

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 showing details of your deferred pension as at the date you left the Scheme, as well as 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 information shown on the statement is 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 of the calculation. Please check the information below and let us know if any of your details are incorrect.

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 investment risk you will take on before and after retirement (as you are currently under age 55), and it is important you consider your options carefully and take independent financial advice.

If the cash equivalent value of your main Scheme benefits (your 'transfer value') 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](mailto: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:

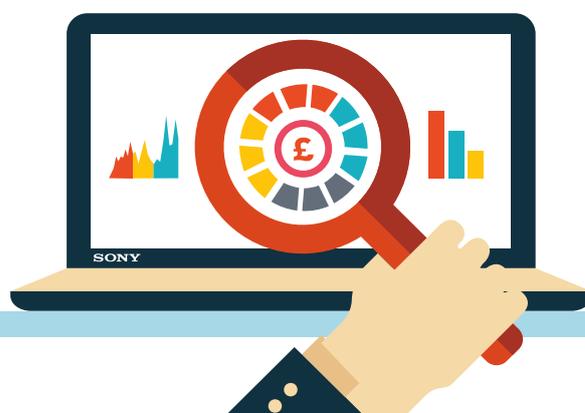
Normal Retirement Date (NRD):

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:



## PERSONAL STATEMENT

# YOUR DEFERRED PENSION AT DATE OF LEAVING THE SCHEME

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 in excess of GMP built up before 6 April 1997	a year
Scheme pension built up after 5 April 1997	a year
<b>Total Scheme pension at date of leaving</b>	<b>a year</b>

In addition you also have a Transferred-in fixed pension which is payable in addition to your Scheme benefits of £xx a year as at the date the transfer-in was received. This pension is subject to revaluation between the date of receipt and your normal retirement age and has an attaching 50% spouse's pension.

In addition, you also have a transferred-in GMP which is payable in addition to your Scheme benefits of £xxx a year, which is only payable from your GMP age.

### DEFINED CONTRIBUTION (DC) BENEFITS

The current estimated value of your Aviva Nest Egg is

The current estimated value of your Clerical Medical AVCs is

The current estimated value of your Utmost AVCs is

The current estimated value of your mySonyPension AVCs is

The value of your AVCs may change depending on movements in your investments. Your final AVC value may be different and could go up or down, so this element of the illustration is not guaranteed.

Once you reach minimum retirement age, you will have a number of options for how you access your AVCs. WPSA (or your own adviser) will be able to provide you with advice in relation to your AVC funds.

# YOUR TRANSFER VALUE

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**

### Non-guaranteed transfer value

which includes:

Aviva Nest Egg

Clerical Medical AVCs

Utmost AVCs



## 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 at the date of your retirement will be 50% of your DB Scheme pension before you commute any of your pension for tax-free cash. 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 in respect of your AVC benefits will depend on how you access your AVC fund when you become eligible to do so.

The spouse's pension may be lower than 50% of your pension 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

## 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 current standard lifetime allowance is £1,073,100 for the 2020/21 tax year. WPSA can help you if you think your tax position could be affected, including if you have any form of fixed protection, enhanced lifetime allowance or enhanced protection.

## 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. The Scheme pension built up before 6 April 1997 shown in 'Your deferred pension' will include a GMP. 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 that the deferred pension quoted above is *not* equalised for GMPs but the transfer value *is* equalised for GMPs. In due course, the Trustee will carry out an exercise to equalise members' pension amounts and therefore 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%

### TRANSFER VALUE

The transfer value quoted in this statement 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 the transfer value, 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 transfer value quoted in the statement does not take into account the value of those discretionary benefits.

## NOTES CONTINUED

### REDUCTION TO BENEFITS

The transfer value 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.

### 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](http://www.fca.org.uk).
- The Money and Pensions Service at [www.moneyandpensionsservice.org.uk](http://www.moneyandpensionsservice.org.uk)
- The Pensions Regulator at [www.thepensionsregulator.gov.uk](http://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](http://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](http://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.

