



➔ FENNER RETIREMENT PLAN GUIDE

**Inspiring
solutions**

October 2014

UK Employees

Welcome

Fenner is a family of businesses that are based across the world. All our UK employees, regardless of which business you work for, can enjoy a range of flexible benefits that have been designed to:

- Help you save for your retirement
- Provide financial security for your loved ones if you die in service
- Provide you with an income if you are unable to work due to ill health or injury
- Provide you with flexibility so that you can make choices about the benefits that are right for you and your family
- Provide you with assistance for emotional, bereavement or health concerns

This guide will explain these benefits to you and help you to make the right decisions. Please read the information below to understand your choices, and to learn more about the benefits on offer.

Once you have read the guide, please inform us of your choices using the benefits calculator on our website, www.fennerbenefits.co.uk.

Alternatively, if you do not have access to the website, you can obtain a form from your local pension contact.

If you have any questions after reading this form, please contact your usual HR/pensions contact, using the details on the back page.

Your Fenner Benefits

Currently there are key benefits offered:

1. The Fenner Retirement Plan
2. Group Life Assurance
3. Income Protection
4. Employee Assistance Programme

As you have a few options to pick from, you may want to start by thinking through what's most important to you.

Use the table opposite to consider what benefits you want to find out more about, and to help you to prioritise where to begin.



What's inside?

Read on to find out more about:

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Benefit	Highlights	Where can I learn more?
Fenner Retirement Plan	<p>All employees under the age of 75 have the opportunity to join the Fenner Retirement Plan. This is a Defined Contribution pension plan where both you and the Company pay contributions to help you save for your retirement.</p> <p>The contributions are invested with Standard Life and when you come to retire the contributions plus any investment growth can be used to buy a pension.</p> <p>You can choose the level of contributions you make and the Company will match these up to 8%.</p> <p>By contributing to the Plan you will also reduce your tax and national insurance contributions. The default contribution rate is 6%, but you can choose to pay from a minimum of 2% (this will increase to 3% in 2017 and 4% in 2018, in line with auto-enrolment legislation).</p>	<p>See page 4</p>
Group Life Assurance	<p>Up to the state pension age, if you die in service the Company will pay a lump sum to your dependents of 2 x your annual pensionable salary.</p> <p>If you join the pension Plan this will increase to 4 x annual pensionable salary. The cost of this life assurance is paid by the Company.</p> <p>You can also choose to increase the cover further at your own cost.</p>	<p>See page 9</p>
Income Protection	<p>Up to state pension age, if you are unable to work due to illness or injury and you are a member of the pension Plan, and your claim is accepted you will benefit from income protection insurance where you will receive 50% of your pay, plus contributions to your pension Plan for 5 years.</p> <p>Again the cost of this insurance is paid by the Company and you can choose to cover more of your salary at your own cost.</p>	<p>See page 9</p>
Employee Assistant Programme	<p>The EAP provide four key services: Employee Care, Health Portal, Bereavement Services, Best Doctors</p>	<p>See page 10</p>

Interested to find out more?

The Fenner Retirement Plan

Introduction

The Fenner Retirement Plan is a Defined Contribution (DC) or money purchase pension plan. A DC plan is a pot of money you pay into while you are working to provide you with income when you retire.

If you join the Plan or you are already a member, you and the Company will pay contributions into your pension account each month. When you come to retire this pension account, or 'pot', is used to secure an income, either by buying an annuity or using income drawdown.

The amount of income is not guaranteed in a DC plan, what you receive will depend on a number of factors, such as:

- interest rates at the time of retirement
- age of member
- state of health
- average life expectancy rates
- what options you choose at retirement

Your Choices

Before you join the Plan, and at the renewal date each year, you have to make the following choices:

1. What level contribution to make
2. How to invest your pension pot
3. Whether to increase:
 - a. your life assurance
 - b. your income protection

Please note:

You may also be able to make changes to your choices outside of the benefit window if you experience a major life event such as; marriage or bereavement. This is subject to Company approval.

Please seek advice from your local pension contact.





Decision 1:

Choosing your contribution rates

As part of a review of its pension provision for employees, Fenner used financial modelling to help it decide on an appropriate default contribution rate. The financial modelling suggested that a total annual contribution rate of 12% would give members a realistic chance of achieving a reasonable income during retirement. Accordingly, the default contribution rate for new joiners is 6% from you, matched by 6% from Fenner. Please note however that your pension income is not guaranteed. This contribution rate will be reviewed periodically.

However, you can choose a rate to suit your requirements from the contribution rates set out below:

Your contribution	Company contribution	Total contribution
2% (minimum)	2%	4%
3%	3%	6%
4%	4%	8%
5%	5%	10%
6%	6%	12%
7%	7%	14%
8%	8%	16%
9%+	8% (maximum)	17%+

Please note:

- You may pay more than 8% contributions, but the Company will only pay up to 8%.
- The minimum contribution that you can pay is set to increase to 3% from 1st October 2017 and 4% from 1st October 2018, in line with legislation for automatic enrolment.
- In any one year, the total contributions you and the Company make will be capped at the Annual Allowance of £40,000 (for the tax year 2014/2015).

Decision 2:

Investment choices

Your pensions account is invested on your behalf by Standard Life. You can choose which funds the money in your account is invested into.

The investment choices you make are an important part of aiming to ensure you can fund the retirement you want.

First you need to decide how much financial risk you're comfortable with. You then have to balance this risk with the opportunity to grow your money. That makes how far you are from retirement an important consideration. You also need to decide how involved you want to be in your investment decisions.

Now think about your own personal situation and work out what you want to achieve. By doing this, you might find it easier to choose where to invest your money.

As with any investment, the value of your fund can go up or down and may be worth less than what was paid in. If you do not make a choice, your

account will be invested in the default fund. When you retire, the fund you will have built up will be used to provide you with an income in retirement.

If you are not sure about making investment choices we recommend you seek financial advice.

For more information see the Standard Life website, www.standardlifepensions.com/fenner or the Standard Life Member Guide.

Once you have made these choices either on the website or on the paper form you can sit back and relax knowing that you and the Company are helping you to save towards your retirement, furthermore you can change these investment choices, at anytime, using the Standard Life website.

Just before we go there is one more thing we need to explain...





Salary Exchange

If you join the Plan, you will normally make your contributions by salary exchange. Salary exchange brings down the real cost of your contributions, by helping you to save on National Insurance.

Salary exchange on pensions is an arrangement whereby you give up an amount of cash salary equivalent to the contributions you would make into the pension Plan. In return, Fenner agrees to increase the employer pension contributions to the pension scheme by the same amount. The advantage is that both you and the Company have a reduced National Insurance liability (ie will pay less National Insurance) due to the fact that National Insurance will be paid on the reduced salary rather than the full salary.

Here is an example of how it works:

Salary	£25,000
Member contribution rate	6%
Pension contributions	$£25,000 \times 6\% = £1,500^*$
Income tax saving =	$£1,500 \times (\text{member's marginal rate e.g. } 20\%) = £300$
NI saving (through salary exchange) =	$£1,500 \times (\text{member's NI rate e.g. } 12\%) = £180$

*Real cost is £1,020 (£1500-£300-£180) to members

For more details on salary exchange, please read the guide on the website, and for information on how it helps to reduce the cost of your options, please use the benefits calculator on the website. If you do not have access to the website, you can request a copy of the guide from your HR/pension contact.

Questions and Answers

What happens to my pension pot if I die before retirement?

In the event that you die before you draw your pension, regardless of whether you are still employed by Fenner, your contributions including those paid by the Company and any investment growth, will be paid to your beneficiaries. You are encouraged to complete an Expression of Wish form to indicate who you would like to receive your pension from Standard Life. A form can be found on their website and the Fenner Benefits website.

What happens if I leave Fenner before I retire?

The money you and the Company have contributed and investment gains will remain in your pension account and will continue to be invested with Standard Life. You will still be able to benefit from what you have saved. You are also able to transfer this pot to another arrangement such as an alternative company pension plan or private arrangement subject to the agreement of that other arrangement.

I already have a personal pension plan, why should I join the Fenner Retirement Plan?

You will only receive Company contributions towards your pension if you join the Plan. If you have your own pension plan you are missing out on the Company contribution to your pension which could be as much as 8% of your pensionable salary. You also won't get the higher levels of Life Assurance or be protected by Income Protection.

Will the amount I can borrow for a mortgage or other loan be reduced if I pay contributions through salary exchange?

The Company can give you a letter explaining your higher 'notional' salary and also as salary exchange has become more popular many banks and loans companies understand how salary exchange works and will not penalise you with regard to the amount you can borrow.



Decision 3a:

Group Life Assurance

Every UK employee of Fenner, up to state pension age, will benefit from the Group Life Assurance which provides a lump sum payment to your beneficiaries if you die in service. The full cost of this benefit is paid by the Company.

A minimum of 2 x Pensionable Salary is payable regardless of whether you are a member of the pension Plan, immediately on joining the Company.

If you join the Plan, this benefit increases to 4 x Pensionable Salary. (Note: if you join the Plan after your first year of service this increase may be subject to medical underwriting.)

There is also an opportunity for all Plan members to purchase up to an additional 2 x Pensionable Salary at their own cost (except pre 1 April 2013 Hallite members, please refer to your HR/Payroll team).

You are encouraged to complete an Expression of Wish Form to indicate who you would like to nominate to benefit from this lump sum if you die while in service. This form can be found on the Fenner Benefits website and is different from the form you need to complete relating to your pension pot.

If I die in service who will decide who my Life Assurance lump sum payment will be paid to?

This decision will be made by the Plan's Governance Committee. Your wishes that you express through the Expression of Wish Form will be given great consideration.

Why can I not specify exactly where my lump sum is paid if I die in service?

The lump sum is administered as a Trust and therefore does not form part of your estate and is not liable for inheritance tax.

Decision 3b:

Income Protection

Group Income Protection is another important benefit available to members, up to state pension age, of the Fenner Retirement Plan only. The cost of this benefit is also paid in full by the Company.

Under this Plan if you are unable to work due to sickness or injury and have been off work for a period of 52 weeks or more you could receive 50% of your Pensionable Salary for up to 5 years, plus continuing contributions to the Plan and NI contributions.

As a member of the Pension Plan, you also have the flexibility to pay to increase the proportion of salary that would be protected to either 66.7% or 75% of Pensionable Salary. In doing so they will be able to take advantage of a Group rate, which is likely to be considerably cheaper than could be obtained by individuals on the open market

Am I guaranteed income protection for 5 years if I am unable to work due to injury or illness?

No, your claim will be assessed by the Insurance Company, and they will decide as to whether you qualify for income protection.

Please note: To qualify for this benefit you will need to meet and agree to the terms and conditions of both the Company and the insurers at the time any claim is made.

A note on tax:

Generally death in service lump sums up to the lifetime pension allowance (currently £1.25 million) are paid free of inheritance or income tax.

Employee Assistance Programme (EAP)

In late 2013 the additional benefit of an Employee Assistance Programme (EAP) was made available to all members of the Plan, at no cost. There are four elements to the EAP:

Employee Care

A 24 hour Counselling and information Service provides telephone counselling and information on a range of issues including medical conditions, depression, post-traumatic stress, alcohol and drugs abuse and financial worries. This is a confidential service that is accessed by members by calling **0800 917 9330**.

Health Portal

Health Portal an online programme to help with a number of health issues; weight loss, ageing, stress management, smoking cessation and so on. This service is accessed from www.firstassistonline.com using the code **72221**.

Bereavement Services

Bereavement Counselling Service – a 24 hour bereavement counselling helpline where callers are connected to qualified counsellors. This service is accessed by calling **0800 912 0826**.

Probate helpline – again a 24 hour helpline that can advise on financial and legal matters. This service is also accessed by calling **0800 912 0826**.

Best Doctors

Is a 24 hour helpline that provides members and family members living in the same household who have been diagnosed with a serious medical condition an opportunity to get a second opinion and independent advice on treatment options.

This is not a face to face service; diagnosis is through review of existing medical reports by leading medical doctors in a particular field. This service is accessed by calling **0800 085 6605**.





Appendix

Pensions jargon guide

Defined Contribution plan

A scheme in which a member's benefits are determined by the value of the pension fund at retirement. The fund, in turn, is determined by the contributions paid into it in respect of that member, and any investment returns. Also known as a 'money purchase' scheme.

Pensionable Salary

Earnings less overtime and other non-pensionable allowances

Salary Exchange

A written agreement between the employer and employee whereby the employee agrees to give up part of his/her future earnings in return for a corresponding contribution by the employer to a pension scheme.

Annual Allowance

The maximum amount of pension savings that benefit from tax relief each year is called the Annual Allowance.

Lifetime Allowance

In addition to the Annual Allowances there's a limit to the amount of pension benefit you can build up over your lifetime which benefits from tax relief when you start taking your retirement benefits. It's set by the Government and it's called the Lifetime Allowance.

Further Information

General financial information

www.moneysavingexpert.com | www.moneyadvice.org.uk

Tracing a lost pension

www.gov.uk/find-lost-pension

State Pension forecast

www.gov.uk/state-pension-statement

→ Contact us

For information on your benefits, please contact your local HR/payroll department, using the following details:

Diane Quigley - marfleet.UKpensions@fennerdunlop.com

VIL.UKpensions@fennerdunlop.com

Gretchen Meekins - hrpayroll@fennerdrives.com

John Smith - Precision.UKpensions@fennerprecision.com

Peter Wressell/Pauline Elsander - pensions@james-dawson.com

Natalie Alder - Hampton.UKpensions@hallite.com

Nicky Rose - pensions.leeds@cdiproducts.com

Dave Sykes - PLC.UKpensions@fenner.com

Sharon Cairney - UK Pensions and Reward Manager is available on Sharon.cairney@fenner.com and also regularly visits sites to hold surgeries. All employees are welcome to meet with Sharon, just make an appointment through your local pensions contact. Details of her next visit can be found on the Notice Boards.



Alternatively please visit the Standard Life website
www.standardlifepensions.com/fenner.