Pensioners

This section has important information for you if you are receiving a pension from the Diageo Pension Scheme.

Payment of Pensions

Pensions are paid monthly in advance on the 6th day of each month. Payments are made by direct transfer to your chosen bank, building society or GIRO account. If the 6th is a Saturday, Sunday or public holiday, we will ensure your pension is paid early on the last working day before the 6th.

If you live overseas, your pension can be transferred directly to a bank account in your home country. The payments will be made in your local currency and the amount you receive each month will depend on the exchange rate at the date of transfer.

Don't forget to tell us if you move to a new house or change your bank details. You can do this online under the *Personal Details section*.

Pension Increases

Pensions in payment increase on 6 April each year. Before that date, you will receive a letter to confirm your new level of pension together with an explanation of how this has been calculated. If you have only started to receive your pension within the last 12 months, your first increase may be proportioned.

The method for increasing your pension is different depending on whether you have reached GMP age (age 60 for females and 65 for males).

If you are under GMP age, the part of your pension earned up to 31 March 2012 will increase each year in line with the Retail Prices Index (RPI) up to a maximum of 5% each year. For pension earned after 31 March 2012 your pension will increase in line with the Consumer Prices Index (CPI) up to a maximum of 5% each year.

If you are a former member of the GrandMet Group Pension Fund, your pension earned up to 31 March 2011 will increase by at least 3% each year.

If you are over GMP age, your pension may comprise two elements - Guaranteed Minimum Pension (GMP) and pension in excess of GMP.

Any GMP earned before 6 April 1988 does not increase.

Any GMP earned after 6 April 1988 is increased by the Scheme up to a maximum of 3% each year. This increase is based on the rise in the CPI over 12 months to the previous September.

The balance of your pension earned up to 31 March 2012 will increase each year in line with the Retail Prices Index (RPI) up to a maximum of 5% each year. Any pension earned after 31 March 2012 will increase in line with the Consumer Prices Index (CPI) up to a maximum of 5% each year.

If you are a former member of the GrandMet Group Pension Fund, your pension earned up to 31 March 2011, in excess of any GMP, will increase by at least 3% each year.

Although pensions, in excess of any GMP, are reviewed each 6 April, the increases are based on the rise in the RPI over the previous 12 months to January.

Example

Take a member who is over GMP age and receives a total pension of £9,000 a year Their pension includes a total GMP of £1,400 a year (of which £400 was earned after 5 April 1988). The pension in excess of the GMP is made up of £6,600 earned up to 31 March 2012 and £1,000 earned after 31 March 2012.

If the rise in the CPI over 12 months to the previous September was 3.5%, the rise in the RPI over the previous 12 months to January was 4% and the rise in CPI over the previous 12 months to January was 3.8%, their pension would be increased as follows:

Increase to pension in excess of GMP:

Pension built up to 31 March 2012 = £6,600 x 4.0% = £264
Pension built up after 31 March 2012 = £1,000 x 3.8% = £38
Increase to GMP earned after 5 April 1988 = £400 x 3% = £ 12

New annual pension = £9,000 + £264 + £38 + £12 = £9,314

Tax on your pension

Your pension is treated as earned income for tax purposes. Tax will normally be deducted before your pension is paid.

If you've any questions about your tax code or the amount of tax deducted from your pension, you should contact the tax office shown below. The Pensions Team can only apply tax codes as instructed by the tax office and is therefore unable to resolve any disputes you may have regarding your tax code.

You can contact the Inspector of Taxes at:

HM Revenue & Customs
Centre 1
East Kilbride
Glasgow G79 1AA

Telephone (if dialing from the UK): 0845 0703 703 (Calls charged at local rate)
Telephone (if dialing from overseas): +44 845 0703 703

When contacting HMRC, you should quote your name and National Insurance number.

Since April 1996, following the introduction of 'self-assessment', all tax payers are obliged by law to keep records of their income and capital gains to enable them to complete a tax return. These records should be kept for 22 months after the end of the tax year to which they relate.

If you're moving overseas you may wish to ask your local tax office for more information about paying your tax when living abroad. You may be eligible to claim an exemption from paying UK income tax.

Payslips/P60

A pension advice slip will be issued following any change to your pension payment if it results in your new net monthly pension increasing or reducing by more than £5 from your previous month's net pension payment. However, you can access your monthly payslip online under the *My Pension section.*

You'll also receive a P60 each April that will confirm your total pension and tax deducted for the previous tax year. You can also access this online under the *My Pension section.*

State Pension Benefits

As well as your benefits from the Scheme, you may also receive a pension from the State when you reach State Pension age. You can check your state pension age and obtain an estimate of the amount of your state pension at https://www.gov.uk/state-pension-age.

Who benefits if I die?

The Scheme provides you with peace of mind by providing benefits for your spouse and dependants if you die.

When you die, a pension will normally be payable for life to your spouse. The amount of your spouse's pension payable depends upon the section of the Scheme in which you are a member. If you would like to know the current value of your spouse's pension, you can obtain this online under the *Death Benefits section.*

If you are unmarried, the Trustees may agree to pay a pension to a dependant. If you want someone to receive a dependant's pension after your death, you should advise the Pensions Team in writing. You can find the details online within the *Contacts* section.

The Scheme may also provide pensions for your children until they're age 18, or 22 if still in full time education or training.

If you die within five years of retiring, there may also be an additional benefit payable as a lump sum. Any lump sum benefits payable on your death are payable at the discretion of the Trustees. Because of this, they're not subject to inheritance tax. The Trustees will, however, take account of your wishes and it's therefore important to complete an Expression of Wish form. This can be done online under the *Expression of Wish section*.

Running the Scheme

The Scheme is set up and run under a Trust Deed and Rules.

The Scheme is managed by a trustee company, Diageo Pension Trust Limited, whose directors are responsible for running the Scheme in the best interests of all the Scheme’s members.

The Scheme assets are held entirely separate from those of the Company and can only be used for the benefit of members and their dependants. The Trustee manages the Scheme’s investments in accordance with the Trust Deed and Rules and the legislative requirements and it's Statement of Investment Principles. A copy of the Rules and the Statement of Investment Principles can be found online under *Scheme Information.*

Changing or closing the Scheme

The Trust Deed and Rules contain provisions for amending, closing or winding up the Scheme.

The Company may terminate the Scheme at any time by giving written notice to the Trustee. In addition, the Company may make changes to the Scheme subject to a period of consultation with members and certain legislative restrictions.

Your benefits are not assignable

Your Scheme benefits are strictly personal and cannot be assigned to any other person or used as security for a loan. Any attempt to do so may result in loss of benefits. Please note however, that should you divorce, the court has certain powers to allocate a proportion of your Scheme benefits to your ex-spouse.

Regulation of the Scheme

The Pensions Regulator

The Pensions Regulator is the regulator of work-based pension schemes in the UK. Its objectives are to:

- protect the benefits of members of work-based pension schemes;
- to reduce the risk of situations arising which might lead to calls on the Pension Protection Fund; and
- to raise the standards of administration of work-based schemes.

The Pensions Regulator is based at:

Napier House
Trafalgar Place
Brighton
BN1 4DW

The Pension Protection Fund

The Pension Protection Fund (PPF) was established to pay compensation to members of eligible defined benefit schemes if their employer becomes insolvent and there are insufficient assets in the scheme to cover PPF levels of compensation.

Broadly speaking the PPF protects pensions in payment where the member is already over normal retirement age at the insolvency event (but with reduced pension increases); and 90% of benefits payable to members who were below this age at the insolvency event, up to a cap. The cap varies according to a scheme's normal retirement age.

The PPF is funded by levies on pension schemes. The levy consists of a number of components; the two main ones are the risk-based levy and the scheme-based levy. The majority of the levy comes from the risk-based element. This focuses on the funding level of the scheme and the strength of the employer.

The Pension Tracing Service

Details of the Scheme have been forwarded to the Pension Tracing Service. If in the future, you should wish to contact the Pension Tracing Service to trace any previous pension rights you can write to:

The Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Telephone: 0800 731 0193
From outside the UK: +44 (0)191 215 4491

General Data Protection Regulation

On 25 May 2018 the General Data Protection Regulation (GDPR) came into law. This marks a change to European privacy laws in relation to the collection and processing of personal information. While many aspects of GDPR are similar to current legislation, it strengthens the law and introduces a number of new obligations on the Trustee. The Trustee has a detailed privacy notice in place providing members with more details about how your information is used for the proper administration of the Scheme. The privacy notice is available online under *Scheme Information.*

Solving problems

Any queries about the Scheme and your benefits should be referred to the Pensions Team , who will always try to provide a prompt and accurate response.

If, however, you are not satisfied with the response you receive, the Scheme has an internal disputes resolution procedure to resolve any disputes between the Scheme and its members and beneficiaries. You can obtain a copy of the procedure from the Pensions Team. You can find the details online within the *Contacts* section.

You may also apply to The Pensions Advisory Service (TPAS) for assistance at any time. TPAS is available to help members and other beneficiaries who have pension queries or other difficulties, which they have not managed to resolve with their scheme's trustees or administrators. TPAS is a Government funded body and will allocate a professional adviser to liaise with the Scheme on your behalf.

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

Telephone: 0800 011 3797
From outside the UK: +44 (0)207 932 5780
Email: enquiries@pensionsadvisoryservice.org.uk

You may also approach the Pensions Ombudsman to decide a matter involving your membership of the Scheme. He can investigate and determine complaints or disputes of fact or law in relation to an occupational pension scheme which are referred to him within his jurisdiction under the Pensions Act 1993.

10 South Colonnade
Canary Wharf
London
E14 4PU

Telephone: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk