



LEAVERS WITHOUT ENTITLEMENT TO PENSION FACTSHEET

WHO IS THIS FACTSHEET FOR?

This factsheet is for members who are leaving or have left the Shell Contributory Pension Fund (SCPF) with less than two years' Pensionable Service.

WHAT IS THE PURPOSE OF THIS FACTSHEET?

The purpose of this factsheet is to provide you with some general information on your options if you leave the SCPF with less than two years' Pensionable Service.

BACKGROUND

Less than three months' pensionable service

If you have completed less than three months of pensionable service, you are entitled to a refund of your own contributions, plus interest, less certain deductions (see 'Taking a refund' on page 2).

If you paid Additional Voluntary Contributions (AVCs) whilst a member of the SCPF, the value of your AVC Fund will be paid with your refund.

More than three months but less than two years' pensionable service

If you have completed more than three months but less than two years of pensionable service, you have the option to take a refund of your own contributions or a Cash Transfer Sum (CTS). You can transfer your CTS to another Registered Pension Scheme or to a Qualifying Recognised Overseas Pension Scheme (QROPS) provided that the new scheme will accept the transfer.

If you paid Additional Voluntary Contributions (AVCs) whilst a member of the SCPF, the value of your AVC Fund will be paid with your refund or your CTS to your new provider.

If you do not wish to take the CTS, or you cannot find a scheme that will accept it, a refund of your own contributions plus interest (less deductions) will be paid.

The leaver options statement, issued shortly after you leave pensionable service, provides details of the refund and CTS available.

This factsheet provides a summary of the benefits available from the SCPF. Benefits can only be paid in accordance with the Trust Deed and Regulations and relevant law at that time.

BACKGROUND CONTINUED

Additional pensionable service from a transfer in

If you have additional pensionable service as a result of a transfer of pension benefits from an occupational pension scheme, and the actual pensionable service that this relates to (not the amount of the additional pensionable service granted for that service) together with your SCPF pensionable service totals more than two years, you are entitled to a deferred pension; you cannot take a refund of your contributions.

If you have additional pensionable service as a result of a transfer of pension benefits from a personal pension plan, you are automatically entitled to a deferred pension; you cannot take a refund of your contributions.

Taking a refund

If you take a refund of your contributions, it will be made up of:

- your own contributions to the SCPF (but not the contributions paid by Member Companies), plus
- any AVCs, plus
- interest accrued at 3% per annum compound, less
- a deduction in respect of the Certified Amount (CA), less
- tax at 20% on any amount up to £20,000, and 50% on any amount in excess of £20,000.

If you choose the refund option, you will receive the refund of contributions directly into your bank account. Payment cannot be made by cheque.

Taking a CTS

The CTS is calculated as the present value of your benefits under the SCPF, projected to the assumed date of payment and discounted back to the effective date of calculation. It is based on appropriate actuarial assumptions decided by the Trustee having taken the advice of the SCPF Actuary.

The CTS quotation is guaranteed for three months from the calculation date. The value of the post-97 contracted-out rights will be included in the CTS where your employer's scheme or the insurance company is prepared to take responsibility for it. If your new scheme is unable or unwilling to accept this responsibility, you should make alternative arrangements for this element of the CTS. For example, you may transfer the contracted-out liability to a personal pension.

On receipt of the request, the SCPF must pay the guaranteed CTS within six months of the guarantee date.

If you paid AVCs whilst a member of the SCPF, the value of your AVC Fund will be paid to your new pension provider along with the CTS.

JARGON

Certified Amount (CA)

The amount that the SCPF has to pay to the National Insurance Contributions Office to re-establish you in the State Second Pension scheme. This is due to you paying lower National Insurance Contributions while you were a member of the SCPF.

Post-97 contracted-out rights

After 5 April 1997, the SCPF satisfied the requirements for contracting out of the State Earnings Related Pension Scheme (SERPS) on the basis of the benefits provided by the Fund.

The post-5 April 1997 element of your CTS is known as your post-97 contracted-out rights.

WHAT DO I NEED TO DO?

1. Decide whether you want to take a refund of your contributions or a CTS (if you have more than three months' service).
2. Indicate your decision on an 'Application for Return or Transfer of Member Contributions Form' (Form 4A). This form will be sent to you with your leaver options statement. Return your form to the Pensions Administration Team.
3. If you decide to take a CTS, you must request this in writing to the Trustee and the Trustee must receive your request within three months of the guarantee date.

FINANCIAL ADVICE

Please note that the Trustee, Shell companies and their employees cannot give you financial advice regarding your pension decisions; this includes recommending financial advisers.

It is recommended that you take independent financial advice. You can find a list of independent financial advisers in your area at www.unbiased.co.uk

The Financial Conduct Authority – www.fca.org.uk – provides information for consumers about all aspects of financial planning, including how to find an adviser and what questions to ask.

CONTACT DETAILS

If you have any queries about the information in the factsheet, please contact the Pensions Administration Team.

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