

# EXPLORE YOUR OPTIONS

IN THE SONY UK PENSION SCHEME



SONY

# GLOSSARY OF PENSION TERMS

**Annuity** – a financial product offered by an insurance company that pays a guaranteed regular income to an individual (and sometimes a dependant) for the rest of their lifetime. There are various types of annuities to choose from to suit your particular circumstances (including with or without a dependant's pension, with or without annual increases or a higher 'impaired life' annuity if you smoke or have health problems).

**Additional Voluntary Contributions (AVCs)** – a means of saving more for retirement by making additional contributions to the Scheme. AVCs are invested in a separate, personal DC account and used to provide additional benefits for you or your dependants.

**Defined Benefit (DB)** – a pension arrangement where very broadly the level of benefit you receive at retirement is based on your salary at the time you stopped building up benefits in the scheme and the length of time that you were building up benefits in the pension scheme. The Sony Scheme is a DB arrangement.

**Defined Contribution (DC)** – also known as Money Purchase, a pension arrangement where the value of your benefits depends on the contributions that are paid into it, investment returns and how and when you take an income from it at retirement.

**Income drawdown** – an investment product which allows you to keep your pension pot invested, from which you can take (taxable) lump sums, as income, as and when you want. You need to make sure the investments are right for you and that you keep enough money in your pot to meet your needs later in retirement.

**Income for life** – the annual pension payable to you from the Sony Scheme for life once you decide to draw your benefits (unless you decide to transfer the value of such to another arrangement).

**Normal Retirement Date** – this is normally age 60 or 65 under the Scheme but you can consider drawing a pension from age 55 (or 50\*). Your benefit statement will show the dates that are relevant for you.

**Reduced income for life** – you can take up to 25% of the value of your Sony pension as a tax-free cash sum once you decide to draw your benefits: your annual pension will then be lower to reflect the fact you took a cash sum from the Scheme.

**Transfer value** – the value of your individual benefits in a Defined Benefit pension scheme that would be available to transfer to another pension arrangement.

**Trustee** – the Sony Scheme operates as a trust which is separate from the Company. The trustees are responsible for managing the Scheme and protecting members' benefits.

\* If you are a member of the Basingstoke section of the Scheme who was actively contributing to the Scheme as at 6 April 2006, you may retire from age 50. Different tax rules apply if you wish to retire earlier due to ill-health. If you think that this may apply to you, you should contact the Scheme administrator, Willis Towers Watson.

# FURTHER INFORMATION

## [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

The Pensions Advisory Service offers free and impartial guidance about workplace and personal pensions. Call 0800 011 3797.

## [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)

Pension Wise is a Government service that offers free guidance to anyone aged over 50 with defined contribution pension savings. Find out about your options and book an appointment by calling them on 0800 138 3944.

## [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

The Money Advice Service provides free and impartial advice about money issues. Set up by the Government, you can use the online tools and calculators to help you keep track of your finances and plan ahead. Call 0800 138 7777. You can also find details of independent financial advisers through their website.

## [www.fca.org.uk](http://www.fca.org.uk)

The Financial Conduct Authority is the body that regulates the financial advice provided by financial services firms in the UK.

## [www.gov.uk/tax-on-pension](http://www.gov.uk/tax-on-pension)

Check the HMRC website for information on how your pension income may be taxed.

## [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

The Pensions Regulator (TPR) is the public body that regulates workplace pension funds in the UK, ensuring the protection of members' benefits and good administration of funds.