

Addendum 3

The information contained within this Addendum is suitable for you if:

- You are a current member of the Eggborough Power Group of the ESPS;
- You were a member of the BEC Group of the ESPS between 1 April 2000 and 31 March 2010; and
- You joined the National Power Group of the ESPS before 1 April 1997.

Please note that the information provided below should be read in conjunction with the information contained in the Looking Ahead Booklet.

Your Normal Pension Age (NPA)

Members who joined any Company participating in the ESPS before 1 April 1988 have an NPA of 60.

When did you join the Scheme?	Normal Pension Age
Before 1 April 1988	60
After 1 April 1988	63

However, if you have continuous employment between 31 March 1988 and 17 May 1990 (or beyond), but did not start building up pensionable employment until after 1 April 1988, you may have a Normal Pension Age of 60. If these circumstances apply to you, please contact the Administration Team at Aon Hewitt (address provided below).

Normal Retirement

The Normal Retirement provisions of the Scheme are set out in section 4 of the Looking Ahead Booklet.

In addition:

Since your membership of the ESPS started before 1 May 2007 and you have built up over 5 years' service, you have the option to round your service up to the next complete year e.g. 6.27 years become 7 years.

If you elect to do this, you will need to contribute 6% of the pensionable pay you would have received during this extended period had you continued working. This amount is normally deducted from your retirement pension once it comes into payment. Alternatively, the monies can

be deducted from your salary before you retire by prior agreement. In either case the deduction will be treated for tax relief purposes in the same way as your normal contributions / salary conversion (paragraph 14.4 of the Looking Ahead Booklet).

Early Retirement

Since you joined the Scheme before 1 April 1997, once you are aged 55 or over you can resign from the Company and ask the Group Trustees for consent to **take** your pension early from the Scheme. The pension payable will be as described under section 4.2 of the Looking Ahead booklet. However, this will be reduced for early payment by a factor determined by the Group Trustees with advice from the Group Actuary.

Alternatively, if the Company consents to a request to pay your benefits early from the Scheme, then the benefits outlined below are payable:

If you have less than 10 years pensionable service:

Your annual pension will be based on the length of your pensionable service up to the date of retiring and your pensionable pay, but reduced for early payment by a factor determined by the Principal Employer with advice from the Group Actuary. The reduction factors used to calculate early retirement pensions may be adjusted from time to time in consultation with the Group Actuary, but your pension would not be changed after payment commences. The option to give up part of your lump sum for additional pension will be provided.

If you are a male member with a Normal Pension Age of 60, any benefits that you earned for service before 17 May 1990 will be subject to a further reduction to recognise that they are not subject to equalisation requirements arising out of European equal treatment legislation and are, therefore, payable on the basis that Normal Pension Age for a male before 17 May 1990 was age 63.

The lump sum will be three times this reduced pension less any deduction that may be necessary where you have chosen to pay reduced contributions / salary converted amounts (paragraph 3.1).

The agreement of the Company to your early retirement will be subject to your reduced pension, (if necessary after converting some or all of your lump sum), not being less than your revalued Guaranteed Minimum Pension. If it is it will not be possible to pay your benefits immediately.

NOTE: The Principal Employer retains the right to waive reductions for the early payment of benefits, in whole or part, at its discretion.

If you have at least 10 years pensionable service:

The reduction in pension and lump sum described above will not apply.

However, if you are a male member with a Normal Pension Age of 60, any benefits that you earned for service before 17 May 1990 when your Normal Pension Age was 63, will be subject to a reduction if you wish to take early retirement, although the Principal Employer retains the right to waive the reduction, in whole or in part, at its discretion.

The pension will be based on the length of your pensionable service up to the date of retiring and on your pensionable pay. Your lump sum will be three times the annual pension less any deduction that may be necessary where you have chosen to pay reduced contributions / salary converted amounts (paragraph 3.1).

In addition:

Since your membership of the ESPS started before 1 May 2007 and you have built up over 5 years' service, you have the option to round your service up to the next complete year e.g. 6.27 years become 7 years.

If you elect to do this, you will need to contribute 6% of the pensionable pay you would have received during this extended period had you continued working. This amount is normally deducted from your retirement pension once it comes into payment. Alternatively, the monies can be deducted from your salary before you retire by prior agreement. In either case the deduction will be treated for tax relief purposes in the same way as your normal contributions / salary conversion (paragraph 14.4 of the Looking Ahead Booklet).

What if the Company Retires Me Early?

If you cease contributing / salary converting before your Normal Pension Age because the Company compulsorily retires you due to redundancy or reorganisation or, at the discretion of the Principal Employer, for any other reason:

If you are over 55:

You will immediately be paid an annual pension and a lump sum. The pension will be based on the length of your service to the date of retiring early and on your pensionable pay at that time. The lump sum will be three times this annual pension less any reduction that may be necessary where you have chosen to pay reduced contributions / salary conversion amounts.

If you are under 55:

You have the same choices as if you had stopped work voluntarily. But if you left due to reorganisation or redundancy and you elect to have frozen benefits these will be paid to you at age 50 (unless you waive this right on leaving).

In addition:

Since you have built up over 5 years' service, you have the option of rounding up your service to the next complete year. Further information on how this would work is provided under Early Retirement above.

Ill-Health Early Retirement

The Ill-Health Early Retirement provisions of the Scheme are set out in paragraph 5.3 of the Looking Ahead Booklet, with the following amendments:

Pensionable Service

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If you were a member of the Scheme before 1 April 1988, your pension will be based on the length of pensionable service you would have had if you had stayed at work until you reached age 65.

If you were a member of the Scheme on or after 1 April 1988, your pension will be based on the length of pensionable service you would have had if you had stayed at work until you reached age 63.

In addition:

Since you have built up over 5 years' service, you have the option of rounding up your service to the next complete year. Further information on how this would work is provided under Early Retirement above.

Late Retirement

If you continue working after Normal Pension Age your situation depends on what your Normal Pension Age is (see above).

Normal Pension Age – 60 years

You will stop paying the basic contribution / salary conversion when you reach age 60, although you may continue to pay Additional Voluntary Contributions (AVCs) if you wish.

Your pension and lump sum when you do retire will include the additional period of pensionable service for the time that you have continued to work and will be based on your pensionable pay at that time. If you already have the maximum 40 years pensionable service that can be accrued at Normal Pension Age, you may, if you continue to work long enough, build up another 5 years service up to a maximum of 45 years.

If you do not have the maximum 40 years Pensionable service that can be accrued at Normal Pension Age you will continue to reckon Pensionable service while you continue working up to a maximum of 45 years Pensionable service. You will not be required to contribute after age 60.

Your pensionable service will include any back dated service credit and Additional Years. If you are a full-time member you have the option to round up your service to the next complete year for which you will be required to pay the appropriate contribution / salary conversion.

If you are a male member and choose to retire between age 60 and 63, the benefits that you have built up since 17 May 1990 will be paid without reduction. The benefits that you built up before that date will be reduced to recognise that they are not subject to the equalisation requirements arising out of European equal treatment legislation and are therefore payable on the basis that Normal Pension Age for a male before 17 May 1990 was age 63.

There will be no adjustment when a female member with a Normal Pension Age of 60 continues in employment and subsequently retires between age 60 and 63, nor will a male member's benefit be adjusted if he retires due to ill-health.

Normal Pension Age – 63 years

If you continue working after age 63, the late retirement provisions are set out in the Looking Ahead Booklet.

Dependants Benefits

Dependants Benefits are summarised in section 7 of the Looking Ahead Booklet.

Widow(er)'s pension

Please note that if you have been a member of the Scheme since before 1 April 1978, the widow(er)'s pension may be less if you have not exercised the option that is available in respect of service before 1 April 1978 to provide a higher rate of widow's pension, or in the case of a widower's pension have not elected to provide the benefit.

Treatment of Lump Sum Payment on Death

The provisions are set out in paragraph 7.3. However, **please** note, you are only covered by these provisions if you joined the Scheme on or after 1 September 1986. If you joined before that date you will only be covered by the provisions if you have completed a "Notice of Direction". If you have not taken any action to complete the "Notice of Direction", any lump sum that may be payable on your death will be paid to your estate on sight of a Grant of Probate or Letters of Administration, and may be liable to inheritance tax.

Pension Increases

The Pension Increases provisions are summarised in paragraph 8.1 of the Looking Ahead Booklet.

In addition:

If you have built up pensionable service before April 1997, part of your pension in respect of that service is known as the "Guaranteed Minimum Pension" or "GMP" (paragraph 15.1). The Scheme is required by law to pay the increase on the GMP in respect of your Scheme membership from 6 April 1988, in line with the increase in the Retail Price Index up to 3%.

Other than this one area the State normally pays the increase due on the GMP from State Pensionable Age and the Scheme pays the pensions increase on the balance of your pension. Where the State does not do this, the Scheme generally pays the pensions increase on the whole of the pension.

Leaving the Scheme / Frozen Benefits

The Frozen Benefit provisions are summarised in paragraph 11.2 of the Looking Ahead Booklet but **please note:** if you are a male member with a Normal Pension Age of 60, any benefits that you earned for service before 17 May 1990 when your Normal Pension Age was 63, will be subject to a reduction if you wish to take early retirement, although the Principal Employer retains the right to waive the reduction, in whole or in part, at its discretion.

In addition:

Since you have built up over 5 years' service, you have the option of rounding up your service to the next complete year. Further information on how this would work is provided under Normal Retirement above.

Any questions?

If you require further information, you should contact:

Eggborough Power Pension Admin Team
RPMI EPAL
2 Rye Hill Office Park
Birmingham Road
Coventry
CV5 9AB

E-mail: enquiries@rpmico.uk
Helpline: 0800 875 8051

This booklet has no legal authority and cannot be taken as a substitute for the provisions of the Scheme or any legal or HM Revenue and Customs ("HMRC") requirements, which may override those provisions. In the event of any inconsistency between the Rules of the Scheme and this booklet, the Rules of the Scheme shall prevail.