

Dear Member

Pension Flexibility 2015 – Hermes Group Pension Scheme (“HGPS”)

The Budget 2014 introduced some changes to the choices available to individuals at retirement with the main aim of providing more freedom and choice. The majority of these changes become effective from April 2015 and relate to Defined Contribution (DC) Schemes rather than Defined Benefit (DB) Schemes like HGPS, but given that you have the right to transfer your interest in HGPS into a DC arrangement, they could also affect the decisions you make at, or approaching, retirement.

The attached factsheet from The Pensions Advisory Service (TPAS) sets out what these changes are in more detail. You can also use the link below:-

http://www.pensionsadvisoryservice.org.uk/spotlights-files/uploads/The_Budget_2014_SPOT0023_V1.1.pdf

The Trustee wishes to make you aware of these forthcoming changes now in case, for those of you due to retire in the next few months, you wish to defer making any decisions regarding your retirement until April. If the Government makes further firm decisions regarding any other proposed changes, we will of course let you know.

Impact on Hermes Group Pension Scheme members

The enclosed factsheet sets out choices at retirement for members of Defined Contribution (DC) Schemes from 6 April 2015.

You will be able to access the new flexibilities, referred to in the factsheet, at retirement if you decide to transfer the cash value of your Hermes benefits to a DC Scheme. However, if the transfer is more than £30,000, the law will require you to take independent financial advice before the transfer can proceed. (This will be at your own cost).

If you would like more information on this option, please contact Capita, PO Box 323, Whitstable, CT5 9BY, via email at hermes.pensions@capita.co.uk or call the pensions administration helpline on 01227 771445.

Before you take any action on this option, it is extremely important that you take financial advice (at all values of transfer), and consider carefully the additional investment and longevity risks you will be taking on in transferring out of HGPS.

Limits that apply to anyone with small amounts of pension savings (trivial commutation)



Pensions below certain limits can be taken as cash ('commuted') and these limits are also set out in more detail in the attached factsheet.

Impact on a Hermes Group Pension Scheme members

If applicable, you will be offered the trivial commutation options, taking into account the revised limits, at the time you decide to take your benefits.

As always, if you have any queries relating to your pension, or would like any further information, please do not hesitate to contact Capita, PO Box 323, Whitstable, CT5 9BY or call 01227 771445. Alternatively, you can email them at hermes.pensions@capita.co.uk

Trustee of The Hermes Group Pension Scheme