



DUN & BRADSTREET (UK) PENSION PLAN

IMPROVING YOUR OPTIONS ON RETIREMENT

Introduction

THIS NOTICE ONLY APPLIES TO MEMBERS OF THE PLAN'S DC SECTION.

Before April 2015, for most members of defined contribution (DC) pension schemes, the only benefit option at retirement was to take part of their pension savings as a tax-free lump sum and use the balance to purchase a fixed, guaranteed pension. However, following the introduction of 'pension freedoms', as a member of the Plan's DC Section, you now have a number of alternative options (see below and the member guide for further information), one of which is 'income drawdown' (sometimes referred to as 'pension' or 'flexible access' drawdown).

In order to help members who are interested in income drawdown, the Trustee has been working with Aviva to provide members with access to this option via Aviva because to date it was necessary to transfer your pension savings away from Aviva in order to use income drawdown. This notice is to let you know that this new facility will be available from April 2019.

Please note, if you also have benefits in the Old Money Purchase Section (OMPS) of the Plan, due to the nature of these benefits, your OMPS Account can not be used for income drawdown. You can check whether you have benefits in the OMPS by contacting Aviva (see the final page for contact details) and quoting scheme number F70382.

A short reminder about your options at retirement

When you retire, you can use your pension savings in a number of ways.

Through the Plan

1. After deciding whether or not to take up to 25% of your pension savings as a tax-free lump sum, you can purchase a guaranteed pension (called an annuity) either from Aviva or an alternative company of your choice.
2. You can take the whole of your pension savings as a single cash lump sum – 25% is tax-free but the balance is taxed at your marginal rate of income tax.

By first transferring out of the Plan

3. After deciding whether or not to take up to 25% of your pension savings as a tax-free lump sum, you can provide yourself with a flexible pension income using 'income drawdown'.
4. You can take your pension savings as a series of cash lump sums – 25% of each lump sum is tax-free but the balance of each lump sum is taxed at your marginal rate of income tax.

Need to know: for option 3, as well as now being able to use Aviva's income drawdown policy, you can still transfer your pension savings to an alternative income drawdown policy with a provider of your choice.



You may also be able to 'pic and mix' the above options to suit your needs or defer taking your benefits to a later date.

'Income drawdown' in a nut shell

Unlike purchasing a guaranteed pension using an annuity, income drawdown lets you keep your pension savings invested whilst at the same time allowing you to 'drawdown' an income to suit your needs. Income payments can either be regular monthly amounts (which you can change as your circumstances change) or you can make ad hoc withdrawals as and when you require. Therefore, 'income drawdown' gives you the option to provide a flexible income in your retirement rather than a fixed income if you buy an annuity.

Under income drawdown, you still have the option to take up to 25% of your pension savings as a tax free lump sum. However, all income withdrawals are subject to income tax, which is the same as the income you receive if you buy an annuity.

Need to know: unlike an annuity, income drawdown does not provide a guaranteed pension. As your pension savings remain invested, future income payments will depend on the rate at which you drawdown your pension savings and the performance of the investment funds in which you choose to invest.

Key facts of Aviva's income drawdown policy

As part of the Plan's retirement process, the Trustee has agreed that, on request, members of the Plan's DC Section will be provided with information on Aviva's income drawdown policy. For members wishing to choose this option, this will provide a way of moving to income drawdown that is as seamless as possible – you will just need to transfer your pension savings out of the current D&B DC Plan to Aviva's income drawdown policy.

The key points to note in relation to Aviva's income drawdown policy are:

- Your pension savings will be transferred from the Plan to an individual personal pension policy with Aviva (this can either be the whole or part of your pension savings under the DC Section)
- After deciding whether to take part of your transferred pension savings as a tax-free lump sum (this must be taken at the time of transfer to Aviva's income drawdown policy), with the balance, you will be able to:
 - Leave it untouched until you wish to start taking an income (you can only do this if you take part of the amount transferred as a tax-free lump sum), or
 - Use it to provide a regular income (either monthly, quarterly, half-yearly or annually), or
 - Use it to provide ad hoc income payment (up to six per tax year)
- You will have a wide range of investment options, ranging from individual investment funds to a choice of lifestyle strategies



- The Trustee has negotiated a competitive annual 'core' charge of 0.31% p.a. to which additional annual charges are added depending on your investment choice (currently, these range from 0% to 1.01% p.a.).

How to find out more about Aviva's income drawdown policy

When you are six months from your selected retirement age under the Plan (or earlier if you contact Aviva to request to take your benefits before your selected retirement age – see Aviva's contact details on the final page), you will be sent a 'retirement options pack' by Aviva. This pack will include a guide entitled 'Your Pension: making sense of your retirement options' that includes more general information on income drawdown and the things you need to think about if you are interested in this option. The guide also provides more information on the alternative options available to you, such as buying an annuity.

As part of the information you receive, you will also be provided with the contact details for Aviva's retirement support team. If you are interested in income drawdown you should give them a call and they will be able to explain this option in more details as well as explain what you need to do if you wish to use Aviva's income drawdown policy. They will also be able to send you an income drawdown illustration and more detailed information on Aviva's income drawdown policy.

Aviva's retirement support team can also help you with any of the other retirement options you have.

Need to know: income drawdown will not be right for everybody and it is important that you consider all the options available to you so you choose the right benefit for you. For all of the options, you should fully understand the risks as well as the benefits and you are therefore strongly advised to speak to Aviva's retirement support team or Pension Wise (the Government's impartial guidance service) or a financial adviser. See more information below.

What should I think about before retirement?

It is important that you regularly review your pension savings under the Plan to ensure that you are on track for the retirement you want and your investment choice remains appropriate for the benefit option you intend to choose. In particular, the Plan offers two investment lifestyle strategies that have been specifically designed for those member who are intending to use income drawdown, namely the Diversified Lifestyle Drawdown Investment Programme and the World Equity Lifestyle Drawdown Investment Programme. More information on all of the investment options can be found in the Investment Fund Information Guide.

The easiest way to review your pension savings and the investment choice you have made is by visiting Aviva's member website at www.aviva.co.uk/membersite. Through this site you can:

- ✓ Use a range of online tools to help you plan for your retirement
- ✓ Find more information on the available investments funds and make changes to your choices
- ✓ Check the value of your pension savings
- ✓ Update your personal details.




If you have not previously registered for Aviva's member website, you can do so by following the simple instructions found on the site – click on 'Login or register' on the home page.

Where to find more information

If you have questions

If you have any questions about this notice, please contact David Saunders at Willis Towers Watson (the Trustee's advisers). David can be contacted by:


 david.saunders@willistowerswatson.com.

 0117 989 7460

If you want to contact Aviva

You can contact Aviva by:

 dunandbradstreet@aviva.com

 0800 068 1431 (freephone).

If you need help or advice

If you want to discuss your retirement plans in more detail, we recommend that you either:

- Contact Pension Wise (if you are aged 50 or over), the Government's impartial guidance service, by:

 www.pensionwise.gov.uk

 0800 138 3944

- Seek financial advice. If you do not already have a financial adviser, information on how to choose and find one can be found on the Money Advice Service website at www.moneyadviceservice.org.uk (click on Retirement >> Financial advice). Alternatively, you can find a financial adviser at www.unbiased.co.uk or www.vouchedfor.co.uk.

Please note that a financial adviser may charge a fee for providing advice.

Need to know: last year, the Money Advice Service and Pension Wise (together with the Pensions Advisory Service) were combined under a new organisation called the Single Financial Guidance Body (SFGB). In April 2019, the SFGB will be renamed the Money and Pensions Service. At the time of writing, the above contact details remain valid.

**The Trustee of the Dun & Bradstreet (UK) Pension Plan
April 2019**