

# Your benefits

Your guide to the Royal Ordnance Pension Scheme

# A guide to your benefits

The Royal Ordnance Pension Scheme is a valuable part of your remuneration package from the *Company*. The *Scheme* provides you with a range of benefits to support you and your dependants both now and in the future. Your benefits represent good value for your contributions because of the tax-effective nature of the *Scheme*.

**This booklet provides you with information about the *Scheme*. It is important that you take time to read it and understand fully the benefits available to you.**

You will notice that certain terms in this booklet are printed in italics. This indicates that there is an explanation of their meaning on the 'Technical terms used' page.

Until 5 April 2016, members of the *Scheme* were contracted-out of the State Second Pension (S2P), which was formerly known as the State Earnings Related Pension Scheme (SERPS). As a result of changes to the State Pension from 6 April 2016, the ability to contract-out has ceased. Please refer to **page 21** for more information.

This booklet is intended as a helpful guide to the provisions of the *Scheme*. It is subject to changes in the future as may be required by HM Revenue & Customs and to the Trust Deed and Rules of the *Scheme* that set out the legal basis for the *Trustee's* administration of the *Scheme* and which override any provisions of this booklet with which they are inconsistent. Copies of the Trust Deed and Rules are available from the Scheme administrator, Aptia.

This booklet provides you with information about the Scheme

## Contact Details

Visit the website:  
[contactpensionsadmin.com/BAES](https://contactpensionsadmin.com/BAES)

Telephone Helpdesk:  
**0330 818 7282**

Address:  
Aptia, Maclaren House, Talbot Road,  
Stretford, Manchester, M32 0FP

# Technical terms used

We have tried to avoid using pensions jargon in this booklet where possible, but sometimes it is unavoidable so we have included a definition of key words here to help you to make sense of the more technical terms. They are highlighted in *italics* throughout the booklet.

**Additional Voluntary Contributions (AVCs)** are voluntary payments you can make into a separate pension arrangement called the *MMT*. The payments are invested to provide you with extra benefits at retirement in accordance with the rules of the *MMT*. A small number of members have legacy with-profit *AVCs* held in the *Scheme* that are not under the *MMT*.

**Basic Pay** is basic wage or salary multiplied by the *Basic Pay Freeze Factor* plus certain emoluments as the *Principal Employer* may decide (in the case of a 1984 member, with the additional consent of the *Trustee*). This is subject to not exceeding the *Scheme Cap*.

**Basic Pay Freeze Factor** is a factor applied to the *Basic Pay* of members who are in *Pensionable Service* on 1 April 2006 to allow for the 2006 *Pensionable Pay* freeze.

**Basic Pensionable Pay** in relation to a 1984 member is *Basic Pay* reduced by £1,800 per year.

**Civil Partner** is a person who has entered into a civil partnership in accordance with the Civil Partnership Act 2004. Where this is done the *Civil Partner* of a *Scheme* member will be recognised for the payment of any lump sum and pension benefits that may be payable on the death of the member.

**Company** is BAE Systems plc and any other employer who participates in the *Scheme*.

**Contributory Pensionable Pay** in respect of a Crown Service member or BMARC member is the amount of *Basic Pay*. In respect of a 1984 member it is the amount of *Basic Pensionable Pay*.

**Final Pensionable Pay** is:

- > **Final Pensionable Pay A** For Crown Service and 1984 members – is the highest amount of *Pensionable Pay* received in any consecutive period of 12 months of *Pensionable Service* during the 3 years immediately before the date of leaving service. The consecutive 12 month periods will start at intervals of 91 days, or any shorter interval as determined by the *Trustee*. This is subject to not exceeding the *Scheme Cap*.
- > **Final Pensionable Pay B** For Crown Service and 1984 members – is the highest annual average of *Pensionable Pay* received in any consecutive period of 24 months of *Pensionable Service* during the 3 years immediately before the date of leaving service. The consecutive 24 month periods will start at intervals of 91 days, or any shorter interval as determined by the *Trustee*. This is subject to not exceeding the *Scheme Cap*.
- > **Final Pensionable Pay C** For BMARC members – is the greater of: (a) the highest annual average of *Pensionable Pay* during any 3 consecutive years in the last 10 years before the date of leaving service; and (b) the annual average of *Basic Pay* during the 3 years immediately before the date of leaving service. This is subject to not exceeding the *Scheme Cap*.

**Former Scheme** is the pension scheme to which some members formerly belonged whilst in Civil Service employment, including: the Principal Civil Service Pension Scheme, the United Kingdom Atomic Energy Authority Principal Non-Industrial Superannuation Scheme and the National Health Service Superannuation Scheme.

**GMP Age** is currently 65 for men and 60 for women.

**Longevity Adjustment Factor** is an adjustment figure dependent on age, which is applied to the pension earned in the *Scheme* on or after 1 April 2006. It will adjust the pension earned to reflect changes in life expectancies. Improved mortality rates may mean that future pensions are expected to be paid for longer and the *Longevity Adjustment Factor* will reduce your pension earned on or after 1 April 2006 to take account of this. The level of the *Longevity Adjustment Factor* will be set each year. There are different *Longevity Adjustment Factors* which apply to benefits on normal retirement, ill-health retirement and to benefits payable following death before retirement.

**Mercer Master Trust (MMT)** is a completely separate pension arrangement which is administered by Scottish Widows. The full name of the arrangement is the BAE Systems Additional Retirement Savings Plan. This arrangement is available to Scheme members for AVC payments.

**Normal Pension Age** is:

- > For Crown Service and 1984 members for *Pensionable Service*...

|                                                |          |
|------------------------------------------------|----------|
| ending prior to 1 April 2006:                  | age 60   |
| ending between 1 April 2006 and 31 March 2007: | age 61.5 |
| ending between 1 April 2007 and 31 March 2008: | age 63   |
| ending after 1 April 2008:                     | age 65   |
- > For BMARC members: age 65

**GMP Age** is currently 65 for men and 60 for women.

**Pensionable Pay** is:

- > For Crown Service members, the amount of *Basic Pay*. For 1984 members, is *Basic Pensionable Pay*. Plus, in either case, as defined from time to time by the *Principal Employer* and notified to the *Trustee*, weekend overtime enhancement, public and Bank Holiday enhancement, shift enhancement, call out pay/on call pay, transitional payments, and such other emoluments as the *Principal Employer* may decide.
- > For BMARC members it is *Basic Pay* at 1 April each year.

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# Technical terms used

**Pensionable Service** is the period during which you have paid contributions to the *Scheme* (including any contributions paid under the SMART Pensions Arrangement). It may also include an additional period purchased from a transfer payment (e.g. from a previous employer's pension scheme). Some members are also able to purchase additional *Pensionable Service* by paying *Additional Voluntary Contributions* (see page 8). *Pensionable Service* cannot exceed 45 years.

**Pension Commencement Lump Sum (PCLS)** is an optional cash lump sum received at retirement in exchange for part of your pension. It is currently not subject to income tax.

**Principal Employer** is BAE Systems plc.

**Scheme** is the Royal Ordnance Pension Scheme.

**Scheme Cap** is the maximum earnings used in any calculation of your contributions and benefits. The figure will normally be increased each year. This applies if you joined the *Scheme* on or after 1 June 1989.

**Scheme Maximum** refers to the limits which

were HM Revenue & Customs requirements up to 6 April 2006 and which continue to apply to *Scheme* benefits in a simplified form. For example, under the *Scheme Maximum* your benefits (excluding AVC benefits) must not exceed 2/3rds of your final earnings. (See page 10.)

**Scheme Year** is from 1 April and ends on 31 March.

**SMART Pensions Arrangement** is provided if you are employed by companies wholly owned by BAE Systems or participating Joint Venture Companies, all contributions (except AVCs for MBDA members) will be made under the *SMART Pensions Arrangement*, unless you choose to opt out of the *SMART Pensions Arrangement*. Full details of the *SMART Pensions Arrangement* can be found in a separate SMART Pensions FAQ document, which can be found at: [pensions.baesystems.com/more-information/member-booklets](https://pensions.baesystems.com/more-information/member-booklets)

**Trustee** is the Royal Ordnance (Crown Service) Pension Scheme Trustees Limited.



The following terms are used in this booklet and it is important that you understand what they mean in the context of the Royal Ordnance Pension Scheme. They are highlighted in *italics* throughout the booklet.

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# Where to go for Information

## Raising a request or query

Aptia is the *Scheme* administrator. To raise a request or query, please contact Aptia using the details on the right hand side of the page. If you use the website you are able to upload any document if you would like to, rather than send them by post. Any information provided by you to Aptia digitally via the website will be encrypted. By using this route:

- > You will know instantly that your enquiry has been received and is being processed;
- > You can access the digital service at any time;
- > If you cannot find the answers you need online, you can send a question to the administration team.

## OneView Member Portal

From OneView, you can view the current estimated value of your retirement benefits, run an estimated retirement quote to help plan for your retirement\*, run an instant (non-guaranteed) transfer value quote and update your nomination of beneficiaries online. Other information held on OneView includes annual newsletters, funding updates, annual benefit statements (where provided), monthly payslips for pensioners, information about the *SMART Pensions Arrangement* and more.

## Digital Communications

The Trustees are keen to move away from sending paper-based communications and are in favour of using digital communications instead. This is for a number of reasons including:

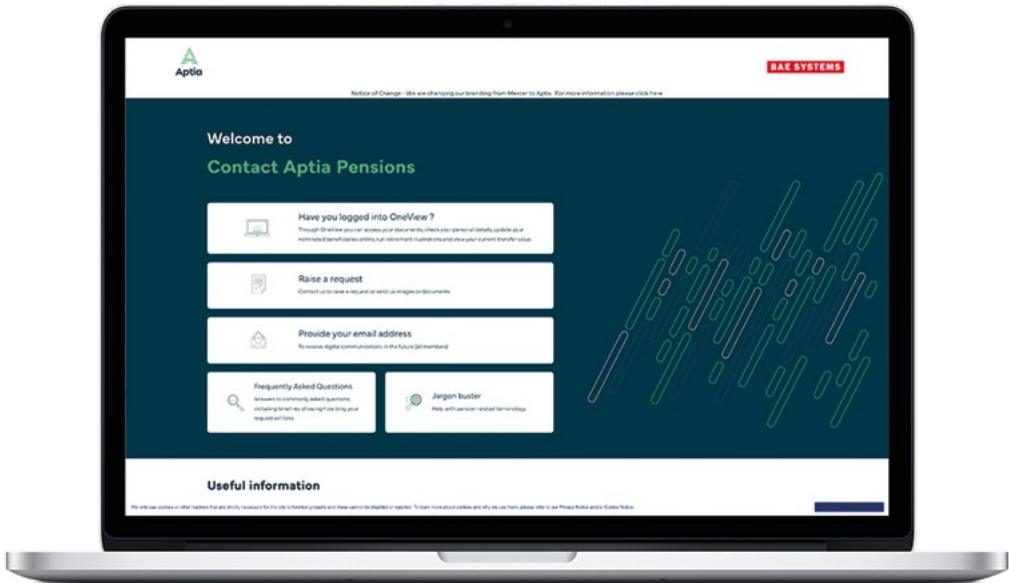
- > It is important that we can contact you quickly with *Scheme* information – it is much easier to achieve this digitally than via the postal service.
- > The carbon footprint of sending information out digitally is far smaller than our current method of print and postage – this allows a better use of *Scheme* resources and is more environmentally friendly.
- > The saving in printing and postage costs will be retained in the *Scheme*.

If Aptia hold your email address (either personal or work), Aptia will be able to let you know when general communications have been added to OneView. Aptia will also send any communications that would have automatically gone to your home address or respond to any requests you make via email.

If Aptia do not hold an email address for you, any automatic communications or individual requests will be answered by post (or by telephone where relevant).

## Opting out of Digital Communications

If you would like to receive all of your communications by post (including all general communications which will be placed on OneView) you will still be able to do so. You will need to let Aptia know that you wish to opt-out of digital communications by confirming your full name and National Insurance number, the full name of the *Scheme* / section you are in and that you wish to opt-out of receiving digital communications.



\* There will be a few exceptions where OneView cannot provide quotes, such as members with complicated benefit histories. You should contact Aptia directly if you experience any problems in generating an online quote.

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# Summary of Scheme benefits

| When you retire           |                                                     | Death benefits                                                   |                                                                       |                                                                  | If you leave      |
|---------------------------|-----------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------|-------------------|
| For Crown Service members | For 1984 and BMARC members                          | In service                                                       | In retirement                                                         | In deferment                                                     | Deferred benefits |
| A pension for life        | A pension for life                                  | Lump sum                                                         | If within 5 years of retirement – balance of pension paid as lump sum | An Adult Dependant’s pension and/or Eligible Children’s pensions |                   |
| Tax-free cash sum         | A reduced pension for life plus a tax-free cash sum | An Adult Dependant’s pension and/or Eligible Children’s pensions | An Adult Dependant’s pension and/or Eligible Children’s pensions      | Lump sum                                                         |                   |
|                           |                                                     | Refund of contributions with interest (BMARC members only)       |                                                                       |                                                                  |                   |



As a member of the *Scheme*, you have access to a number of **valuable benefits**

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# Membership of the Scheme

No new members are admitted. Contributing members continue to earn benefits from the *Scheme* in accordance with the Rules in force from time to time.

There are three membership categories in the *Scheme*:

- > **Crown Service** – This section is for members who were part of The Royal Ordnance (Crown Service) Pension Scheme.
- > **1984** – This section is for members who were part of The Royal Ordnance (1984) Pension Scheme.
- > **BMARC** – This section is for members who were part of the British Manufacture And Research Company Limited Pension and Life Assurance Scheme (BMARC).

The Crown Service and 1984 schemes merged on 6 April 1991 to form The Royal Ordnance Pension Scheme, and then in 1995 the BMARC scheme merged with the *Scheme*. The three membership categories in the *Scheme* correspond to the three old schemes.

This booklet applies to all three membership categories. However, there are some areas in which the information given differs between categories. These instances are marked as to which category applies.

This booklet applies to all three membership categories

## Opting out

Membership of the *Scheme* is not a compulsory part of employment with the *Company*. As a member of the *Scheme*, you can opt out at any time.

You will be required to give the *Trustee* and the *Company* two months' written notice of your intention to leave the *Scheme*. At the end of the pay period in which your two-month notice period expires you will be treated under the *Scheme* as if you had left service.

If you decide to opt out:

- > You will lose the benefit of the *Company's* commitment to meet the balance of the cost of future pension provision under the *Scheme*.
- > You will lose the protection provided by the *Scheme* to you and your dependants in the event of your death in service.
- > You will lose the protection provided by the *Scheme* to you and your dependants in the event of your early retirement from the *Company* on account of serious ill-health.
- > You will lose an opportunity to earn benefits linked to your future earnings and service.

To opt out of the Scheme please contact the Scheme administrator Aptia, using the contact details on the right hand side of this page. If you subsequently change your mind please note that re-entry into the Scheme is not allowed.

The decision to opt out is yours alone but you should give careful consideration before doing this and you may wish to consult with an Independent Financial Adviser.

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# Making contributions to the Scheme

## Your contributions

Member contributions are 4.6% of *Contributory Pensionable Pay*.

### SMART Pensions Arrangement

If you participate in the *SMART Pensions Arrangement* you will not make contributions to the *Scheme*. Instead, the *Company* will pay an additional amount into the *Scheme*, which is exactly the same as the amount of money that you would otherwise pay if you did not participate in the *SMART Pensions Arrangement* (*MBDA members please note - any AVCs you pay are not payable under SMART*). Full details of the *SMART Pensions Arrangement* can be found in a separate SMART Pensions FAQ document, which can be found at [pensions.baesystems.com/more-information/member-booklets](https://pensions.baesystems.com/more-information/member-booklets)

### Income tax relief

Your contributions are deducted from your pay before tax is calculated; currently, you automatically receive income tax relief at your highest rate although some restrictions apply to high earners (see [page 20](#) for further information).

Your contributions are deducted from your pay before tax is calculated

## Company contributions

The rate of *Company* contributions is agreed between the *Company* and the *Trustee* and with advice from the *Scheme's* Actuary, who carries out regular reviews of the financial position of the *Scheme*. The *Company* pays the balance of cost needed over the members' contributions.

### How the contributions are used

Your contributions, together with those from the *Company*, are credited to the *Scheme* and invested by the *Trustee*. The invested funds are used to provide benefits for members in accordance with the Trust Deed and Rules of the *Scheme*.

### Part-time employment

If, during the same period of continuous *Pensionable Service*, you have been in full-time employment and part-time employment, or the basic number of hours a week worked in part-time employment has varied from time to time, the *Trustee* will calculate your benefits as it considers appropriate after taking account of the number of hours worked.

## Temporary absence

If you are temporarily absent from work your membership of the *Scheme* usually continues for as long as you pay contributions into the *Scheme*. During any paid absence from work you usually continue to pay contributions and this period counts in full towards your pension.

If you stop paying contributions to the *Scheme*, your *Pensionable Service* usually ceases. On recommencing contributions, your *Pensionable Service* before and after the break is treated as continuous.

If you are absent as a result of maternity, adoption or paternity leave, you are treated as still in service for as long as you have a statutory or contractual right to return to work. You pay contributions on any amount of pay (including any statutory maternity, adoption or paternity pay) made while you remain employed by the *Company*.

If, however, you are absent as a result of parental leave you are treated as if you have left service unless you return to work at the end of that period of leave. In this case, your periods of service before and after that leave are treated as continuous but exclude the period of parental leave itself. A period of parental leave is only treated as *Pensionable Service* if, on your return to work, you pay the shortfall of contributions in respect of that period as if you had been working normally.

## Paying Additional Voluntary Contributions (AVCs)

All members in *Pensionable Service* are able to pay AVCs on a money purchase basis to a completely separate 'Master Trust' pension arrangement with the *MMT* administered by Scottish Widows. Full details can be found in the *MMT* Member guide by visiting [scottishwidows.co.uk/save/baesarsp](https://scottishwidows.co.uk/save/baesarsp), which also includes information about the AVC investment choices available.

Where a Crown Service or 1984 member was paying AVCs before April 2006 to purchase an additional period of membership, the member is unable to increase the percentage rate at which those AVCs are paid. Members can no longer start making payments for additional service.

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# How to calculate your pension

## Crown Service members

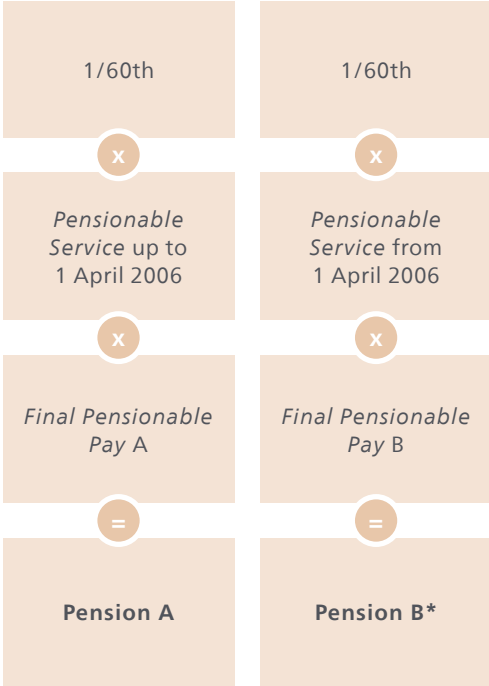
On retirement at or after *Normal Pension Age* you are entitled to an annual pension of 1/80th of your *Final Pensionable Pay* for each year of your *Pensionable Service*.



Total Pension = Pension A + Pension B

## 1984 members

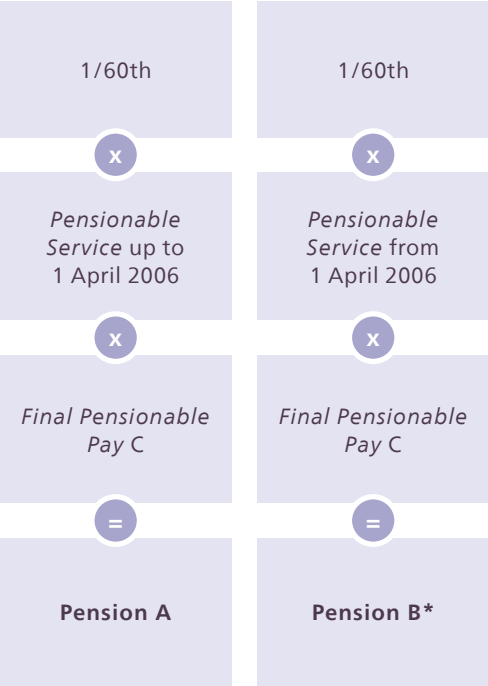
On retirement at or after *Normal Pension Age* you are entitled to an annual pension of 1/60th of your *Final Pensionable Pay* for each year of your *Pensionable Service*.



Total Pension = Pension A + Pension B

## BMARC members

On retirement at or after *Normal Pension Age* you are entitled to an annual pension of 1/60th of your *Final Pensionable Pay* for each year of your *Pensionable Service*.



Total Pension = Pension A + Pension B

### Note

\*Pension B is adjusted by the *Longevity Adjustment Factor* which will vary from time to time and will be calculated at the same time as your pension.

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# How to calculate your pension

## Additional tax free cash sum

### Crown Service members

In addition to the total pension amount shown on **page 9**, a tax-free cash sum of 3/80ths of your *Final Pensionable Pay* for each year of your *Pensionable Service* will be payable.

3/80th

x

Pensionable Service up to 1 April 2006

x

Final Pensionable Pay A

=

Tax-free cash sum A

3/80th

x

Pensionable Service from 1 April 2006

x

Final Pensionable Pay B

=

Tax-free cash sum B\*

Total tax-free cash sum = Tax free cash sum A + Tax free cash sum B

\*Tax free cash sum B is adjusted by the *Longevity Adjustment Factor* which will vary from time to time and will be calculated at the same time as your pension.

Note

If you did not contribute towards an Adult Dependant’s pension in a *Former Scheme* or you do not have a full contribution record, your lump sum benefit will be reduced by the WPS debt. If you wish to pay off your WPS debt before retirement, please contact the *Scheme* administrator, Aptia.

## Scheme Cap and Scheme Maximum

Your *Final Pensionable Pay* in the calculations on **page 9** and above will be restricted to the *Scheme Cap* if appropriate. Under the *Scheme Maximum* your benefits (excluding *Additional Voluntary Contributions*) must not exceed 2/3rds of your final earnings. Your final earnings can include other taxable benefits such as overtime or shift payments and may therefore be greater than your *Final Pensionable Pay*.

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# How to calculate your pension

## Benefits from Additional Voluntary Contributions (AVCs)

Where a Crown Service or 1984 member has paid AVCs to purchase an additional period of *Pensionable Service*, this will be allowed for in calculating your pension and will be treated as earned prior to 1 April 2006.

For all members who make money purchase AVCs, when you retire you may be able to exchange part of your pension for a cash lump sum known as a *PCLS*. Under current legislation, this is paid free of tax. If you have AVCs under the separate *MMT* arrangement, when you take your *Scheme* benefits you may be able to transfer these back to the *Scheme* and use them to provide your *PCLS* (subject to maximum limits – see below).

The maximum amount that can be transferred back will be based on a figure that when added back together with your *Scheme* benefits equates to the maximum *PCLS* you are allowed to take (normally 25% of the total value of your pension benefits). On the rare occasion that if, when added back together there is an excess amount over and above the maximum *PCLS* allowed, this amount will remain in the *MMT* for you to use in accordance with options under the *MMT*.

Note that this option to transfer your AVCs back to the *Scheme* to provide your *PCLS* is offered at the discretion of the *Trustee*. Whilst the *Trustee* currently offers this option, there is no guarantee that it will continue to do so indefinitely. If the *Trustee* changes its policy, members will be notified.

Alternatively, at retirement you may choose to keep all of your savings in the *MMT* in order to access the additional pension flexibilities available through the *MMT* such as income drawdown or to purchase an annuity on the Open Market. More details can be found by visiting the *MMT* website at [scottishwidows.co.uk/save/baesarsp](http://scottishwidows.co.uk/save/baesarsp). You could decide to receive a *PCLS* from the *Scheme* of up to 25% of the value of your *Scheme* benefits and also receive a separate tax-free *PCLS* of up to 25% of the value of your *MMT* account. You may also wish to take your *MMT* benefits at a different time to your *Scheme* benefits (earlier or later) or choose to transfer these to another arrangement.

## Contracted-out underpins

### Guaranteed Minimum Pension

As the *Scheme* was contracted-out, the *Scheme* must provide a minimum level of benefit in respect of your *Pensionable Service* up to 5 April 1997, which is known as the Guaranteed Minimum Pension (GMP). Although contracting-out has been abolished from 6 April 2016, existing contracted-out benefits like GMP are to remain protected.

A number of restrictions apply to the GMP. In particular, it is not payable before *GMP Age* and normally no part of it can be exchanged for a cash sum (which may restrict the amount of pension you can give up for a cash sum at retirement). Provision of a GMP may also restrict your options on early retirement as the reduced pension at *GMP Age* must be sufficient to provide your GMP.

Once your GMP is in payment (which will be after your *GMP Age*), the *Scheme* increases any GMP earned after 6 April 1988 in line with the Consumer Prices Index, subject to a maximum of 3% a year. Any GMP earned before 6 April 1988 does not increase.

On your death, any pension which is payable to your legal spouse or *Civil Partner* is at least equal to your spouse's GMP. This is approximately half the member's GMP for the widow of a male member and half the member's GMP in respect of service after 6 April 1988 for the widower of a female member, a same sex spouse or *Civil Partner*.

### Reference Scheme Test

From 6 April 1997, the *Scheme* was contracted-out on a defined benefit basis. The *Scheme* was required to satisfy a 'Reference Scheme' test, namely that it provided benefits broadly equal to or above a specified minimum level. This ceased to apply when contracting-out was abolished.

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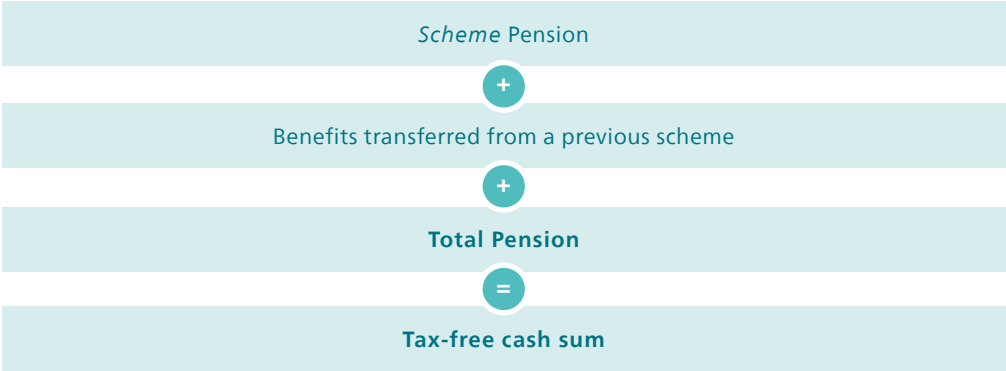
Address:  
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# When you reach retirement

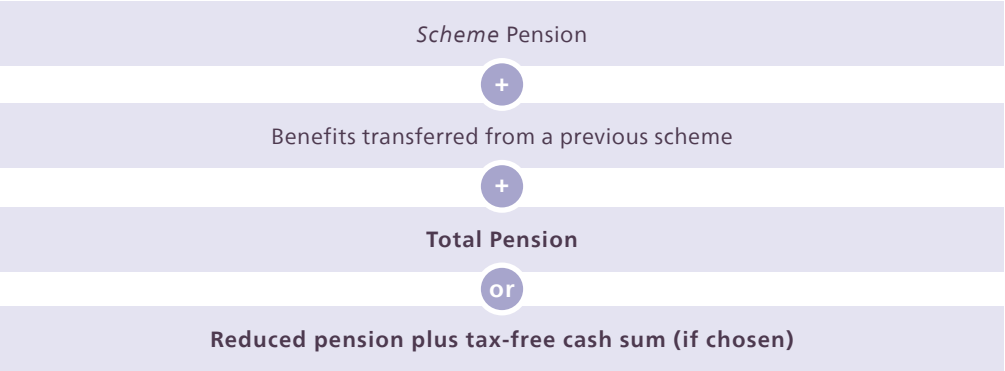
## Retiring from Pensionable Service on or after Normal Pension Age

Your pension will be calculated as shown on [page 9](#). If you transferred benefits into the *Scheme* from a previous pension arrangement, you will receive an additional yearly amount on top of your pension earned whilst in the *Scheme*.

### Crown Service member



### 1984 and BMARC members



## Retiring from Pensionable Service before Normal Pension Age (except on medical grounds)

You may be permitted to retire at any time after the age of 50 and receive immediate benefits. For BMARC members this is subject to the consent of the Trustee and the Company and the earliest you can retire is age 55.

### Crown Service and 1984 members

If you retire early, your pension (and additional tax free cash sum, if a Crown Service member) will be reduced by 4% for every year they are taken before the *Normal Pension Age* in force at the time the benefit was earned.

### BMARC members

If you retire before age 60, your pension will be reduced to take account of the extra years over which the pension might be paid. The early retirement reduction factors are determined by the *Trustee* on advice from the *Scheme's* Actuary. They are reviewed periodically and may change from time to time. No reduction is applied to pension earned prior to 1 April 2006 if you are aged 60 or more when you retire.

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# When you reach retirement

## Retiring early from pensionable service on medical grounds

If you cannot work due to ill-health, you may be able to retire at any age with the consent of the *Trustee* and the *Company*. There are two levels of benefits payable, depending upon the severity of your illness.

**Incapacity** means a physical or mental deterioration which exists at the time employment ends and which, in the opinion of the *Trustee* (acting on the advice of a medical officer appointed by the *Trustee* or in reliance upon evidence from another medical practitioner), is sufficiently serious to prevent you permanently from following your normal job or any comparable job offered to you.

**Full medical retirement (Crown Service and 1984 members)** means retirement from service due to the state of physical and mental health (resulting from an accident or bodily or mental infirmity). Your state of health must exist at the time your employment ends and should, in the opinion of the *Trustee* (acting on the advice of a medical officer appointed by the *Trustee* or in reliance upon evidence from another medical practitioner), permanently prevent you from performing any regular work that the *Trustee* believes would be reasonable for you to undertake and is serious enough to prevent you from working again.

If you receive a pension due to ill health and your health improves so that you no longer satisfy the definition of incapacity or full medical retirement (as applicable), the *Trustee* may suspend your pension until you reach *Normal Pension Age*. Alternatively, if you retire on full medical retirement then cease to satisfy that definition, but satisfy the definition of incapacity instead, your pension may be reduced to the incapacity level.

The basis of the calculation of the medical retirement pensions is illustrated in the following diagrams:



Partially Enhanced *Pensionable Service* is your *Pensionable Service* at date of retirement plus 50% of the period which would have been included in your *Pensionable Service* if you had remained in service until the *Normal Pension Age* in force at the date on which you retire.

Full medical retirement is available only to members who have at least five years' *Pensionable Service*.

Your *Final Pensionable Pay* in the calculations above will be restricted to the *Scheme Cap* if appropriate.

Pension in the above calculations earned on or after 1 April 2006 will be adjusted by the *Longevity Adjustment Factor* which will vary from time to time and will be calculated at the same time as your pension.

## How your pension will be paid to you

Your monthly pension is paid to you in advance on the first working day of each calendar month direct to your bank or building society account. These pension payments are treated as earned income and are subject to tax under the PAYE system, using a tax code provided by HM Revenue & Customs.

Payslips are available to view on OneView. If you do not sign up to digital communications (see **page 5**) further payslips will only be sent to you when there is a variation in your pension amount of more than £10 compared to the prior month.

## Contact Details

Visit the website:  
[contactpensionsadmin.com/BAES](https://contactpensionsadmin.com/BAES)

Telephone Helpdesk:  
**0330 818 7282**

Address:  
Aptia, Maclaren House, Talbot Road,  
Stretford, Manchester, M32 0FP

# When you reach retirement

## Protected Pension Age

Certain Scheme members may enjoy a Protected Pension Age (PPA) which permits Scheme benefits to be accessed before the Normal Minimum Pension Age (NMPA) which is currently 55 (increasing to 57 from April 2028). The NMPA is the minimum age at which an individual can access their pension savings without incurring an unauthorised payments tax charge. Under the Scheme if you retire from active or deferred status you will have a PPA of 50 if you joined the Scheme before 6 April 2006. Please note that the Scheme PPA cannot be recognised under the Mercer Master Trust and, therefore, any former Scheme AVCs which are not transferred back to the Scheme at retirement and which are used to purchase retirement benefits under the Mercer Master Trust, will not be accessible before the NMPA as applies from time to time. If you have any queries about this issue please contact Aptia.

## Increases to pension in payment

Your pension is increased each year. A proportionate increase is given in the first year of retirement. The increases are calculated as follows:

## Pension Commencement Lump Sum (PCLS) option

The maximum PCLS you can receive depends on your available 'Lump Sum Allowance'. For most people, the Lump Sum Allowance is £268,275, however it may be higher if you have a previous Lifetime Allowance protection (please refer to [page 20](#)). Your available Lump Sum Allowance will be lower if you have already received retirement benefits from another pension scheme. Before exchanging any of your annual pension for PCLS you should think carefully about your long-term financial needs and those of your dependants. You may want to consider taking financial advice.

## Transferring Benefits

Since 6 April 2015, members with money purchase or defined contribution savings have been able to access more of their pension benefits as cash from age 55 (subject to payment of income tax). These options are not available for your benefits in the *Scheme*. If you wish to access funds in this way, you will need to transfer your *Scheme* benefits to a defined contribution pension arrangement offering these flexibilities and you may need to take independent financial advice before doing so. Please refer to [page 19](#) for information about transferring out.

## Crown Service members

| Pre GMP Age                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Your pension will be increased annually, in line with the <i>Pension Increase Orders</i> .                                                                                                                                                                                                                  |
| Post GMP Age                                                                                                                                                                                                                                                                                                |
| Your pension (excluding the GMP) will be increased annually, in line with the <i>Pension Increase Orders</i> . The part of your GMP earned after 6 April 1988 will be increased in line with the Consumer Prices Index up to a maximum of 3% a year. Further details are shown on <a href="#">page 11</a> . |

## 1984 members

| Pre GMP Age                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Your pension will be increased annually, in line with the <i>Pension Increase Orders</i> , subject to a maximum of 5% per year.                                                                                                                                                                                                                |
| Post GMP Age                                                                                                                                                                                                                                                                                                                                   |
| Your pension (excluding the GMP) will be increased annually, in line with the <i>Pension Increase Orders</i> subject to a maximum of 5% per year. The part of your GMP earned after 6 April 1988 will be increased in line with the Consumer Prices Index up to a maximum of 3% a year. Further details are shown on <a href="#">page 11</a> . |

## BMARC members

| Pre GMP Age                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Your pension will be increased annually by 5% per year (subject to certain limits).                                                                                                                                                                                                                  |
| Post GMP Age                                                                                                                                                                                                                                                                                         |
| Your pension (excluding the GMP) will be increased annually by 5% per year (subject to certain limits). The part of your GMP earned after 6 April 1988 will be increased in line with the Consumer Prices Index up to a maximum of 3% a year. Further details are shown on <a href="#">page 11</a> . |

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# Death benefits

## Death in service

If you die while still a contributing member, benefits on the following basis will be paid (subject to certain limits). A *Longevity Adjustment Factor* will apply to any pension earned from 1 April 2006.

### Crown Service members

A lump sum of three times the greater of the annual rate of your *Pensionable Pay* on the date of your death and your *Final Pensionable Pay A* on the day before you died.



An Adult Dependant's pension of two-thirds of the pension you would have received if you had retired due to Full Medical Retirement on the day before you died.



Eligible Children's pensions based on a proportion of the pension you would have received if you had retired due to Full Medical Retirement on the day before you died (see opposite).

Some members exercised an option in 1972 on the level of widow's pension which may affect the level of the Adult Dependant's pension.

For female members the Adult Dependant's pension payable is two-thirds of the pension they have earned after 1 January 1985 only.

The death benefit lump sum may be reduced if your *Former Scheme* has paid a death benefit lump sum or you have any outstanding contributions.

### 1984 members

A lump sum of three times the greater of the annual rate of your *Pensionable Pay* on the date of your death and your *Final Pensionable Pay A* on the day before you died.



An Adult Dependant's pension of one-half of the pension you would have received if you had retired due to Full Medical Retirement on the day before you died.



Eligible Children's pensions based on a proportion of the pension you would have received if you had retired due to Full Medical Retirement on the day before you died (see opposite).

### Eligible Children's pensions (Crown and 1984 members)

| Number of children | Any Adult Dependants? | Proportion of Full Medical Retirement pension |
|--------------------|-----------------------|-----------------------------------------------|
| 1                  | Yes                   | 1/4                                           |
|                    | No                    | 1/3                                           |
| 2                  | Yes                   | 1/2                                           |
|                    | No                    | 2/3                                           |
| 3                  | Yes                   | 1/2                                           |
|                    | No                    | 1                                             |

The proportions above are split between the number of children eligible to receive a pension.

### Note to all members

If you die in *Pensionable Service*, in some circumstances a higher lump sum may be payable depending on the length of *Pensionable Service*. For further information please contact the Scheme administrator, Aptia.

### BMARC members

A lump sum of four times the greater of *Pensionable Pay* or *Basic Pay* on the date of your death.



An Adult Dependant's pension OR Eligible Children's pensions of one-half of the pension you would have received if you had remained in *Pensionable Service* until the *Normal Pension Age* in force at the date of your death.



A refund of your own contributions with interest.

If a BMARC member dies in service without leaving an Adult Dependant the pension otherwise payable will be distributed between the member's Eligible Children.

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# Death benefits

## Death after retirement

If you die while receiving a pension from the *Scheme* the following benefits will be paid:

### Crown Service members

An Adult Dependant’s pension of 1/120th of your *Final Pensionable Pay*, multiplied by your pensionable service for dependant’s benefits (see below). The part of the pension that relates to service on or after 1 April 2006 is adjusted by the *Longevity Adjustment Factor*.

+

Eligible Children’s pension based on a proportion of your pension entitlement when you retired, (see table on [page 15](#) for the proportions payable).

+

**The five year payment guarantee**

If you die whilst receiving a pension from the *Scheme* within the first five years after your retirement, a lump sum equal to the unpaid balance of five years’ pension payments (at the rate applicable at the date of death disregarding future increases) will be paid.

In many cases, pensionable service for dependant’s benefits will be the same as your *Pensionable Service*. However, this will not always be the case. For example:

- > Some members exercised an option in 1972 on the level of widow’s pension which may affect the level of the Adult Dependant’s pension.
- > For female members the Adult Dependant’s pension payable is two-thirds of the pension they have earned after 1 January 1985 only.

If you would like to know what pensionable service for dependant’s benefits means in your case, please contact Aptia.

### 1984 members

An Adult Dependant’s pension of one-half of the pension being paid to you, ignoring any reduction in your pension to take account of any tax free cash you received at your retirement.

+

Eligible Children’s pension based on a proportion of your pension entitlement when you retired, (see table on [page 15](#) for the proportions payable).

+

**The five year payment guarantee**

If you die whilst receiving a pension from the *Scheme* within the first five years after your retirement, a lump sum equal to the unpaid balance of five years’ pension payments (at the rate applicable at the date of death disregarding future increases) will be paid.

### BMARC members

An Adult Dependant’s pension of one-half of the pension being paid to you, ignoring any reduction in your pension to take account of any tax free cash you received at your retirement.

or

Eligible Children’s pension of one-half of the pension being paid to you, ignoring any reduction in your pension to take account of any tax free cash you received at your retirement. This pension will be divided amongst all your Eligible Children.

+

**The five year payment guarantee**

If you die whilst receiving a pension from the *Scheme* within the first five years after your retirement, a lump sum equal to the unpaid balance of five years’ pension payments (at the rate applicable at the date of death disregarding future increases) will be paid.

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# Death benefits

## Death with deferred benefits

If you leave the *Scheme* and die before your pension starts, for Crown Service and 1984 members, Adult Dependant's and Children's Pensions will be payable as if you had retired on the day before your death. For BMARC members, an Adult Dependant's Pension will be payable; Children's Pensions will be payable if there is no Adult Dependant.

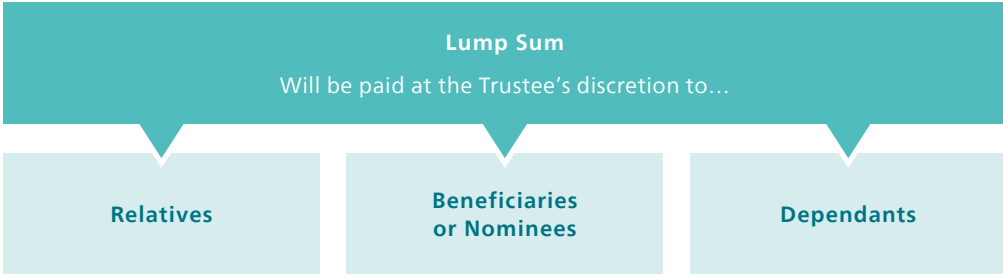
For female Crown Service members the pension will be based on *Pensionable Service* after 1 January 1985 only.

In addition, for Crown Service members, a lump sum will also be payable equal to the standard tax free cash sum you would have received if you had retired on the day before your death. For 1984 members a tax free cash lump sum is payable equal to the maximum amount obtainable by exchanging pension for tax free cash within HM Revenue & Customs limits. For BMARC members a lump sum equal to the member's contributions plus interest is payable.

## Payment of lump sum death benefits

The lump sum death benefit will be paid to, or for the benefit of, your dependant(s), relatives, nominees or charities, at the discretion of the *Trustee*. This generally enables payment to be made quickly and normally without liability to Inheritance Tax.

The Lump Sum and Death Benefit Allowance limits the amount of tax-free lump sum that can be paid both in a lifetime and on death. For those without HM Revenue & Customs protection it is set at £1,073,100.



### Nomination of Beneficiaries – Take Action

It is very important that you nominate your beneficiaries in relation to your pension and provide the *Scheme Trustee* with an indication of who you would like your lump sum benefits paid to in the event of your death. The Trustee is not bound by your wishes but it will take them into account when exercising its discretion. Please do take the opportunity via the website and through OneView to update your Nomination of Beneficiaries online.

Please be aware that if you have AVC benefits in the MMT you **must** complete a separate Nomination of Beneficiaries for this arrangement. Please go to [scottishwidows.co.uk/save/baesarsp](https://scottishwidows.co.uk/save/baesarsp) for more information. Scottish Widows are the MMT scheme administrator. You can also contact the Scottish Widows Workplace Saving Team on 0800 015 2038 or via email [workplacesavings@scottishwidows.co.uk](mailto:workplacesavings@scottishwidows.co.uk).

## Adult Dependant's pension

An Adult Dependant is a person (other than an Eligible Child) considered by the *Trustee* to be financially dependent on you. This may include anyone who shares living expenses with you, or receives financial support from you. Your spouse or *Civil Partner* is automatically considered to be financially dependent on you.

The Adult Dependant's pension is payable for life but may cease at the discretion of the *Trustee* on remarriage before the age of 60.

Payment of the Adult Dependant's pension will commence on the first day of the month following the date of your death.

The *Trustee* has discretion to apportion the Adult Dependant's pension if there is more than one Adult Dependant.

For BMARC members, the Adult Dependant's pension will be reduced if your Adult Dependant is more than 10 years younger than you. The reduction will be such amount as the *Trustee* decides on the advice of the *Scheme's* Actuary, but will not be more than 2.5% for each year of age difference in excess of 10.

## Eligible Children's pension

Eligible Children are your children, financially dependent step-children, legally adopted children and any other children who, in the opinion of the *Trustee* are dependent on you at the time of your death and whom the *Trustee* agrees to treat as your children for these purposes, up to the age of 19, or above this age if the child is in full-time education or training which is approved by the *Trustee*.

A child will cease to be an Eligible Child when they attain age 23 unless the child is incapacitated by mental or physical infirmity.

A Nomination of Beneficiaries can help decide who receives the benefits

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# Leaving the Scheme

If you leave the *Company* before you reach retirement, your membership of the *Scheme* will cease. You can also choose to cease your membership of the *Scheme* whilst you are still an employee of the *Company* by ‘opting out’ (see page 7). On leaving the *Scheme* you will have deferred benefits.

## Your deferred benefits

This entitlement is worked out in the same way as for normal retirement based on your *Pensionable Service* and *Final Pensionable Pay* but only up to the date you leave. These benefits will be paid to you when you claim payment of your pension.

### Certificate of Deferred Benefits

When you leave the *Scheme*, you will be given a Certificate of Deferred Benefits and it is important that you keep this safe. It is also important that you keep the *Scheme* administrator Aptia informed of any change of address to ensure that you can be traced when your benefits become due. Deferred members can update their address details via OneView.

## Increases to your deferred benefits

### Crown Service members

Your deferred pension and the additional tax-free cash sum will increase in line with the *Pension Increase Orders* each year over your period of deferment to *Normal Pension Age*.

### 1984 members

Your deferred pension will increase in line with the *Pension Increase Orders* each year subject to a maximum of 5% a year over your period of deferment to *Normal Pension Age*.

### BMARC members

Your deferred pension (in excess of the GMP) will increase by 5% each year over the period of deferment to *Normal Pension Age*.

## Early payment of your deferred pension

Your deferred benefits can be paid any time after your 50th birthday (for BMARC members this is subject to *Trustee* consent and the earliest age you can take your deferred benefits is age 55) unless you are suffering from ill-health in which case it may be paid earlier subject to certain conditions.

### Crown Service and 1984 members

If you retire early your pension, and in the case of Crown Service members the additional tax-free cash sum benefit, will be reduced by an early retirement factor to allow for the extra years over which the benefits will be paid. The reductions are calculated according to the *Normal Pension Age* that was in force when each element of the benefit was earned.

### BMARC members

If you take your pension early, subject to *Trustee* consent before age 60, your pension will be reduced by an early retirement factor to account for the extra years over which the pension will be paid. The early retirement reduction factors are determined by the *Trustee* on advice from the *Scheme’s* Actuary. They are reviewed periodically and may change from time to time. Pension earned after 1 April 2006 is subject to slightly different early retirement terms.

### Discretionary Option

The *Trustee* has the discretion to apply more favourable terms if you are able to demonstrate that your state of health satisfies the definition of full medical retirement (incapacity in the case of BMARC members). The *Scheme’s* Medical Adviser will need to prepare a report for the *Trustee*, and you will be asked to complete a form authorising the release of your medical records to support this.

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# Leaving the Scheme

## Late payment of your deferred pension

If the *Trustee* agrees, you may be able to elect to receive the benefits starting later than your *Normal Pension Age*. Your benefits will increase between *Normal Pension Age* and the date that you actually retire by an amount determined by the *Trustee* acting on the advice of the *Scheme's* Actuary.

## Transferring-out

As an alternative to leaving your deferred benefits in the *Scheme*, you may choose to take a transfer payment to either your new employer's scheme or to another pension arrangement. If you wish to transfer your benefits the first step is to obtain your Cash Equivalent Transfer Value (CETV). This is the cash value the *Scheme* will offer you in exchange for you giving up your Defined Benefit (DB) pension rights.

You must have left *Pensionable Service* at least one year before the *Scheme's Normal Pension Age* to apply for a CETV and can accept it any time up to a year before the *Scheme's Normal Pension Age*. The CETV is guaranteed for three months from the date of calculation. You must no longer be in *Pensionable Service* for the guarantee period to apply. If you are still in *Pensionable Service*, the CETV will be an estimate and can't be guaranteed. Most deferred members and members in *Pensionable Service* can get an instant indicative CETV quote at any time via the website through OneView.

If you are a deferred member and wish to get a guaranteed CETV, you can request this via the website under 'Make a request' and 'Transfer Value'. If you do not complete the transfer paperwork within the three month period (including providing the administrator with the information they need for their checks) you will have to apply for another CETV which could be higher or lower than the amount before. Deferred members are permitted to receive one CETV in any 12 month period. If an additional CETV is required within 12 months a charge will be levied. When the fully completed paperwork, together with any additional evidence requested is received (which may include evidence that independent financial advice has been received), the *Scheme* administrator must pay the benefits to your new scheme within 6 months from the start of the transfer process i.e. the date that the CETV was first calculated.

Please note that the *Trustee* will need to complete detailed checks before deciding whether it can comply with your request to transfer. The checks determine whether the request meets the conditions to enable a statutory right to transfer and help reduce the risk of members being subject to pension scams. Most transfer requests are likely to be straightforward, however others may take up to the statutory 6 months' timeframe.

The CETV will contain details of your *Scheme's* guaranteed DB benefits and any DC benefits held with the *Scheme* from any legacy AVC arrangements. If you have AVCs in the *MMT* then you will need to contact the scheme administrator, Scottish Widows to transfer these benefits to your preferred provider. Please go to [scottishwidows.co.uk/save/baesarsp](https://scottishwidows.co.uk/save/baesarsp) for more information.

## Protecting your pension

If the cash equivalent of your *Scheme* benefits is greater than £30,000 and you wish to transfer to a defined contribution arrangement, you must first get appropriate financial advice from a Financial Conduct Authority (FCA) authorised adviser to understand the financial and tax implications of the transfer. Your adviser will be required to provide you with written confirmation that you have received appropriate advice concerning the possible transfer to another arrangement. You will need to provide this to the *Trustee* of the *Scheme* before the transfer can take place. Whilst it is not a requirement for transfers of less than £30,000, it is recommended that you get independent financial advice before transferring your *Scheme* benefits.

It should be noted that it is the view of the Pensions Regulator and the FCA that transfers from final salary to defined contribution schemes are unlikely to be in the best interests of most members, although there are certain circumstances where they may be appropriate.

Please go to [scottishwidows.co.uk/save/baesarsp](https://scottishwidows.co.uk/save/baesarsp) for more information from the scheme administrator for AVCs.

## Contact Details

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# HM Revenue & Customs

## A registered scheme

The *Scheme* is a registered scheme. This means that certain tax concessions apply subject to certain restrictions.

The tax concessions currently in place are:

- > Full income tax relief on any contributions you make to the *Scheme* including *Additional Voluntary Contributions* although some restrictions apply.
- > Tax advantages for the *Scheme* in respect of certain income and capital gains from investments.
- > Tax-free cash sums may be payable on retirement and death.

## Tax limits

Pensions are tax efficient, but there are a number of allowances that can apply.

### Lifetime Allowance

The Lifetime Allowance was a limit on the value of pension benefits you could build up in your lifetime without paying an additional tax charge. The Lifetime Allowance tax charge was removed from 6 April 2023, and the Lifetime Allowance was removed completely from 6 April 2024. The standard Lifetime Allowance for the 2022/23 tax year was £1,073,100, which is equivalent to a total pension of £53,655 a year. If you have previously applied to HM Revenue & Customs for protection, a different Lifetime Allowance will apply to you.

Although the Lifetime Allowance no longer applied from 6 April 2024, the Lump sum and Death Benefit Allowance limits the amount of tax-free lump sum that can be paid both in a lifetime and on death. For those without HM Revenue & Customs protection it is set at £1,073,100.

### Lump Sum Allowance

The Lump Sum Allowance is the total tax-free lump sum limit you can receive from all your pensions, unless you have a valid protection certificate that allows you to take a higher tax-free amount. The Lump Sum Allowance limit is currently £268,275 (which is 25% of the Lifetime Allowance when it was abolished).

### Annual Allowance

The Annual Allowance is a threshold for how much total retirement benefit you can build up each year across all registered pension schemes, before incurring additional tax charges. Any excess pension savings above the Annual Allowance are subject to a tax charge, which will be collected through the self-assessment process. For most members the Annual Allowance is currently £60,000 but it is less for high earners.

### Tapered Annual Allowance

In April 2016 HMRC introduced the Tapered Annual Allowance for high earners and since April 2023 the Tapered Annual Allowance has reduced the standard Annual Allowance by £1 for every £2 of ‘adjusted income’ between £260,000 and £360,000. Broadly, ‘adjusted income’ includes personal sources of income (such as investment income or income from a buy-to-let property), employment-related income and a measure of the increase in pension savings over the tax year. Anyone with an adjusted income of over £360,000 has a fully Tapered Annual Allowance of £10,000. The Tapered Annual Allowance may also be reduced for anyone who is also subject to the Money Purchase Annual Allowance.

It is important to note that since April 2020 the standard Annual Allowance is not reduced if your threshold income for the tax year was £200,000 or less (or £110,000 for the tax years 2016/17 to 2019/20), no matter what your adjusted income was. Threshold income is broadly your adjusted income excluding the value of your pension benefits over the tax year.

### Money Purchase Annual Allowance

If you have flexibly accessed and started to take money from a defined contribution (money purchase) pension, the amount you can then pay into a defined contribution arrangement such as AVCs and still get tax relief reduces. This is known as the Money Purchase Annual Allowance and it is currently £10,000. This allowance covers both your own contributions and any other contributions paid into your pension pot on your behalf. If you pay into a defined contribution arrangement and are subject to the MPAA, then you can accrue defined benefits up to the Annual Allowance less any defined contribution payments up to the MPAA.

Please be aware that in any tax year you cannot claim tax relief on your contributions to pension schemes in excess of your annual earnings. Your contributions do not include any contributions made by the company under the SMART Pensions arrangement (MBDA members please note - Your contributions include AVCs).

If you believe you may be affected by the restrictions set out above, it is recommended that you seek independent financial advice. The pensions tax restrictions may change in the future. Further information on all these restrictions is available at [gov.uk/tax-on-your-private-pension](https://gov.uk/tax-on-your-private-pension)

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# General information

## Management of the Scheme

The *Scheme* is established under a trust administered by a Trust Company, Royal Ordnance (Crown Service) Pension Scheme Trustees Limited, which has its own Board of Directors (known as the *Trustee*).

The *Trustee* is responsible for supervising the correct operation of the *Scheme* through its managers, with the assistance, where appropriate, of other professional advisers.

Benefits under the *Scheme* are provided from a fund of investments (and not allocated to individual members), which is professionally managed on behalf of the *Trustee*.

## The State pension scheme and contracting-out

In April 2016, the Government replaced the two tiers of State Pension (the Basic State Pension and the additional earnings-related State Second Pension) with a new flat-rate State Pension, which applies to people who reach State Pension Age after 6 April 2016. Up to 5 April 2016, members of the *Scheme* were contracted-out of the State Second Pension, which was formerly known as the State Earnings Related Pension Scheme (SERPS). They had been able to pay a reduced rate of National Insurance as a result of being in a contracted-out scheme. Contracting-out was abolished from 6 April 2016 and members of the *Scheme* now pay the standard rate of National Insurance to build up entitlement to the new flat rate State Pension.

For further information on your State Pension entitlement you can contact:

> [gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)

## Transferring benefits from other schemes

It is not possible to transfer any benefits into the *Scheme*, however if you were a member of a previous employer's scheme or have a personal pension, it is possible whilst you are in *Pensionable Service* to arrange for a transfer payment to be made to the *MMT*. More detail around options under the *MMT* can be found in the *MMT* Member guide by visiting [scottishwidows.co.uk/save/baesarsp](https://scottishwidows.co.uk/save/baesarsp).

## Divorce

Divorce proceedings may result in the issue of a Pensions Sharing Order by the Court. Pension sharing is not mandatory but it is available as an alternative to pensions earmarking or the offsetting of pensions against other matrimonial assets.

## Financial advice

The *Company*, its employees and the *Trustee* are not authorised under the Financial Services and Markets Act 2000 as amended by the Financial (Banking Reform) Services Act 2013. This means that they cannot give investment advice or any advice regarding your membership of the *Scheme*. The information in this booklet is intended to help you make your own decision. However, if you are in any doubt, you should consult an Independent Financial Adviser. Full details about how you can access free financial guidance and what to consider before appointing an independent financial adviser can be found in a separate Pension Guide via the website on OneView.

## Assignment of benefits

You must not attempt to assign your future benefits to obtain cash payments or as security for loans. Under the *Scheme* Trust Deed and Rules, there could be no legal claim on the *Scheme* by anyone other than the person entitled to the benefits under the Trust Deed and Rules. Your benefits would cease to be payable and would come under the control of the *Trustee* for payment at its discretion.

## Amendments to the Scheme

The *Principal Employer* with the agreement of the *Trustee*, may, by deed, amend the *Scheme* at any time. You will be given written notice if your benefits or rights under the *Scheme* are materially affected by such amendments.

The *Company* intends to maintain the *Scheme* for the future, but in the unlikely event of it being discontinued, the *Trustee* would use the assets of the *Scheme* to provide benefits for the members in accordance with the *Scheme* Trust Deed and Rules.

Increased or additional benefits may be provided from the *Scheme* at the discretion of the *Company*, subject to the *Company* paying any additional contributions that the *Trustee* may require after taking actuarial advice.

## Internal Dispute Resolution (IDR) Procedure

If you have a query about the *Scheme*, the *Scheme* administrator Aptia will normally be able to resolve it. However, should you be dissatisfied with the response you receive, the *Trustee* has put in place a formal Internal Dispute Resolution (IDR) procedure for resolving complaints or disputes. You may obtain a copy of the formal IDR procedure from:

> Trustee Pensions, BAE Systems plc,  
2nd Floor Victory Point, Lyon Way,  
Frimley, Hampshire, GU16 7EX

Or by emailing:

> [pensions.policy@baesystems.com](mailto:pensions.policy@baesystems.com)

Having gone through the IDR procedure, if the *Trustee* are unable to resolve the complaint with you, then you can refer your complaint to the Pensions Ombudsman.

## Contact Details

Visit the website:  
[contactpensionsadmin.com/BAES](https://contactpensionsadmin.com/BAES)

Telephone Helpdesk:  
**0330 818 7282**

Address:  
Aptia, Maclaren House, Talbot Road,  
Stretford, Manchester, M32 0FP

# General information

## Pensions Ombudsman

Having gone through the IDR procedure, the Pensions Ombudsman (appointed under Section 145(2) of the Pension Schemes Act 1993) may investigate and make decisions about any complaint of maladministration and dispute of fact or law in relation to an occupational pension scheme where the person makes a complaint in accordance with the Act. There is no charge for these services. The Pensions Ombudsman can be contacted at:

- > 10 South Colonnade, Canary Wharf, E14 4PU
- > **0800 917 4487**
- > [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)
- > [pensions-ombudsman.org.uk](http://pensions-ombudsman.org.uk)

You can also submit a complaint online: [pensions-ombudsman.org.uk/making-complaint](http://pensions-ombudsman.org.uk/making-complaint)

## MoneyHelper

MoneyHelper brings together the support and services of three government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise. MoneyHelper aims to make your money and pension choices clearer. It provides impartial guidance and can recommend further trusted support if you need it. MoneyHelper can be contacted at:

- > **0800 011 3797**
- > [moneyhelper.org.uk](http://moneyhelper.org.uk)

## The Pensions Regulator

The Pensions Regulator is the regulator of work based pension schemes in the UK. Created under the Pensions Act 2004, its aims include protecting members' benefits and promoting good administration. The Pensions Regulator is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator can be contacted at:

- > Napier House, Trafalgar Place, Brighton, BN1 4DW
- > [thepensionsregulator.gov.uk](http://thepensionsregulator.gov.uk)

## Pension Tracing Service

Information about the *Scheme* (including the address at which the *Trustee* may be contacted) has been given to the Department for Work and Pensions. The Department acts as a central tracing agency to help individuals keep track of the deferred benefit entitlements they have in previous employers' schemes. If you have difficulty finding where pensions you have earned in the past are located the service can be accessed by contacting the Pension Tracing Service at:

- > **0345 600 2537**
- > [gov.uk/find-pension-contact-details](http://gov.uk/find-pension-contact-details)

## Pension Protection Fund

Introduced by the Pensions Act 2004, this Fund has been set up to protect pension benefits for members of company defined benefit pension schemes where the employer has become insolvent and the scheme is unable to meet its obligations. It is funded by a substantial levy on all defined benefit schemes and should help provide peace of mind for many people saving for retirement.

- > [pensionprotectionfund.org.uk](http://pensionprotectionfund.org.uk)

## Data Protection

The Trustee of the *Scheme* will collect and process information about you that may be subject to data protection laws. For more information about how it uses and discloses your personal information, how it protects your information, its legal basis to use your information, your rights and who you can contact, please refer to the relevant sections of the privacy notice at:

- > [baesystems.com/en/privacy](http://baesystems.com/en/privacy)

## Further information

Members in *Pensionable Service* and deferred members will have access to a benefit statement each year via the website and through OneView. Each year all members will also have access to the full *Scheme* Member Report and Accounts that will provide information on the performance of the *Scheme* and any other relevant information, such as the names of the Trustees and their advisers and other formal documents through OneView.

By providing the *Scheme* administrator, Aptia, with your email address they will be able to contact you to advise when general communications have been added to OneView. Alternatively if you would like to receive all of your communications by post you can do so by opting out of digital communications (see [page 5](#)).

If you require any further information on the Scheme or on pension matters in general, visit:

- > [contactpensionsadmin.com/BAES](http://contactpensionsadmin.com/BAES)

You can also ring Aptia on:

- > **0330 818 7282**

Alternatively, write to:

- > Aptia, Maclaren House, Talbot Road, Stretford, Manchester, M32 0FP



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