

Flexible Retirement

What is flexible retirement?

Can't decide if you want to leave work but want to access your pension savings? Read on to find out how you can do both.

Flexible retirement means taking your pension benefits while still working for the Company. To be considered for flexible retirement you will need to be aged 55 or over.

Why would I consider flexible retirement?

Retirement is usually a big change in your lifestyle and income, and flexible retirement may be a way to ease into retirement gently. It could give you extra income, as well as your salary from your employer. Or, maybe you could reduce your working hours in the run up to retirement without a sudden drop in income.

How does flexible retirement work and what should I consider?

It depends on the type of pension benefits you take from the Scheme.

If you **take your defined contribution (DC) pension savings only**, from your current DC Account that contributions are being paid to;

- You will have to set a date to end your current active membership in the Scheme. You can do this by completing the Flexible Retirement Form.
- Your pension savings will generally be less than if you access them at a later date (there is less time for contributions and investment growth).
- If your current active membership is linked to a DB pension within the Scheme, any special terms that apply to the DB pension such as a salary link, enhanced revaluation, enhanced death in service lump sum or pension, would end.
- You can re-join the DC section of the Scheme for future service, like a new employee by completing the relevant section on the Flexible Retirement Form.
- If you are entitled to any special DC benefits such as contribution supplements or a death in service spouse pension, they would no longer apply.
- You would need to complete 5 years of pensionable service as a new member before you may be eligible for an ill-health pension.
- A new Money Purchase Annual Allowance (£4,000 in the 2018/2019 tax year) may apply to you for future DC pension savings, depending on the type of benefits you take from your DC Account. For further details visit www.gov.uk/tax-on-your-private-pension/annual-allowance
- If you don't re-join the DC section of the Scheme and die while still working for your employer, your death in service benefit would be a cash lump sum of 2 x pensionable salary (instead of 4 x pensionable salary paid to active members of the Scheme). However, any death benefits payable to you as a pensioner would still be payable.

If you **take your defined benefit (DB) pension only**;

- You can do so and continue as an active member of the defined contribution (DC) section that you are currently in.
- Nothing changes in terms of your DC pension savings.
- An early retirement factor will be applied to your DB pension if you take it before your normal retirement date.
- You can take your DB pension only by liaising with the Scheme Administrator directly (see “How do I do it?” below).

If you **take both DB and DC pension benefits at the same time**;

- All of the points above for taking your DC pension savings, will apply and;
- an early retirement factor will be applied to your DB pension if you take it before your normal retirement date.

In all circumstances, please note that you will pay tax on your retirement income (excluding any tax-free cash lump sum) as well as your salary.

How do I do it?

1. You should first talk to your HR department.
2. If you would like an estimate of your pension benefits, contact the Scheme Administrator, Willis Towers Watson, telling them the date you would like to take your benefits at.

@ basf@willistowerswatson.com

📞 0113 390 7119

3. If you wish to go ahead in taking a DB pension only, you should arrange this directly with the Scheme Administrator.
4. If you wish to go ahead in taking your DC pension savings, complete and submit the attached Flexible Retirement Form. You will need to give at least one month's notice of your intention to take flexible retirement. It is recommended that you take independent financial advice before opting to take flexible retirement, so that you are aware of the full implications for you and your family in doing so.

If you rejoin the DC section of the Scheme, we recommend you also complete some additional forms that you can download from the BASF Pension website at: <http://ukpensions.basf.co.uk> or can request from your local HR department:

- Joining the Scheme and Pension Salary Sacrifice Form
- DC Investment Instruction Form (New DC Members)
- Nomination Form

If you do not complete a new Nomination Form, any Nomination Form already held for you will continue to apply.

Further information on the benefits provided by the Scheme is also available on the website.

BASF UK Group Pension Scheme - BPP & Group DC Sections ("the Scheme")

Flexible Retirement Form

You should complete this form if you want to take your Defined Contribution (DC) savings from the Scheme and continue working at BASF.

Your details (Please complete in BLOCK CAPITALS)

Title	Forename
Surname(s)	Date of birth
National Insurance no.	Employee no.
Mobile telephone number	Email address
Address	BASF employer / Site

Flexible Retirement Details

Date I wish to opt out of the Scheme to take my DC pension savings (must be the end of a month and at least one month's notice is required)	Date:
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I wish to re-join the DC Section of the Scheme immediately (the day after opt out)

Yes No

I have also completed and submitted the following:

- Joining the Scheme and Pension Salary Sacrifice Form
- DC Investment Instruction Form (New DC Members)
- Nomination Form

Yes No
 Yes No
 Yes No

If you tick that you wish to re-join the DC Section but do not complete any forms, you will be made a member and will initially contribute 3% of your Pensionable Salary. Your DC Account will be invested in the Moderate Flexible Income LifePlan (you can change your investments anytime on line on ePA).

Please indicate whether you have taken independent financial advice Yes Origen Yes Other Adviser No

I confirm that I have read the Scheme's Flexible Retirement Factsheet and understand the implications of taking flexible retirement, including the Money Purchase Annual Allowance that may apply, change in death benefits and loss of any enhanced benefit terms within the Scheme. I have not received advice from any BASF Group Company, the Trustee or the Scheme Administrators or their representative employees or agents, and acknowledge that it is recommended that I should take independent financial advice.

Employee Signature:	Date:
HR Signature:	Date:

Once you have completed this form, please return it to:

- 1. Your local HR Representative, and**
- 2. Willis Towers Watson at basf@willistowerswatson.com**

OR

Post to: Willis Towers Watson Ltd, PO Box 545, Redhill, RH1 1YX

You should also keep a copy for your records.

Using the information you provide on this form

Providing your mobile phone number and email address is optional. If you do choose to provide these details, they will be held by the BASF Group, the Trustees and their advisers and only used to provide you with information relating to the BASF UK Group Pension Scheme. Your details will not be passed to any third parties to be used for any other purpose. If, at any time, you wish to stop being sent BASF UK Group Pension Scheme updates via your mobile phone or email, you can request to opt out and we will remove these details from our system. Any information you provide will be held and processed in accordance with the Data Protection Act 1998.

