Unilever UK Pension Fund

AT RETIREMENT BOOKLET

PLEASE COMPLETE YOUR DETAILS BELOW

Your name:

Your date of birth:

Your retirement date:

Your State Pension Age: *

* If you don't know your state pension age we'll show you how to work it out in this booklet

CONTENTS

INTRODUCTION SECTION

1. INTRODUCTION

Your retirement is a very significant time in your life – a momentous change – probably the biggest change for you in many decades, and when you retire there are some very important decisions that you need to take which will affect the rest of your life.

We are delighted that you would like to arrange a 1:2:1 with a pensions expert to talk about your retirement. In your 1:2:1 we will help you to:

- think about the decisions you have; and
- make some informed choices – hopefully helping you to avoid making any choices that you might regret in the future.

Your 1:2:1 will help explain things to you, give you the opportunity to ask any questions that you have about your retirement and your pensions, and help you to understand the implications of the different choices that you have. But it is important to know that the pensions expert will not be able to tell you what they think you should do or make any decisions for you(*).

To get the most out of your 1:2:1 it would be a very good idea to do some preparation beforehand and this booklet will help you to do this. The more preparation you do, the better, and if you are married or have a partner then the best thing to do is to go through this booklet together.

In the Preparation Section of this booklet we have set out the things that it would be good to think about or do in advance – many of which you may have already started looking at. **This Section (along with this Introductory Section) are the things for you to focus on before your 1:2:1**.

During your 1:2:1 we shall go through the Main Section of this booklet, although you can look through it beforehand if you like.

In the next chapter we explain how to use this booklet to fully prepare for your 1:2:1.

* See Chapter 20 for details of how you could find an Independent Financial Adviser, if you need one.

Prepare for your 1:2:1

Involve your spouse / partner if you have one.

You can do your preparation a little at a time, or all at once, but don't underestimate how much time preparing for your 1:2:1 will take.

DON'T PANIC!

Although this booklet looks long – people who have used it before have said how easy it was to go through and how it didn't take as long as they expected. We are confident that you will find this process useful, interesting and informative, and not as time consuming as you might first think!

2. USING THIS BOOKLET

This booklet is for you to keep. You can use it to prepare for your 1:2:1, make notes during your 1:2:1 and then refer back to as you make your important retirement decisions. It also contains some useful background information that should help as you plan for your retirement. The rest of this booklet is split into 2 colour coded sections.

THE PREPARATION SECTION – contains details of things for you to think about, some basic exercises and preparation for you to do before your 1:2:1.

THE MAIN SECTION – contains the chapters that we shall spend most of your 1:2:1 looking at. In this section we'll look at the main choices you have and the effect that your decisions will have on your retirement.

During your 1:2:1 we shall focus on going through the Main Section, and will assume that you have gone through the Preparation Section.

As you are going through your preparation, it might be helpful to have the following information available:

- Bank statements
- Information and statements from all the pension arrangements that you have
- Details of all your investments, assets and any other savings – including latest balances and statements
- Copies of any budgets you have already put together.

There are lots of boxes and spaces in this booklet for you to write notes or information in. You can use this as much or as little as you like, or you can use separate sheets of paper. However, you might find it useful to have everything written down in one place.

To help us prepare for your 1:2:1 we'd like you to complete the loose leaf "1:2:1 Prep Sheet" included with this booklet. This asks you for some basic information about you and your pensions. In particular it asks you for some of the details that have been set out in the retirement quotation that you should have received from the Unilever UK Pension Fund. (You can keep a note of the information you supply in the Prep Sheet within this booklet – the Prep Sheet will refer you to the right place in the booklet.)

The Prep Sheet also asks you to confirm that you are planning to look at the important areas of preparation that are discussed in more detail in the Preparation Section, before your 1:2:1.

If you have any queries or problems as you go through this booklet then please contact [TBC]

3. FIRST OF ALL...

You might find it helpful to jot down in the following box some notes – or a "timeline" – of your working lifetime. This can include where you worked and when, along with any "career breaks", from the moment you started your first job up to the present day. As well as being a trip down Memory Lane, this could help you to remember any pension schemes that you may have been a member of in the past.

You can also note down things you are unsure about, or want to remind yourself to investigate a bit further – perhaps you think you may have been in a previous employer's scheme, but you aren't sure. If you'd rather carry on going through the booklet now, but want to remind yourself to look at this later, then a note here will help you remember.

Box 1

ANY PARTICULAR QUESTIONS THAT YOU'D LIKE TO COVER

Are there any particular questions that you have about your retirement that you would like to make sure we talk about in your 1:2:1? You may have some questions already, or questions may occur to you as you go through this booklet and do your preparation. You can come back to this Section as you go through the process and note down your questions in Box 2 below, and of course you can raise any questions during 1:2:1:

Box 2

WHAT ARE YOUR PLANS FOR YOUR RETIREMENT?

You might have already made lots of plans for your retirement. For example, you might have thought about travelling the world, moving somewhere new, carrying on working (possibly part-time) ... or getting an allotment or a new pet! Please note down any of the plans that you are happy to share, in Box 3 below:

Box 3

4. WHAT IS YOUR TARGET INCOME IN RETIREMENT?

It's quite difficult to know how much income you'll need when you retire, even if it's only a few months away. It is likely that you will already have started thinking about how much you are going to need, but if you haven't already done so it's important to start thinking about this.

There are lots of ways to do this and lots of places that can help you, for example:

- Money Advice Service: **www.moneyadviceservice.org.uk** or
- Money Saving Expert: **www.moneysavingexpert.com**

Whichever approach you take it's a good idea to get everything you will need together first. This could include bank statements, credit card bills, payslips, P60s etc. And remember that this is also something that you should consider with your partner, if you have one.

You may have already started to think about this, but if not, you should plan to go through a budgeting exercise before your 1:2:1.

Draw up a detailed budget

One way to think about what you are going to need in retirement is to note down everything that you think you are going to need to spend your money on after you retire. When you do this it is very important that you don't miss anything out. As you approach retirement, a detailed approach like this may be a good idea.

The websites noted above have budgeting tools that can help you go through everything you are likely to spend your money on. They will remind you to include everything that you would spend in a year – from TV licence fees to pet insurance, or toiletries to Christmas presents.

We set out in the tables on the next pages some broad headings that your spending might fall in to. To get you started we have shown how Katie, our sample member of the Unilever UK Pension Fund, has filled this in for herself.

If you can, it is a good idea to try to identify how much of each item in your budget represents "essential" spending and how much falls under "optional extras". You can have essential and optional spending for a single budget heading. For example, your weekly food shopping budget is an "essential", but you might want to include an extra amount for occasional luxuries or treats as "optional" spending. Or you might want to think that one holiday a year is an essential, but include the cost of an extra holiday as an "optional" extra.

The essential items represent your needs and the optional items represent your wants. This is a way to identify the minimum level of income you will need in retirement and the amount you would want so you can have the lifestyle that you would really like to have in retirement if possible.

Tax

Any pension that you receive will be taxed as income and you will not pay National Insurance contributions on any pension you receive.

Pensions are taxed as income, so in 2014/15 tax year:

- Tax free allowance £10,000 (if born after 5 April 1948) £10,500 (if before)
- Basic rate = 20% on the next £31,865
- Higher rate = 40% on the next £118,135
- No national insurance

Tax free cash is tax free:

- You can take up to 25% of the value of your benefits as a tax free cash

The budgeting exercise set out in the following pages shows you the income you need **after tax**. To get an idea of the amount of gross pension you would need **before tax** in order to give you a certain income **after tax**, you can use the following table. (This table is approximate and has been calculated based on 2014/15 tax levels, assuming you don't have any other taxable income, and that your tax free personal allowance is £10,000.)

Net Income you want after tax (a year)	Approximate gross income you need before tax (a year)
£10,000	£10,000
£11,000	£11,250
£12,000	£12,500
£13,000	£13,750
£14,000	£15,000
£15,000	£16,250
£16,000	£17,500
£17,000	£18,750
£18,000	£20,000
£19,000	£21,250
£20,000	£22,500
£21,000	£23,750
£22,000	£25,000
£23,000	£26,250

Net Income you want after tax (a year)	Approximate gross income you need before tax (a year)
£24,000	£27,500
£25,000	£28,750
£26,000	£30,000
£27,000	£31,250
£28,000	£32,500
£29,000	£33,750
£30,000	£35,000
£35,000	£41,250
£40,000	£49,378
£45,000	£57,712
£50,000	£66,045
£55,000	£74,378
£60,000	£82,712
£65,000	£91,045

Further into the Future

Later in your retirement your need for income is likely to change quite significantly due to, for example, a less active lifestyle as you become older, and also the costs of long term care and the possibility of realising equity in your property. It is quite difficult to factor these uncertainties into a budget planning exercise now. Sometimes it is simpler to think about general budgeting for the things that you can predict (as we have done here) – but at the same time be aware of how things could change in the future, and consider whether you have ways to deal with these changes as and when they happen.

Sample budget

Katie's Budget	Essential monthly spending (Needs)	Optional monthly spending (Wants)
Mortgage / rent / council tax	£120	-
Utility bills (including phone)	£160	£20
Food & drink	£200	£50
Clothing & shoes	£120	£80
Car costs / petrol / other travel	£200	£50
Health & beauty	£60	£25
Insurance costs	£70	-
Loans and credit cards	£80	-
Future plans (e.g. long term care)	-	£50
Children	-	£50
Pets	£30	£20
Charity / donations	£30	£30
Entertainment	£55	£25
Holidays	£80	£80
One offs – birthdays / Christmas	£60	£25
Other – evening classes	£20	£20
TOTAL (monthly)	£1,285	£525
TOTAL (annual = monthly x 12)	£15,420	£6,300

Sample budget (Continued)

- Your 'needs' budget will tell you the **minimum** level of income you need in retirement, after tax.
- Your 'wants' budget will tell you what additional income you will need to have the retirement you would like to have.

NEEDS AFTER TAX	+	WANTS AFTER TAX	=	TOTAL AFTER TAX
£15,420		£6,300		£21,720

- Use the table on page 6 to work out roughly what pension you need before tax and the total **including your wants** before tax.

APPROXIMATE NEEDS BEFORE TAX	APPROXIMATE TOTAL NEEDS AND WANTS BEFORE TAX
£15,000	£25,000

So for Katie to meet her needs in retirement, she estimates that she'll need an annual income of roughly £17,000 (before tax), but ideally she would like an annual income of £25,000 (before tax).

Space for you to complete

Your Budget	Essential monthly spending (Needs)	Optional monthly spending (Wants)
Mortgage / rent / council tax	£	£
Utility bills (including phone)	£	£
Food & drink	£	£
Clothing & shoes	£	£
Car costs / petrol / other travel	£	£
Health & beauty	£	£
Insurance costs	£	£
Loans and credit cards	£	£
Future plans (e.g. long term care)	£	£
Children	£	£
Pets	£	£
Charity / donations	£	£
Entertainment	£	£
Holidays	£	£
One offs – birthdays / Christmas	£	£
Other – evening classes	£	£
TOTAL (monthly)	£	£
TOTAL (annual = monthly x 12)	£	£

- Your 'needs' budget will tell you the **minimum** level of income you need in retirement, after tax.
- Your 'wants' budget will tell you what additional income you will need to have the retirement you would like to have.

NEEDS AFTER TAX	+	WANTS AFTER TAX	=	TOTAL AFTER TAX
£		£		£

- Use the table on page 6 to work out roughly what pension you need before tax and the total **including your wants** before tax.

APPROXIMATE NEEDS BEFORE TAX	APPROXIMATE TOTAL NEEDS AND WANTS BEFORE TAX
£	£

Box 4

HOW DOES YOUR BUDGET COMPARE TO YOUR EXPECTED INCOME?

Now that you have worked out how much you expect your pension income to be in retirement, and how much you think you will need in retirement you can compare:

What is your expected pension income in retirement? (from Chapter 9) £

What is your budget in retirement? (from above) £

If your expected income is greater than your budget then you may be able to take some tax free cash, which would reduce your expected income, and there are further options in relation to each of your pensions that you may be interested in.

If your expected income is less than your budget then it is important to understand whether or not your "needs" (i.e. essential spending) are going to be met by your expected income.

5. HOW MUCH FLEXIBILITY DO YOU WANT WHEN YOU RETIRE?

The last Chapter will have helped you to think about what income you are likely to need when you retire, and the next few Chapters will help you think about what pensions and assets you have built up to meet that need. The difference between what you need and what you have is going to be very important when you are making decisions about your retirement, for example:

- if the total amount of pension that you have built up is comfortably more than you think you will need in retirement, then you may be able to be more relaxed about making sure your income from all sources is fixed and certain,
- If the amount of pension income you expect is less than or very close to what you think you will need then it might be important to you that there is no uncertainty in your income and so no chance of it falling.

The reason for thinking about this now, is that the Government has made changes to Pensions legislation which mean that, from April 2015, people with certain types of pension arrangement will have more choices and will be able to access their pensions in a more flexible way.

The types of pension arrangement that this applies to are known as **Defined Contribution ("DC") or Money Purchase** pension schemes, in which you build up a pot of money rather than a pension based on a formula.

In this Chapter we shall explain how these flexibilities work, so that you can consider whether they are likely to be something you would like to take advantage of.

Note that the UUKPF is not offering these new flexibilities directly, however there are ways in which you could be able to access them if you would like to. Later in this Chapter we shall explain how you could do this.

The new flexibilities for "DC" pensions

From April 2015 someone with money purchase savings in a registered pension scheme (their "DC pension pot") can choose to access this at any time from age 55 and use their pot in one or more of the following ways:

(a) Buy an annuity

In the past – and until April 2015 - the majority of people retiring with DC pension pots had no alternative but to buy a lifetime annuity from an annuity provider (such as an insurance company) with at least some of their pension pot . A lifetime annuity is effectively a pension that is payable for life which may have pension increases applying to it, and a dependant's pension payable at a certain level after death. However the cost of buying an annuity is very high – which has a lot to do with the fact that interest rates are very low at the moment. This is why, once the new flexibilities come into force, it is possible that fewer people will choose this option.

The option to buy an annuity will still exist from 2015, but the rules about annuity purchase are being relaxed in order to allow annuity providers to come up with some interesting and innovative approaches that would not previously have been allowed. For example it may become possible to buy an annuity with variable pension increases, rather than increases that are fixed each year.

Annuity payments are taxed as income.

[1] Up to 25% of a DC pension pot can generally be taken as a tax free cash sum, unless the DC scheme is just one part of a pension arrangement that has other types of pension included (for example the Unilever UK Pension Fund which has a DC section "The Investing Plan" but also includes the Career average plan & Final salary plan) in which case it may be possible to take more, if not all, of the DC pot as a tax free cash sum. For further details please see the Investing plan guide.

(b) "Flexi-access drawdown" or "Flexible drawdown"
Under a flexible drawdown arrangement, a member can take up to a quarter of their DC pot as tax free cash and designate the rest of the pot for "flexible drawdown". This part of the pot continues to be invested and the member can take income (known as "drawing down") from the pot as and when they like. All of payments that are "drawn-down" would be taxed as income.

It would be possible to use some of the remaining "DC pot" to buy a short term annuity which would provide a known income for up to 5 years.

Drawdown arrangements have been available in the past but only for people with big pension pots. The new arrangements are available to anyone, whatever the size of pot.

(c) Uncrystallised Pension Lump Sums
Under this new type of arrangement a member can take their DC pension pot as a lump sum or as a series of lump sums over a period of time. A quarter of each lump sum payment is tax free, with the remainder taxed as income. The pot continues to be invested until the point of payment.

What are the main differences between the options?

Remember that the options will only apply if the Rules of a scheme allow, but the following table summarises the main differences.

	(a) Annuity	(b) Flexible Drawdown	(c) Uncrystallised Lump Sums
Make a once and for all decision at retirement	Yes	No	No
Need to continue to make decisions after retirement	No	Yes	Yes
Income secure for life	Yes	No	No
DC pension pot can stay invested after retirement	No	Yes	Yes
Can take lump sums gradually	No	No	Yes
More flexibility in how and when to take benefits	No	Yes	Yes
25% of DC pension pot tax free	Yes	Yes	Yes

"Pension Wise – your money your choice"

If they apply to you, choosing between the options available is something that you should think carefully about. The Government has announced that, from April 2015 anyone over the age of 55 retiring with a DC Pension will be eligible for free guidance on the options available to them. This initiative is called "Pension Wise – your money your choice". Visit: **https://www.gov.uk/pensionwise** to find out more.

The information provided in this booklet is not intended to replace this guidance nor is the information that you will be provided with in your 1:2:1. However, in your 1:2:1 you will be able to ask the pensions expert any questions you like about your options.

As well as your 1:2:1 and any guidance you receive as part of the Government's initiative, you can always speak to a financial adviser to talk through your options. Details of how you can find an independent financial adviser are set out in Chapter 21.

Do the new flexibilities apply to you?

If you have any pension arrangements from when you were with previous employers that are entirely DC pension arrangements, then these new flexibilities will apply to those pensions. If you have any DC pots from when you were in a previous employers' scheme that had other elements of benefits – for example a final salary scheme in which you paid additional voluntary contributions (AVCs) into a DC pension pot – then the new flexibilities **might** apply to that pot, but this will depend on the Rules of that particular scheme.

In your Unilever UK Pension Fund, your Investing plan account (if you have one) is a DC pension pot. The Rules of the UUKPF don't allow these new flexibilities to apply in the Investing plan. However, the Rules of the UUKPF will allow you to transfer your Investing plan account out of the UUKPF and into, for example, a registered pension arrangement that will allow the new flexibilities, as long as you are at least 12 months away from your Normal Retirement Age.

- If you decided to transfer your Investing plan account out of UUKPF, then the rest of your benefits in the UUKPF – your Career average plan and Final salary plan benefits – could stay in the UUKPF.
- Alternatively you could consider transferring all of your benefits in the UUKPF (including your Career average and Final salary plan benefits). Doing this would be a very significant decision, not least because you would be giving up a defined and fixed pension based on a formula. This is not a decision to be taken lightly or without first considering some independent financial advice. In fact if your transfer value is £30,000 or more than you will need to show proof that you have taken advice before you will be able to make the transfer.

We shall consider the possibility of transferring your benefits out of the Scheme in the Main Section of this Booklet, and in your 1:2:1. In the meantime, please answer the following questions as part of your preparation for your 1:2:1:

	YES	NO	NOT SURE
Do you have any DC pension arrangements?	☐	☐	☐
Do you want to access the flexibilities that are available for DC pension pots from April 2015?	☐	☐	☐
Do you think you will have enough "secure" income from other sources to be able to be flexible with (some) of your DC pension pots?	☐	☐	☐
Would you be happy to take responsibility for continuing to make decisions about your retirement income after your retire?	☐	☐	☐

6. YOUR SAVINGS & ASSETS

As you think about and plan for your retirement, it is a good idea to investigate and record what you (and your partner) have, and then think about how these savings and assets could help you during your retirement. It can take a bit of time to get all the relevant information together, but now is a great time to do this, if you haven't done so already.

It would be especially useful if you can think about this before your 1:2:1, by completing the tables in the next few pages, or using an alternative approach. (You don't need to send this information to us, it would just be good for you to have thought about the amounts involved.)

Once you have summarised the totals, you can break down the different elements of your savings and assets into:

- **Those items whose value can go up and down over time**
  (For example the value of stocks and shares or property)
- **Those items whose value will not to go down;**
  (For example bank account savings, or cash NISAs – formerly ISAs)
- **Those items where there is some uncertainty as to amount / when you will have them;**
  (For example inheritances or release of equity in property that depends on the timing of a sale)

We would therefore suggest that you also complete box 6 in order to summarise the certainty and availability of your savings and assets:

On the next page few pages – we set out how our sample member "Katie" has completed the above savings and assets information.

If you have any questions or difficulties completing this information with your own details, then we can go through this in your 1:2:1.

SAMPLE - KATIE'S SAVINGS & ASSETS

VALUE OF KATIE & HER PARTNER'S SAVINGS & ASSETS

	Katie	Katie's partner
Unilever share schemes	£8,000	-
Stocks and Shares NISA	-	£5,000
Cash NISA	£2,000	£2,000
Shares held personally	-	-
Cash	£1,000	£500
Maturing endowment policy?	-	-
Equity in your home?	£60,000	
Equity in any other property?	-	
Potential inheritance?	£50,000	-
Other savings?	-	-
Value of other assets?	-	-
Total value of long-term savings	£132,500	

AVAILABILITY & CERTAINTY OF KATIE & HER PARTNER'S SAVINGS & ASSETS

	Savings that could fall in value	Savings that should not fall in value
Savings where there is certainty that you will benefit from their value (e.g. savings that are in your name and can be sold / liquidated easily)	£73,000	£9,500
Savings where there is less certainty as to when you will benefit from their value (e.g. inheritance or equity in a property where you are unsure when you will sell)	£50,000	-

This is made up of:
Share scheme £8,000; plus
Stocks & Shares NISA £5,000; plus
Equity in your home £60,000

This is made up of:
Possible inheritance = £50,000

This is made up of:
Cash £1,000 + £500; plus
Cash NISA £2,000 + £6,000

SPACE FOR YOU TO COMPLETE YOUR SAVINGS & ASSETS

VALUE OF YOUR SAVINGS & ASSETS

	You	Your partner
Unilever share schemes	£	£
Stocks and Shares NISA	£	£
Cash NISA	£	£
Shares held personally	£	£
Cash	£	£
Maturing endowment policy?	£	£
Equity in your home?	£	
Equity in any other property?	£	
Potential inheritance?	£	£
Other savings?	£	£
Value of other assets?	£	£
Total value of long-term savings	£	

Box 5

AVAILABILITY & CERTAINTY OF YOU & YOUR PARTNER'S SAVINGS & ASSETS

	Savings that could fall in value	Savings that should not fall in value
Savings where there is certainty that you will benefit from their value (e.g. savings that are in your name and can be sold / liquidated easily)	£	£
Savings where there is less certainty as to when you will benefit from their value (e.g. inheritance or equity in a property where you are unsure when you will sell)	£	£

Box 6

7. WHAT PENSIONS ARE YOU EXPECTING IN RETIREMENT? – UNILEVER UK PENSION FUND

The money you will live on in retirement will come from lots of sources. But a significant part of your income will probably come from pension schemes.

Your pension income in retirement might come from several different places:

- the Unilever UK Pension Fund;
- the State Pension;
- any past employers' pension schemes,

You can do different things with each of your pensions. We can discuss this more in your 1:2:1, but in this Chapter we shall look at the basics of each of these pensions.

(a) Unilever UK Pension Fund

By now you should have received a retirement quotation from the Unilever UK Pension Fund. As part of your preparation for your 1:2:1 session it would be a good idea to read through your retirement quotation. It might help you to try to find a few key pieces of information from your quotation, and complete the following table:

Total pension payable from Retirement age if you take no tax free cash:	£
Maximum tax free cash you can take at retirement:	£
Pension payable from Retirement age if you take the maximum tax free cash:	£
Pension payable to your spouse on your death after retirement:	£
How much is your Investing plan account:	£

Box 7

If you struggle to find some of this information then don't worry, we shall be able to help you during your 1:2:1 as we shall have a copy of your quotation to hand. For now, please note down any parts of the quotation that you would like a little more explanation about, or any questions you have more generally.

Box 8

8. WHAT PENSIONS ARE YOU EXPECTING IN RETIREMENT? – STATE PENSION

At the moment, there are two main types of State Pension:

- **Basic State Pension**: As a rough guide, if you will have worked for 30 years, then when you reach State Pension Age you will get the full Basic State Pension. Even if your legal spouse has never worked, he or she can also get a Basic State Pension of up to 60% of the full amount based on your work history. The current full Basic State Pension for a single person is roughly £5,881 a year (2014/15 tax year).
- **Additional State Pension**: You may have earned some Additional State Pension on top of your Basic State Pension. But, generally, if you have been in a company pension scheme, you won't have earned much extra Additional State Pension (for example, you have not built up any Additional State Pension while you have been a member of the Unilever UK Pension Fund.)

If you are approaching your State Pension Age, the Department for Work and Pensions ("DWP") may have already sent you a statement setting out what State Pension you can expect to receive.

If you don't already have a statement of your State Pension, then before your 1:2:1, it would be helpful if you could think about whether you will have built up 30 qualifying years. It would also be helpful if you could think about whether you might have built up some Additional State Pension while you were working for a previous employer. If you aren't sure about this then you can find out how much State pension you have earned by requesting a statement online or by post from the following link:

https://www.gov.uk/state-pension-statement.

This statement will set out your State Pension Age (the age when you will start to receive your State Pension), and how much State Pension you have earned.

If you don't know what your State Pension Age is then you can find out from the following link.

https://www.gov.uk/calculate-state-pension

Enter your **State Pension Age** here:

Box 9

Approximate number of **"qualifying years"** you think you have built up:

Box 10

Extra State Pension

From 12 October 2015 to 1 April 2017, you may be able to buy extra State Pension. This only applies to you if you are:

- a man born before 6 April 1951; or
- a woman born before 6 April 1953

More information is available from:
https://www.gov.uk/state-pension-topup

9. WHAT PENSIONS ARE YOU EXPECTING IN RETIREMENT? – PAST EMPLOYERS' PENSION SCHEMES

You might have built up some pension when you were working for previous employers. (If you don't have any previous pension schemes then you can miss this Chapter and move to the next).

As you approach retirement these schemes should send you a retirement statement. If you don't have one then it would be a good idea to get in touch with them and ask for details of the retirement benefits that are payable to you.

These pensions might be different to your Unilever pension (not just in amount) – they may be payable from a different date, increase in payment in a different way, or have a different spouse's pension. They might be what's known as a Defined Benefit ("DB") pension scheme – meaning that the amount of pension has been based on the number of years you built up in that scheme and your earnings while you were in the scheme. Or they might be what's known as a Defined Contribution ("DC") pension scheme – meaning that you built up a "pot" of money in that scheme and that pot can then be used to provide a pension and/or some tax free cash at retirement.

It won't be possible in your 1:2:1 to go through in detail any past employer's pension scheme benefits that you have, but it is important that you know what retirement benefits you can expect from them. So it would be very helpful if you could gather together information on any of these benefits before your 1:2:1, so that we can discuss their effect on your overall retirement situation.

On the next pages, we've set out some tables that you could use to help you remember and record your previous employers, and whether or not you built up pension benefits while you were employed there. As soon as possible you should return the enclosed loose leaf Prep Sheet with details of your past employers' and whether or not you have the relevant information.

You should then spend some time gathering full details of the pensions that each past employer's pension arrangement will provide you with.
Note you do not need to have gathered all of this information before returning the Prep Sheet – but you should ensure that you have all information from you previous scheme before your 1:2:1. Past schemes can take a couple of months to provide details of your retirement benefits, so it is best to start asking for this information as soon as possible, if you haven't already done so.

We set out an example below of how these tables could be completed, for Katie, our sample member of the Unilever UK Pension Fund, with some blank tables for you to use:

SAMPLE - KATIE'S EXPECTED PENSION INCOME (FROM PAST EMPLOYERS):

Employer	Approximate years worked	Were you a member of the Employer's Pension Scheme? (Y/N)*	Do you have any up to date retirement information available on benefits in Scheme? (Y/N)*
1. Good foods Ltd.	7	YES ■ NO ☐	YES ■ NO ☐
2. Shrewsbury Bakery	3	YES ■ NO ☐	YES ☐ NO ■
3. Allied factories	1	YES ☐ NO ■	YES ☐ NO ☐

You can then use the following table to record some more detailed information about the pension you will receive from your past employer's pension schemes.

Employer	Type of scheme (DB or DC?)	Approximate amount of pension payable if no cash taken	Maximum tax free cash payable	Pension left if you take maximum tax free cash	Age pension is payable from
1. Good foods Ltd.	DB	£3,000	£9,000	£2,500	65
2. Shrewsbury Bakery	DC	£700	£2,100	£560	65
3. Allied factories	-	-	-	-	-
4.	-	-	-	-	-

SPACE FOR YOU TO COMPLETE

YOUR EXPECTED PENSION INCOME (FROM PAST EMPLOYERS):

Employer	Approximate years worked	Were you a member of the Employer's Pension Scheme? (Y/N)*	Do you have any up to date retirement information available on benefits in Scheme? (Y/N)*
1.		YES ☐ NO ☐	YES ☐ NO ☐
2.		YES ☐ NO ☐	YES ☐ NO ☐
3.		YES ☐ NO ☐	YES ☐ NO ☐
4.		YES ☐ NO ☐	YES ☐ NO ☐

Box 11

You can then use the following table to record some more detailed information about the pension you will receive from your past employer's pension schemes.

Employer	Type of scheme (DB or DC?)	Approximate amount of pension payable if no cash taken	Maximum tax free cash payable	Pension left if you take maximum tax free cash	Age pension is payable from

Box 12

10. PUTTING ALL YOUR PENSIONS TOGETHER

When you have got all of the information on your different pensions you can use the following pages to put this information together – ignore tax free cash to start with.

SAMPLE

WHAT TOTAL PENSION INCOME IS KATIE EXPECTING (IGNORING TAX-FREE CASH)?

Unilever Pension
Enter pension if no tax-free cash taken from your Retirement Quotation — £ 15,500

Basic State Pension
How many "qualifying years 28 x £5,881 / 30 = £ 5,490

Additional State Pension (if you have any)
From State Pension Statement — £ 200

Other Pensions from previous employers (if you have any) – no tax-free cash
£ 3,000 + £ 700 = £ 3,700

Total Pension Income (no tax-free cash)

Unilever pension	£ 15,500
Basic State Pension SPA	£ 5,490
Additional State Pension SPA	£ 200
Other pensions	£ 3,700
Total	£ 24,890

SPACE FOR YOU TO COMPLETE

WHAT TOTAL PENSION INCOME ARE YOU EXPECTING (IGNORING TAX-FREE CASH)?

Unilever Pension
Enter pension if no tax-free cash taken from your Retirement Quotation

£

Basic State Pension
How many "qualifying years

x £5,881 / 30 = £

Additional State Pension (if you have any)
From State Pension Statement

£

Other Pensions from previous employers (if you have any) – no tax-free cash

£ + £ + £ = £

Total Pension Income (no tax-free cash)

Unilever pension	£
Basic State Pension SPA	£
Additional State Pension SPA	£
Other pensions	£
Total	£

Box 13

11. TAX-FREE CASH

From any pension scheme, you can take up to 25% of the value of your retirement benefits from that scheme as a tax-free cash sum.

If you do this then the amount of your pension will be lower than if you didn't take any tax-free cash, because by taking a cash sum you are swapping some pension for cash. This applies in each pension scheme separately (except the State Pension). However the Unilever UK Pension Fund Career average, Final salary and Investing plans are treated as one scheme for this purpose.

So, how is the overall **value** of your retirement benefits worked out, when you are working out the maximum tax free cash you can take from an arrangement?

- In a purely DC arrangement its quite simple. Whatever benefits you actually take from the arrangement, the overall **value** of your benefits in the arrangement is equal to the size of the "DC pot" you have built up. So the maximum tax-free cash sum that you can take is therefore 25% of the "pot".
- In a DB arrangement, the overall value of your benefits depends on the benefits you take. If you exchange some of your DB pension for a tax-free cash sum, the pension that is left over is known as the "residual pension". Legislation sets out that the overall value of your benefits from the arrangement is then equal to

  the tax-free cash you take

  \+

  20 x the residual pension left over

  So the maximum tax-free cash sum you can take is 25% of this amount.
- In a pension arrangement that has a mixture of DB and DC parts to it, such as the Unilever UK Pension Fund (where the Final salary and Career average plans are DB and the Investing plan is DC), the value of the benefit is worked out for the DB and DC parts separately as set out above. However, to take the maximum tax free cash sum you do not have to take some cash from the DB part and some from the DC part. It can come from just one or mainly from one. So, in the Unilever UK Pension Fund, it may be possible to take all of your Investing plan as tax-free cash rather than just 25% of it.

Any retirement quotation you receive will set out the maximum tax-free cash that can be taken, and the pension left over if you do so.

In your retirement quotation from the Unilever Pensions Team you may be able to see that the tax free cash sum quoted has been taken first from your Investing Plan account (if you have one) and only if this is not enough will any pension from the Final salary or Career average plan be converted into cash.

What is the maximum tax-free cash you can take?

This will be the sum of all the maximum tax-free cash sums available from each different pension scheme (except the State Pension). In Chapter 6 above you looked at the maximum tax-free cash you can take from the Unilever UK Pension Fund, and in Chapter 8 you looked at the maximum tax-free cash you can take from each of your pension schemes from past employers. You can put this information together here by adding up the maximum in each scheme to give the total maximum tax-free cash you **could** take at retirement.

Max cash from UUKPF		Max cash from Employer 1 scheme		Max cash from Employer 2 scheme		Max cash from Employer 3 scheme
£	+	£	+	£	+	£

	Max cash from Employer 4 scheme		Total maximum tax free cash
+	£	+	£
			Box 14

(if you have more than 4 previous employer schemes then include these as well.)

If you take the maximum tax-free cash then the amount of your pension will reduce. In Chapters 6 and 8 above you looked at the amount of pension left in each of your pension schemes if you took the maximum tax-free cash from each. You can put this information together here by adding up the pension from each scheme:

Pension after Max cash from UUKPF		Pension after Max cash from Employer 1 scheme		Pension after Max cash from Employer 2 scheme		Pension after Max cash from Employer 3 scheme
£ p.a.	+	£ p.a.	+	£ p.a.	+	£ p.a.

	Pension after Max cash from Employer 4 scheme		Pension after Total maximum tax free cash
+	£ p.a.	+	£ p.a.
			Box 15

(if you have more than 4 previous employer schemes then include these as well.)

Do you have any plans for what you would like to do with any tax-free cash you take?

Many people take a significant amount of tax-free cash when they retire and they do lots of different things with it:

- Spend it
- Invest it
- Use it to provide additional income in the early years of retirement.

You may already have your own plans for your tax-free cash: You can note these in the box below, and we can discuss this, and some other things you could do with your tax-free cash during your 1:2:1.

Box 16

12. WHAT CAN YOU THINK ABOUT DOING NOW?

In Chapter 9 in the Preparation Section you looked at the total amount of pension you are expecting from all of your pension schemes.

As part of your planning for your retirement, you may have considered what level of income you are likely to “need” or “want” after you retire (see Chapter 4).

The difference between the pension you are expecting and the income you would like, may affect the decisions you take about your retirement. For example - how and when your pensions will be paid to you, what alternative benefits you might take, whether there are changes to your lifestyle that you would like to make.

In this Main Section we look at these choices.

To start with, we set out below a range of things that you might want to think about. It would be helpful if you could think about whether or not these are things you would like to look at further, before your 1:2:1. We will then be able to focus most time on the things you are most interested in.

Note: Most people usually want to spend a bit of time looking at all of these options, but if there are any that you feel certain you do not want to consider then you could note this here.

	WORTH LOOKING AT?		
	YES	MAYBE	NO
Change your retirement options (see Chapters 12 and 13)	☐	☐	☐
Build up some more retirement savings (see Chapter 15)	☐	☐	☐
“Convert” some pension into tax free cash? (see Chapter 16)	☐	☐	☐
Use your other savings & assets (see Chapter 17)	☐	☐	☐
Retire from Unilever but take on another job? (see Chapter 18)	☐	☐	☐
What about State Benefits?*	☐	☐	☐

We shall look at these options in more detail in the rest of this Section.

* There is a brief summary about State Benefits in retirement in the notes at the back of the Notes Section of this booklet.

13. YOUR RETIREMENT OPTIONS – UNILEVER UK PENSION FUND

By now you will have received a retirement quotation from the Unilever UK Pension Fund.

In Chapter 6 in the Preparation Section you looked at some key details from this quotation, and there is lots of other information about your choices set out. In your 1:2:1 we will have a copy of your quotation, so we can help to explain any bits that may not be clear.

You have a number of different options in connection with your Unilever UK Pension Fund pension. These are set out in your quotation and are as follows:

- To delay your retirement from the Unilever UK Pension Fund, and either leave your pension in the Fund, or "transfer" it out;
- To exchange part of your pension for a tax free cash sum;
- To boost your spouse's pension by reducing your own;
- To decide how to use your Investing Plan "pot";
- To investigate the "Level Pension Option"

You could also consider making further contributions to the Unilever UK Pension Fund (this is discussed in Chapter 15).

What you think about these options is very personal to you. We shall therefore discuss how relevant or useful they might be to you (and your partner) in your 1:2:1

In the next few pages we set out each of these options with some space for you to write down any queries you have in advance of your 1:2:1, and make notes during your 1:2:1.

Delay your retirement

Your pension will become "deferred" and will be paid from a later date – you may therefore need an alternative source of income in the meantime (perhaps from another job?)

Please bear in mind that if you retire early, your pension is reduced for early payment. The reduction applied to your Final salary plan pension is lower if you retire directly from Unilever service than if you retire from deferred status (in other words, you do not take your benefits at the date that you leave employment with Unilever).

Box 17

Transfer your benefits in the Unilever UK Pension Fund UKPF to another pension arrangement

If your pension becomes "deferred" in the Unilever UK Pension Fund, then, before you retire, you could transfer it to another pension arrangement, by taking what's known as a Cash Equivalent Transfer Value ("CETV"). If you took a CETV to a DC arrangement, you may be able to take advantage of flexibilities that apply after April 2015 (as referred to in Chapter 5).

Box 18

How much tax-free cash can you take?

You can take anything between no cash and the maximum quoted – we'll look at tax-free cash in more detail in Chapter 16, but we can think here about which part of the Unilever UK Pension Fund any cash will come from.

Box 19

Do you want to boost your spouse's pension?

You may be able to choose to start with a smaller pension yourself and increase the amount payable to your husband or wife after you die (up to a certain maximum).

Box 20

What will you do with your Investing plan account?

You can take cash, an income for life with different attaching spouse's pension and increases in payment, an "open market option", or you can take a transfer of your Investing plan to a registered pension scheme from which you can take advantage of further flexible options discussed in Chapter 5)

Box 21

Do you want to investigate the "Level Pension Option"?

You can increase your UUKPF pension until State Pension Age (SPA) and receive a lower UUKPF pension from SPA for life.

Box 22

14. YOUR RETIREMENT OPTIONS – STATE & OTHER PENSIONS

What is your State Pension Age?

See Chapter 7 in the Preparation Section.

What options do you have with your State Pension?

You actually have very limited options with your State Pension. It is possible to delay taking it until a point after State Pension Age. There is also a possibility for some people to buy a top-up to their State Pension. More information is available from:

https://www.gov.uk/state-pension-topup

We'll discuss these options in your 1:2:1. You can write down any questions you have beforehand, or make notes during your 1:2:1, in the box below.

Box 23

What options do you have with your other pensions from previous employments?

Before your 1:2:1 you should gather up-to-date information on any pensions you have from previous employments (see Chapter 8 in the Preparation Section).

The options you have will depend very much on the type of arrangement. Your options in a DB arrangement may be similar to those in the Unilever UK Pension Fund Career Average and Final salary plans, and your options in a DC arrangement may be similar to those in the Unilever UK Pension Fund Investing plan, although, as described in Chapter 5, the options available in a DC plan may be wider than in the Investing plan following the introduction of greater flexibilities in April 2015.

We shall discuss the general principles of your options for any pensions you have in your 1:2:1. You can make notes or write any questions you have, in the box below.

Defined Benefit ("DB") arrangement:

Defined Contribution ("DC") arrangement:

Box 24

You have a further option in relation to your benefits in any previous employer's pension scheme, which is to investigate transferring any pension you have in a previous employer's pension arrangement, into the Unilever UK Pension Fund. If you did this, it would be transferred into the Investing plan, and you may therefore be able to take a greater proportion of it as a tax-free cash sum. We shall discuss this possibility during your 1:2:1. Again, you can make notes here.

Box 25

Alternatively, you could also consider transferring your benefits in any previous employer's pension scheme, to an alternative registered DC pension scheme. A reason why you might want to do this would be to take advantage of the flexibilities introduced from April 2015 which may not apply to your previous employer's pension scheme. We shall discuss this possibility in your 1:2:1 and again you can make notes here.

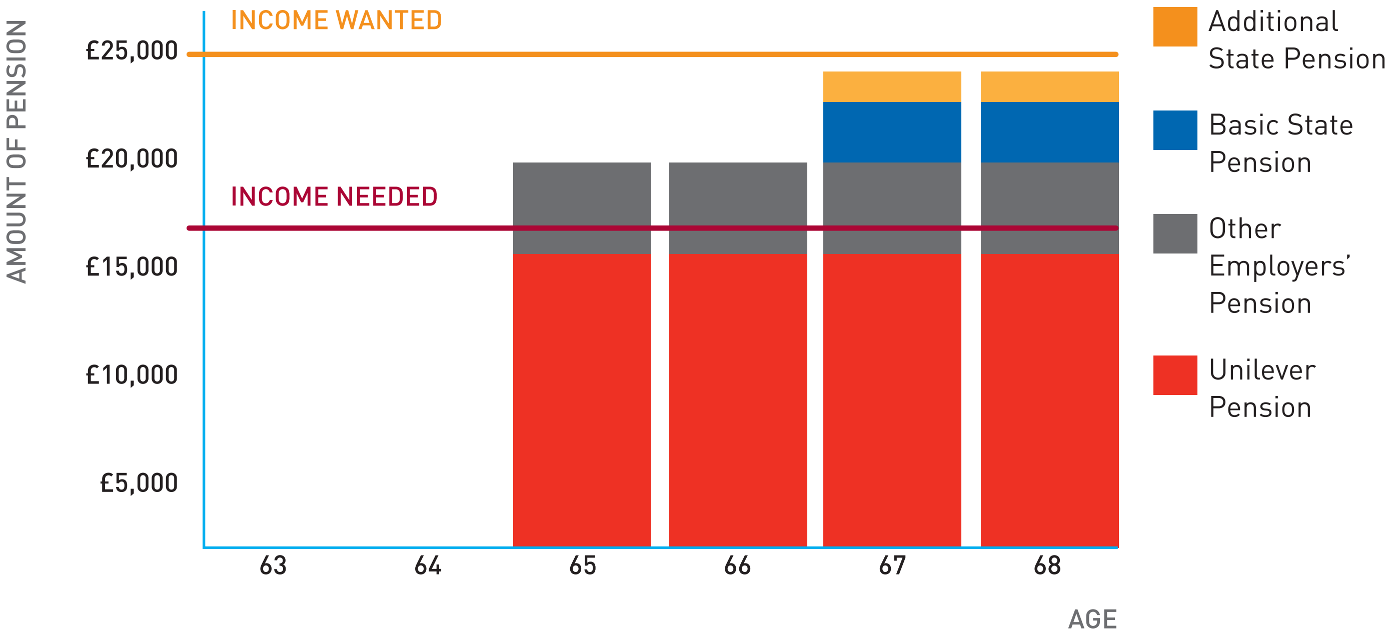
Box 26

15. YOUR TOTAL RETIREMENT INCOME

From the information that you have gathered on all of your different pensions (in Chapters 6, 7 and 8) you can look at how your pension income will change over time, and also how the total compares to the pension you need / want.

In your 1:2:1 we shall use the space below to help you to think about how some of your pensions may be payable from different ages. We shall also help you to compare your pensions with the amount of income you are likely to need or want. Thinking about these things will hopefully help you to make some good decisions about your retirement options.

Below is an example of how you can put all your pension information together – we have done this for Katie, whose details are set out in the Preparation Section. We'll help you do this for your own circumstances during your 1:2:1.



16. DO YOU WANT TO MAKE MORE PENSION SAVINGS?

There may still be a few months left before you retire. In that time you could, if you want, pay more into the Unilever UK Pension Fund in order to boost your retirement benefits.

Any extra contributions would be paid as Extra Voluntary Contributions and would be paid into the Investing plan*.

These contributions could be used to increase the amount of tax free cash you can take from the Fund, or they could be used to provide an income during retirement.

If you think that you could afford to live for the next few months with a lower income from your salary, perhaps by using some of your savings, then it may be worth considering paying more into the Fund.

Box 27

* As there is less than a year left until you retire you would not be able to make these under the Unilever Contribution Arrangement and would therefore not get relief from National Insurance on your extra contributions. However you would not pay income tax on any extra contributions you make (up to the annual limit – which is currently around £40,000).

17. YOUR TAX-FREE CASH

You can take up to 25% of the value of your retirement benefits as a tax-free cash sum. If you do this then the amount of your pension will be lower than if you didn't take any tax-free cash, because by taking a cash sum you are swapping some pension for cash.

Any retirement quotation you receive will set out the maximum tax-free cash that can be taken, and the pension left over if you do so.

Chapter 10 in the Preparation Section helps you to look at the maximum tax free cash you can take from all of your pension schemes.

If you take the maximum tax-free cash then the amount of your pension will reduce. Chapter 10 in the Preparation Section also helps you look at the amount of pension left in each of your pension schemes if you took the maximum tax-free cash from each.

But ... you don't have to take the maximum tax-free cash

If the total amount of pension you are expecting from all of your pension schemes is more than the income you are likely to need or want in retirement (see Chapter 14), then this means that there is scope for you take some tax-free cash. **But you don't have to take the maximum**.

On the other hand, if the total amount of pension you are expecting is less than the income you are likely to need, then it may not be sensible for you to take any tax-free cash.

You can take anything between no cash and the maximum tax-free cash worked out in Chapter 10 of the Preparation Section. The pension left after you take cash will then be somewhere between the total before taking any cash and the total after maximum tax-free cash is taken.

You have probably already started to think about how much tax-free cash you are going to want to take. You can note down in Box 13 any thoughts you have had about how much tax-free cash you think you might want to take.

Box 28

There are some important points to consider before you make any final decisions about how much tax-free cash you are going to take. These are set out below:

(a) Is there anything you could do to increase the amount of tax-free cash you can take?

In Chapter 15 we looked at the possibility of making more pension savings before retirement. This is one way to increase the amount of tax-free cash you can take. However, another thing you could do, that might increase the amount of your tax-free cash could be to transfer your benefits in a previous employer's pension scheme into the Investing plan of the Unilever UK Pension Fund.

We'll discuss this during your 1:2:1.

(b) Where should your tax-free cash come from?

As well as thinking about how much tax-free cash you would like to take, it is also important to think about where you should take it from, if you have more than one pension scheme. The reason for choosing to take tax-free cash from one scheme rather than another might include – the terms available for converting pension to cash, and the ease with which pension benefits can be provided from the arrangement.

- If the terms for converting pension to cash are less generous in one scheme compared to another, then this may be a reason to take less, or no, cash from the scheme where the terms are less generous, and more cash from the scheme with generous terms.
- If, as can be the case with some DC arrangements, it is very expensive to provide a pension from the "pot" left over after tax-free cash has been taken, then it may be better to take more cash from this arrangement to reduce the amount left to buy a pension on very expensive terms.

You can make some notes in the following box:

Box 29

Your final decision

You can use these boxes to record your final decisions about your tax free cash.

How much tax-free cash do you think you will take? £

And from where?

18. YOUR SAVINGS & ASSETS

As well as your pension schemes, you may have other places where you have savings or other assets. As part of your planning for your retirement you may have thought about where these savings are held and how much you have (see Chapter 5 in the Preparation Section.)

How can your long term savings and assets be used in retirement?

Once you have identified what long term savings and assets you (and your partner) have and which ones there is certainty about, you can start to think about how you plan to use them during your retirement.

We'll discuss this during your 1:2:1 – but some initial thoughts for you to consider beforehand are:

- Do you have any particular plans already for your savings and assets?
- If there is a gap between what you are expecting your income to be in retirement and your target income, then you could use some of your long term savings to bridge this gap.
- If your State Pension is payable from a later date than your current retirement date, then you could use some of your long term savings to bridge this gap until State Pension Age.
- Longer term you might think about switching your savings and assets that could fluctuate (in particular, go down) in value, into more secure assets whose value is not expected to fall.
- It may be appropriate to consider allocating some of your long term assets to covering the costs of long term care in the future.
- Have you thought about the inheritance that you would like to leave to your loved ones?

Please note down any thoughts you have in the box below, or use this to make notes during your 1:2:1.

Box 30

19. RETIRE FROM UNILEVER BUT TAKE ON ANOTHER JOB

If you think that the total amount of pension you are expecting from all of your pension schemes is not going to be enough compared to the income that you need or want, then one option you have is to take on another job after you retire from Unilever.

The paid income could help to meet the gap between your pension income and what you need or want:

- between your Unilever retirement date and State Pension Age
- between your Unilever retirement date and the retirement date from one or more of your other previous employers' pension schemes.

You can look at your expected pensions in Chapter 9 and the income you want in Chapter 4 in the Preparation Section, in order to get an idea of how much paid income that you would need, to meet these gaps.

Whether or not you need the further income that a job would bring, you may decide from a lifestyle point of view that you would like to continue to work after you retire from Unilever.

Please note down any thoughts you have in the box below, which you can also use to make notes during your 1:2:1.

Box 31

20. CHECKLIST OF OTHER THINGS TO THINK ABOUT AS YOU RETIRE

Your retirement represents a momentous time in your life. You have worked hard for a long time and now it is time to enjoy what you have built up for yourself and your family.

There are a lot of changes in your life that you will need to adapt to. There may not be time during your 1:2:1 to focus on these things. However we have set out in the following boxes some of the things that people often think about as they plan for their new way of life.

"Financial / Organisational"

- ☐ Is your will up to date?
- ☐ Think about powers of attorney?
- ☐ Inheritance planning?
- ☐ Sign up for online banking
- ☐ Sort out all your paperwork
- ☐ Think about long term health & care planning?

"Lifestyle"

- ☐ Part-time working?
- ☐ Volunteering?
- ☐ Learning?
- ☐ Holidays?
- ☐ Family?
- ☐ Friends?
- ☐ What will you do with your leisure time?
- ☐ Specialists suggest keeping your mind and body active!

21. AND FINALLY...

We hope you find your 1:2:1 and this booklet very helpful.

If you have any queries as you go through this booklet, then please note them down for discussion at your 1:2:1 or alternatively you can contact **the helpline** below with any urgent issues, as you prepare for your 1:2:1.

Once you have had your 1:2:1 we would be very grateful if you would provide some feedback so that we can ensure these sessions are as helpful as they can be.

Some important final notes:

1. Please remember we are not authorised to provide you with financial advice. This means that we cannot recommend what we think you should do or discuss any specific financial products. But we can talk you through the decisions that you can make so that you can decide what is best for you.
2. If you need more information or support please call the Unilever Pensions Helpline on [TBC] or email on [TBC]
3. Sometimes people feel that it would be very helpful to talk to an IFA as they approach retirement. You can find a list of IFAs on **www.unbiased.co.uk**.

NOTE A: STATE BENEFITS

After State Pension Age

You may be eligible for Pension Credit, which is made up of 2 parts:

- Guarantee Credit; and
- Savings Credit.

More details are available on the Department for Work and Pensions' website:

https://www.gov.uk/pension-credit/what-youll-get

An overview of the 2014/15 position is set out below:

Guarantee Credit – tops up your weekly income it it's below:

- £148.35 (for single people) = £7,714.20 a year
- £226.50 (for couples) = £11,778.00 a year

For this purpose your income includes your State Pension

Savings Credit – only applies if you reach State Pension Age before 6 April 2016 and may provide a further weekly top-up:

- £16.80 (for single people) = £873.60 a year
- £20.70 (for couples) = £1,076.40 a year

Before State Pension Age

You may be eligible for other benefits depending on your whether you are seeking further employment. Check with the Department for Work and Pensions for further details.

NOTE B: JARGON BUSTER

Term	Explanation
Additional State Pension	The portion of your State Pension that depends on how long you work, how much you earn, and whether or not you're in a company pension scheme.
Annuity	A guaranteed pension paid for the rest of your life, often with an attaching spouse's pension payable when you die. They are commonly bought at retirement with pension pots from Defined Contribution pension arrangements.
Basic State Pension	The portion of your State Pension that depends on how many years you work and pay National Insurance. The full Basic State Pension is currently roughly £5,881 a year.
Cash Equivalent Transfer Value	The value of the benefits you build up in a Defined Benefit pension arrangement that you may be able to transfer to another pension arrangement.
Defined Benefit	A Defined Benefit or "DB" pension is a pension that is based on a "formula" and depends on how long you work and how much you earn.
Defined Contribution	A Defined Contribution or "DC" pension is a pension that builds up a "pot" of money that depends on how much you contribute to the scheme and investment returns.
Flexi-access drawdown or Flexible drawdown	A type of DC arrangement introduced in April 2015 whereby a member takes up to 25% of their DC pot as tax free cash, and designates the rest for drawdown.

NISA	New Individual Savings Account. From 1 July 2014, NISAs have replaced the Individual Savings Account, or "ISA". You can pay up to £15,000 a year into a NISA, and you will pay no tax on any interest you receive.
Pension	A pension is simply income you receive during your retirement.
Qualifying years	This is the number of years in work you have built up Basic State Pension by paying National Insurance
Residual pension	The pension that is left in a Defined Benefit pension arrangement after you have taken a tax-free cash sum.
State Pension	Your Basic State Pension plus your Additional State Pension
State Pension Age	The age at which you can start receiving your State Pension.
Uncrystallised Pension Lump Sums	A type of DC arrangement introduced in April 2015 whereby a member can take their pension pot as a lump sum or series of lump sums with 25% of each being taken tax free.