

# BASF UK Group Pension Scheme



## Supplementary guide for active members of the defined benefit (DB) section at 31 March 2012

**This supplementary guide should be read in conjunction with the following booklets and the terms defined within them:**

- **Defined benefit (DB) section 'Your member guide' booklet dated August 2008 - for service before 1 April 2012; and**
- **Defined contribution (DC) section 'Your member guide' booklets dated April 2012 - for service after 31 March 2012.**

**If you are an active DB section member at 31 March 2012, your DB section benefits for pensionable service completed to 31 March 2012 will be calculated as follows:**

You will not build up any more years of *pensionable service* in the DB section of the *Scheme* after 31 March 2012. As a result, your DB section pension when you retire will be based on your *pensionable service* up to and including 31 March 2012. However, your DB section pension will continue to be linked to your *final pensionable salary* while you remain in continuous service with your *employer* (whether or not you are a member of the DC section), are under *normal pension age* and do not opt-out of the DB section or commence to draw your benefits under it.

### How this works

Your DB section pension will be calculated as at 31 March 2012. The actual DB section pension payable at the date you retire, leave service or die, whichever is the earlier, will be the higher of:

Your pension based on:

- *pensionable service* completed to 31 March 2012; AND
- *final pensionable salary* at the date you retire/die/leave service (whichever is earlier); LESS
- the *basic state pension* offset calculated at date you retire/die/leave service (whichever is earlier)

Your pension will be reduced for early payment or increased for late payment, as applicable, if your pension starts before or after *normal pension age*.

OR

Your pension based on:

- *pensionable service* completed to 31 March 2012; AND
- *final pensionable salary* at 31 March 2012; LESS
- the *basic state pension* offset calculated at 31 March 2012

Your DB section pension is then increased in line with statutory revaluation. Broadly this is inflation as measured by the Consumer Prices Index (CPI), up to a maximum of 5% in any year until the pension is paid. Any pension earned after 6 April 2009 is revalued by CPI up to a maximum of 2.5% in any year. A different revaluation increase will apply to any Guaranteed Minimum Pension (GMP) earned before 6 April 1997 (see page 19 of the DB member guide dated August 2008 for more information on GMP).

Your pension will be reduced for early payment or increased for late payment, as applicable, if your pension starts before or after *normal pension age*.

In addition, some of your benefits for service after 31 March 2012 differ from those set out in the DC section 'Your member guide' booklets. These are detailed below:

**If you are an active DB section member at 31 March 2012, your benefits differ from those set out in the DC section 'Your member guide' booklets dated April 2012, as follows:**

DC section Booklet 1, page 14	<b>'Being a member - can I opt out of the <i>Scheme</i>?'</b>
	<p>If you opt out of the DC section and provided you do not opt out of the DB section of the <i>Scheme</i>:</p> <ul style="list-style-type: none"> <li>■ your benefits under the DB section will be unaffected, except any ill-health or incapacity pension cover under the <i>Scheme</i> will cease;</li> <li>■ should you die in service, instead of a lump sum of two times <i>pensionable salary</i>, the death in service benefits described below would still be payable.</li> </ul>
DC section Booklet 2, Page 4	<b>'Benefits when you retire - cash sum'</b>
	<p>Provided you take your DB and DC section benefits together and subject to HMRC limits, the Company will allow all of your <i>account</i> built up from contributions after 1 April 2012 (excluding any sacrificed redundancy pay) to be taken as a cash lump sum first before exchanging any of your DB section pension for cash. The following restrictions will also apply:</p> <ul style="list-style-type: none"> <li>■ the amount of your <i>account</i>, if any, based on sacrificed redundancy pay which can be taken as a cash lump sum on retirement is restricted to 25% of the value of your <i>account</i>;</li> <li>■ the amount of your DB section AVC fund, if any, which can be taken as a cash lump sum is also restricted to 25% of the value of your AVC fund.</li> </ul> <p>Further information is available on request from the <i>Administrator</i>.</p>
DC section Booklet 2, Page 8	<b>'If you die in service - what benefits are payable if I die in service?'</b>
	<p>The benefits payable on death in service on page 8, Booklet 2 are replaced by the following:</p> <ul style="list-style-type: none"> <li>■ a cash lump sum of four times your <i>pensionable salary</i>; and</li> <li>■ a cash lump sum equal to the value of your <i>account</i> based on any pension salary sacrifice or regular member pension contributions <u>in excess</u> of the 6:10 contribution band and any shared <i>NIC</i> savings; and</li> <li>■ a <i>spouse / civil partner's</i> pension and separate <i>children's</i> pension as set out on pages 14 and 15 of the DB section 'Your member guide' booklet, unless you have already been notified otherwise in writing (for example, if you are a former BCC or Engelhard member).</li> </ul>

A number of words and phrases used in this guide have a special meaning. These are defined in the **DC section 'Your member guide' booklets updated April 2012** and appear in *italics* in this guide.

Details of how *Scheme* benefits are calculated and paid are set out in the Trust Deed and Rules, which take precedence over this guide.