

PUZZLED BY PENSIONS? TESCO DEFINED BENEFIT PENSIONS SCHEME – 10 THINGS YOU NEED TO KNOW

1. What has happened to my Tesco Defined Benefit Scheme?

Following a pension consultation in 2015, Tesco decided to close its Defined Benefit Pension Scheme.



4. Is my pension safe?

Tesco will continue to pay into the Defined Benefit Scheme in the future, to make sure there is enough money in the pot to pay everyone's pensions.

If Tesco was to go bust the Pension Protection Fund (PPF) would step in. The PPF acts like a kind of insurance scheme for Defined Benefit pensions.

2. Can I continue to contribute?

No. From 21 November 2015 the Tesco Defined Benefit Scheme closed and you are no longer able to pay any more contributions into the scheme.



5. Do I need to take any action?

No. Your pension will stay in the Tesco pension scheme and will continue to be looked after by the Trustee.

Your pension is not 'frozen' as it will continue to increase each year broadly in line with inflation, up to 5%.

3. What has happened to my Tesco Defined Benefit Pension?

Your pensions entitlement has been protected to the date of closure.

Your pension amount will have been confirmed to you by Tesco, in January 2016.



6. What happens if I die before retirement?

Your dependant's pension will be based on the pension you have built up and in addition, your family will receive a lump sum worth five times the pension you have built up.

If you have joined the current Tesco Retirement Savings Plan your family will also receive an extra lump sum equal to five times your pay plus the value of your retirement savings in the new plan.



7. Can I still apply for early retirement?

Yes. You can apply for early retirement any time from age 55 onwards.



8. Can I join the current Tesco Retirement Savings Plan?

Yes. For full details please refer to the Usdaw factsheet, which gives lots of information about the Tesco Retirement Savings Plan.

9. What will I get from the Defined Benefit Scheme when I retire?

When you retire the total amount of pension you have built up will be paid to you monthly for the rest of your life. You will also have the option to exchange some of your pension for a tax-free cash payment.

If you become seriously ill you will still be able to apply to take your pension even if it is before age 55.

If you join the Tesco Retirement Savings Plan, your savings will be paid in addition to your Defined Benefit pension.

10. Will I still be entitled to a State Pension?

Yes. As long as you have paid or been credited with National Insurance contributions you should be entitled to a State Pension.

The State Pension changed in 2016 – do you know at what age you can claim your State Pension and have you any idea how much this will be?

Check it out – the application for a State Pension statement is called BR19. Search for 'State Pension statement' at www.gov.uk or phone the Future Pension Centre on 0800 731 0175.



Disclaimer

This Usdaw publication is for educational and general information purposes only. It does not constitute any form of advice or recommendation. Visit www.unbiased.co.uk for details of independent financial advisers (IFAs) in your area. Usdaw has an affinity partnership with a group of IFAs but is unable to endorse any individual advice provided and is not liable for any subsequent business transacted directly with Usdaw members. Usdaw has endeavoured to ensure the information provided is accurate but cannot guarantee that the information is free from inaccuracies or typographical errors.

For further information contact Usdaw's Pensions Section on 0161 224 2804 or email pensions@usdaw.org.uk