

# Your retirement choices

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## Raytheon Superannuation Fund

The Scheme provides you with benefits to support you through your retirement and gives you some choices about:

- When to retire and take your benefits;
- Whether to exchange up to 25% of your pension for a tax-free cash lump sum;
- Whether to provide extra pension for your dependents, and
- Whether to take your benefits from the Scheme or transfer them out.

# What the Scheme provides:

## Benefits for you

### A pension

Of course, the main benefit offered by the Scheme is a regular income for the rest of your life – your pension (see the leaflet 'How your pension is worked out' on the '**Documents**' page for more details).

### A tax-free cash lump sum

You can also choose to take some of your benefits as a tax-free cash lump sum – if you do this, your annual pension will be reduced. You can usually take up to 25% of the total value of your benefits as a tax-free cash lump sum. Your lump sum must be paid within 12 months of your pension starting to be paid.

## Benefits for your family

### A spouse's pension

The Scheme will provide a pension after you die for your spouse or civil partner (or another person financially dependent on you at the discretion of the Trustees) for the rest of their life.

### Extra pension

You can choose to give up part of your regular pension in order to provide extra benefits after you die, either for someone financially dependent on you but who wouldn't otherwise receive a pension, or to provide a higher pension to your spouse/civil partner than the pension described above.

You can find out more about death benefits and what your family would receive in the leaflet 'Benefits for your family' on the '**Documents**' page.



## How your pension is paid

Your pension is paid monthly, starting on the first day of the month following your retirement and carrying on for the rest of your life. You pay income tax on your pension in the same way as your salary before you retire.



# When you can retire

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Your Normal Retirement Date in the Scheme is your 65<sup>th</sup> birthday. However, you can retire before or after this age:

## Early retirement

If the Trustees (and the Company, if you're still contributing) agree, you can retire early – currently from age 55, but this is expected to increase to age 57 in 2028 because of a change in the law.

If you retire before your Normal Retirement Age, your pension will be reduced to reflect that it is expected to be paid for a longer time.

## Late retirement

You can take your benefits after Normal Retirement Date if you wish. If you defer it, your pension will be increased to reflect the fact that it will be expected to be paid for a shorter period of time.

## Flexible retirement

You don't have to stop working before you take your benefits. If you want to ease yourself into retirement, you might decide to take 'flexible retirement' from age 55. This is when you start to take your benefits while still working, which can be a great option if you're ready to slow down a bit but still feel you want to keep active.

## Retiring early due to chronic ill health

If you can provide medical evidence to the Trustee that you can't carry out your occupation because of a physical or mental impairment, you may be able to retire before age 55. If you are no longer employed by Raytheon then your pension will be reduced in the same way as for early retirement in normal health. If you are still working for Raytheon, your pension would be worked out as if you had retired at your Normal Retirement Date, using your Final Pensionable Salary at the time you actually retire.



# Pension increases

Your pension will increase each year to help it keep pace with rising prices. Increases take effect on 1 May each year – for the first year after you retire, you'll receive a proportion of the increase depending on the date of your retirement.

Different parts of your pension increase in different ways:

- The part of your pension earned between 6 April 1988 and 5 April 1997 which represents your Guaranteed Minimum Pension (GMP) increases in line with inflation up to a maximum of 3% a year. (Your GMP is the benefit the Scheme has to provide you as a result of being 'contracted out' of the additional State pension for this period of time - basically a guarantee that you won't be worse off than if you had paid higher rate National Insurance to receive a higher State pension.)
- Your pension earned between 6 April 1997 and 31 May 2006 will increase in line with the Retail Prices Index (RPI) up to a maximum of 5% a year.
- Your pension earned from 1 June 2006 will increase in line with RPI up to a maximum of 2.5% a year.

## Register on our portal to view pension payslips and more

Once your pension comes into payment, you'll be able to see details of your pension, your payslips and an annual P60 on the Scheme website. If you click on 'My pension portal' you can access the secure area.

### If you haven't yet registered on the portal, why not register today?

You'll have been sent a unique PIN, which along with your personal information such as your NI number will ensure that only you can register to see your personal details on the portal. If you can't find your PIN, you can request another one from the Scheme administrator, Gallagher (formerly called Buck). You'll then be able to set up your own log in and password. Once you're registered, you can see your latest benefit statement if you're still contributing to the Scheme, or if you're a deferred member you can see the benefits you built up to the date you left.

Visit [www.raytheonpensions.co.uk](http://www.raytheonpensions.co.uk)

## Transferring your benefits out of the Scheme

Transferring the value of your pension benefits out of the Scheme to a Defined Contribution pension arrangement is another option for you.

You can choose to transfer out of the Scheme at any time before you retire, although if you are an active members you will have to either have left Raytheon or opted out of the Scheme before you can transfer out.

This option can give you more flexibility about how you take your pension but there are also risks associated with it and you will need to take financial advice before making this decision if your transfer value is more than £30,000. Even if it isn't, we strongly recommend you take advice before transferring your pension benefits out.

For more information on transferring out of the Scheme and how to get financial advice, visit the 'Your future' section of the website [www.raytheonpensions.co.uk](http://www.raytheonpensions.co.uk)