

Thinking of opting-out the Heinz Pension Plan?

The Trustee has seen an increase in the number of members deciding to opt out of the Heinz Pension Plan ("the Plan"). The Trustee has written this memo to give members information that should be considered before deciding to opt out.

The Plan provides you and your family with valuable benefits on your retirement (or in service should you die before retirement) so how you take your pension benefits will be one of the most important financial decisions of your life. It is therefore very important that you understand what you will be giving up if you decide to opt out. You are strongly advised to consider obtaining independent financial advice to help you understand the implications of opting out before you make any decision.

What should I consider before opting out of the Plan?

Opting out of the Plan is a significant decision that would mean giving up some extremely valuable benefits and protections.

Your pension accrued within the Plan is based on your pensionable pay when you retire, leave employment or opt out of the Plan and the length of time you are an active member. This means that:

- By opting out of the Plan your pensionable service would end, and you would be unable to build up any further benefits within the Plan including death benefits and any Additional Voluntary Contributions (AVCs).
- The longer you have to go until you retire, the greater the potential benefits you could be giving up.

You would no longer be eligible for lump sum benefits that would be payable to your dependants under the DB Plan if you die in pensionable service. The Plan typically provides higher pensions if you are forced to retire from active membership on grounds of ill-health and incapacity and higher pensions to your dependants, compared with if you had opted-out. Before you opt out of the Plan it is strongly recommended that you thoroughly read the Plan information, which is available on the MyKraftHeinzBenefits site and also consider taking independent financial advice.

If, after reading the above, you still wish to opt out of the Plan, you will need to discuss your intentions with your local HR Department.

How do I transfer my benefits out of the Plan?

If you are thinking about transferring your benefits out of the Plan, there are a number of additional points that you should consider carefully.

Active members of the Plan cannot take a transfer value to another approved pension arrangement. An active member may request an indicative estimate of the benefits available but they must opt out of the Plan to obtain a guaranteed quotation of the funds to transfer out.

IMPORTANT: Once actioned, your decision to opt out of the Plan is IRREVERSIBLE. Once you have opted out of the Plan you will be unable to re-join the Plan at a later date if you change your mind.

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The Process

The process of opting out of the Plan and then transferring your benefits involves a number of carefully managed stages. Together, these can take 3-6 months to complete as other parties not managed by the Trustee, Capita or their advisers are involved in a complex process.

Details of the stages involved in transferring out of the Plan are set out below.

Step 1: You discuss your interest in opting out of the Plan with your local HR Department. If you decide that you wish to receive an indicative transfer value you should contact Capita and make the request.

Step 2: Capita then calculates and sends you an Indicative Transfer Out Statement giving you the estimated value of the pension benefits that you have built up in the Plan to date.

The Indicative Cash Equivalent Transfer Value that you receive IS ONLY AN ESTIMATE, as at this point Capita do not have all the final information (e.g. your leaving date and final pensionable pay) required to quote a guaranteed value.

Step 3: You decide whether or not you still want to opt out, bearing in mind that the final transfer value that you would receive may be LOWER or HIGHER than the indicative estimate that you have received.

Step 4: If you still wish to proceed, you complete an Employee Pension Opt Out Form which is available from your HR department.

By law, you must opt out of the Plan before a guaranteed transfer value can be given. When making your decision, please remember that the guaranteed value that you will receive may be LOWER or HIGHER than the Indicative Value that you have received. If you have not already done so, and regardless of the transfer value, you are advised to discuss your decision with a regulated Independent Financial Adviser before you opt out.

Step 5: If you decide to progress your request to opt out of the Plan, you complete the Employee Pension Opt Out Form, get it authorised by HR and they will send it to Buck or Zellis to confirm that you have decided to opt out. **THIS IS THE POINT OF NO RETURN.**

Step 6: Capita will be advised of your opt out and will issue you with a leaving service benefit statement, detailing your pension at date of exit. Once you receive this you can request a guaranteed Cash Equivalent Transfer Value from Capita.

Step 7: Capita send you a guaranteed transfer value** which will be guaranteed for 3 months and discharge paperwork. Remember that the guaranteed transfer value may be higher or lower than any estimate that you received as an active member, and you cannot now re-join the Plan.

Step 8: You take financial advice from an authorised Independent Financial Adviser (IFA). By law you must take advice if your transfer value exceeds £30,000. The Trustee will require a statement in writing from the Adviser confirming that advice has been provided.

Please note that the process of finding an IFA is your responsibility and taking advice can take several months and so you should bear this in mind given that the transfer value figure is only guaranteed for 3 months.

After taking advice, you may decide not to take the transfer value and you may then remain in the Plan as a deferred member. However, you should note that the administrators may not be able to provide you with another guaranteed transfer value quotation within the next 12 months.

Step 9: You accept the guaranteed transfer value and return discharge papers to Capita.** The receiving pension arrangement will also need to complete a number of forms and due diligence checks will need to be carried out on your financial adviser and the receiving arrangement before any payment can be made.

Step 10: Capita make arrangements to transfer benefits.

***Guaranteed value subject to there being no errors or omissions in the calculations, the process or the personal information on which the calculation is based.*

Taking financial advice

The benefit options available through the Plan are likely to be appropriate for most members. If you are considering transferring out of the Plan it is important that you understand the potential advantages and disadvantages of doing so.

How to find a suitable financial adviser

You may need to take financial advice if:

- You wish to opt out of the Plan; or
- You wish to transfer your benefits out of the Plan.

If you choose to transfer your benefits out of the Plan, you will also need advice on where to transfer them to and the investments that are suitable for your circumstances.

The Trustee cannot provide you with financial advice and cannot advise you whether it is in your interest to opt out of the Plan or transfer out of the Plan. If you wish to take advice to help you plan your retirement you will need to find a financial adviser and pay for the advice yourself. There are services you can use to assist you in your search.

Money Advice Service

The Money Advice Service provides free and impartial information on choosing a financial adviser and links to details of financial advisers in your area. The website can be accessed at: <https://www.moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser>

If you wish to see a financial adviser, it is a good idea to speak to a few so that you can compare the service and find out if they are right for you. The Money Advice Service has produced a list of six key questions to ask a financial adviser before you decide which one to use. This can be accessed at: <https://www.moneyadviceservice.org.uk/en/articles/key-questions-to-ask-your-financial-adviser>

Pension Transfer Gold Standard

In addition to the information provided above, the Personal Finance Society has developed the Pension Transfer Gold Standard. This is a voluntary code of good practice for defined benefit pension transfer advice. The Gold Standard aims to enable members of defined benefit pension schemes to better understand what good advice on what to do with your pension looks like.

Financial advice firms who adopt and promote this standard agree to adhere to a set of principles. Adopters will display the Pension Transfer Gold Standard 'badge' and can be found in the Money Advice Service Directory above.

To find out more about the Pension Transfer Gold Standard please read the consumer guides available on this website:

<https://www.thepfs.org/about-us/initiatives/the-pension-transfer-gold-standard/understanding-the-pension-transfer-gold-standard/>

What is a pension scam?

It's important to be aware that while the majority of financial advisers are regulated and pension arrangements are registered, this is not always the case.

Your pension benefits are valuable assets. Like anything valuable, your benefits can become the target for scammers.

Pension scams can take many different forms, but broadly take the form of members being persuaded to transfer their pension out of a scheme to allow access to their funds.

Some schemes will be unlawful and others may operate within the law, but members and schemes could face unauthorised tax charges.

Pension scammers may:

- Try to obtain personal information about you (either illegally or by convincing you to provide the information).
- Apply pressure for you to make a quick decision.
- Make claims that seem "too good to be true".
- May try to flatter you in to making a bad decision.
- May downplay the risk associated with the decision.

You can find out more about pension scams at www.fca.org.uk/scamsmart.

How can I protect myself from a pension scam?

To avoid being the victim of a scam there are several steps you can take:

- Use the [Financial Services Register](#) and [Warning List](#) to check who you are dealing with.
- Beware of adverts on social media channels and paid for/sponsored adverts online.
- Do not click links or open emails from senders you don't already know.
- Avoid being rushed or pressured into making a decision. If a firm calls you unexpectedly, use the contact details on the Register to check that you're dealing with the genuine firm
- Do not give out personal details (bank details, address, existing insurance/pensions/investment details). We strongly recommend reading the Pension Regulator's guidance on pension scams, which you can find at: <https://www.thepensionsregulator.gov.uk/en/pension-scams>
- If you are asked to transfer your pension elsewhere, we recommend exercising caution and visiting [ScamSmart](#) (www.fca.org.uk/scamsmart) which has specific guidance relating to COVID-19.
- If you are approaching retirement then the [Money and Pensions Service](#) (<https://www.pensionsadvisoryservice.org.uk>) is also a useful resource.

Remember that if it sounds too good to be true then it probably is.