

BASF UK Group Pension Scheme

Bonus Sacrifice

Introduction

The Company operates the annual bonus sacrifice scheme, which gives employees the option to sacrifice some, or all, of their annual bonus in order to provide additional pension benefits.

Before **1 April**, you can sacrifice some, or all, of your annual bonus, payable in April. If you are interested in the annual bonus sacrifice scheme, you should carefully read the important information contained within this factsheet.

How does the Bonus Sacrifice Scheme work?

The annual bonus sacrifice scheme is a Company arrangement which is designed to make contributions to the DC Section of the Scheme more efficient.

Before **1 April**, you have the option to sacrifice some, or all, of your bonus. As your bonus is reduced, you pay less tax and National Insurance Contributions (NICs). If you do sacrifice some, or all, of your bonus, your employer will arrange for the amount sacrificed to be credited to your DC Account as an additional employer contribution.

Under HM Revenue & Customs (HMRC) rules, you must give up any contractual rights to your annual bonus in advance of entitlement. You also cannot change your mind for the relevant pay period. This means that:

- Once you elect to sacrifice some or all of your annual bonus, you cannot change your mind; and
- You must elect to sacrifice your annual bonus before **1 April**.

All contributions paid to your DC Account, will be used to provide benefits on retirement, death or leaving service in accordance with the Scheme's Trust Deed & Rules. Further information on the DC Section is set out in the 'Your member guide' booklets 1 & 2 available on the pension website (ukpensions.basf.co.uk).

Investment of the Bonus Sacrifice pension contribution

The Trustee of the Scheme will invest the Bonus Sacrifice pension contribution in respect of your bonus sacrifice in your DC Account. You can choose where to invest it from the funds available. It can be invested differently to other contributions but all bonus sacrifice contributions from past and future years must be invested together. Your current year Bonus Sacrifice contributions will be invested as follows:

If you have previously paid Bonus Sacrifice contributions, it will be invested in the same way as they are invested. If you want to change the way you invest your Bonus Sacrifice contributions (past and future) you should log on to the Pension Portal (www.buckhrrsolutions.co.uk/basf).

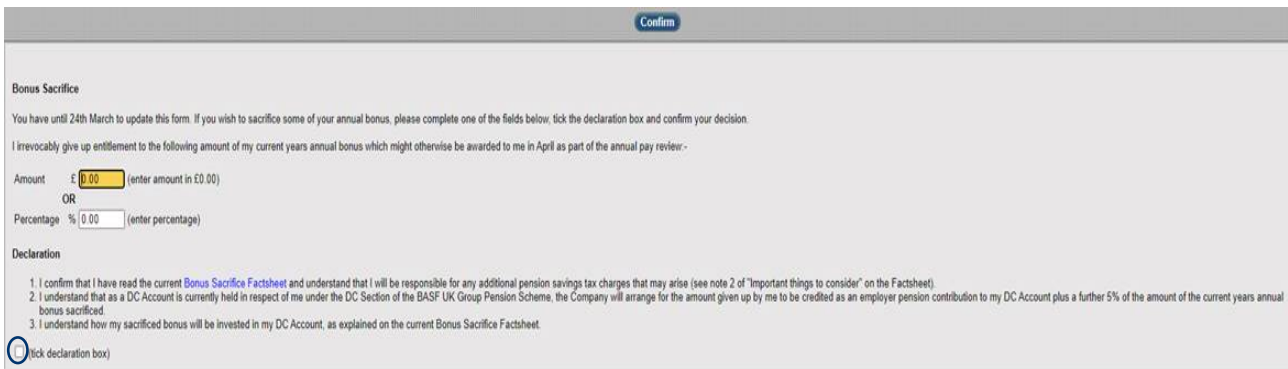
If you have never made any Bonus Sacrifice before, it will be invested in line with your regular contributions, unless you complete and return the attached, 'Investment Instruction Form for commencement of bonus sacrifice' to make a different investment choice, by **24 March**. Further information in respect of investing your DC Account is provided in the Investment guide, available on the pension website.

What do I need to do next?

Log into [Ingenuity](#), (HR self service) and complete the “Bonus Sacrifice” page, found under the “Employment” tab. If you have problems accessing Ingenuity or any other Bonus Sacrifice queries, please contact your local HR Team or the HR Service Centre (hr.plc@basf.com).

Remember to press **confirm** and you must tick the **declaration**.

You can amend your Bonus Sacrifice amount as many times as you like during March. Your final choice will be taken at midnight on **24 March** and confirmed by email shortly after.



The screenshot shows a web interface for the 'Bonus Sacrifice' confirmation page. At the top right, there is a 'Confirm' button. The main heading is 'Bonus Sacrifice'. Below it, there is a message: 'You have until 24th March to update this form. If you wish to sacrifice some of your annual bonus, please complete one of the fields below; tick the declaration box and confirm your decision.' A note states: 'I irrevocably give up entitlement to the following amount of my current years annual bonus which might otherwise be awarded to me in April as part of the annual pay review:-'. There are two input options: 'Amount' with a text box containing '£ 0.00' and '(enter amount in £0.00)', and 'Percentage' with a text box containing '% 0.00' and '(enter percentage)'. Below these is a 'Declaration' section with three numbered points: 1. Confirming the user has read the 'Bonus Sacrifice Factsheet' and understands the tax implications. 2. Understanding that as a DC Account is currently held in respect of the user under the DC Section of the BASF UK Group Pension Scheme, the Company will arrange for the amount given up to be credited as an employer pension contribution to the user's DC Account plus a further 5% of the amount of the current years annual bonus sacrificed. 3. Understanding how the sacrificed bonus will be invested in the user's DC Account, as explained in the current Bonus Sacrifice Factsheet. At the bottom left of the declaration section, there is a radio button icon and the text '(tick declaration box)'.

Important Information

Please note by law, the Company, its employees and the Trustee of the Scheme cannot give you financial advice. If you would like financial advice, you should seek advice from an independent financial adviser. The adviser may charge you a fee. You can obtain details of a local adviser by visiting: www.unbiased.co.uk.

If your total contributions made by you and your employer to the Scheme, plus additional contributions you may make to any other pension arrangement, are more than the Annual Allowance (currently £40,000*), you may be subject to an additional tax charge.

If you are a former member of the Group defined benefit (DB) Section or BPP Hybrid Section of the Scheme, increases in your accrued DB pension may also be included in the Annual Allowance. Read more at: www.gov.uk/tax-on-your-private-pension/annual-allowance.

*** may be lower if your income is more than £110,000 per annum, or if you have accessed your pension savings**

If you choose to sacrifice some, or all, of your annual bonus, this will reduce your earnings for some external purposes such as mortgage applications.

The Company reserves the right to amend or discontinue the annual bonus sacrifice scheme at any time.

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

Investment Instruction for commencement of bonus sacrifice

You should complete this form if you are about to pay Bonus Sacrifice for the first time and want to invest it differently to your regular contributions.

If you have previously paid Bonus Sacrifice see 'Important notes' overleaf (you should not use this form).

Your details (please complete in **BLOCK CAPITALS**)

Surname:
Forename(s):
National Insurance no:
Site Location:

Title:
Date of birth:
Employee no:
Email address:

I wish to pay Bonus Sacrifice as indicated on Ingenuity at 24 March and this being the first time I have paid Bonus Sacrifice, wish the money to be invested as follows:

Investment instruction

You can choose **one** of the two investment paths available, LifePlan or FreePlan, by completing either the LifePlan or FreePlan section below:

LifePlan

1 I want to invest my Bonus Sacrifice in **LifePlan**
Please tick **one** of the Growth Fund options:

Adventurous Fund
 Moderate Fund
 Cautious Fund

2 Please tick **one** of the retirement benefit goals to target:

Guaranteed income (annuity)
 Flexible income (flexi-access drawdown)
 Cash lump sum

3 I want a Target Pension Date of:

(Insert date between age 55 – 75) Please note your chosen Target Pension Date will apply to **all of your LifePlan investments in your DC Account**, not just your Bonus Sacrifice

OR

FreePlan

1 I want to invest my Bonus Sacrifice in **FreePlan** as shown below.
Please insert a percentage next to your chosen funds (minimum 10%).

Fund	%
Adventurous Fund	_____
Moderate Fund	_____
Cautious Fund	_____
Ethical Fund	_____
Islamic Fund	_____
Pre-Retirement Annuity Fund	_____
Sterling Liquidity Fund	_____
Total	100%

Note: if you choose to invest in LifePlan, elsewhere you will see it labelled according to the Growth Fund and target benefit goal you have chosen. For example, if you chose the Adventurous Fund and a Flexible Income, this is the "Adventurous Flexible income LifePlan".

Important notes

- Please see the Investment Guide (January 2016) for the details of the investment options available in the Scheme.
- The investments you have chosen will apply to all Bonus Sacrifice paid to your DC Account.
- If you have previously paid Bonus sacrifice and wish to change your investment choices, you can do so by logging onto the Pension Portal at <https://www.buckhrsolutions.co.uk/basf>. If you need help logging on, contact Buck on 0330 123 0647.
- If you are in any doubt about paying Bonus Sacrifice you are recommended to seek independent financial advice.

Signature of Member:

Date:

Please return your completed form to the Scheme Administrator, Buck at:

email: BASF@buck.com

post: BASF, Buck (Bristol), PO Box 319, Mitcheldean, GL14 9BF

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 General Data Protection Act Regulation. For further information about how the Trustee will process and use your personal information, please see our Privacy Notice, which can be found at <http://ukpensions.basf.co.uk>.

