

September 2020



EXPLORE YOUR OPTIONS

IN THE SONY UNITED KINGDOM PENSION SCHEME

This pack is designed to help you explore your options in the Sony United Kingdom Pension Scheme. The enclosed booklet explains how you can access paid-for advice from WPSA. We have also attached to this letter a personal statement, including a retirement quotation as at 18 December 2020 and a current transfer value, so that you can consider all of your available options. You should also read the section about spouse's benefits on page 5, as any decision to transfer your benefits out of the Scheme will affect your spouse's entitlement to benefits on your death.

If you decide to transfer your benefits out of the Scheme, you and your dependants will no longer receive any benefits from the Scheme so please read the information provided carefully.

The benefits shown on the statement are based on the 'personal details' shown overleaf (information which is held by the Scheme administrator, Willis Towers Watson), and the law in force at the date your pension benefits are worked out. Please check the information overleaf and let us know if any of your details are incorrect. If any of this information changes between now and your date of retirement, or if you have any benefits from any other pension provider, the figures on the attached statements may change.

Continued overleaf



There is greater flexibility available in how you access your pension benefits from a Defined Contribution (DC) arrangement than there is available within the Sony UK Pension Scheme. The enclosed booklet sets out your options in more detail. There are a number of factors to consider before transferring out of the Scheme, including the risks you will take on in retirement. It is important you consider your options carefully and take independent financial advice.

If the cash equivalent value of your main Scheme benefits is more than £30,000, it is a requirement to take independent financial advice before going ahead with a transfer of a Defined Benefit pension (i.e. your main Scheme benefits) to a DC arrangement, so please ensure that you have received advice before making any decisions. As the enclosed booklet explains, Sony is making available paid-for advice through an independent financial adviser called WPSA.

If you have any questions about the figures in these statements, please contact the Sony pensions team at sonyukpension@willistowerswatson.com quoting your reference number. You can also request a call back.

Yours sincerely

The Sony UK Pension Scheme

PERSONAL DETAILS

Name:

Reference number:

Date of birth:

Sex:

Normal Retirement Date (NRD):

Your NRD is the earliest date you may be able to take your pension without any reduction for early retirement

Date of joining the Scheme:

Date of leaving the Scheme:

Guaranteed Minimum Pension (GMP) Date:



RETIREMENT QUOTATION AS AT 18 DECEMBER 2020

YOUR BENEFIT OPTIONS

OPTION 1

Element of pension from the Scheme:

Guaranteed Minimum Pension (GMP) built up before 6 April 1988	a year
Guaranteed Minimum Pension (GMP) built up after 5 April 1988	a year
Scheme pension built up before 6 April 1997	a year
Scheme pension built up after 5 April 1997	a year
Total Scheme pension at retirement	a year

OPTION 2

Tax-free lump sum from the Scheme

Total tax-free lump sum

plus

Element of pension from the Scheme:

Guaranteed Minimum Pension (GMP) built up before 6 April 1988	a year
Guaranteed Minimum Pension (GMP) built up after 5 April 1988	a year
Scheme pension built up before 6 April 1997	a year
Scheme pension built up after 5 April 1997	a year
Total Scheme pension at retirement	a year

If applicable, under options 1 and 2, when you reach your GMP age (60 for women and 65 for men), part of the Scheme pension built up before 6 April 1997 will be replaced by a Guaranteed Minimum Pension (GMP) built up before 6 April 1988 of £xxx a year and GMP built up after 5 April 1988 of £xxx a year. If you are already over GMP age as at 18 December 2020, the GMP is as set out in the options above.

You can take a smaller lump sum than that shown in Option 2, in which case your total reduced pension would be higher. Please contact Willis Towers Watson if you want more information about taking a smaller lump sum.

MYSONYPENSION

You currently have a Defined Contribution (DC) policy held with the Aviva Master Trust known as mySonyPension. The current estimated value of your mySonyPension fund is £xx. As the benefits held under the mySonyPension with Aviva were previously part of the myPension (DC) section of the Scheme, if the value is less than £30,000, you are able to switch back the full value of the fund to the DB section of the Scheme in order to maximise your tax-free cash from the Scheme. Please note the amounts shown in the 'Your benefit options' section do not include your mySonyPension policy. However, if you require updated retirement figures including your mySonyPension (on the basis it is currently less than £30,000), please contact us. If the final value of your mySonyPension is greater than £30,000 at your retirement date then the switchback option will no longer be available. You also have the flexibility to treat the mySonyPension as a separate arrangement to the Sony UK Pension Scheme and can take your benefits directly with Aviva. Alternatively, you also have the option of transferring the value of your mySonyPension to another pension arrangement.

STATEMENT OF ENTITLEMENT TO A GUARANTEED CASH EQUIVALENT

BENEFIT CRYSTALLISATION

Percentage of standard lifetime allowance used by previous crystallisation events in this Scheme (including any used by previous plans where a transfer-in has been received):

Member contributions included in the transfer value:

TRANSFER ENTITLEMENT

Guaranteed transfer value

which includes:

Scheme pension built up before 6 April 1997

Transfer value of GMP

Non contracted-out benefits

Scheme pension built up after 5 April 1997

Value of Post 5 April 1997 rights

Guarantee date: 18 December 2020



SPOUSE'S BENEFITS

If you elect to transfer your benefits out of the Scheme then no further benefits would be payable to your spouse on your death either before or after retirement.

If you stay in the Scheme, the spouse's pension as at 18 December 2020 is £xx a year, regardless of whether you elect to take a tax-free cash lump sum from the Scheme. The spouse's pension increases between the date you retire and the date you die, in the same proportion as the pension increases that apply to your pension during that period.

The spouse's pension may be lower than the figure shown above if your spouse is more than 10 years younger than you.

If you die before you retire, the Trustee will pay a refund of contributions at their discretion.

If you die within five years of retiring, the Trustee will pay a lump sum, equal to the value of the unpaid pension instalments for this period.

For the Scheme's definition of 'spouse', please look in your Scheme booklet or contact Willis Towers Watson.

NOTES TO THE RETIREMENT QUOTATION

LIFETIME ALLOWANCE

The lifetime allowance is a limit on your pension set by the Government. There are tax advantages to being a member of a registered pension scheme, although pensions are taxed as earned income. The law restricts the total benefits you can receive before you have to pay tax.

When you retire, if your total pension benefits from all your pension arrangements (for example, occupational pensions, personal pensions and stakeholder plans), including this one, are valued at more than your current lifetime allowance, you will need to pay tax on your pension benefits.

There is more information about the tax law for pensions at <https://www.gov.uk/tax-on-your-private-pension/lifetime-allowance>

If the value of your pension benefits is more than your unused lifetime allowance, you will have to pay a tax recovery charge on the excess benefits.

The value of your full pension from the Sony United Kingdom Pension Scheme for testing against your lifetime allowance is £xx. This is xx% of the standard lifetime allowance for the current tax year.

These amounts may change depending on the amount of the lump sum you take or if you have a form of fixed protection, enhanced lifetime allowance or enhanced protection. The current standard lifetime allowance is £1,073,100 for the 2020/2021 tax year.

RESTRICTED ANNUAL ALLOWANCE

If you decide to take your benefits now, a tax charge will apply if any future contributions to a Defined Contribution arrangement are made which exceed the restricted annual allowance of £4,000. In addition, any carry forward of unused allowance for a Defined Contribution arrangement will no longer apply to the reduced annual allowance.

Your annual allowance for your Defined Benefits will be reduced by £4,000 and any carry forward will still apply.

GUARANTEED MINIMUM PENSION (GMP)

Whilst you were an active member of the Scheme, you were contracted out of SERPS/the State Second Pension, and you paid a lower rate of National Insurance contributions. As a result of this, you have built up a GMP in the Scheme which is broadly the same as the pension you would have built up in the State Second Pension. If, at 18 December 2020, you are under your GMP age, the Scheme pension built up before 6 April 1997 shown in 'Your benefit options' will include a GMP. If you are over GMP age, then your GMP will be shown separately in 'Your benefit options'. In line with the Pension Schemes Act 1993, the Scheme guarantees that the Scheme pension built up before 6 April 1997 will be at least the same as the GMP.

GMP EQUALISATION

If your benefit entitlements under the Scheme include a Guaranteed Minimum Pension (GMP) resulting from a period of employment after 16 May 1990 and before 6 April 1997 that was contracted out of the State Earnings-Related Pension Scheme, your pension for that period must be at least equal to that GMP.

GMPs are calculated in accordance with legislation. The way they are calculated is different for men and women. GMPs are payable from age 60 for women and from age 65 for men (and can be paid later in some circumstances, but not sooner). Differences in GMPs can result in differences in total pension because the GMP element and the rest of the pension are increased in different ways before and after they come into payment.

These differences in benefits for men and women earned after 16 May 1990 and before 6 April 1997 have recently been judged to be unlawful following the Lloyds Banking Group case where the judgment was delivered on 26 October 2018.

The Trustee is carefully considering what action it should take to equalise pension benefits and has already implemented a process for calculating equalised transfer values. Therefore, it is important for you and your financial adviser to be aware the pension amounts quoted in 'Your benefit options' are **not** equalised for GMPs but the transfer value **is** equalised for GMPs. The Trustee will, in due course, carry out an exercise to equalise members' pension amounts and therefore, regardless of whether you choose to retire or transfer out (or do nothing), you are not expected to be better or worse off as a result of the Trustee's approach to implementing GMP equalisation.



INCREASES TO YOUR SCHEME PENSION ONCE IT STARTS TO BE PAID

GMP built up before 6 April 1988	The Scheme will not pay any increases on this part of the pension.
GMP built up after 5 April 1988	Increased in line with Consumer Price Inflation or 3% a year, whichever is lower (paid from GMP age).
Scheme pension built up before 6 April 1997	Increased in line with Retail Price Inflation up to a maximum of 3% a year.
Scheme pension built up after 5 April 1997	Increased in line with Retail Price Inflation up to a maximum of 5% a year.
Scheme pension built up after 31 August 2000	Increased in line with Retail Price Inflation up to a maximum of 5%

NOTES TO THE TRANSFER STATEMENT

The cash equivalent is the value of the pension benefits you have built up in the Sony United Kingdom Pension Scheme which can be transferred to another pension plan.

If you want to take this guaranteed cash equivalent, you must fill in the relevant forms before the guarantee date shown on the statement. After that date, the guarantee ends.

The transfer value guarantee date is 18 December 2020.

If you have enhanced or fixed protection on any of your benefits, you may lose your protection if you transfer your benefits to another plan. You will have applied for and received a certificate from HM Revenue & Customs showing your enhanced or fixed protection.

If you think you have protected benefits, you should speak to a registered financial adviser before going ahead.

In some circumstances, we may need to request additional information from you and the Trustee of the receiving pension plan. This is likely to significantly delay payment of the transfer value.

DISCRETIONARY BENEFITS

Discretionary benefits are not provided as a right under the Scheme but only if the Trustee or the Company choose to give them.

The cash equivalent quoted in the statement does not take into account the value of those discretionary benefits.

REDUCTION TO BENEFITS

The cash equivalent has not been reduced in any way and represents the full value of your benefit entitlement. In exceptional circumstances, it may be reduced before payment, but we would tell you about this. You would then have a further three months to decide whether to go ahead with the transfer to another pension plan.

GENERAL NOTES

SCHEME DETAILS

The Sony United Kingdom Pension Scheme is a Defined Benefit scheme which has been registered under Chapter 2 of Part 4 of the Finance Act 2004. The Scheme was closed to new members on 31 March 2011 and members already in the Scheme at that date no longer accrue benefits for service from that date.

Pension scheme tax reference number:
00163555RY

ADDITIONAL INFORMATION

You may need additional information to help you decide whether to transfer your benefits. This is available from the following.

- The Financial Conduct Authority at www.fca.org.uk.
- The Money and Pensions Service at www.moneyandpensionservice.org.uk
- The Pensions Regulator at www.thepensionsregulator.gov.uk

You should also take financial advice and you might want to speak to an independent financial adviser before deciding to go ahead.

To check the firm you are dealing with is regulated and see if what you are being offered is a scam, visit the ScamSmart website: www.fca.org.uk/scamsmart.

PENSION PROTECTION FUND

Members of the Sony United Kingdom Pension Scheme benefit from the fact that it is an 'eligible scheme' for potential admission to the Pension Protection Fund. This ensures that a proportion of your benefits under the Scheme would be paid in the event that the Company becomes insolvent and there are not enough assets in the Scheme to pay the required level of benefits. The level of protection depends on your exact circumstances and further information is available from the Pension Protection Fund's website: www.ppf.co.uk

ENTITLEMENT TO BENEFITS

This statement is for information only. We have taken reasonable steps to make sure that it is accurate. It is based on the information available and the actuarial factors and laws in force at the time the quotation was produced. If any of the benefits shown are incorrect, this does not mean you are entitled to these benefits as the statement is not binding on the Trustee.

Your actual benefits will be worked out at the time they are due to be paid, based on the Trust Deed and Rules, actual levels of past inflation, and the actuarial factors and laws in force at the time you take your benefits.

If you believe that any of the information shown in this quotation is wrong, please contact Willis Towers Watson as soon as possible.

