

HEINZ PENSION PLAN ("the Plan")

ILL-HEALTH RETIREMENT – MEMBER GUIDE

1. WHO IS ELIGIBLE FOR ILL-HEALTH EARLY RETIREMENT?

You will be eligible under the Plan rules to take early retirement on the grounds of ill-health if you leave work with Kraft Heinz when, as a result of ill-health or disability, you are incapable of carrying out your role or a similar role (whether within the Kraft Heinz group or elsewhere) and are expected to remain so incapable until normal retirement date (i.e. the first day of the calendar month following your 65th birthday). Whether you meet this requirement will be determined by the trustee of the Plan ("**the Trustee**"), having reviewed medical evidence.

If you are seriously ill, and the Trustee receives medical evidence that you are expected to live for less than 12 months, different rules apply which allow you to ask the Trustee to convert your entire pension into a lump sum payment.

2. APPLYING FOR ILL-HEALTH EARLY RETIREMENT

Once you have told Kraft Heinz that you wish to apply for ill-health early retirement (and Kraft Heinz has investigated whether any reasonable adjustments can be made to your role to accommodate your illness or disability), Kraft Heinz will send you an Application for Ill-Health Retirement form to complete. You should return that form to your local HR manager. On receipt of your completed form, Kraft Heinz will arrange for you to be interviewed or examined (as relevant) by the Company Doctor.

Following the interview/examination, the Company Doctor will complete a Medical Report Form, which sets out his assessment of your health and the extent to which it affects your ability to perform your job. You will have the opportunity to see this, if you would like to do so (you will be able to indicate this on your Application form).

On receipt of the completed Medical Report Form, your local HR manager will send it to the Trustee (together with your Application form and all the supporting documents and medical evidence).

3. TRUSTEE'S DETERMINATION

The Trustee will consider your application and the supporting evidence and may grant or reject your application. If the Trustee decides that the medical evidence is inconclusive, it may also seek a further medical opinion and you may be asked to attend another interview/examination. Again, if you wish, you will have the opportunity to see the further medical opinion before it is provided to the Trustee.

Once the Trustee has come to a determination (even if it is just that further information is required), it will complete a Determination Form. This will set out what determination has been reached and will include a summary of the Trustee's reasons. A copy of the Determination Form will be sent to you.

4. **CHALLENGING THE TRUSTEE'S DETERMINATION**

If you disagree with the Trustee's determination, you can ask the Trustee to reconsider your application via the Plan's internal dispute resolution procedure ("IDRP"). Details of the IDRPs are available in the Plan booklet, the MyKraft HeinzBenefitz intranet, the Plan website (www.hartlinkonline.co.uk/heinzpensions) and can also be requested from Capita at any time.

5. **WHAT HAPPENS IF AN ILL-HEALTH PENSION IS GRANTED?**

If the Trustee grants your application, your ill-health pension will be put into payment. It will be based on your final pensionable pay and/or final pensionable earnings as appropriate at date of retirement, your pensionable service completed plus your potential future service to normal retirement date.

The Trustee is entitled to review the state of your health between the date of your retirement and your normal retirement date, in order to assess whether you have recovered to the extent that you might once again be able to carry out your role, or a similar role. The Trustee's current policy is to carry out such a review on a bi-annual basis. You may therefore be required to attend further interviews/examinations with the Company Doctor (or another medical practitioner). If, in the Trustee's opinion (having considered the medical evidence), you have recovered to the extent that you are once again able to carry out your role, or a similar role, the Trustee may reduce or suspend your ill-health pension.

6. **ILL-HEALTH RETIREMENT AND THE ANNUAL ALLOWANCE**

The annual allowance restricts the amount of pension growth you are allowed each year before tax charges apply. The annual allowance is currently set at £40,000 (tax year 2019-20) and applies to all your benefits in registered pension schemes.

If you are granted ill-health retirement, it will result in an uplift to your pension benefits (as they will be calculated based on what you would have received, had you remained in service to normal retirement date). If the uplift is more than the annual allowance threshold, it may therefore result in an annual allowance charge. In most cases, a charge will not apply, either because the uplift does not exceed the annual allowance threshold or because you have allowance available to carry forward from previous years.

In advance of your ill-health pension being put into payment, you will be notified if a tax charge is due so that you can reconsider your decision if necessary.

Before 2011, members retiring on ill-health grounds were exempt from the annual allowance charge. However, this has changed. In order for you to be exempt, HMRC now requires the Trustee to obtain medical evidence which shows either that:

- you are incapable of working in any capacity, to any significant extent, before reaching State Pension Age; or
- you are expected to live for less than one year (and are therefore entitled to receive all your benefits under the Plan as a serious ill health lump sum).