August 2023

The Uniper Group of the Electricity Supply Pension Scheme

Powergen Category

Member booklet

About the Powergen Category

The aim of this booklet is to explain the benefits of the Powergen Category of the Uniper Group of the Electricity Supply Pension Scheme (known as the Scheme, or ESPS) to help you to understand the benefits and options you get as a member.

This booklet has a series of questions and answers to help you pick out the details you are most interested in.

Without using formal legal terms, it is not possible to be totally accurate for every member of the Scheme or to convey the exact meaning of every Rule.

This booklet has no legal authority and cannot be taken as a substitute for the legal provisions of the Scheme or any HM Revenue & Customs (HMRC) requirements and changes in the law. To the extent there is any difference between this booklet and the legal provisions of the Scheme, the latter will take precedence

The conditions of this booklet apply to all members. However, where conditions have changed in the past, these have been recorded. The terms or conditions that apply to you will depend on the date you joined the Scheme, e.g. if you joined the Scheme before 1 April 1978, you may have different benefits payable to a widow(er) on death. You can get full details by writing to the Scheme administrator, Railpen, at the address below.

For information on your Scheme benefits, contact:

Railpen
2 Rye Hill Office Park
Birmingham Road
Coventry
CV5 9AB

Telephone: **02476 472 544**

Email: **enquiries@railpen.com**

Please include your personnel number whenever you get in touch.

01 The main benefits

- Life assurance if you die before taking your benefits.
- An income if you are forced to retire early because of ill health.
- A pension that may get annual increases.
- The option to take a tax-free cash lump sum when you retire.
- Dependants' benefits on your death at any age.
- The option to provide extra pension for dependants.
- The option to pay additional contributions to secure improved pension benefits at retirement

02 Glossary

Active member
A member who is still paying into the Scheme and building up pension savings.

Added Years
Added Years are a way of buying extra membership in the Scheme to increase the length of your pensionable service and boost your pension benefits.

Additional Voluntary Contributions (AVCs)
Extra payments you can make to the Scheme to boost your pension savings. These payments go into a separate account to your normal Scheme contributions.

Back service credit
A period of service in the Scheme that is retrospectively applied to your benefits. This is sometimes applied if you transfer benefits from another pension arrangement into the Scheme.

Contributions
The money you pay into your Scheme pension.

Deferred member
A member who has left the Scheme and is no longer paying into it, but hasn't yet taken their pension benefits.

Pensionable salary
The part of your salary that counts towards your pension and defines the amount you pay into it. It doesn't usually include overtime or bonuses.

Final pensionable salary
Normally pensionable pay is the total pay you earned in the 12 months before retirement, death or leaving the Company. It excludes any overtime or other irregular payments and does not include reductions to your total pay because of sickness or injury.

Protected pension
The part of your pension which has rights and benefits from a given point in time "protected". This means they cannot be changed to anything less favourable.

Pensionable service
The period of time (service) you have been a member of the Scheme. This will be the date you joined the Scheme up to the date you leave or take your benefits.

Retail Price Index (RPI)
The Retail Price Index (RPI) is a list of the prices of typical goods which shows how much the cost of living changes from one month to the next.

Salary Sacrifice
An arrangement where employees 'give up' some of their salary and instead it is used as an additional company contribution into their pension.

You can find more definitions to help you understand your pension benefits at ukpensions.uniper.energy/glossary

03 Joining the Scheme

Who can join the Scheme?

The Scheme was established to provide an identical benefit structure to the E.ON UK Group of the Electricity Supply Pension Scheme (the E.ON UK Group) for colleagues becoming part of the Uniper business from 1 October 2015.

The Scheme was only open to members who were actively paying into the Powergen Category of the E.ON UK Group of the Electricity Supply Pension when it became part of the Uniper business. If members did not decide to join the Scheme or had opted out at 1st October 2015, they were no longer able to join.

The Powergen category of the E.ON UK Group was closed to new entrants in April 2005.

Can I transfer in my benefits from another pension scheme?

If you were a member of another ESPS Group it may be possible to transfer the value of the benefits into the Uniper Group if you meet certain conditions.

Depending on your transfer value, the Scheme would give you a back service credit. This is defined in years and days. When we calculate your benefits, we include the back service credit in the number of years of service you have.

Transfers in from non-ESPS schemes (i.e. personal pension schemes) are only permitted with the approval of the Company. Approval will only be granted in exceptional circumstances.

If you want to find out more about this before deciding whether to transfer, please contact the Scheme administrator, Railpen at the address on page 2.

What happens if I opt out of the Scheme?

If you opt out of the Scheme, you will not be able to rejoin at a later date. The Powergen category of the E.ON UK Group was closed to new members from 1 April 2005.

04 Contributions

What do I pay into the Scheme?

The basic amount you have to pay to the Scheme is 6% of your 'pensionable salary'. This is your basic pay, excluding overtime and any other irregular payments. You can find more information in the 'how do you work out my pension?' section on page 12.

The money you pay into your pension (your 'contributions') qualifies for tax relief. The current basic rate of tax is 20%. This means for each £100 you contribute to your pension, it actually costs you £80 as the other £20 would have been taken from you in tax if you hadn't paid it into your pension. It would cost you less if you are a higher rate taxpayer.

Tax relief is given automatically through the payroll system. The tax treatment of contributions may be different for members who receive higher earnings. You can get more details on this from the Scheme administrator, Railpen.

What is Salary Sacrifice?

Salary Sacrifice means that your salary is reduced by the amount of your normal contributions to the Scheme. The same amount is paid to your Scheme pension by the Company.

As your salary will effectively be lower, both you and your employer, Uniper, pay lower National Insurance contributions. Your pension benefits are unaffected by this arrangement. The Company intends to continue to offer the Salary Sacrifice option as the default position unless it is no longer permitted by HMRC or no longer becomes viable.

Does my employer, Uniper, pay anything towards my pension?

Yes. Your contributions alone would not be enough to pay for all the benefits promised. The Company must pay the balance of costs.

The employer, Uniper's, contribution rate is determined by the Scheme Actuary at an actuarial valuation. This is carried out at least every 3 years and is agreed between the Trustees and the Company.

Additional Contributions

Can I pay more to increase my benefits?

Yes. You can pay more into your pension if you wish.

The ways of contributing more are:

(a) buying Added Years

(b) paying Additional Voluntary Contributions (AVCs), and

(c) paying extra contributions

A 15% limit is in place if you purchase Added Years (please see below). This includes the normal 6% contribution to the Scheme. This limit also includes the contributions the Company is paying on your behalf as part of the Salary Sacrifice arrangement. You get tax relief on these contributions but this might be limited for certain high earners.

What are Added Years?

Your benefits depend on final pensionable salary and the number of years for which you have paid contributions. An Added Year increases the number of years paid for, even though you may not have worked that long in the Company.

You pay for an Added Year by making extra payments before you retire. The amount you pay is calculated by the Scheme's Actuary. The Scheme administrator, Railpen, will prepare an individual offer for you if you request one.

You cannot purchase Added Years if you can achieve 40 years' service by your normal pension age and you are also limited to an additional contribution of up to 9% (which makes a total contribution limit of 15% overall, including your normal contributions).

If you retire early or you have frozen (deferred) benefits and have not finished paying for your Added Year(s) then only the proportion you have paid for will be added to your period of Scheme membership.

You can get more details about Added Years by asking for information from the Scheme administrator, Railpen.

What are Additional Voluntary Contributions (AVCs)?

AVCs are optional extra payments you can make towards your pension, if you wish. They will be paid into a separate account to your normal Scheme contributions. You can choose to invest your AVCs in one or more funds offered by a provider selected by the Group Trustees.

You can get more details about AVCs from the Scheme administrator, Railpen.

05 Tax limits

What is the Lifetime Allowance?

The Lifetime Allowance is the maximum amount you can save across all your pension arrangements before tax is charged on any excess. It does not include the State Pension.

The Lifetime Allowance is currently £1,073,100. It is due to stay at this level until 2026. However, the government may decide to change these limits and/or the way they are calculated in the future.

You can find more information on the Lifetime Allowance at gov.uk/tax-on-your-private-pension/lifetime-allowance

Note: the Lifetime Allowance is due for abolition in 2024 but as at the date of this booklet legislation has not been passed to permit this hence the details remain valid at this time.

What is the Annual Allowance?

The Annual Allowance is the maximum amount you can save into all of your pension arrangements combined each tax year before tax is charged on any excess.

The most you can save tax-free towards all your pension arrangements, in a single tax year, is either:

- 100% of your earnings over that period, or
- the Annual Allowance (currently £60,000)

Whichever is the lower of the two amounts will be the one that applies to you.

What is the Tapered Annual Allowance?

The 'Tapered Annual Allowance' is a lower allowance that applies to some high-earning pension savers. It may affect those with a taxable income of more than £200,000. The Tapered Annual Allowance is based on your income from all sources, including salary, property, shares and other assets you might have. Therefore you must check yourself whether it applies to you as the Scheme administrator will not know all of your sources of income. Correspondence from the Scheme will be based on the standard £40,000 allowance.

What is the Money Purchase Annual Allowance?

A lower Annual Allowance of £4,000 may apply if you've taken money out of a defined contribution pension arrangement. This is known as the 'Money Purchase Annual Allowance'.

Can I carry forward unused Annual Allowance?

Yes, if your pension savings in a single year are more than the Annual Allowance, you may be able to carry forward any unused Annual Allowance from the previous 3 tax years.

What happens if I exceed the Annual Allowance?

You would be charged tax on any pension savings you make that exceed the Annual Allowance within that tax year. Any tax charges will be based on the rate of tax you would have to pay if the excess pension savings were added to your taxable income.

Members affected will receive a Pension Savings Statement (PSS) by October of each year showing the excess amount, if any.

Members should also check any other pension arrangements they have for a relevant PSS. Railpen will not have access to information about any external pensions, including the Uniper Pension Plan.

Neither the Group Trustees or Railpen can answer any personal tax queries.

You can find more information on the Annual Allowance at gov.uk/tax-on-your-private-pension/annual-allowance

What is my 'normal pension age'?

'Normal pension age' is the age we can pay your retirement benefits without any reductions. The normal pension age for the Scheme is 63.

However, for anyone who joined the Scheme before 1 April 1988, the original retirement age was 65 for men and 60 for women. A Court ruling in 1990 confirmed that retirement ages for men and women had to be equal (the Barber Ruling). This means a normal pension age of 60 applies to anyone who was contributing to the Scheme before April 1988, and continued to be a contributing member on 17 May 1990, as long as they do not have a break in service that caused their pensionable service to be non-continuous. For men who retire at age 60, their service up to 17 May 1990 is reduced.

What benefits will I receive?

When you retire, you will get both an annual pension until you die and a cash lump sum, which is currently tax-free.

Your pension

You will receive 1/80th of your final pensionable salary (see right) for each year and day of your pensionable service. This is up to a maximum of 40 years, i.e. 40/80ths. If you continue to work after normal pension age, then additional benefits will be paid. See page 16 for details of late retirement.

Pensionable service includes any back service credit from transferring in benefits from other pension schemes or arrangements and any Added Years that you have purchased with additional contributions. The period of Scheme membership on which your pension will be based cannot be more than 40 years.

When you leave or retire, if you have more than 9 years' pensionable service, it will be increased to the next highest number of complete years. In return, both you and the Company need to pay the contributions for the extra period of pensionable service you have been granted. This is taken from your pension each month when it comes into payment for a period equal to the extra pensionable service. Although the deduction is based on the number of days, it is applied to the nearest equivalent number of complete months.

For example:

Actual pensionable service	19 years 127 days
Rounded pensionable service	20 years
Shortfall service to be taken from your pension	238 days (deduction over 8 months)

Your cash lump sum

Your cash lump sum will be 3 times the amount of your annual pension. If you have chosen to pay reduced contributions, this will reduce your lump sum amount.

You can take up to 25% of the value of your pension as tax-free cash. When you retire, we will give you details of how much additional tax-free cash you can receive by surrendering a part of your pension. For example, a reduced pension and a higher cash lump sum.

How do you work out my pension?

Your pension is based on what is known as your 'final pensionable salary'. Normally final pensionable salary is the total pay you earned (or would have earned had you not been absent due to sickness and/or injury) in the 12 months before retirement, death or leaving the Company. Your pensionable salary excludes any overtime or other irregular payments.

However, if either of the following calculations gives a higher figure then the highest will be taken as your final pensionable salary:

(a) Your actual pensionable salary in any one of the last 5 years you worked while you were a member of the Scheme, but increased in line with the increase in the Retail Price Index (RPI) from the end of that year to the date you retired, died or left the Scheme; or

(b) The average of your actual pensionable salary over any 3 consecutive years in the last 10 years you worked while you were a member of the Scheme but increased in line with the increase in the Retail Price Index (RPI) from the end of the 3-year period to the date you retired, died or left the Scheme.

What options do I have when I retire?

The value of your pension includes your actual pension income, cash lump sum and any AVCs you have paid under the Scheme.

It is possible to surrender part of your pension to receive an extra cash lump sum (currently tax-free). The total cash lump sum can be up to 25% of the value of your pension.

Alternatively, you may be able to give up part or all of your cash lump sum to increase the pension you receive.

You may also be able to give up part of your pension to increase a widow(er)'s pension or provide a pension for a named dependant. These would be paid when you die.

HMRC has limits on what you can get from a cash lump sum, pension and widow(er)'s/dependant's pension from the Scheme, so the options may not be open to you or they may be restricted.

You should contact the Scheme administrator, Railpen, if you want to know more about any of the options closer to your retirement. You must give us notice in writing at least 1 month before your retire if you'd like to take any of the options.

What are my options if I only have a small pension?

If you have a small benefit entitlement in the Scheme, you may be able to exchange it for a one-off cash payment. This payment could be either a 'trivial commutation lump sum' or a 'small pot payment'.

In general, if you want to exchange your benefits in the Scheme for a trivial commutation lump sum (i.e. a one-off cash) payment, you must meet all of the following criteria:

1. You must be aged over 55
2. The value of all your benefits in the Scheme and any other pension arrangements (including any defined contribution and personal pension arrangements but not your State Pension) must not exceed £30,000
3. You cannot have already exchanged benefits in any other pension arrangements more than a year before your payment from the Scheme is made (unless the previous payment was made before 6 April 2006), and
4. You must have sufficient Lifetime Allowance available for us to pay the lump sum.

If you do not meet the second criteria (i.e. the value of all your pension benefits is more than £30,000), but you have a low level of benefits in the Scheme alone, then you may still be able to take a small pot cash lump sum if:

- the lump sum paid from the Scheme would be £10,000 or less, and
- you have not transferred benefits out of the Scheme, and into another pension scheme, in the 3 years before the date we pay your lump sum.

Early retirement

How is my pension affected if the company makes me redundant?

Different conditions apply depending on when you joined the Scheme and your age when you are made redundant.

As a guide, the following applies.

Members who originally joined the E.ON UK Group before 1 July 2003 (and Protected Persons who joined after that date) and remained in continuous employment until transferring their employment to Uniper:

If the Company makes you redundant and you are over age 50 then you will be entitled to receive an immediate pension and cash lump sum unless you agree in writing to waive the right to receive this benefit.

We will calculate the pension and cash lump sum in the same way as for a normal retirement except that it will be based on your pensionable service and pensionable salary to the date you leave the Company. It will not be reduced because it is being paid early.

If the Company makes you redundant and you are under age 50 then you will be entitled to receive a pension and cash lump sum at age 50 unless you agree in writing to waive the right to receive this benefit.

We will calculate the pension and cash lump sum in the same way as for a normal retirement except that it will be based on your pensionable service and pensionable salary to the date you leave the Company. It will not be reduced because it is being paid early.

A Protected Person is essentially someone who joined the electricity supply industry and the Electricity Supply Pension Scheme before privatisation on 31 March 1990.

Members who joined the Scheme on or after 1 July 2003:

We can pay your benefits from your normal pension age (please see page 11 for the definition of normal pension age).

If the Company makes you redundant and you are over age 55 at the time, then it may be possible for you to apply to be receive an annual pension and a cash lump sum from the date you leave.

We will calculate the pension and cash lump sum in the same way as for a normal retirement except that it will be based on your pensionable service and final pensionable salary to the date you leave the Company. It will also be reduced because it is being paid early. There may be a restriction on this option if your reduced pension is less than the minimum level. The calculation for the minimum level is based on your age, service and total earnings in each tax year. The Company has the discretion to waive part or all of any reduction.

If the Company makes you redundant and you are under age 55, then you may apply to have your deferred pension paid early but only after you have reached your 55th birthday. The amount of pension and cash lump sum you receive will be reduced because it is being paid early. There may be a restriction on this option if your reduced pension is less than the minimum level. The calculation for the minimum level is based on your age, service and total earnings in each tax year.

If you have a back service credit, or have bought Added or Part Added Years, they will be added to your actual period of Scheme membership.

You can get further details on any of the above from the Scheme administrator, Railpen.

Can I retire early if I want to?

If you want to retire early and:

(a) the Company agrees (as there is a cost to the Company)

(b) you are at least age 55 (57 from 2028), and

(c) you have at least 2 years' pensionable service

then you may retire early with a pension and a cash lump sum. We will calculate the annual pension and cash lump sum in the same way as for normal retirement, except that it will be based on your pensionable service and pensionable pay at the date you leave the Company, and it will be reduced because it is being paid early.

What can I do if my health breaks down?

If the Medical Adviser to the Scheme confirms you are no longer able (on a permanent basis) to carry out any work that the Company may reasonably offer you, then you can retire early on ill-health grounds.

The Scheme will pay you an annual pension until you die plus a cash lump sum (currently tax-free). Your pension benefits will be based on your pensionable service as if you had stayed at work until your normal pension age and at your current pensionable salary.

If your health improves after your ill-health retirement to such a degree that you could work again, or you do actually go back to work, then the Group Trustees has a duty to review the state of your health and any earnings you may have. If they consider it necessary, they can reduce, suspend or terminate your pension. If your pension is terminated, you will receive a pension at normal pension age at least equal to the pension you would have been entitled to if you had left work voluntarily on the date you retired through ill health.

Late retirement

What happens if I work on after normal pension age?

If you work on after your normal pension age (age 63), you must continue to pay contributions to the Scheme (or continue to Salary Sacrifice the equivalent as outlined on page 7).

Your benefits will be based on your final pensionable salary and up to a maximum of 45 years' membership of the Scheme. This would include a maximum of 40 years' membership before your normal pension age any back service credit and Added Years.

If you joined the Scheme before April 1988, then your normal pension age is 60. This applies as long as you were in service on 17 May 1990 and do not have a break in service, which would result in your pensionable service being non-continuous. Your benefits are worked out the same way, but you are not required to pay contributions to the Scheme.

07 Pension increases

Do my benefits increase?

Your pension, your widow(er)'s pension and children's allowances/pensions are increased by the change in the Retail Price Index. This also applies to deferred (or frozen) benefits if you leave the Company. When the Retail Price Index (RPI) increases by more than 5% a year, the Company can review the situation and pay a lower increase, but not less than 5%.

Part of the pension is known as 'guaranteed minimum pension' or 'GMP'. If you reached State Pension Age before 6 April 2016, any GMP earned between April 1988 and March 1997 will be increased by the Scheme, up to 3%. If the State retirement pension increase is more than 3%, the balance of the increase is paid by the State and added to your State Pension. Any GMP earned before April 1988 will be increased by the State and increases will be paid with your State retirement pension. The Scheme will not therefore increase this element of the GMP after you reach State Pension Age.

As contracting out ended from 6 April 2016, the State no longer provides any increases to any GMP element to anyone who reached State Pension Age after this date.

08 Payment of benefits

How are my benefits paid?

We will pay your pension, your widow(er)'s/dependant's pension and any child's allowance/pension monthly, in arrears. Railpen, acting as the agent of the Group Trustees, will pay it directly to your bank or building society account.

Pensions are taxable as earned income. Tax is deducted under the PAYE system.

We aim to pay your lump sum within 10 days.

How secure is the Scheme?

The Scheme Actuary carries out an 'actuarial valuation' of the Scheme at least once every 3 years. The valuation calculates the value of the money in the Scheme – known as it 'assets' – and of the benefits it will have to pay to every member and their dependants. These are called the liabilities.

At the end of the valuation, the Scheme Actuary says whether the Scheme has sufficient assets to pay these benefits. If there are insufficient assets then additional contributions will be required. These will be set out in a recovery plan which is designed to bring the assets in line with the liabilities over a period of years.

It is important for members to know that there is enough money in the Scheme. So, after each actuarial valuation, and annually after that, a 'summary funding statement' is prepared and sent to all members. This shows how the Scheme has changed as a result of any payments under the recovery plan and changed in the value of the assets and liabilities.

09 The State Pension

All employees who have paid full rate National Insurance contributions for a certain period will be eligible for a State Pension. You can check your State Pension forecast online at gov.uk/check-state-pension

Those who reach State Pension Age on or after 6 April 2016 will receive the new State Pension. State Pension is paid in addition to your Scheme pension.

What is my State Pension Age (SPA)?

Your State Pension Age is the earliest age you can start receiving your State Pension. Depends on when you were born as to what your State Pension Age will be. However, you can check your State Pension Age online at gov.uk/state-pension-age.

What is the new State Pension?

The new State Pension was introduced in April 2016.

You'll be able to claim the new State Pension if you're:

- a man born on or after 6 April 1951
- a woman born on or after 6 April 1953

To qualify for the new State Pension you will normally need at least 10 'qualifying years' on your National Insurance record. These can be before or after 6 April 2016, and they don't have to be consecutive years.

The amount of State Pension you'll receive depends on your National Insurance record.

If you reached State Pension Age before 6 April 2016, you'll receive State Pension under the old rules instead. You can find out more at gov.uk/new-state-pension/what-youll-get

Was the Scheme 'contracted out' and how does this affect my pension?

Yes. From April 1997, the E.ON UK Group contracted out of an additional earnings related pension scheme, known as the State Earnings Related Pension Scheme (SERPS) (and then the State Second Pension (S2P) that followed it) on a salary-related basis.

Contracting out meant that both members and the Company paid less in National Insurance contributions. Before April 1997, occupational pension schemes that were contracted out on a salary-related basis had to provide a Guaranteed Minimum Pension (GMP) which was broadly equivalent to the additional pension that would have been earned in SERPS.

When a member leaves the Scheme, any GMP has to either be preserved in the Scheme, or transferred to another registered pension arrangement or by payment to the DWP.

Contracting out ended from 6 April 2016 so both members and the Company are now paying full National Insurance contributions.

10 Dependants' benefits

What do my dependants get from my pension if I die before I retire?

If you die while you're still contributing to the Scheme (an active member) than the Scheme pays the following:

(a) if you are married, including a registered civil partnership, an immediate widow(er)'s pension until her/his death of 66.66% of the pension you would have received at your normal pension age but based on your final pensionable salary at the date you die. Or, if death occurs after your normal pension age, 66.66% of the pension you would have received if you had retired on the date of your death; and

(b) whether you are married or not, a cash lump sum equal to 4 years' final pensionable salary. Or, if you die after age 55, a cash lump sum of 3 years' final pensionable salary plus an additional amount depending on your age when you die and the length of your membership in the Scheme if, together, these are greater than 4 years' final pensionable salary.

The cash lump sum may be subject to a reduction where you have paid reduced contributions. It is also limited to 4.5 years pensionable salary.

If you are married when you die then an amount equal to 1 year's final pensionable salary can be paid out of the cash lump sum directly to your widow(er) and she/he can choose within 3 months to have an additional pension instead.

Any defined contribution AVCs would also be paid as a lump sum.

(c) Children's allowances/pensions

(1) if the child is under age 18 when you die. It can be paid up to their 18th birthday and stops at that age if they are not then in full-time education; or

(2) if the child is not in full time education on their 18th birthday, but enters full time education afterwards, it can be paid at the Group Trustee's discretion; or

(3) if a child's pension is in payment, it will stop either on the child's 23rd birthday, or until they end full-time education, whichever is earlier; or

(4) of age, was dependent on the member because of a disability, and is unable to earn a living because of that disability in the opinion of the Scheme's Medical adviser. It can be paid at the Group Trustees' discretion for so long as the disability continues.

How much is the child allowance?

The child allowance is 25% of the member's pension, for a maximum of 4 children.

If there are more than 4 children, the total of the member's pension will be shared equally by the children.

If we are not paying a widow(er)'s or dependant's pension, the amount of the child allowance is increased from 25% to 50%.

What do my loved ones/ dependants get if I die after I retire?

If you die after you have retired and you leave a widow(er) then she/he will get a pension for the rest of her/his life from the date of your death.

The pension will be 66.66% of the pension you were getting at the date you died, or the pension you would have got if you hadn't exercised any of the options available to you at retirement.

The widow(er)'s pension may be reduced for some members if they did not pay the full rate of contributions in the past.

If you have any children then children's allowances/pensions may also be paid.

If you die within 5 years of retiring (other than due to ill health), then we may pay a cash lump sum. The amount would be equal to the pension that you were being paid at the date you died, multiplied by the balance left of the 5 years from retirement. For example, if you had been retired for only 6 months, the pension amount would be multiplied by 4.5 (years) to work out the value of your cash lump sum. If you have been receiving your pension for more than 5 years, a cash lump sum will not be available.

If you retired due to ill health, we may pay a cash lump sum when you die. The value of this is worked out by deducting the amount of any cash lump sum and pension already paid to you to the date you died from the amount of cash lump sum that would have been paid if you had died in active service on the date you retired.

Who receives the cash lump sum when I die and how is it paid?

The cash lump sum benefit is payable at the Group Trustees' discretion, which means that it does not form part of your Estate and is not liable for Inheritance Tax.

The Group Trustees decide who to pay the cash lump sum to. You can tell the Group Trustees the person (or people) you'd like them to consider as beneficiaries by completing an 'Expression of Wish' form. You can amend at any time. It is important to keep the form up to date as/when your personal circumstances change. You can complete a form online by logging into your personal account at Uniper.myesps.co.uk. You can also ask for a form from the scheme administrator, Railpen.

If you joined the Scheme before September 1986 then the cash lump sum benefit will be paid to your Estate, unless you have given a notice of direction. A notice of direction means that the benefit is subject to discretionary trust and the above rules would then apply.

What happens to my pension if I am not married or in a civil partnership?

The Group Trustees have the discretion to pay a pension to a dependant if you are not married. You must meet 2 general conditions before the Group Trustees will consider paying the pension. These are:

1) you (the member) are not legally married or in a civil partnership, and
2) the person is financially dependent on you (or interdependent with you) immediately before your death.

The Group Trustees will decide the amount of pension the dependant will receive. The Group Trustees, may impose conditions on the payment. They may also seek evidence or information to establish if a dependency exists. This may include evidence of financial dependency.

If these circumstances apply to you, you may write to the Group Trustees giving details of any potential dependant.

HMRC places limits on the total amount of dependants' pensions the Scheme can pay for a member. The limit is calculated based on their length of membership and pensionable salary.

This will not apply if a dependant's pension is payable as set out earlier in this section (on page 20).

11 Leaving the Scheme/Service

When can I leave the Scheme?

Your membership in the Scheme will automatically end if you leave the Company.

You may leave the Scheme at any time while continuing to work for the Company but you must give 2 complete calendar months' notice in writing if you want to do so. However, if you carry on working for the Company then once you have left the Scheme, you cannot re-join.

When you leave the Scheme, you have 2 options to choose from as shown below. These apply if you:

- leave the Scheme by choice or
- leave the Company before you are age 63

However, you must have been a member of the Scheme for more than 1 year (including membership of another scheme for which we have given you a back service credit or less than 1 year where you have received a transfer in from a personal pension scheme).

Option A will automatically apply unless you choose otherwise.

- Option A – Deferred (frozen) benefits
- Option B – Transfer value payment

Special arrangements may apply if you are a Protected Person and start work with another electricity industry company that allows its employees to be members of their Group of the Electricity Supply Pension Scheme. You should check the position with that company before you leave the Scheme.

What are deferred (frozen) benefits?

Deferred benefits are all the benefits you and your family are entitled to through your past membership of the Scheme, but which cannot be paid because you have not yet retired, died or had to stop work due to ill health.

The benefits are deferred because you have either left the Company or stopped being a contributing member of the Scheme.

Until we can pay the deferred benefits, they are increased by the change in the Retail Price Index (RPI). When the RPI increases by more than 5% a year, the Company can review the situation and pay a lower increase, but not less than 5%.

Your deferred pension and lump sum

Your deferred benefits include an annual pension and a cash lump sum. We calculate these in the same way as for normal retirement but based on your pensionable earnings and pensionable salary at the date you left the Scheme.

Widow(er) and dependant's pensions for deferred members

If you die before you receive a pension, a widow(er)'s pension is immediately payable equal to 66.66% of the amount of your deferred pension (including pensions increases). Child(ren)'s allowances/pensions may also be paid, provided the child was born before you left the Company. We will also pay an amount equal to 5 times the value of your deferred pension at the date of you died.

If you die after starting to receive your pension then a widow(er)'s pension will be paid, equal to 66.66% of the pension you were receiving at the date you died. Child allowances may also be paid to any children born before you left employment. See page 20 for details.

In addition, if you die within 5 years of starting to receive your pension then a cash lump sum will be paid. This will be equal to the pension being paid at the date you died multiplied by the balance left of the 5 years. For example, if you had been retired for only 6 months, the pension amount would be multiplied by 4.5 (years) to work out the value of your cash lump sum. Any defined contribution AVCs would also be paid as a lump sum.

Ill-health

If your health breaks down and the Scheme's Medical Advisor confirms that you are unable to work due to your ill health then the Trustees may be able to pay your deferred benefits early.

If you had paid any AVCs, these will remain invested until you claim your deferred benefits, or decide to transfer them to another provider.

If you have deferred benefits or AVCs, please tell the scheme administrator, Railpen whenever you change your address so we can pay your benefits when you retire. You can update your contact details in your online account at Uniper.myesps.co.uk

What is a transfer value payment?

If you leave the Scheme, you may be able to make a payment from your Scheme pension into a new pension arrangement, whether it is an approved personal pension, an insurance policy or a new employer's registered pension scheme.

The payment we make is called a 'transfer value payment' or Cash Equivalent Transfer Value (CETV). It will let the new pension arrangement give you a 'credit' to be added to the benefits you will earn in it.

However, you should carefully consider whether the transfer is in your best interests and compare the benefits of your current pension with any alternatives before asking for the transfer to be paid.

Depending on the type of the scheme you want to transfer to, you may need to provide additional evidence or information to help us work out whether any amber or red flags are present that may indicate the new pension arrangement is a scam.

Your application may be refused if it doesn't satisfy regulatory conditions. There are some schemes, such as public sector pension schemes, where transfers can be approved straight away.

In some cases, we might need to refer you to MoneyHelper for further support. Money Helper is a government-approved advice service, providing impartial advice on money and pensions. You can visit the MoneyHelper website at Moneyhelper.org.uk

The amount of any transfer value we quote to you is subject to change and is guaranteed for only a limited time.

The transfer value payment can be made any time after you leave the Scheme.

The transfer value is the capital value of your deferred benefits in the Scheme. The transfer value is guaranteed not to be less than the value of your contributions plus a sum equal to the rebate in National Insurance contributions the Company received as a result of you being previously contracted out of the State Scheme. Both will be increased by interest up to the date of the transfer.

If you have a defined contribution AVC fund, you may also be able to transfer this separately to your main Scheme benefits, before or after retirement. Further details regarding transfer options would be available from the Scheme administrator, Railpen.

Before you transfer any defined contribution pension benefits (which includes AVCs), you should get guidance from MoneyHelper's PensionWise service. The Scheme administrator, Railpen, can arrange an appointment for you or you can make your own arrangements. If you do not want to have a guidance session, you will need to 'opt out' and let Railpen know. Appointments can take place over the phone or face-to-face. You can contact Pension Wise on **0800 011 3797** or visit Moneyhelper.org.uk/en/pensions-and-retirement/pension-wise

Can I have a refund of my contributions?

In line with legislation, we cannot refund contributions for members with more than 2 years' service. As all members of the Scheme have been contributing for more than 2 years, a refund of contributions is not possible.

Can my deferred pension be paid before my normal pension age?

There are 2 situations where your deferred pension can be paid before you reach your normal pension age. These are ill-health early retirement and voluntary early retirement. You can read more about both in the following section.

Ill-health early retirement

You can apply for your deferred benefits on the basis of a serious breakdown in your health at any time. You will need to write to the Scheme administrator, Railpen, with a request for early payment on the grounds of ill health.

The Medical Adviser for the Scheme will ask for evidence of the state of your health from your GP and any other professionals involved in your treatment. They will recommend whether or not your deferred pension can be released for early payment. We will then let you know.

An ill-health pension can be paid at any age. If it is agreed, the Trustee will monitor the payment by seeking regular reports on the state of your health and any paid employment that you may start after we start paying the pension to you. The Trustee may reduce or suspend the pension depending on the reports they receive.

Voluntary early retirement

You may apply to receive your pension earlier than your normal retirement age but not before your 55th birthday. You should send your application to the Scheme administrator, Railpen.

If the Company agrees, the pension and associated benefits will be reduced by a factor agreed with the Scheme Actuary. This reduction will reflect the fact the benefits are being paid early and are therefore likely to be paid for longer.

The reduced pension you receive cannot be less than any guaranteed pension that must be paid from your normal retirement age; for example the Guaranteed Minimum Pension (GMP) earned as a result of your contracted out employment.

What happens if I join another electricity company?

If you leave the Company and start work with another of the original Electricity Companies whose employees can also be members of the Electricity Supply Pension Scheme, you may be able join their Group if your new employer permits it.

You may be able to transfer your benefits from the Scheme to the new company. This will provide equivalent benefits. For more information on this, please contact the new scheme which will be able to start the process.

If you are a Protected Person because you were a member of the Scheme on 31 March 1990 and remained a member since that date then you may be able to join the new employer's Group. However, you must inform them when you start your employment to make sure you do not lose this right. You can take a break of no more than 6 months between the 2 jobs without losing this choice. When you start work with your new company, you must tell them within 3 months that you were a member of the Scheme.

What happens if I have a leave of absence?

If you are granted leave of absence without pay or on less than full pay, after the first 30 days you can choose whether or not to continue to pay the contributions to the Scheme you would otherwise have paid on your full pay.

If your leave of absence is due to maternity leave, the period during which you receive reduced pay is treated as reckonable service. If you have a period of nil pay then either pay the contributions you would otherwise have paid during that period. Or, if you choose not to pay then the period of membership on which your benefits are based will be reduced accordingly.

If your leave of absence is due to any other reason, such as paternity leave or adoption leave, please speak to Uniper HR for further information.

What happens to my pension if my pay goes down?

If your pay goes down because the Company has either downgraded you (other than for disciplinary reasons) or changed your work pattern permanently e.g. 3 shift to day work, then you have the choice of paying contributions based on the previous, higher pay.

If you do this, we take the higher pay into account when calculating the final pensionable salary on which your benefits are based. You will pay on the higher rate only while your new pay (as increased for pay awards or further job changes) is less than your old pay (but not increased for pay awards).

You must choose whether you want to pay at the higher rate within 3 months of the change.

What happens if I go from full-time to part-time working?

If you transfer to part-time work, then your pension is calculated using the full-time equivalent of your final pensionable salary. Your pensionable service is reduced in proportion.

What do I do if my personal circumstances change?

Please let the Scheme administrator, Railpen, know if you:

- marry
- enter into a registered civil partnership
- divorce
- dissolve a registered civil partnership
- remarry
- become financially responsible for any children, or
- if any of the children are or become incapable of ever being able to earn a living

Please also show Railpen the marriage and/or birth certificate(s) where relevant. If you do not do this, we may not be able to pay the benefits due to you and/or your dependants on time.

13 Information about the Scheme

What is the Scheme?

The Scheme is what is known as a trust. As such, it is independent of the Company. Money paid into the Scheme has to be kept separate from the Company's money and can be used only for the benefit of past and present members and/or their dependants. All benefits are paid out of the Scheme and are not paid out of the Company's revenues.

The Electricity Supply Pension Scheme (ESPS) came into existence in 1983 as the successor to the two major pension schemes that operated throughout the electricity supply industry in England and Wales when it was a nationalised industry. From 31 March 1990, that industry's business was transferred to 17 companies as part of the Government's privatisation programme.

All of the companies formed by the Government at that time that employed members of the ESPS were required to continue to permit those employees to retain their membership of the Scheme through the establishment of their own actuarially independent Group (of the Scheme). From 31 March 1990, each company has had the right to decide whether new employees should be permitted to join the Scheme.

The management of the Scheme and the investment of the money paid in to the Scheme are the responsibilities of the Group Trustees. The Scheme is deemed as a registered pension scheme. This means, among other things, that your contributions are tax-free.

Who are the Trustees?

There are 2 sets of trustees for each Group in the Electricity Supply Pension Scheme. The first set of trustees is the Group Trustees. The second set are drawn from the Group Trustees. They form the directors of a Trust Corporation called Electricity Pensions Trustee Limited, the trustee for the whole Scheme.

Group Trustees

Group Trustees are appointed by the Company and by the members.

The Uniper Group of the ESPS has a corporate trustee, similar to the Scheme Trustee, with 6 individual Directors: 3 are appointed by the Company and 3 by members, which includes pensioners. Each Director has one vote. The Chairman, who is an appointed Director, has a casting vote.

Their responsibilities are to administer the Rules of the Scheme with respect to the benefits of and contributions by members and to be fully responsible for the Scheme's investments.

Any member (which includes pensioners but not widow(er)s, children or dependents of former contributors, pensioners or deferred members) can stand as a Group Trustee, as long as they meet the conditions and comply with the Rules governing the selection process.

Notice is given when Trustee selection is about to take place. The notice sets out the Rules for people who wish to stand for selection. The results of the selection process are sent to all members.

All the Group Trustees, whether elected or appointed by the Company, have equal rights and responsibilities.

Electricity Pensions Trustee Limited (Scheme Trustee)

This company, which is a Trust Corporation, has broad responsibility for maintaining accounts of the whole ESPS Scheme and for custody matters relating to the investments of the fund.

The board of Directors is drawn from the Group Trustees. Each Group has the option to appoint 2 individuals to be Councillors of the Scheme Trustee Council: 1 chosen by the Company and the other by the Elected Directors for the Group Trustee.

The Council is responsible for the appointment of a smaller Board of 8 Directors chosen from their number. Four Directors chosen by the Elected Group Trustees and 4 Directors by the Companies. Directors serve for 2 years with half of the Board changing each year. There is also an independent Chair appointed by the Companies.

Who makes the rules and can I have a copy?

Only the Company can change the Rules of the Scheme. Alternatively, a company called Electricity Pensions Limited (of which the Company is a member) can change the Rules if the change affects more than one group of members.

One of the Rules stops any change that would make you pay more or get less benefit unless at least two-thirds of the members affected who vote on the proposals support the change.

You can get an up-to-date copy of the Rules if you wish from the Scheme administrator, Railpen.

Could the Scheme be wound up?

The Rules of the Scheme specify what will happen if the Scheme is to be wound up. The official words used are ‘discontinuance’ and ‘dissolution’. The investments of the Scheme have to be used to provide the benefits earned by members up to the date of winding up the Scheme, either in another scheme(s) or by way of annuities. If there is not enough to provide all the benefits earned then the Rules give a priority order.

Who can I contact if I have questions about the Scheme?

If you have any general questions about the Scheme, please contact Hana Bailey, Muse Advisory, Secretary to the Trustees at uniper@museadvisory.com

Alternatively, if you would like further information about your own benefits, you can contact the Scheme administrator, Railpen, using the contact details shown on page 2 of this booklet.

By law, neither the Trustee nor the Company is allowed to give you individual financial advice. If you would like further information on the value of the Scheme in relation to other pension arrangements that are available, you should seek independent financial advice.

What should I do if I want to make a complaint about the Scheme, Trustee or administrator?

As required by the Pensions Act 1995, the Scheme has an internal procedure for resolving any formal disputes which may arise. This is known as the Internal Dispute Resolution Procedure (IDRP).

A member or beneficiary who has a disagreement with the Trustee (for example, regarding a decision the Group Trustees have taken or the services provided by the Scheme's administrator) should write to the Secretary at the address shown opposite to get a copy of the procedure.

The Secretary will investigate the complaint and provide an explanation to the complainant within 3 months of the complaint. If it is not possible to reply within the 3 month period, we will let the member or beneficiary know an expected date by which we will send a written reply.

If the complainant is not satisfied with the response from the Secretary then the complainant may refer the complaint to the Group Trustees for further consideration.

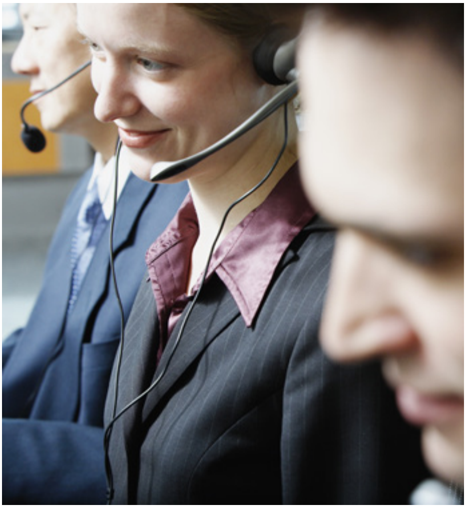
If they still disagree with the decision of the Group Trustees then the member or beneficiary can submit the case to MoneyHelper. If MoneyHelper is unable to find a satisfactory solution, the case can be referred to the Pensions Ombudsman. The Pensions Ombudsman's decision is generally final and binding.

You can contact the Secretary to the Trustees of the Uniper Group of the ESPS at:

The Scheme Secretary,
Uniper UK Trustees Limited,
Compton House,
2300 The Crescent,
Birmingham Business Park,
Birmingham,
B37 7YE

Email: uniper@museadvisory.com

14 Pension services that offer support



There are organisations outside of the Scheme that have been set up to help members of pension arrangements. They can offer impartial support and guidance on your benefits, options and other matters affecting pensions.

MoneyHelper
MoneyHelper brings together the support and services of 3 government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise. It aims to help make your money and pensions choices clearer by offering impartial guidance that's backed by government. It can also recommend further, trusted support if you need it.

Tel: **0800 011 3797**

Web: moneyhelper.org.uk

The Pensions Ombudsman
The Pensions Ombudsman has the power to investigate any complaints and settle disputes between Trustees and managers or employees and the complainant. Complaints must normally be referred to the Ombudsman within 3 years of the act or omission occurring. The Ombudsman cannot investigate a dispute once formal legal procedures have been started.

The Pensions Ombudsman also provides an early resolution service if you need help raising your concerns or to discuss a potential complaint.

You can contact the Ombudsman at the following address:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Tel: **0800 917 4487**
(Overseas: **+44 (0) 207 630 2200**)

Web: pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

Pension Tracing Service
Information about the Scheme (including the address at which the Trustees may be contacted) has been given to:

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Tel: **0800 731 0193**

Web: gov.uk/find-pension-contact-details

The Tracing Service acts as a central tracing agency to help individuals keep track of the benefits they have in previous employers' schemes. You should be aware there are websites with nearly identical web addresses that may charge. The above website is free to use.

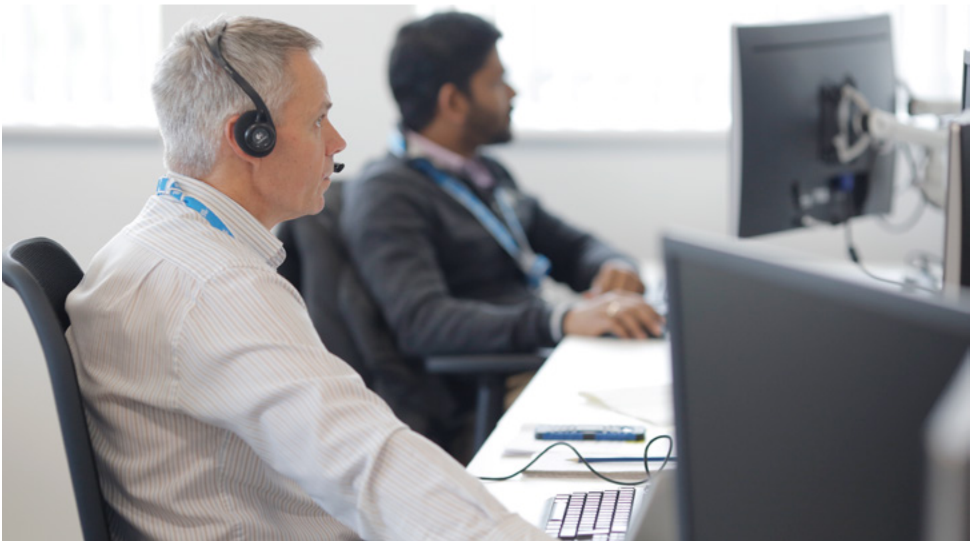
The Pensions Regulator
The Pensions Regulator is the regulator of work-based pensions in the UK. The Pensions Regulator works with pension scheme trustees and scheme managers, and with your employer, to help protect your pension. The Pensions Regulator can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Tel: **0345 600 0707**

Web: thepensionsregulator.gov.uk

Email: customersupport@tpr.gov.uk



15 Data Protection

For details about how the Trustees will use information about you, in accordance with GDPR legislation please visit ukpensions.uniper.energy/privacy

The Trustee uses an external Company, Aon, as their Scheme Actuary and for pensions advisory services. Aon will use personal information about you, such as your name and contact details, information about your pension contributions, age of retirement, and in some limited circumstances information about your health (where this impacts your retirement age) in order to be able to provide these services. You can read Aon's full Privacy Notice at aon.com/unitedkingdom/retirement-investment/retirement-investment-services-privacy-statement.jsp, or you can request a copy by writing to the address below. Please include reference to the scheme name.

Data Protection Officer,
Aon Solutions UK Limited (Retirement and Investment UK),
PO Box 730,
Redhill,
RH1 9FH