

BASF UK Group Pension Scheme

Taking your pension at retirement

As you approach retirement, it's important to understand the various options available to ensure you make the best decisions for your financial future. Depending on when you were a member of the Scheme, the benefits and options available may be different.

This document is intended to provide an overview of the options available and provide answers to some of the most frequently asked questions (FAQs). However, if you're not sure which section of the Scheme your benefits are held in or would like to see detailed options specific to you, please contact the Scheme Administrator to receive an individual quotation.

What do I need to know?

Members will have either Defined Benefits (DB), Defined Contribution (DC), or a mixture of both.

You can click the tiles below to see the general retirement options or FAQs for each type of benefit in the Scheme.

**DB pension
(options)**

**DB pension
(FAQs)**

**DC pension
(options)**

**DC pension
(FAQs)**

Contacting the Scheme Administrator

If you have any questions about your benefits, or to request a quote, you can contact the team using the details below:

✉ BASF UK Group Pension Scheme
Gallagher
PO Box 319
Mitcheldean
GL14 9BF

✉ BASF@aiq.com

📞 0330 123 0647

🌐 <https://www.pensionportal.co.uk/basf>



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Insurance | Risk Management | Consulting

Defined Benefits (DB) – understanding your options



A pension for life...

This is the standard option for all members of the DB Sections. You can opt to receive an annual pension from the Scheme and the amount available will depend on many factors including (but not limited to):

- Your salary when you were an active member of the Scheme
- How long you paid into the Scheme
- Your age when you take your benefits
- Which Section you are member of
- Whether you choose to exchange any of your pension for a cash sum

Cash lump sums

You may be able to exchange some of your pension for a cash lump sum. The amount will be calculated based on your benefits, age at retirement, and subject to any limits set by either the Scheme or the UK Government.

It may also be possible to exchange your entire pension for a cash sum, however, this option normally triggers high levels of tax, so you should seek independent financial advice before proceeding.



Transferring your pension

You only have the statutory right to transfer out of the Scheme if you are over one year younger than your Normal Pension Age (NPA). NPA is the age at which you first become entitled to take your pension without reduction.

You can apply to the Trustee for a non-statutory transfer in the 12 months before, or after, NPA). The Trustee is not obliged to provide one but currently allows transfers up to age 75. This policy is subject to change.

Depending on the value of your benefits there may be a requirement to take independent financial advice before transferring (where the transfer value is over £30,000). It is recommended that you discuss your requirements with an independent financial advisor. You can find more information about transfers on the [Pension Website](#).

If you are considering transferring your benefits, please be aware that Pension Scams are on the rise, and you should refer to the [FSCS website](#) for further information.

Speak with a financial adviser

Taking benefits from a pension scheme can be a confusing and difficult decision, therefore, it's recommended that you seek some help from a professional financial adviser.

BASF have appointed an independent company to help with your retirement choices and to help you maximise your retirement income.

You can contact Origen Financial Services on:

+44 344 209 3915

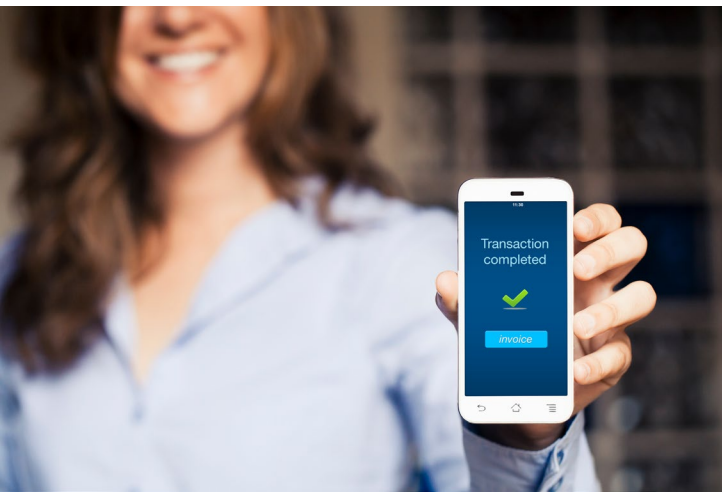
✉ basf@origenfs.co.uk

You may wish to choose your own IFA, either instead of or in addition to the Scheme appointed IFA. They will be able to give you advice in relation to your personal circumstances, but please be aware that you may be charged for this advice.

To find details of a local IFA visit www.unbiased.co.uk.



You can find various other helpful sources of information and advice by visiting www.moneyhelper.org.uk



Defined Benefits (DB) – Frequently Asked Questions (part 1)

Should I exchange part of my pension for a cash lump sum?

The Trustee cannot provide you with advice on which option you should choose. You should consider whether the tax-free cash option is suitable for your circumstances and, if necessary, take financial advice. You should note that:

- You can normally choose to receive a tax-free cash lump sum up to 25%
- Any regular pension you receive will be taxed at your marginal rate
- Pensions are usually payable for life, whereas cash lump sums are a one-off amount

When is the monthly pension payment date?

If you are a member of the BPP Section, your pension instalments will be paid on 15th of each month. All other sections are paid on 1st of each month. If you transfer your benefits to another provider on the open market, they will confirm the payment schedule.

Can I defer taking my retirement beyond my Normal Pension Age (NPA)?

Yes, you can normally defer your pension beyond your normal retirement date, but no later than your 75th birthday. This is subject to the rules of the relevant section of the Scheme.

Where a pension is deferred beyond NPA, it will normally be increased between your NPA and when you draw your benefits by a factor determined by the Trustee, with advice from the Scheme Actuary.

Please contact the [Scheme Administrator](#) if you want to defer your benefits to a later date.

What identification is required to draw my pension?

We need to check your identity and date of birth we hold for you on our records. The Scheme uses online identity verification experts to make these checks.

This is a safe and secure method of verifying your identity and date of birth and eliminates the need for you to post your original certificate and will not affect your credit rating or show up on a credit report. In the event we are unable to complete the checks this way, we will contact you to ask for your certificates.

The Trustee has a duty to ensure that your pension is paid to you and not fraudulently claimed.

When will I receive my benefits?

If you have chosen to take a cash lump sum it will normally be payable on or shortly after your retirement date, provided you have provided all required documentation in advance.

If you have Additional Voluntary Contributions (AVCs) included in your lump sum, we will not be able to make payment until we have received your funds from your AVC provider.



Defined Benefits (DB) – Frequently Asked Questions (part 2)

Will my pension increase once in payment?

Details of the increases to be applied to your pension once in payment can be found on your retirement statement. You will be notified in writing prior to any increase in payment.

Who do I contact about my pension, tax or P60 information?

If you receive your pension through the Scheme, you can view your pension payslips and P60s on the [Pension Portal](#). You can also contact the team by phone or in writing if you can't access the portal.

Can I increase my pension by sacrificing the spouse's pension?

Any spouse's pension payable under the Rules is an automatic right and cannot be surrendered.

Will I pay tax on my pension and cash lump sum?

Your pension is subject to income tax, which will be deducted at the rate advised by HM Revenue & Customs (HMRC). Basic Rate Income Tax will be applied initially until a code is received from HMRC.

Any lump sum you receive in exchange for a lower rate of pension will normally be paid tax-free. There are also other scenarios where tax is deducted. If any of these apply to you, you will be advised of this in your retirement quotation.

What happens to my pension when I die?

Depending on the options chosen at retirement and the rules of the Scheme which apply to you, a lump sum or lifetime pension may be payable to your beneficiaries. You should refer to your retirement quotation for further information.

Will my spouse receive a pension on my death?

Any spouse's pension payable will be quoted on your retirement statement. For most members with DC or AVC benefits, spouse's pensions provided from these benefits are optional and will affect the amount pension you can buy on the open market.

I'm not married; will my partner be entitled to a pension on my death?

The Scheme usually provides a pension under the Scheme Rules. For members that aren't married or in a Civil Partnership, in some sections of the Scheme, a pension will instead be paid to a nominated partner and in some sections, a dependant's pension may be paid at the discretion of the Trustee.

A dependant or nominated partner would be required to evidence their relationship with you and that there was financial dependence or interdependence between you, as part of the Trustee's decision-making process.



Defined Contribution (DC) – understanding your options



Buy a Guaranteed Income (annuity)

You can use your DC Account to buy an annuity, with an insurance company, that pays you a regular income, usually for the rest of your life.

You can choose to take up to 25% of your DC Account as a tax-free cash sum and use the balance to buy an annuity.

The amount of income your annuity will provide will depend on such factors as annuity rates at your retirement, your age, sex, health & lifestyle, and the additional options you want to add on to your annuity.

Speak with a financial adviser

Taking benefits from a pension scheme can be a confusing and difficult decision, therefore, it's recommended that you seek some help from a professional financial adviser.

BASF have appointed an independent company to help with your retirement choices and to help you maximise your retirement income.

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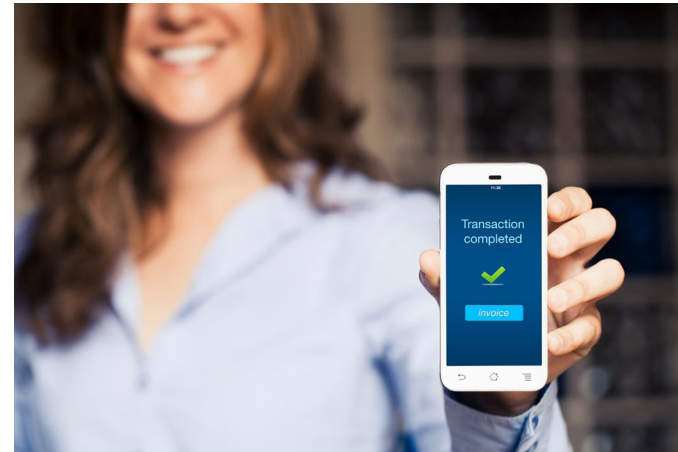


Transfer to an Income Drawdown arrangement

Drawdown allows you to withdraw your retirement savings as and when you like (subject to limits and tax). Your savings will continue to be invested until the fund has been exhausted.

You can take up to 25% of your savings tax-free, with the balance subject to income tax at the time it is withdrawn.

To use income drawdown, you need to transfer your DC Account to a drawdown arrangement.



Cash lump sum

You can take your DC Account as a single cash lump sum (the first 25% tax-free, the rest subject to income tax).

Depending on the size of your DC Account, you may be able to receive the payments over two consecutive tax years. You can contact the Scheme Administrator for more information.

This applies to your DC Account and any Additional Voluntary Contributions (AVCs).



Defined Contribution (DC) – Frequently Asked Questions (part 1)

How and when do I buy an annuity?

Annuities are bought from insurance companies when you want to take your benefits, and the annuity policy will be in your name.

Shopping around is the best way to make sure that you secure the maximum benefits possible with your DC Account.

BASF has appointed an Independent Financial Adviser (IFA) who can help you look for the most competitive annuity rates to help you maximise your retirement income.

You can also use your own financial adviser if you prefer.

How do annuities work?

An annuity can be tailored to suit your personal circumstances. The most common options are:

- **An income for others after your death** (a partner's income for example)
You choose the amount payable on your death, from 0% of your annuity, up to a maximum of 100%.
- **A guaranteed minimum length of payment**
If you die within the guarantee period, the remaining instalments would be payable to your estate. You can select the guarantee period for your annuity, these are commonly 0, 5, or 10-year periods.
- **Annual increases to your annuity**
Your annuity can increase each year at a fixed rate (e.g., 3% or 5%) or linked to the rate of inflation.
- **A 'flat' annuity**
You can buy an annuity that does not increase. This will provide a higher income initially, but the payments will then stay the same, which means that inflation will erode the value over time.
- **Cost of annuities**
The price of buying an annuity varies depending on when you buy it. Adding options to your annuity affects the amount it will pay, so you should consider how important each option is to you and shop around to find the best annuity to suit your circumstances.



Do I have to take my benefits at a specific time?

You can opt to take benefits from the Scheme at any time (after the MPA), but no later than age 75.

If I want to defer my retirement, do I need to change anything?

If your DC Account is invested in a LifePlan you may wish to consider updating your Target Retirement Date (TRD) to a later age, this will change how your investments are automatically moved as you approach retirement.

My DC Account is linked to my DB Benefits

You may be able to use your DC Account to fund the tax-free cash lump sum from your DB benefits (depending on your membership category). This means that you could surrender a smaller amount of your DB pension but still receive the maximum tax-free cash. If your DC Account is greater than the maximum tax-free cash lump sum, you can use the excess to either buy an annuity, transfer to income drawdown, or receive a taxable cash lump sum.

Defined Contribution (DC) – Frequently Asked Questions (part 2)

How should I invest my funds to target the retirement option I want?

Where you invest your DC Account can have a material impact on the benefits you receive at retirement. As you get closer to retirement, you may wish to change where you are invested to reduce risk and protect the value of your pension savings.

There are nine different LifePlan options. You can either choose one of these or invest in a FreePlan strategy. Please see the **Investment Guide** on the [Pension Website](#) for more information.

What if I die before I take all my money from drawdown?

Depending how your fund is to be paid, there may be tax implications for your beneficiaries. Your chosen drawdown provider will be able to provide you with more information depending on your personal circumstances.



How and when can I take my benefits as cash?

Once all your DC Account has been paid to you, you will cease to be a member of the Scheme. At this time, you and your beneficiaries will no longer have any legal entitlement under the BASF UK Group Pension Scheme.

Please note:

- The Minimum Pension Age (MPA) is currently age 55, but will increase to age 57 by April 2028
- You can take your benefits at any time after the MPA, but no later than age 75
- Restrictions may apply to your benefit options if you have a Guaranteed Minimum Pension (GMP)
- All options are subject to changes in legislation and tax status currently afforded to pensions savings

Where can I transfer my benefits to if I want to use Income Drawdown?

There are various providers of income drawdown arrangements, often insurance companies, and each arrangement has different investment options and charges that will apply.

You will need to choose which arrangement and investments you want to use. Given the complexities of retirement planning, it is strongly recommended to seek professional financial advice to help you make those decisions.

How and when do I set up a drawdown arrangement?

You can transfer your DC Account into drawdown at any time from your MPA (before age 75). The drawdown provider will have sole responsibility for your pension savings. You and your beneficiaries will have no further legal entitlement under the Scheme in respect of your DC Account. It's important to shop around for the best arrangement for your individual circumstances. The Trustee recommends you take professional financial advice.



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