The Company has discretion to apply a further increase.

If you made AVCs, they increase at a different rate.



Every year, we'll send you details of the increases applying to your pension.

## Guaranteed Minimum Pension (GMP)

A GMP is included as part of your pension for any pensionable service between 6 April 1978 and 5 April 1997. The GMP is broadly equivalent to the pension you would have earned from the State Earnings Related Pension Scheme (SERPS) for this period had you not been contracted out of SERPS through membership of the Scheme. Your pension from the Scheme is calculated to be at least equal to the GMP.

If this applies to you, we will show you the rate of GMP increase on your Leaving Statement.

## Your pension increases

### If you left the Scheme before 1 April 1997

Your pension above the GMP will be increased each April in line with the Retail Prices Index (RPI) up to a maximum of 6% a year compound.

Your GMP increases differently:

Age/gender	Date GMP built up	Any increases paid by	Increases in line with
<b>Before age 60 for a woman/ 65 for a man</b>	Before 6 April 1988	The Scheme	Statutory requirements
	From 6 April 1988	The Scheme	RPI up to 6% a year compound
<b>From age 60 for a woman/ 65 for a man</b>	Before 6 April 1988	N/A	Does not increase
	From 6 April 1988	The Scheme	RPI up to 6% a year compound

### If you left the Scheme between 1 April 1997 and 31 March 2011

Your total Scheme pension, including any GMP, will be increased in line with RPI, up to 6% a year compound. Any post-1988 GMP may receive a further statutory increase.

### If you left the Scheme after 31 March 2011

Your pension increases as follows:

Pension built up	Increases in line with
<b>To 31 March 2011</b>	RPI up to 6% a year compound. Any post-1988 GMP may receive a further statutory increase.
<b>From 1 April 2011</b>	RPI up to 2.5% a year. This cap is averaged over rolling five-year periods.



## Protection for your family

### Pension guarantee

If you and your dependant (if any) die before a total of five times your initial annual pension has been paid, your beneficiaries will receive a lump sum equal to this amount (less any payments already made to you and your dependant, but excluding any Child's Allowance). The Trustee decides who will receive this amount, and will take into account your *Expression of wish* form if you have completed one.

### Pension for your dependant

When you die, a pension will be paid to your Recognised Dependand.

In most cases, the pension will be broadly one half of your pension, based on the amount you would have received had you not taken a tax-free cash sum at retirement and ignoring any reduction for early retirement.

Your Recognised Dependand's pension will be based on your Final Earnings (your Pensionable Earnings in the 12 months before leaving or taking your benefits from the Scheme).

If your Recognised Dependand is more than 10 years younger than you, the Trustee may reduce the amount of pension payable to your dependant.

If you have AVC benefits and choose to provide an additional Recognised Dependand's pension with your AVC Account, this will be one half of your own AVC pension at the date of your death.



Your Recognised Dependand is your spouse or civil partner, as long as he or she is normally living with you when you die. It could also be another adult who is financially interdependent with you for basic living needs, and who has normally been living with you for at least two years leading up to your death. For example, this could be an unmarried partner who you live with, and with whom you have a joint mortgage or bank account.



Complete and return an *Expression of wish* form to let the Trustee know who you would like to receive any death benefits. Remember to keep this updated as your circumstances change – visit [www.bocpensions.co.uk](http://www.bocpensions.co.uk) to download the form.

## Children's Allowance

If you have Qualifying Children when you die, they will receive a Children's Allowance of one quarter of the Recognised Dependant's pension for each Qualifying Child (up to a maximum of four). The total Child's Allowance will be split between your Qualifying Children as the Trustee considers appropriate, i.e. they might not all receive an equal amount.

If you are not survived by a Recognised Dependant but are survived by at least one Qualifying Child, who the Trustee believes has been left without the support of another adult, the first Child's Allowance may be increased to the full amount of the Recognised Dependant's pension.



A Qualifying Child is a child under age 16 (or under age 23 and in full-time education). Special conditions may apply if the Trustee believes that the child is permanently dependent through disability.

## Pension increases

Recognised Dependants' pensions and Children's Allowances are increased to help them keep pace with inflation in a similar way to your pension.

Visit the Life Events page at [www.bocpensions.co.uk/boc/status](http://www.bocpensions.co.uk/boc/status) to see an example of dependant benefits.



## State benefits

State pension benefits depend on your National Insurance record and are paid at State Pension Age (SPA).

Your SPA may be different from your selected retirement age in the Scheme.



You can request an estimate of your State benefits by visiting [www.gov.uk/check-state-pension](https://www.gov.uk/check-state-pension) or by calling the Future Pension Centre helpline on 0800 731 0175. To find out more about state benefits and your SPA, visit [www.gov.uk/new-state-pension](https://www.gov.uk/new-state-pension)

### If you are retiring before SPA

You should contact your local Department for Work and Pensions office, as you may have to continue paying National Insurance contributions in order to qualify for any State Pension when it becomes due.



## Next steps

- Read this pack carefully and decide how you would like to take your pension.
- Complete, sign, date and return the *Retirement benefit claim* form and *Declaration of retirement benefits* form to BOC Pension Services as soon as possible.

### **In the future, you should:**

- Let us know if you move house using a *Notification of change of circumstances* form, otherwise your pension payments could be suspended.
- Let us know if your bank details change using a *Notification of bank details* form, otherwise you may not receive your pension. You need to contact us in writing if you change your bank details as this cannot be processed over the phone.
- Complete an *Expression of wish* form and keep this up to date if your circumstances change so that the Trustee knows who you would like to receive any death benefits.



### Legal note

Please note that this booklet is intended to summarise your options on retirement and nothing in it grants any legal right to benefits. Your entitlement to benefits is defined in the Trust Deed and Rules (as amended from time to time) at the date you leave service. You can download a copy of the current Trust Deed and Rules from [www.bocpensions.co.uk](http://www.bocpensions.co.uk) or request one from BOC Pension Services. If you are a pensioner or a deferred member, you should ask for a copy of the Trust Deed and Rules that applied when you retired or left service.



### Contact details

Email: [pensions.uk@boc.com](mailto:pensions.uk@boc.com)

Website: [www.bocpensions.co.uk](http://www.bocpensions.co.uk)

