

Frequently Asked Questions - DB Retirements

Do you have a question about your pension benefits?

Answers to the most commonly asked questions can be found in this leaflet. Please read this information before contacting the Scheme administrators, Willis Towers Watson.

1. I want to accept the retirement quotation. Where do I send the completed forms? Who do I address them to?

You should send the completed forms and requested certificates to:

The BASF UK Group Pension Scheme
Willis Towers Watson
PO Box 545
Redhill
RH1 1YX

2. Should I exchange part of my pension for the tax free 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 choose to exchange part of your pension for cash (which is currently tax free). The pension given up is unlikely to be equivalent to the amount of annuity which could be purchased with the tax free lump sum.
- The cash sum is paid tax free, whereas the pension you give up would have been taxed at your marginal rate. Whether this is advantageous or not depends on your individual tax circumstances.
- The pension is payable for life, whereas the tax free lump sum is a one off amount paid on retirement.

3. Can I defer taking my retirement beyond the day it is due?

It is possible to defer taking your pension beyond its due date, but no later than your 75th birthday. Your pension will increase between your Normal Pension date and the date you actually draw your benefits by a factor determined by the Trustee/Company, with advice from the Scheme Actuary. Please contact Willis Towers Watson if you want to defer taking your benefits.

4. Why do I need to complete the Lifetime Declaration form?

The Trustee needs to ensure that before your benefits are paid that you are entitled to receive them in full. If for any reason the benefits you have received from other pensions in addition to your pension are above the Lifetime Allowance (LTA) that your benefits are paid with the correct amount of tax deducted.

5. How do I know the LTA percentage for the other pensions I am receiving/due to receive?

You can ask your other pension providers to supply you with this information.

6. What identification is required to draw my pension?

We will require a copy of the relevant page of your current passport showing your photograph and passport number together with our Identity and Verification Consent form signed and dated. If you reside overseas, we will also require your original birth certificate.

7. I haven't got a current passport, what other forms of identification are acceptable?

You can send your original birth certificate and two original utility bills which are no more than three month's old as proof of identity.

8. I haven't got a birth certificate, what other forms of identification are acceptable?

If you haven't got a current passport or birth certificate, you'll need to obtain a copy of your birth certificate. You can order one from: <https://www.gov.uk/order-copy-birth-certificate>

9. I do not have an English birth/marriage certificate. Do I have to arrange for this to be translated?

If possible, yes. If not, then we will arrange for translation of these certificates so that the correct details are held on your record.

10. Why do I need to provide proof of my identity?

The Trustee has a duty to ensure that the pension is being paid to the correct person and not being fraudulently claimed.

Alternative benefits

11. Instead of retiring, I'm thinking of transferring. Is there any restriction on when I can transfer out?

Yes, members only have the statutory right to transfer their benefits out of the Scheme if they are over one year from their Normal Pension Age (NPA - this is the age at which you first become entitled to take your pension without reduction). Members can apply to the Trustee for a non-statutory transfer in the 12 months before NPA. The Trustee is not obliged to provide one but currently allows transfers up to age 75. This policy is subject to change.

Please note there is a requirement for members to take independent financial advice before transferring, where the transfer value is over £30,000. It is recommended that you see a relevant financial advisor in sufficient time to complete the payment before NPA - we recommend allowing at least three months for this process.

Please refer to our Frequently Asked Questions - Transferring out available at <http://ukpensions.basf.co.uk>

12. Can I take the whole pension as a lump sum/cash in my pension?

If you are over age 55 and the overall value of your pension benefits is less than £30,000 you may have the option to take your pension as a Trivial Commutation Lump Sum. If the value of your benefit in this scheme is less than £10,000 you may have the option to exchange your pension for a one off 'small lump sum'.

Arrangements for payment of the benefits

13. I don't have a bank account - can you pay me by cheque?

No, all payments by the Scheme are processed electronically into a bank or building society account.

14. I don't have a bank account, can the pension be paid into my spouse's/son's/daughter's etc account?

No, it is not possible to pay your pension to anyone else.

15. When will I receive my tax free cash lump sum and my first pension payment? Will my Additional Voluntary Contributions (AVCs) impact the timing of the payment?

If you have chosen to take a cash lump sum it will be payable on your retirement date provided we have received your certificates and completed forms, at least 10 working days prior to your retirement date.

However if you have AVCs included in your lump sum, we will not be able to make payment until we have received your funds from your AVC provider. This could be several days after your retirement date.

The first pension payment will be made in the next available monthly payroll after your retirement date, provided we have received your certificates and completed forms, at least 10 working days prior to your retirement.

16. When is the monthly pension payment date?

For members of the BPP Section, pensions are paid on the 15th of every month. For members of the Group Section pensions are paid on the 1st of every month.

After you retire

17. Will my pension increase once in payment?

Details of the increases to be applied to your pension once in payment can be found on the last page of your retirement statement under the heading 'Increases to your Scheme pension once it starts to be paid'. You will be notified in writing prior to any increase in payment.

18. My pension includes a Guaranteed Minimum Pension (GMP), what is a GMP and what is the impact on my pension?

GMP is the minimum pension which the Scheme has to provide from age 60 for females and age 65 for males, to those members who were contracted-out of the State Earnings-Related Pension (now S2P) between 6 April 1978 and 5 April 1997. The amount is broadly equivalent to the amount you would have received from the State Pension had you not contracted-out.

The impact on your pension is that GMP accrued prior to 6 April 1988 attracts no increases in payment whereas GMP accrued between 6 April 1988 and 5 April 1997 receives increases in line with CPI up to a maximum of 3% a year. When you reach age 60/65 the GMP will replace part of your pension. For the majority of members it will not be paid in addition.

19. Who do I contact if I want information on my monthly pension, tax or P60 information?

You can view your pension payslips, P60s and other details held on ePA, your online pension account at <https://epa.towerswatson.com/accounts/basf>.

If you do not have internet access, payroll information can be requested by calling; 01737 788 109 or writing to: The BASF UK Group Pension Scheme, Willis Towers Watson, PO Box 311, Redhill, RH1 1YH

20. What happens to my pension when I die?

Please refer to your retirement statements. These will include details of the benefits due to your spouse, civil partner, dependent.

Tax related questions

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

Your pension is subject to income tax and tax will be deducted on the tax code provided to us by HM Revenue & Customs (HMRC). If a tax code has not been provided by HMRC, Basic Rate Income Tax will be applied initially until a code is received from HMRC. The lump sum is tax free.

22. How will you know the right amount of tax to deduct?

HMRC will provide the Trustee's administrators with a tax code that applies to you.

23. What if I think the tax code is wrong?

You will need to liaise directly with HMRC regarding your tax code. We can only operate under the tax code they provide.

General questions

24. Will my spouse receive a pension on my death?

Please refer to your retirement statement. This will include details of the benefits due to your spouse.

25. I don't have a spouse; can I have a larger pension instead? Can I nominate someone else to receive it?

There is not an option to take a larger pension instead of a spouse's pension. It is not possible to nominate someone else to receive the spouse's pension.

26. I'm not married; will my partner be entitled to the spouse's pension on my death?

Where there is not a legal spouse and a pension is provided under the Scheme Rules, a dependant's pension may be paid at the discretion of the Trustee. A dependant would be required to show their financial dependency or interdependency with you, as part of the Trustee's decision making process.

27. I also have a pension elsewhere, who do I contact about that?

If you have contact details for your other pension scheme(s) you should contact them directly. If you have lost touch with your previous scheme(s) then you can use the **Pension Tracing Service**:

Telephone: 0800 731 0193	From outside the UK: +44(0)191 215 4491
Textphone: 0800 731 0176	Monday to Friday, 8am to 6pm

28. Who is Willis Towers Watson?

The Trustee has appointed Willis Towers Watson to provide the administration services for the BASF UK Group Pension Scheme. Willis Towers Watson is a large, third party pension administrator with expertise in both defined benefit and defined contribution schemes, and is familiar with working with complex schemes. They have extensive expertise in third party administration, having over 8 million members worldwide, of which over 2.3 million are members of 175 UK based pension schemes.