

EATON

UK Pension Plan

A GUIDE TO YOUR **PENSION** BENEFITS

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Welcome to the Eaton UK Pension Plan

How the Plan works

Money paid into the Plan builds up in a fund. The fund is kept quite separate from the Company's assets. When you retire, leave or die, the money from the fund is used to provide your Plan benefits.

The lump sum payable if you die while in Pensionable Service is insured.

The Plan website

The Eaton UK Pension Plan has a dedicated website, www.eatonukpensionplan.co.uk

This site has information about the Plan and links to useful pension websites.

Contact us

If you have any questions about membership or the benefits provided, please contact the Plan's administrator at:

Pensions helpline: 01707 607603

or write to:

Eaton UK Pension Plan

WTW

PO Box 545

Redhill

RH1 1YX

or email: eatonpensions@wtwco.com

Looking after the Plan

The Plan is run by a corporate trustee, Eaton UK Pension Plan Trustee Limited. There are typically nine Directors, three of whom are nominated by members. The Directors of the corporate trustee are responsible for the administration of the Plan and the investment of the fund. The Trustee Board includes an independent professional Trustee as well.

Since 1 April 2016, the Eaton UK Pension Plan has provided benefits to employees and former employees who were previously members of the Eaton UK Retirement Benefits Plan and the Eaton Pension Plan. For information on the differences in benefits for members of the Eaton UK Retirement Benefits Plan, the Delta Pension Scheme and the Aeroquip Vickers UK Retirement Plan please see the Previous Plan appendices eatonukpensionplan.co.uk/documents/eukpp-booklet_appendix.pdf on the Plan's website.



The Plan is closed to new members.

Eaton UK Pension Plan

2024

This booklet outlines the main features of the Plan in straightforward language. It is intended as a summary only and is not legally binding. If you left the Plan before April 2016, your benefits may be different from those detailed in this booklet. The benefits detailed in this booklet are subject to HM Revenue & Customs' rules. The full rules governing the Plan are set out in the Trust Deed and Rules which will always override this booklet.



Special terms

Certain terms in this booklet have special meanings. These are explained below and appear in **bold** text throughout this booklet.

Company is Eaton Limited.

Employer is Eaton Limited or any other employer participating in the Plan which employs you.

Final Pensionable Salary is the highest annual average of your Pensionable Salary in any consecutive three-year period ending on 5 April within the 10 years immediately before you retire, leave the Plan or die, whichever is earlier.

Guaranteed Minimum Pension is the part of the pension that must be provided from the Plan for your membership up to 5 April 1997, because that Plan was contracted out of the State Earnings-Related Pension Scheme.

Normal Pension Date is your 65th birthday.

Payment Protection Limit ensures that you are no worse off taking part in Smart Pensions. If you take part in Smart Pensions, your earnings will be tested each year against this limit to ensure you do not lose out on State benefits. If your pay does fall below this limit, you will automatically be opted out of Smart Pensions. See the useful figures sheet for the current Payment Protection Limit.

Pensionable Salary means your monthly or weekly basic salary or wages before adjustment for Smart Pensions. It excludes any payments made to you in respect of any car allowance, but will normally include Executive Incentive Compensation bonuses, commission and overtime. It may include other elements of pay depending on your Previous Plan.

Pensionable Service is the number of years that you complete as a member of the Plan with a proportionate amount for each complete additional month.

Useful figures sheet

Certain pension figures including the tax allowances and State Pension change each year or are subject to Government review. Please see the **Useful information** tab on www.eatonukpensionplan.co.uk for the **Payment Protection Limit**, the Annual and Lifetime Allowances, the State Pension and **State Pension Allowance** for the current tax year.

Previous Plans are the Eaton Pension Plan and the Eaton UK Retirement Benefits Plan. These Plans themselves incorporated other historic pension arrangements operated by Eaton or by businesses bought by Eaton.

Smart Pensions enables you and the Company to make contributions to the Plan through salary sacrifice. You will automatically take part in Smart Pensions unless you earn less than the Payment Protection Limit or opt out. See Section 3 for more information.

Spouse means the person who at the date of your death was your legal wife or legal husband (including a same-sex spouse) or civil partner.

State Pension Allowance is the average annual amount of the single person's basic State pension over the three years ending on the 5 April immediately before you retire, leave the Plan or die, whichever is earlier.

Trustee is the corporate body, independent of the Company, that manages the Plan in accordance with the Trust Deed and Rules and applicable legislation (Eaton UK Pension Plan Trustee Limited).

Special benefits

The benefits summarised in this booklet are those that apply to current members of the Plan for service in the Plan and for service on the standard scale of benefits in the **Previous Plans**.

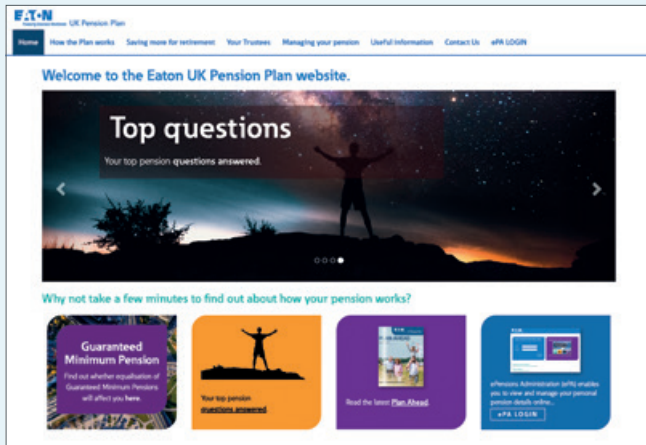
The Appendix to this booklet provides a summary of the main benefit scales that applied for historic **Pensionable Service** in the **Previous Plans**.

If you would like to know more about how your benefits differ, please call the Pensions Helpline, or write to or email the Plan Secretary. The contact details are given in Section 10.

Manage your Plan pension online

Use our member website, ePA, to manage your Plan data securely.

Access ePA from www.eatonukpensionplan.co.uk



or sign in directly at:

<https://epa.towerswatson.com/accounts/epa>



Use ePA to:

- Update your phone numbers and email address
- Update your address as well (if you're a deferred member)
- Review and switch your investment decisions (for members with an Individual Member Account)
- Review your annual Benefit Statement (where applicable)
- Protect your dependants by completing your nomination form
- View your pension at date of leaving (deferred members)

When you're at work

If you die as a contributing member of the Plan before **Normal Pension Date**, your dependants are entitled to receive:

- a tax-free cash sum of three times your **Pensionable Salary**
- a pension, payable to your **Spouse**. At the discretion of the **Trustee**, on your death where there is no surviving **Spouse**, a pension may be paid to a dependant or dependants.

At retirement

- If you retire at **Normal Pension Date**, your pension is normally based on your salary close to retirement and your length of Plan membership.
- You can retire early from age 55, on a reduced pension.
- You can choose to exchange part of your pension for a tax-free lump sum. The consent of your **Employer** and the **Trustee** may be required.
- You can give up part of your pension to provide additional pension on your death for a dependant.

After retirement

- Once you have retired, your pension will increase each year in line with the Rules of the Plan and overriding legislation.
- On your death, a pension is paid to your **Spouse**. At the discretion of the **Trustee**, where there is no surviving **Spouse**, a pension may be paid to a dependant or dependants.

2 Membership

Can I leave the Plan while still working for the Company?

You can opt out of the Plan after giving one month's written notice to your local Human Resources (HR) Department.

Important

Once you have left the Plan you will not be able to rejoin as the Plan is closed to new members. You will be assessed for auto-enrolment into an appropriate pension scheme every three years. You will need to opt out of this scheme if you do not wish to earn any pension benefits.

Any benefits, which you have built up as a member of the Plan, will be calculated as if you had left the **Company** (see Section 7).

Please note that cover for the lump sum death benefit ends when you leave the Plan, whether or not you continue in employment with the **Company**.

What if I am ill or injured?

You will remain a member of the Plan for any period of illness or injury during which you continue to be paid by your **Employer** or are paid a benefit under a permanent health insurance scheme of the **Company** or for a longer period with **Company** consent.

What if I take maternity, adoption, paternity or shared parental leave?

While you are receiving contractual salary and/or statutory maternity pay, you will continue to earn benefits. You will normally be required to continue to pay contributions (or sacrifice salary under **Smart Pensions**) based on actual pay received but you will earn benefits on the basis of your normal level of **Pensionable Salary**. Any period of unpaid leave will be counted as a break in service. You will continue to be covered by the Plan death benefits throughout your period of leave, at the discretion of the **Trustee** and with the consent of the **Company**.

Similar provisions apply for any other period of family leave, except that your **Pensionable Salary** will be based on your actual remuneration.

What if I am absent from work for any other reason?

If you are away from work for any other reason, your membership of the Plan will continue with the agreement of the Company for an appropriate period*.

You may, with the Company's agreement, either continue or suspend your contributions during this period. The Company will decide the level of benefits you are entitled to, taking into account any contributions you have paid during your absence.

If, at the end of the appropriate period, you have not returned to work, you will be treated as having left the Plan and your benefits would be as described in Section 7.

**The appropriate period cannot normally exceed three years unless due to illness.*

Can I transfer any previous service into the Plan?

The Plan does not currently accept transfers in from other pension schemes.

What if I work part-time hours?

For any period of part-time employment:

- your contributions will be based on your actual **Pensionable Salary**
- your **Final Pensionable Salary** will be worked out using the full-time equivalent of your **Pensionable Salary** for any periods of part-time employment
- your **Pensionable Service** will be adjusted to allow for any periods of part-time employment (so if you work 50% of full-time hours you will earn 6 months of **Pensionable Service** for each year of actual service).

3 Contributions

What do I pay?

You pay 5% of your **Pensionable Salary** to the Plan (either through salary sacrifice via **Smart Pensions** or by deduction from your pay) either on a weekly or monthly basis. The actual cost to you is less because your contributions are deducted from your pay before tax. This means that you receive tax relief at your highest rate of income tax.

Some members have a lower contribution rate of 3%, see the **Previous Plan** appendix for more information on www.eatonukpensionplan.co.uk

What does the Company pay?

Benefits from the Plan are paid for by contributions from members directly or through **Smart Pensions** and the **Company**, and also from investment income. The **Company** meets the balance of the cost of the Plan benefits after allowing for member contributions.

The **Company's** contribution may vary from year to year.

What is Smart Pensions?

Smart Pensions is an alternative way to make contributions into the Plan and is in place to increase your take-home pay by reducing National Insurance costs for you and the **Company**.

If you take part in **Smart Pensions**:

- You do not contribute to the Plan.
- The **Company** pays an additional amount into the Plan equal to the contributions you would normally have paid.
- The **Company** then reduces your basic salary by an amount equal to the contributions.
- This means you pay less National Insurance, so your take-home pay increases as a result of **Smart Pensions**.

Can I opt out of Smart Pensions?

Yes, you can do so in April each year, effective as at 1 May. You may also be able to review your participation in **Smart Pensions**, if your situation significantly changes following a lifestyle event.

What is a lifestyle event?

A lifestyle event is when your personal situation changes significantly as a result of one of the following events:

- 10% or more increase or decrease in salary,
- change in working hours,
- maternity, adoption, paternity or shared parental leave,
- marriage or divorce,
- death of a dependant.

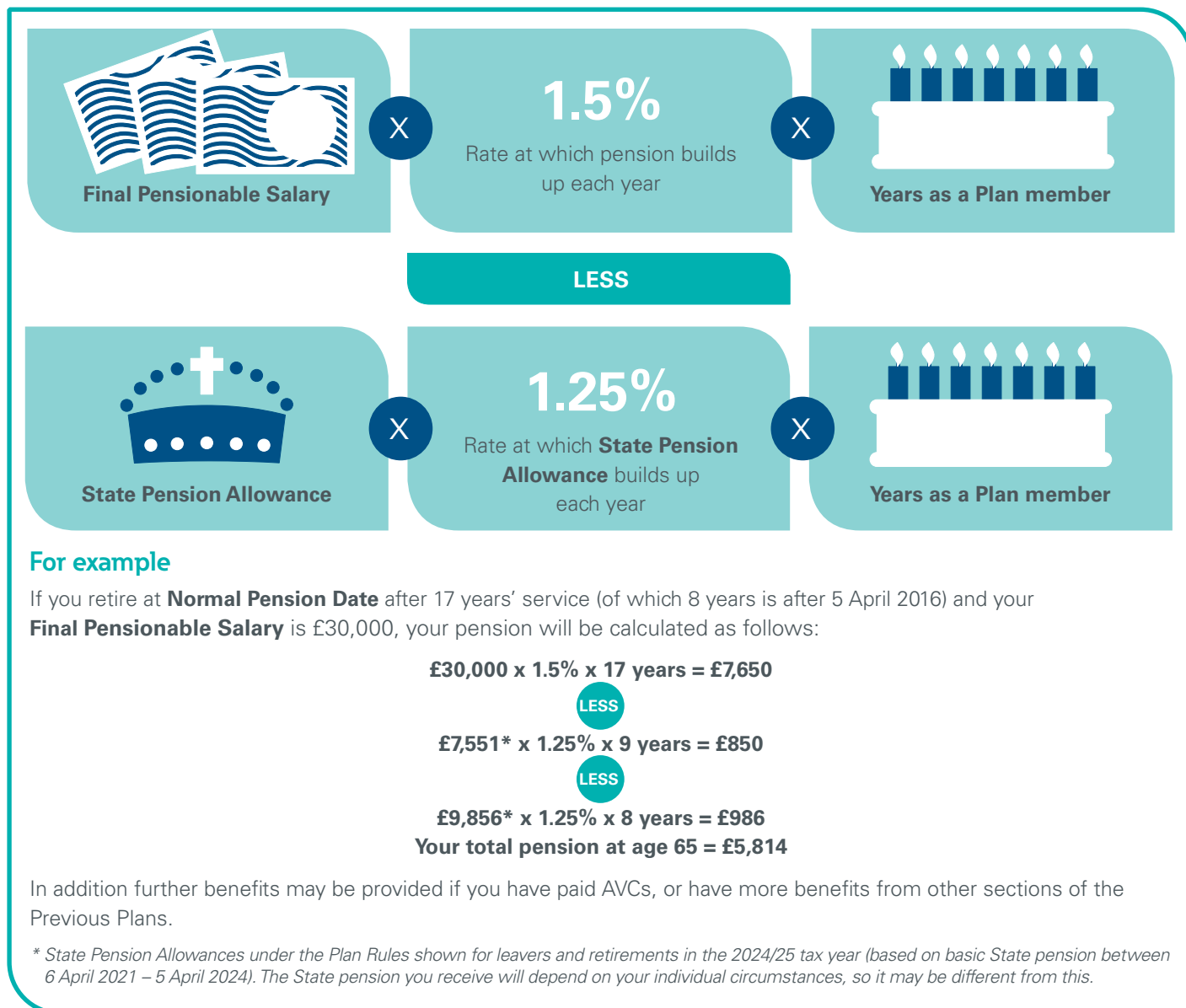
It is anticipated that you would experience at most one or two lifestyle events in any 12-month period. If you believe you have experienced a lifestyle event and would like to review your participation in **Smart Pensions**, please contact your local HR Department.



4 Your benefits at retirement

How is my pension worked out?

If you retire at your Normal Pension Date, your pension will be worked out as:



When do I receive my pension?

Your Plan pension will be paid into your bank or building society by monthly instalments in advance, starting from the later of your actual or Normal Pension Date and continuing for the rest of your life. Depending on your circumstances at retirement, there may be a delay in setting up your pension. If this is the case, you will receive back payments once your pension has been set up. Your pension is subject to PAYE tax as earned income. Details of the Plan's tax office can be obtained from the Plan's administrators (see Section 10).

If you retire abroad, you will pay any bank transaction charges.

Remaining employed with Eaton

If you reach normal retirement age and are in employment with Eaton, you can apply to stop contributing to the Plan from your retirement age and take your retirement benefits whilst continuing in employment with Eaton.

Alternatively, you can continue contributing to the Plan, then retire and take your benefits at a later date.

Contact WTW for more information if you are interested in this option.

Your benefits at retirement

Does my pension increase?

Yes. Once it starts to be paid, your pension is guaranteed to increase each year in line with the Rules of the Plan and legislation. Depending on when you joined the Plan, your pension may be made up of the following parts for your increase which is made each April:

- Any **Guaranteed Minimum Pension** built up between April 1988 and April 1997 is increased in line with inflation up to a maximum of 3% a year.
- Any pension built up from **Pensionable Service** between 6 April 1997 to 5 April 2005 is increased in line with inflation, up to a maximum of 5% a year.
- Any pension built up from **Pensionable Service** after 5 April 2005 is increased in line with inflation, up to a maximum of 2.5% a year.
- No increases apply to any **Guaranteed Minimum Pension** built up between April 1978 and April 1988 nor to the balance of any pension you built up before 6 April 1997.
- The inflation index used is set by the Government and is currently based on the change in the Consumer Prices Index for the 12 months up to the September before the increase.

The Trustee and the Company review each year whether to award any increases beyond those required under the Rules of the Plan.

How much cash may I take at retirement?

You can take up to 25% of the value of your Plan benefits including any AVCs, Individual Member Account (IMA, from the former Aeroquip-Vickers Money Purchase Plan) or money purchase account.

You will still need to leave enough pension to cover any **Guaranteed Minimum Pension** that the **Trustee** must provide by law and ensure that your **Spouse's** pension is covered after your death. This requirement may restrict your option in some circumstances.

The **Trustee's** current policy is for your tax-free cash to come first from any defined contribution funds you have in the Plan such as AVCs, with the rest provided in exchange for part of your Plan pension. If your defined contribution benefits are more than you want to take as cash (or more than you are allowed to take as cash), any balance will be used to provide extra benefits from an insurer or, at the **Trustee's** discretion, from the Plan.

Will my pension be reduced?

If you decide to exchange some of your pension for cash, factors, which depend on your age and benefits, are used to work out how much cash you get in exchange for pension. The Trustee reviews the factors periodically. Further information can be obtained from the Plan's administrators.

Can I provide extra pension for my family?

Before you retire, you can make additional provision for your family by giving up part of your pension to be paid to a dependant after your death. If you are interested in this option, you should obtain details from your HR Department shortly before you retire.

This is in addition to the **Spouse's** pension explained in Section 6.

Can I use my pension savings flexibly?

Your Plan pension must normally be used to provide a pension for you and your surviving Spouse, and a cash sum as noted above. However, you are able to transfer this in full to another suitable pension arrangement which may offer greater flexibility (in some cases the consent of the Trustee and the Company will be required). If you are thinking about this option you should first take financial advice, and note that if the transfer value of your Plan benefits is greater than £30,000, you can only transfer them if you provide the Plan's administrators with a statement confirming that you have taken financial advice from a Financial Conduct Authority regulated adviser.

What other ways can I take my Plan benefits?

You have more flexibility in how you use any Defined Contribution savings (such as Additional Voluntary Contributions). You can:

- **Take them at a different time (after age 55)** – from your Plan pension.
- **Take them bit by bit (drawdown)** – tax free and taxed. You can take them in up to two lump sums (in consecutive tax years) without transferring from the Plan. If you wish to withdraw your savings in more than two lump sums, you would need to transfer them out of the Plan.
- **Take them as cash** – if the cash you take is over 25% of your total pension savings, you would have to pay tax on the rest of the cash you draw at retirement.
- **Transfer them to another suitable pension arrangement.**

You should consider taking financial advice when thinking about your options.

Please note that the drawdown and taxed cash options are not available in the Plan for your Individual Member Account, and you may be required to take financial advice (see above) before being able to transfer this Account to another pension scheme.

Further information regarding Individual Member Accounts is included in the Previous Plan appendices at https://eatonukpensionplan.co.uk/documents/eukpp-booklet_appendix.pdf



5 Early retirement

Can I retire early?

You can retire early at any time from age 55 onwards without seeking the consent of your **Employer** and the **Trustee**, as long as your benefits meet the statutory minimum, and your **Guaranteed Minimum Pension** is covered.

If you are an active member and you would like to access your pension early, then you can leave Eaton employment and retire early, in which case the benefits are as set out in this section. Alternatively, you can carry on working for Eaton, opt-out of pensionable service (in which case you will receive a deferred pension) and then retire early as a deferred member.

How is my pension worked out on early retirement?

Your pension is worked out in a similar way to your pension at **Normal Pension Date**, but based on **Final Pensionable Salary** and Pensionable Service at your actual retirement date:

Final Pensionable Salary x 1.5% x Pensionable Service

LESS

**Pre 6 April 2016 State Pension Allowance x 1.25%
x Pensionable Service to 5 April 2016**

LESS

**Post 5 April 2016 State Pension Allowance x 1.25%
x Pensionable Service from 6 April 2016**

Your pension will normally be reduced to take account of the longer period of payment. Actuarial factors are used to work out by how much your pension will be reduced. To ensure statutory requirements are met, early retirement may be restricted in some circumstances.

If you are thinking of retiring early, you should contact the Plan's administrators for more information.

What are actuarial factors?

Actuarial factors reflect future expectations of returns on assets, inflation and life expectancy. They may also reflect the likelihood of you being married and the life expectancy of any dependants, as well as your age and benefits. They are reviewed periodically by the Trustee.

What if I have to retire due to serious illness or disability?

You can retire early due to serious disability and receive an immediate pension at any time after you have completed 5 years' **Pensionable Service** and have reached age 45. Payment of this pension will be subject to the consent of your **Employer** and the **Trustee** if retirement is before age 60.

In certain cases the **Company** and the **Trustee** may permit retirement under these circumstances at ages earlier than 45.

How is my disability pension worked out?

If you have to retire through serious disability, your pension is worked out using your **Final Pensionable Salary** and **Pensionable Service** at your actual date of retirement. In these circumstances your pension would not be reduced for early payment.

For example

You retire at age 45 through serious disability, with a **Final Pensionable Salary** of £20,000 and have 15 years' **Pensionable Service** (of which 8 years is after 5 April 2016). Your disability pension is:

£25,000 x 1.5% x 15 = £5,625

LESS

£7,551* x 1.25% x 7 = £661

LESS

£9,856* x 1.25% x 8 = £986

Your total pension at age 65 = £3,978

* **State Pension Allowances** based on 6 April 2021 – 5 April 2024 figures.

You should note that your entitlement to State Incapacity Benefits may be reduced to take account of your Plan pension.

Does my pension increase?

Your early retirement pension will increase in the same way as on retirement at **Normal Pension Date** (see Section 4).

6 Family benefits

Before retirement...

What if I die while I am in Pensionable Service?

If you die as a contributing member of the Plan, the following benefits are payable:

- a lump sum
- a **Spouse's** pension
- the value of your AVC account.

If you have no surviving **Spouse**, the **Trustee** may use its discretion to pay a pension to a dependant or dependants.

How is the lump sum worked out?

The lump sum is worked out as:

- 3 x your **Pensionable Salary** received in the year before your death or, if greater,
- 3 x your **Pensionable Salary** received in any complete tax year while you were a member of the Plan.

The lump sum will be rounded up to the nearest £100. If you have not worked a full year before your death, the annual equivalent of any **Pensionable Salary** you have received will be used to work out the benefit.

Who receives the lump sum?

It is paid to one or more of your beneficiaries, or to your estate. To enable the lump sum to be paid tax free, the **Trustee** uses its discretion to decide who will receive the money. In making this decision, the **Trustee** will take into account the person(s) you have nominated on your Death Benefits Nomination Form.

Your beneficiaries can include your family and any person who is wholly or partly dependent on you for maintenance or support, your personal legal representative, or any other person(s) you have nominated on your Death Benefits Nomination Form.

How do I let the Trustee know my wishes?

When you join the Plan, you are asked to complete a Death Benefits Nomination Form which indicates whom you wish to receive the lump sum death benefit. The Trustee has complete discretion as to who receives the lump sum death benefit but will normally be guided by your Death Benefits Nomination Form.

Go to ePA to complete or update your nomination form. Note that if you are in the first 5 years of retirement you can still log on to ePA and update your nomination details.

After 5 years in retirement no additional lump sum death benefits are payable and you will no longer be able to update your nomination details.

How is the Spouse's pension worked out?

If you are married or have a civil partner, your **Spouse** will immediately receive either:

- a pension based on 25% of your **Pensionable Salary** received in the 12 months or 52 weeks before your death or, if greater,
- 25% of your **Pensionable Salary** received in any complete tax year you have been a member of the Plan.

Where there is no surviving **Spouse** the **Trustee** may, at its discretion, pay a pension to a dependant or dependants. If you have not worked a full year before your death, the annual equivalent of your **Pensionable Salary** will be used to work out your **Spouse's** pension. The **Spouse's** pension includes any entitlement to a **Guaranteed Minimum Pension** that your **Spouse** may have from your membership of **Previous Plans** and will be at least that required to comply with contracting-out legislation.

Your **Spouse** will receive the pension by monthly instalments for the rest of his or her life. Your **Spouse's** pension will be increased each year in the same way as your own pension would have been in retirement (see Section 4).

For example

If you die at age 45, with a **Pensionable Salary** of £20,000 your Spouse's pension is worked out as:

$$25\% \times £20,000 = £5,000 \text{ a year}$$

In addition, a lump sum would be payable of:

$$3 \times £20,000 = £60,000$$



Family benefits

Are there any restrictions on my death benefits?

Normally the full lump sum death benefit and **Spouse's** pension will be paid automatically. However, in certain circumstances restrictions are placed on death benefits:

- The lump sum is insured and may be restricted if any restrictions are imposed by the insurer. You will be notified if any restrictions are applied.
- If your **Spouse** or dependant is more than 10 years younger than you, there may be a reduction in the pension payable.

What if I get married or enter into a civil partnership?

You should notify your HR Department immediately of any change in your status. You should also review your Nomination Form.

After retirement...

What happens if I die after retirement?

If you die after retirement, the following benefits are payable:

- Your **Spouse** will receive a pension equal to one-half of your own pension. The pension will include any increases since you retired and will ignore any reduction made for exchanging pension for cash at retirement or for providing extra benefits for your dependants.

Where there is no surviving **Spouse**, the **Trustee** may use its discretion to pay a pension to a dependant or dependants.

- If you die within 5 years of retirement, the balance of your first 5 years' pension will be paid as a lump sum to your beneficiaries or estate as the **Trustee** decides. The lump sum will ignore any possible increases to pensions in the period after your death.

In the case of civil partners and same-sex **Spouses**, the pensions payable on the member's death are based on **Pensionable Service** after 5 April 1988 for contracted-out rights (including **Guaranteed Minimum Pensions**) and after 5 December 2005 for other benefits.

Are there any restrictions?

If your **Spouse** or dependant is more than 10 years younger than you, there may be a reduction in the pension payable.

After you leave the scheme if you marry or register a civil partnership after you retire and you die within six months of that marriage or civil partnership, it is at the **Trustee's** discretion whether to pay a pension to your **Spouse**.

Spouse's pension...

Will my Spouse's pension increase?

Yes, at the same rate as your own pension increases in retirement (see Section 4).

Protecting your family

The Trustee decides how death benefits are paid but will take your wishes into account. Completing a Nomination Form is very important because it lets the Trustee know how you would like your death benefits to be paid. You can download a new form from **www.eatonukpensionplan.co.uk** or ask your HR department or the Plan's administrators, WTW, for one.

7

Leaving the Company

What are my options on leaving the Company?

If you have left the Company, or have left pensionable service by opting-out of the Plan, you have the following choices:

- a preserved pension held in the Plan
- To retire (before, at, or after your Normal Pension Date) and draw your pension from the Plan
- a transfer value paid to another arrangement.

How is my preserved pension worked out?

The pension is worked out as:

Final Pensionable Salary x 1.5% x Pensionable Service

LESS

**Pre 6 April 2016 State Pension Allowance x 1.25%
x Pensionable Service to 5 April 2016**

LESS

**Post 5 April 2016 State Pension Allowance x 1.25%
x Pensionable Service from 6 April 2016**

Final Pensionable Salary, State Pension Allowance and **Pensionable Service** are calculated at the date of leaving the Plan.

If you take a preserved pension, your benefits will remain in the Plan until **Normal Pension Date**.

Will my preserved pension increase?

If you leave the Plan before you retire, your preserved pension above any **Guaranteed Minimum Pension** will increase over the period to retirement:

- Any pension built up from **Pensionable Service** up to 5 April 2009 will increase by inflation over the period in complete years from leaving to retirement up to a maximum of 5% a year.
- Any pension built up from **Pensionable Service** after 5 April 2009 will increase by inflation over the period in complete years from leaving to retirement up to a maximum of 2.5% a year.

Your **Guaranteed Minimum Pension** will increase at a fixed rate set by the State. Currently any **Guaranteed Minimum Pension** increases at the rate of 3.25% a year but this may change in future. The rate applied to your **Guaranteed Minimum Pension** depends on when you leave.

What if I die before my preserved pension starts to be paid?

If you die before **Normal Pension Date**, a **Spouse's** pension will be paid equal to **one-half** of your preserved pension revalued up to the date of death.

Your beneficiaries will receive a refund of the value of your AVCs.

Your **Spouse's** pension will increase in a similar way to your own pension once in payment.

A different benefit applies for former Eaton UK Retirement Benefits Plan members in respect of service before 6 April 1997, please see the Appendix.

How is my preserved pension paid?

The pension paid to you, or your **Spouse** will be paid in the same way as described in Section 4.

Can I exchange my preserved pension for cash?

At **Normal Pension Date** you may be able to exchange part of your pension benefits for a tax-free cash sum. You can also give up part of your pension for extra dependants' benefits on your death as described in Section 4.



Leaving the Company

Can I take my preserved pension early?

You can retire early on or after your 55th birthday.

Your pension will normally be reduced because it is being paid before your **Normal Pension Date** and retirement may not be possible if the pension will not cover any statutory benefits, such as **Guaranteed Minimum Pension** that must be provided, from age 65 (men) or 60 (women).

Actuarial factors are used to work out by how much your pension will be reduced.

What are my dependants' benefits if I die after retirement?

Your **Spouse** will receive a pension equal to one-half of your own pension ignoring any reduction made for exchanging pension for cash at retirement or for providing extra dependants' benefits. The **Spouse's** pension will increase in a similar way to your own pension. Where the marriage or civil partnership takes place after you retire and death occurs within six months of the marriage, any pension payable to your **Spouse** will be at the discretion of the **Trustee**.

Should I keep in touch with the Plan?

Use ePA to keep your address and contact details up to date so that you can be contacted when your pension is due to start.

Once you retire from the plan if you change address, please ensure you contact the Eaton administration team on 01707 607603 or email eatonpensions@wtwco.com to update your address. This cannot be updated on ePA once you are a pensioner of the Plan.

What if I lose touch with the Plan?

If you have lost track of your pension benefits with a previous employer, you can ask the Pension Tracing Service for an up-to-date address of that plan by going to www.gov.uk/find-pension-contact-details

Or you can contact them at:

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

The Pension Tracing Service's telephone number is:
0345 6002 537

Can I transfer my benefits to my new pension arrangement?

You can transfer the value of your benefits including any AVCs or DC funds (the 'transfer value') at any time before you retire to:

- your new employer's scheme if allowed by them
- a personal pension or stakeholder pension
- a buy-out policy with an insurance company.

If you are within 12 months of, or are over, your **Normal Pension Date**, you can only transfer your Plan benefits with the agreement of the **Trustee** and **Company**.

You have the right to transfer all of your defined contribution benefits (such as your AVCs) at any time. However, you need the agreement of the **Trustee** and **Company** if you wish to transfer only a part of these benefits.

You would then receive pension benefits under that scheme or policy instead of your preserved pension benefits under the Plan.

What is a transfer value?

A transfer value is the cash equivalent of your preserved pension at the time of calculation. The transfer value does not currently make any allowance for discretionary benefits that may be provided under the Plan.

Your transfer value quotation will normally be guaranteed for three months. Please contact the Plan's administrators for more details. Transferring your benefits is a once-only decision and you should take impartial financial advice before doing so (you are required to take financial advice if your transfer value, ignoring any defined contribution benefits such as AVCs, is over £30,000).

You have a right to one quotation a year of the transfer value of your benefits. If you request a second, or subsequent, transfer value quotation within a year of your last quotation the **Trustee** may require a payment to cover costs. You will be advised if any charge applies and the amount.

8 The State Pension

What pension does the State provide?

A single-tier pension is paid from State pension age to everyone with a sufficient history of National Insurance contributions. If you do not have a complete record of National Insurance contributions you may be entitled to a proportion of the State pension.

The State pension is also reduced to reflect any periods of employment in which you were contracted-out of the State Earnings Related Pension or the State Second Pension, such as service with Eaton while a member of one of the **Previous Plans**.

See Useful Figures sheet for the latest State Pension figures. More information on the State pension is available at www.gov.uk

What is State pension age?

State pension age is currently age 66. It is then expected to increase as follows:

- a sliding scale between 66 and 67 for anyone born between 6 April 1960 and 5 March 1961
- age 67 for anyone born between 6 March 1961 and 5 April 1977
- a sliding scale between 67 and 68 for anyone born between 6 April 1977 and 5 April 1978
- age 68 for anyone born after 5 April 1978.

This will be reviewed by the Government during each Parliament.

What does contracting out mean?

As a member of the Plan (and the **Previous Plan**), you were contracted out of the State Second Pension (and previously the State Earnings Related Pension Scheme) until 5 April 2016 on a salary related basis. This meant that you paid lower National Insurance contributions and the Plan had to provide benefits that at least equalled a **Guaranteed Minimum Pension** (up to 5 April 1997).

For membership from 6 April 1997 to 5 April 2016, the Plan's Actuary had to certify that the level of member's and **Spouse's** benefits provided under the Plan was sufficient to meet minimum Government requirements.

Data protection

The Trustee and the Company need to process data to calculate and pay benefits, for statistical and reference purposes and to administer the Plan as a whole. This may involve passing on data about you to the Plan's professional advisers, administrator and other third parties, as may be necessary for the running of the Plan.

Your personal details are held on paper and on computer. You have the right to inspect your records on request, which may involve payment of a small fee, by application to your HR Department.

All personal data relating to your membership of the Plan will be treated by the Company and the Trustee as confidential. For more information see our Privacy Notice at eatonukpensionplan.co.uk/documents/eukpp-privacy-notice.pdf

If any of the information held about you by the Plan is incorrect please email us on eatonpensions@wtwco.com

Changing, closing or winding-up the Plan

The Plan is closed to new members. The Company is committed to the Plan for existing members but is legally entitled to change or close it or wind it up at any time in the future, in accordance with the Trust Deed and Rules.

If the Plan were to be wound up, the Trustee would use available funds to secure your benefits at that date in the manner set out in the legal documents of the Plan. If circumstances require, the Company may have to contribute to the Plan to ensure that the funds at least meet the statutory minimum.

Pension Protection Fund

The Government set up the Pension Protection Fund (PPF) to help protect members of salary-related pension plans, should their employer become insolvent with insufficient funds in their pension plan to pay a prescribed level of benefits promised to members. For more information on the PPF visit: www.pensionprotectionfund.org.uk

Assigning your benefits

Your Plan benefits are strictly personal and cannot be assigned to any other person or used as security for a loan or a mortgage.



Trust fund and the Trustee

Contributions and investment income are paid into a fund. The fund is kept quite separate from the **Company's** assets and is invested on behalf of the **Trustee** by investment managers. All Plan benefits outlined in this booklet, apart from the lump sum paid on death in service, which is currently insured, are provided by the fund.

The Plan is run by a corporate Trustee, Eaton UK Pension Plan Trustee Limited. The Directors of the corporate Trustee are appointed by the Company. However, to comply with legislation, at least three of the Directors are nominated by the active members and pensioners of the Plan. One of the Company-Nominated Trustees is an independent professional trustee. It is the duty of the **Trustee** to act in accordance with the legal Trust Deed and Rules governing the Plan. As an active member or a pensioner of the Plan, you will be notified if the arrangements for appointing the Directors of the corporate trustee are changed as a result of legislation.

Tax approval

The Plan is a Registered Pension Scheme for the purposes of the Finance Act 2004.

HM Revenue & Customs limits the contributions that can be paid and the benefits you can receive on a tax-efficient basis. While these limits normally only affect high earners, it is your responsibility to keep track of your total pension savings both within the Plan and outside it.

- **The Annual Allowance** is the maximum value of benefits you can earn on a tax-efficient basis in any tax year. This is worked out based on any contributions you make, or which are paid on your behalf to a defined contribution scheme (such as AVCs or a personal pension) plus the value of the benefits you have earned in the Plan (and any other defined benefit plans) above inflation.
- The Annual Allowance is £60,000 for the 2024/25 tax year, but a lower amount (tapering down to £10,000) can apply in certain circumstances. You can, however, carry forward any unused Allowance from the previous three tax years. More information on the Annual Allowance is available on www.eatonukpensionplan.co.uk/documents/aa-lta-communication-2.pdf or www.gov.uk/tax-on-your-private-pension

Previously HMRC also applied a Lifetime Allowance which limited the total value of tax-favoured pension benefits you can build up from all UK pension schemes. This was abolished on 6 April 2024, but restrictions continue to apply to tax-free lump sums:

- **The Lump Sum Allowance** restricts the tax-free lump sums taken when you retire. As set out on page 9 above, you can normally take up to 25% of the value of your Plan benefits as a tax-free lump sum. The Lump Sum Allowance restricts the total amount of cash which you can take tax-free from all of your UK pension schemes to £268,275 or to 25% of your Lifetime Allowance at 5 April 2024 if higher.
- **The Lump Sum and Death Benefits Allowance** restricts all tax-free lump sums, including those taken when you retire, any lump sum paid on serious ill-health or following death. This Allowance is £1,073,100 (or your Lifetime Allowance at 5 April 2024 if higher).

For most people, this will mean that the total value of lump sums available from 6 April 2024 will be the same as applied before this date.

What information is available about the Plan?

Unless you request otherwise, all your Plan documents will be held in ePA. This includes your benefit statement showing how your pension benefits are building up.

ePA also holds the full Report and Accounts and the Trust Deed and Rules.

Our website www.eatonukpensionplan.co.uk holds the Statement of Investment Principles, the latest actuarial valuation, the Statement of Funding Principles.

What if I have a query about my pension?

Help is available from the Plan's administrators:

Pensions helpline: 01707 607603

or write to:

Eaton UK Pension Plan

WTW

PO Box 545

Redhill

RH1 1YX

or email: eatonpensions@wtwco.com

What if I am getting divorced?

Your pension benefits will be considered in the divorce settlement and the Court can order your pension to be shared with your ex-**Spouse**. Whether or not pension benefits are shared depends on the settlement itself.

If your pension benefits are shared with your ex-**Spouse**, this can either be done through an 'earmarking' order or your ex-**Spouse's** share may be transferred to another approved pension arrangement. The Plan's administrators can provide further details.

What if I have a problem with my benefits?

If you or your beneficiaries have a problem which cannot be resolved by the Plan administrators, you can use the Plan's internal dispute resolution procedure. A dispute resolution request form is available from the Plan's administrators. It must be completed and signed by you, or your representative, and sent to The Plan Secretary at the address above.

You or your representative will be sent an acknowledgement immediately and a written answer should be provided within two months. If an answer cannot be provided in that time, a reply will be sent explaining why and indicating when a reply will be made.

If you or your representative are dissatisfied with the answer, an appeal can be made to the **Trustee**. This must be done in writing to the Chair of the **Trustee** at the address above within six months of the answer being received. Copies of the original completed form, the reply and a statement of the reason(s) why the reply is considered unsatisfactory should be attached.

The **Trustee** will consider your appeal and you will receive a written answer on its behalf within four months. In the unlikely event that an answer cannot be provided in that time, a reply will be sent explaining why and indicating when a reply will be made.

If you are still dissatisfied after appeal to the **Trustee**, you can ask the Pensions Ombudsman to investigate your complaint.

The Pensions Ombudsman

If you need help with a pension problem, or in cases where a dispute cannot be resolved, you can ask the Pensions Ombudsman for help. The Ombudsman may investigate and determine on any complaint or dispute of fact or law involving an occupational pension plan which is referred to them. Find out more at www.pensions-ombudsman.org.uk

The Pension Ombudsman can be contacted at:

10 South Colonnade, Canary Wharf, London E14 4PU

The Ombudsman's telephone number is: 0800 917 4487

Money and Pension Service

The Money and Pensions Service provides guidance and information about pensions and financial planning to help UK citizens manage their money.

Visit maps.org.uk/en to find out more, or contact them at:

Money and Pensions Service

Holborn Centre

120 Holborn

London

EC1N 2TD

You should visit moneyhelper.org.uk/en as your first port of call on pensions and financial questions or call them on: 0800 011 3797

Are there any external bodies regulating the Plan?

The Pensions Regulator is the UK regulator of work-based pension schemes. The Regulator's aim is to encourage high standards in the way pension plans are run as well as working to assess and reduce risks for members' pensions.

The Pensions Regulator has powers to intervene in the running of schemes where trustees, managers, employers or professional advisers have failed in their duties.



Saving for retirement

Following a detailed review, the Trustees have decided to withdraw the Additional Voluntary Contributions (AVCs) facility, with effect from 30 September 2024.

We wrote to affected members about these changes, but if you need more information, please contact the HR department. Here is a summary of the changes.

Members paying, or wishing to pay, additional contributions

If you wish to pay additional contributions, then there are two options open to you. The first is to pay contributions to the Eaton UK Retirement and Savings Plan (the defined contribution pension scheme managed by Aviva). In order to start paying additional contributions, you will need to contact the Payroll department.

Alternatively, you can choose your own external arrangement. If you want to consider this approach, then we recommend you take independent financial advice.

AVCs and Money Purchase Account funds that had already been paid into the Plan

AVCs that had already been paid into the Plan before 30 September 2024, and any Money Purchase Account (MPA) funds that remain in the Plan, continue to be governed by the Trustees.

Members' AVC and MPA investments were transferred from the Standard Life fund range to Aegon's fund range (with the exception of With Profits funds, which operate slightly differently, and accordingly have to remain with Standard Life).

More information

To find out more about any AVCs you may have previously paid into the Plan, please contact:

Standard Life (for With Profits AVC investments only).

Log into your Standard Life account at:

www.standardlifepensions.com/eaton

Aegon, for any other AVC investments you may hold:

Telephone: 0345 601 7720

or email: My.pension@aegon.co.uk

website: aegon.co.uk/targetplan

Both Standard Life and Aegon will be able to provide fund factsheets and performance information for these funds.

This Investment Guide tells you more about the Aegon range of investments. The Investment Guide is available at <https://eatonukpensionplan.co.uk/documents/Aegon-Investment-Guide.pdf>

