



# GKN Aerospace Pension Scheme

**Part 1 – A bit of history**

**Part 2 – General pension related matters**

GKN Payroll Department - January 2025



GKN AEROSPACE

# Part 1 - A brief history of non-state pensions

The first pension scheme was introduced in the 16<sup>th</sup> century and was for Customs and Excise officials

In 1916 & 1921 Finance Acts were created which were mainly around the EET concept of tax relief (and this concept is still broadly used today)

***Explanation of EET:***

E - Contributions - Exempt from Tax

E – Investment gains – largely Exempt from tax

T – pensions payable – Taxable.

Since 2004 the concept of flexible retirement has been introduced into legislation – this can have an impact in how/when you take your pension.

# Part 1 - A brief history of state pensions

The State Pension was introduced in 1908 – over time the SPA (State Pension Age) has increased due to things such as gender alignment and is also calculated using facts such as life expectation rates and social economic groups.

By the year 2039 the SPA will be 68. You can check your SPA using this website : <https://www.gov.uk/state-pension-age>

There are currently 2 types of State Pension:

1. Pre 2016 SPA – which is made up of 2 strands
  - a) Basic State Pension (BSP), known as the ‘old age’ pension and is based on your previous National Insurance contributions
  - b) State Second Pension (S2P), in April 2002 this replaced State Earning Related Pension Scheme (SERPS) and is also based on your National Insurance contributions, but this takes into account your earnings and whether you claimed benefits too.
2. Post 2016 SPA (New State Pension) this is a flat rate pension, currently a maximum of £203.85 a week and is *based on your National Insurance contributions* during qualifying years.

If you have contracted out of NI at any point prior to 2016 this may well affect your entitlement.

You can obtain a forecast of your state pension from : <https://www.gov.uk/personal-tax-account/create-account> - (MyView Link - HMRC Tax Account)

When coming to SPA and you are short of receiving the full weekly state pension you can make voluntary top up NI payments to eliminate the shortfall. If you are planning to top up a particular year, contact [the DWP's Future Pension centre](#) to make sure it will boost your pension.  
<https://www.gov.uk/future-pension-centre>

An important note is that the previously mentioned EET rules apply to state pensions so they are regarded as taxable income. More details on the taxation of pensions can be found here: <https://www.gov.uk/tax-on-pension>

## Part 1 - A brief history of GKN pensions

On 23 April 2013, the Defined Benefit (DB – also known as Final Salary) Section of the GKN Group Pension Scheme closed to new members. A Defined Contribution (DC – also known as Money Purchase but is essentially a cash pot) Section was set up for all employees who started after that date. Then on 30 June 2017 the DB was closed for future service and all existing DB members were moved across to the DC Section for future pension accrual.

(There were a number GKN DB scheme sections including DB, 100+, 167 & Hybrid.)

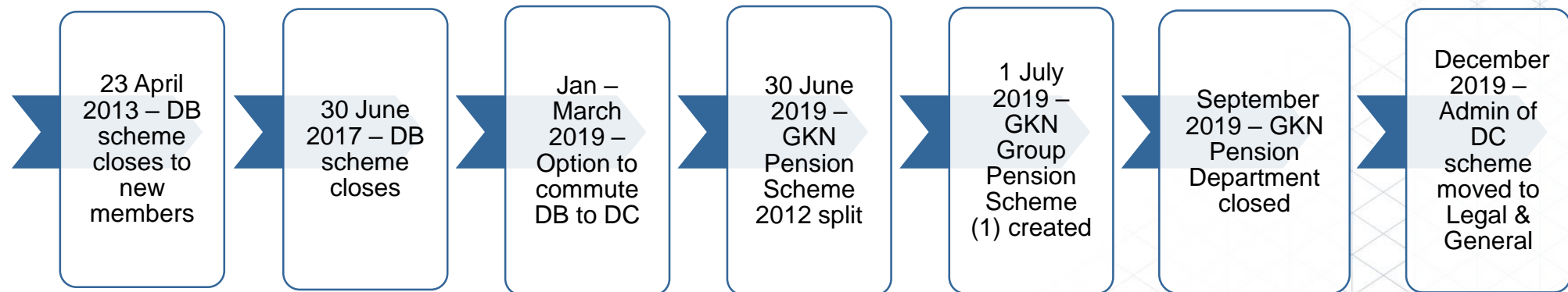
In early 2019 DB members were given the opportunity to commute their DB pension to a DC Scheme, these members are now DC members only.

Finally, with effect from 30 June 2019, the GKN Group Pension Scheme was split into four identical but legally separate schemes:

The scheme you are in is: ***Aero Division - GKN Group Pension Scheme (No.1)***



# Timeline of significant GKN pension events



# All details and links on MYVIEW

## Payroll Information

If you have queries regarding your pay please contact your site HR lead

Internet Explorer & Firefox are browsers no longer supported. We strongly recommend using Chrome Edge or Safari to access MYVIEW.

If you are having trouble accessing MYVIEW, please e-mail:  
GKNPayrollUK@gknaerospace.com

For pension queries please contact: GKNPayrollUK@gknaerospace.com

## Useful Links

You may find these links useful (These links will open in a new browser window):

- [GKN Pension Scheme Trustees Website](#)
- [Legal & General - Defined Contribution](#)
- [Aptia OneView](#)
- [Cyclescheme](#)
- [Perks at Work \(see local intranet for details on how to register\)](#)
- [HMRC Tax Account](#)
- [2024 - GKN Pension Presentation](#)



## Welcome.

Please enter your login details:

Wilbur number

Password

**Log in**

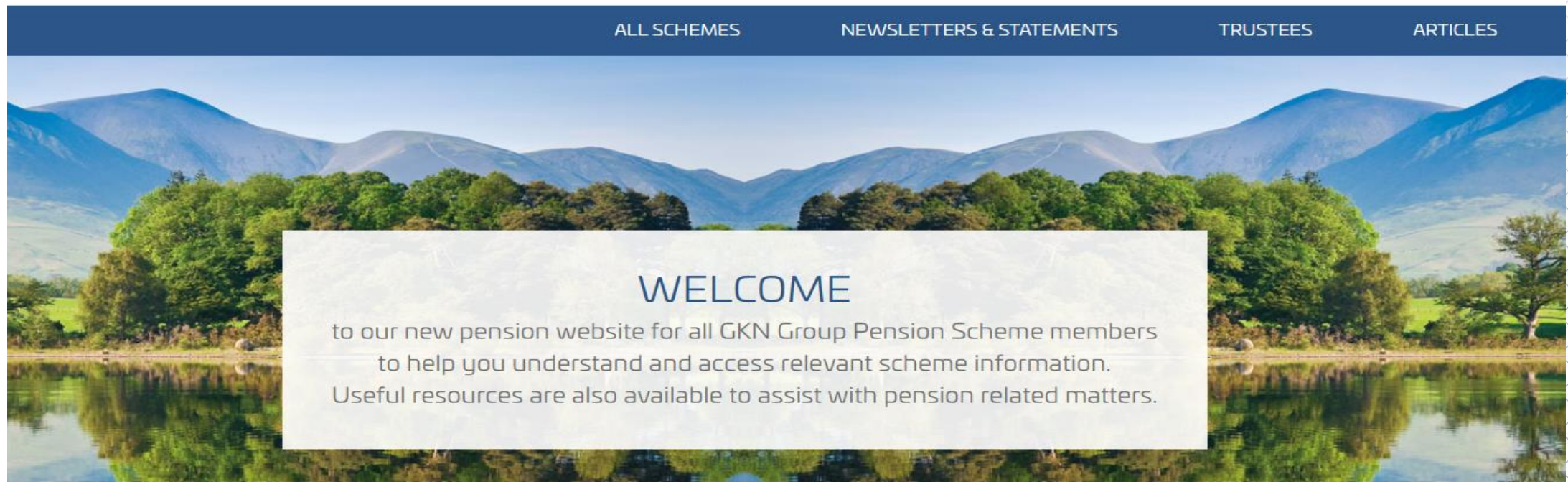
[Forgotten your password?](#)

[Register email address](#)

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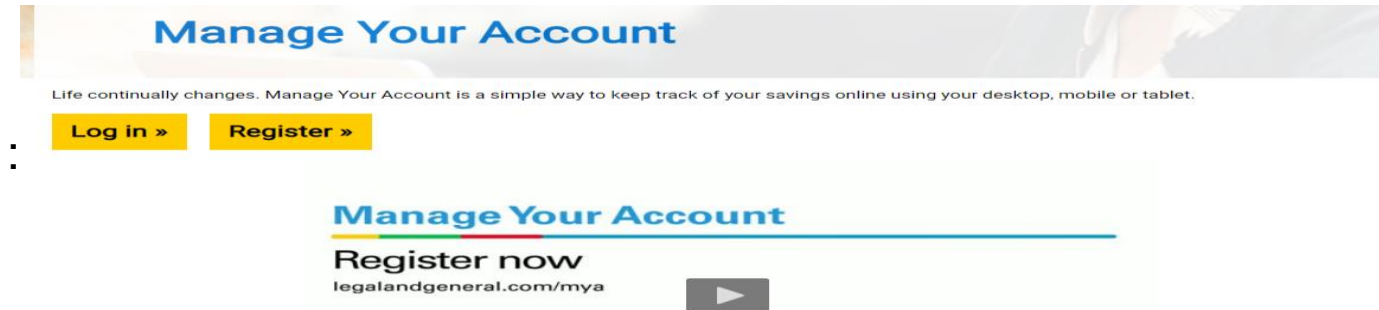
# GKN Trustees website

The trustees have launched a website giving comprehensive details on the open and closed GKN pension scheme as well as helpful guides and newsletters. Your first point of call with issues on the pension scheme are the trustees. Website details are at the end of this document





# L&G Website



To register: call L&G on 0345 070 8686 to request access details.

You manage your account from the website which enable you to

1. Switch investment funds.
2. View contribution history
3. View annual statements and DC pension documentation
4. Transfer in of other pension funds

[https://www.myfuturenow.co.uk/legal\\_and\\_general](https://www.myfuturenow.co.uk/legal_and_general)

5. Maintain personal data, including address, beneficiary. *L&G will not take changes over the phone.*



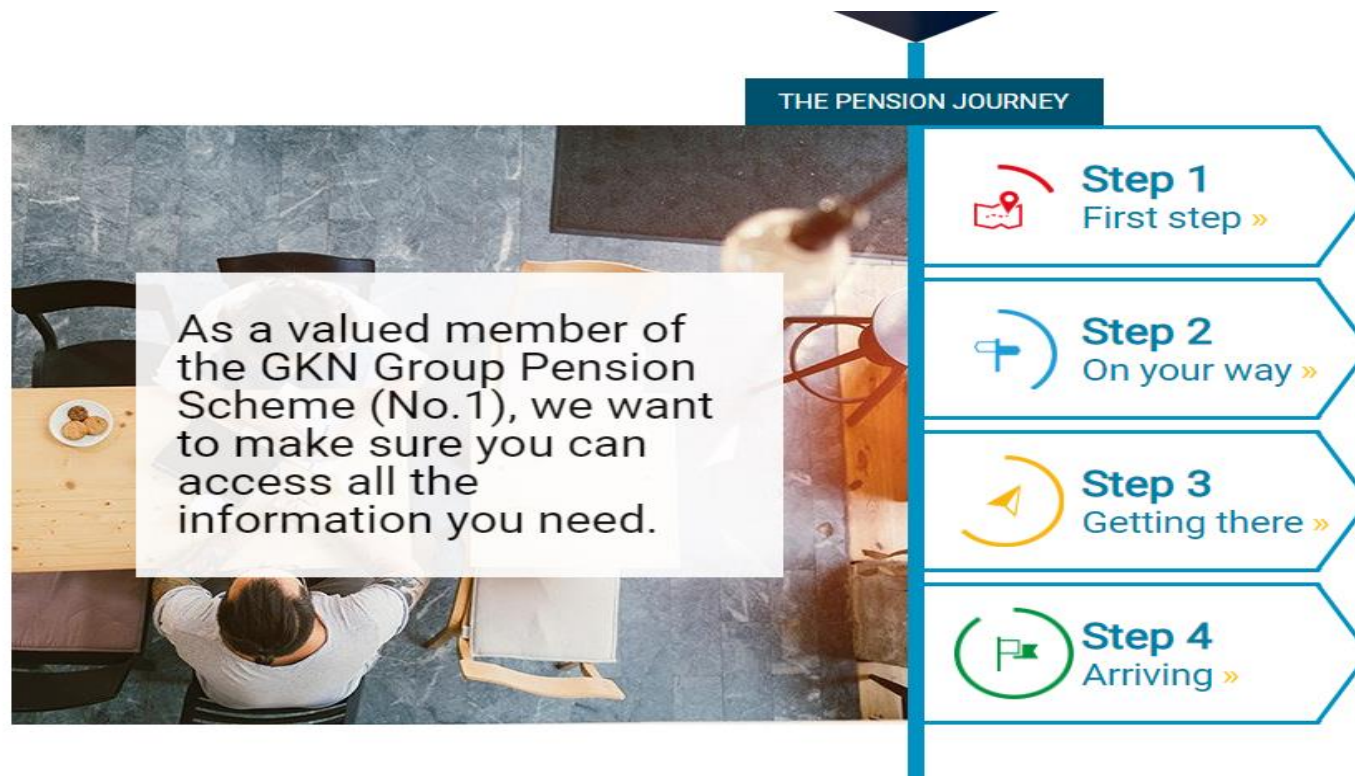
# Data we supplied to L&G

There is some confusion about what personal data we supply to L&G is indicated below: it is your responsibility to keep your records up to date on the L&G website.

Data	Provided to L&G
Wilbur Number	Yes (on Joining)
Name	Yes (on Joining)
Date of Birth	Yes (on Joining)
NI Number	Yes (on Joining)
Address	Yes (on Joining <b>only</b> ). Note: Members need to update their L&G account with changes of address. L&G will provide Aptia with these address changes periodically.
E-mail address	No (members can add an e-mail contact to their L&G account).
Marriage Status	No.
Dependents	No (members to log in and nominate on their account).
Contribution %	No (not required for a DC scheme)
Contribution £	Yes (monthly)

# L&G Website

There is a huge amount of detail available on the L&G website and we strongly recommend you look at all the details shown which will explain all options available throughout your pension journey: To obtain login details call their helpline on [0345 070 8686](tel:03450708686) - open between the hours of 8.30am and 7pm Monday to Friday.



# Defined Contribution Pensions Options

## Your options under your current plan

Options available to you within your current plan	Things to consider
<p><b>Take it all in one go</b></p> <p>You can take your pension pot in cash as a single lump sum.</p> <p><a href="#">Read our example case study.</a></p>	<ul style="list-style-type: none"> <li>• 25% of it will usually be tax-free but the rest may be taxed as income.</li> <li>• You don't need to stop working to take this option, but you would need to think about where your income will come from when you do stop working.</li> </ul>
<p><b>Take it in a series of cash lump sums</b></p> <p>You can leave your money invested and withdraw it as cash lump sums as and when you wish. The money left invested has the chance to grow but it could go down in value too.</p> <p><a href="#">Read our example case study.</a></p>	<ul style="list-style-type: none"> <li>• Usually the first 25% of each amount you take will usually be tax-free but the rest may be taxed as income.</li> <li>• If you choose this option, you may wish to spread your withdrawals over a number of tax years to minimise the amount of tax you pay.</li> </ul>
<p><b>Take a flexible income</b></p> <p>You can usually take up to 25% of your pension pot as a cash lump sum and leave the rest invested to provide a regular income, and occasional lump sums if required. This is often referred to as flexi-access drawdown.</p> <p><a href="#">Read our example case study.</a></p>	<ul style="list-style-type: none"> <li>• You can usually take up to 25% of your pension pot as tax-free cash but the rest may be taxed as income.</li> <li>• You can vary, stop or suspend the amount you're taking at any time.</li> <li>• Your money has the chance to grow but it could go down in value too. If you take out too much or your investment funds don't perform as well as you'd expected, you could run out of money before you die.</li> </ul>
<p><b>Get a guaranteed income</b></p> <p>You can usually take up to 25% of your pension pot as a cash lump sum and use the rest to buy a guaranteed regular income for a fixed period or for the rest of your life. This is known as an annuity. Annuities have a number of features, for instance you can arrange for payments to continue to your dependents after your death.</p>	<ul style="list-style-type: none"> <li>• You can usually take up to 25% of your pension pot as tax-free cash. Each annuity payment may be taxed as income.</li> <li>• Smokers and those in poor health usually get better rates because of their shorter life expectancy.</li> </ul>



# Enhanced Retirement Planning Tool

L& G have also announced that they are launching an enhanced Retirement Planner Tool –

***Some of the new features and capabilities include the ability to:***

***Obtain projections based on taking or not taking tax free cash***

***Factor in other retirement income sources such as final salary pensions or rent from property***

***It will show the impact of stopping or delaying contributions***

***Produce a pdf of the planner summary***

***Website link:*** <https://landgmya.ctc.uk.com/v2/>

# L&G Website – document Library

GKN pension forms and booklets are held on the document library of the L&G Website, this is where you need to go for such items as Membership Booklet, Contribution Cancellation form and DC contribution forms.

<https://www.legalandgeneral.com/workplace/g/gkn-1/helpful-resources/document-library-page/>

## Document library

There are plenty of additional documents available to help you understand how your plan works, the benefits it offers, your options at retirement and much more. Click on the link below to open the document you need:

### Member booklet

A summary of the scheme that aims to give you key information about your pension plan.

If you would like a copy of this document in larger print, braille or audio format please contact us.



pdf: 618 kb

### Your investment guide

For details of your investment options and what to think about when making a choice on where to invest your money.



pdf: 466 kb

### DC Option Form Scheme 1

Use this form if you want to change the amount you currently pay into your pension.



pdf: 156 kb

# OneView – For former DB members only

To access your OneView account you have a number of options:

DEFINED BENEFIT (DB) SCHEME

**GKN Group Pension Scheme (No.1)**

**£11,073.84**

a year, as at 30/04/2012 i

STATUS	DATE JOINED SCHEME	DATE OF EXIT	SCHEME RETIREMENT DATE
Deferred	06/10/1997	30/04/2012	03/02/2039

View details

All benefit Schemes referred to on this website are governed by formal Scheme documents (such as the Scheme's Trust Deed and Rules) and relevant law. Any illustrations of your benefits shown on the website have been produced for information purposes only. Any such illustration is not proof of entitlement and confers no right to such benefits. Should any discrepancy exist between the information on the website, your benefits and the Scheme documents and relevant law, the Scheme documents and relevant law will govern.

There is increased functionality within OneView, including retirement quotes and transfer values. If values are not showing that maybe because of:

1. There is a sharing order on the pension or
2. The value of the pension is large.

In these cases you need to contact Aptia to obtain details.

Please be advised that the retirement quotes **do** include L&G DC valuations but they **do not** include the early retirement 'top up' applicable to former Airbus employees.



# OneView website – pension example

DEFINED BENEFIT (DB) SCHEME  
**GKN Group Pension Scheme (No.1)**

STATUS Deferred	DATE JOINED SCHEME 06/10/1997	DATE OF EXIT 30/04/2012	SCHEME RETIREMENT DATE 03/02/2039
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Summary **Materials & Downloads** **Contact Details** Beneficiaries Transfer Value Retirement Illustrator

Deferred benefit

**£11,073.84**

a year, as at 30/04/2012

You can change your address on this site but if you have changed it on L&G then L&G will inform Aptia.

# OneView website – Pension quote example

## Your Retirement Illustration



The purpose of the Retirement Illustrator is to provide you with an example of what your income might look like at your chosen Retirement date and how this might change when you change certain variables, for example retiring later or taking a tax-free cash lump sum. The Retirement Illustrator can only provide estimated illustrations and your actual income may differ significantly from the illustration shown when using the Retirement Illustrator. If you want advice about your pension options we would recommend that you talk to a financial advisor.

In order to use the Retirement Illustrator you will need to change the details to reflect your own personal situation and expectations. Expand the sections below to view and change the assumptions used.

This is an estimate of what your income might look like at your chosen retirement date.

Retirement Date ⓘ <b>03/02/2039</b>	Tax-Free Lump Sum ⓘ <b>£0.00</b>	Annual Income ⓘ <b>£15,532.92</b>	Spouse/Registered Civil Partner Pension ⓘ <b>£6,572.71</b>
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### Your Assumptions

Change these options to model different retirement scenarios



#### At Retirement



Retirement: ⓘ



Date



Age

DD/MM/YYYY

03/02/2039



Tax-Free Lump Sum:



Nil



Maximum

Reset Values

Recalculate

### Your Results

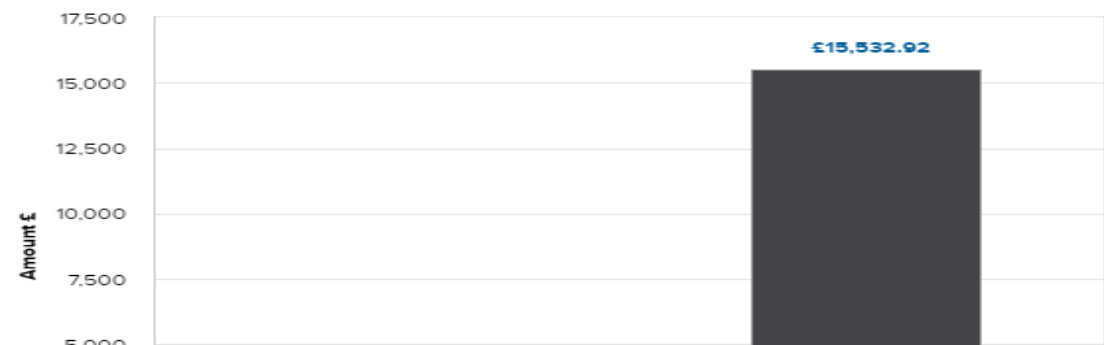
Here you can view your projected retirement benefits as at 03/02/2039 based on the selections you have made.



View further details

Calculation Date: 10/06/2024

Transaction ID: 22542164



Will include 25% of latest value of L&G DC fund

# OneView website – transfer value

Obtain a Transfer Value

The current estimated transfer value for your pension will be shown below.

The transfer value is an estimate of the value based on the information we currently hold. The amount is not guaranteed and you should not rely on this value as the amount you are able to transfer. **The value includes any DC assets held with your GKN pension administered by Legal & General. It does not include AVC values held with other legacy providers.**

If you would like to request a statutory (guaranteed) transfer value of your pension, please consider the information in the important notes below. You are able to request statutory transfer values twice per year, free of charge.

If you would like to contact us for a guaranteed transfer quotation, you can contact us online at <https://contact.mercer.com/>

Your Non-Guaranteed Transfer Value

Quotation Date

11/06/2024



## Former DB members– 25% Tax Free Lump Sum – Simplified example

A DB pension is guaranteed annual income, taking a 25% tax free lump sum directly from that scheme reduces that annual income. In order to protect the DB pension, part of the agreement when the DB scheme closed allowed the DB and DC schemes (GKN contributions only) to be linked for the tax free lump sum valuation purposes. This link allows for **the total combined tax free sum** to be taken from the DC pot first thus protecting the DB annual pension

The DB part of the valuation for tax free lump sum purposes, is subject to a ‘cash commutation factor’, which is based on age and calculated by Aptia, the number used below is for example purposes only.

**Example of a member with both DB and DC pension.**

### Value of Pensions

Individual DC Pot - £100,000 **L&G**

Full DB Annual pension - £8,000 **Aptia**

Cash commutation Factor – 18

### Calculations

DC of £100,000 multiplied by 25% (tax free lump sum) = £25,000

DB of £8,000 per annum multiplied by 18 (cash commutation factor) multiplied by 25% (tax free lump sum) = £144,000 x 25% = £36,000

**£25,000 (DC) + £36,000 (DB) = £61k tax free lump sum**

**The member can take the tax free amount of £61,000 from their individual DC pot (as the schemes are linked) leaving £39,000 in the DC pot but protecting the £8,000 Annual DB pension.**

If the tax free lump sum is greater than the value of the DC pot then there will be some reduction in the value of the DB annual pension.

Lump sums transferred in cannot be used in the DB offset. Only GKN sourced DC funds can be used in linked GKN DB/DC tax free lump sum pension calculations.

# Former DB members – Stepped Pension

## **Stepped Pension Option**

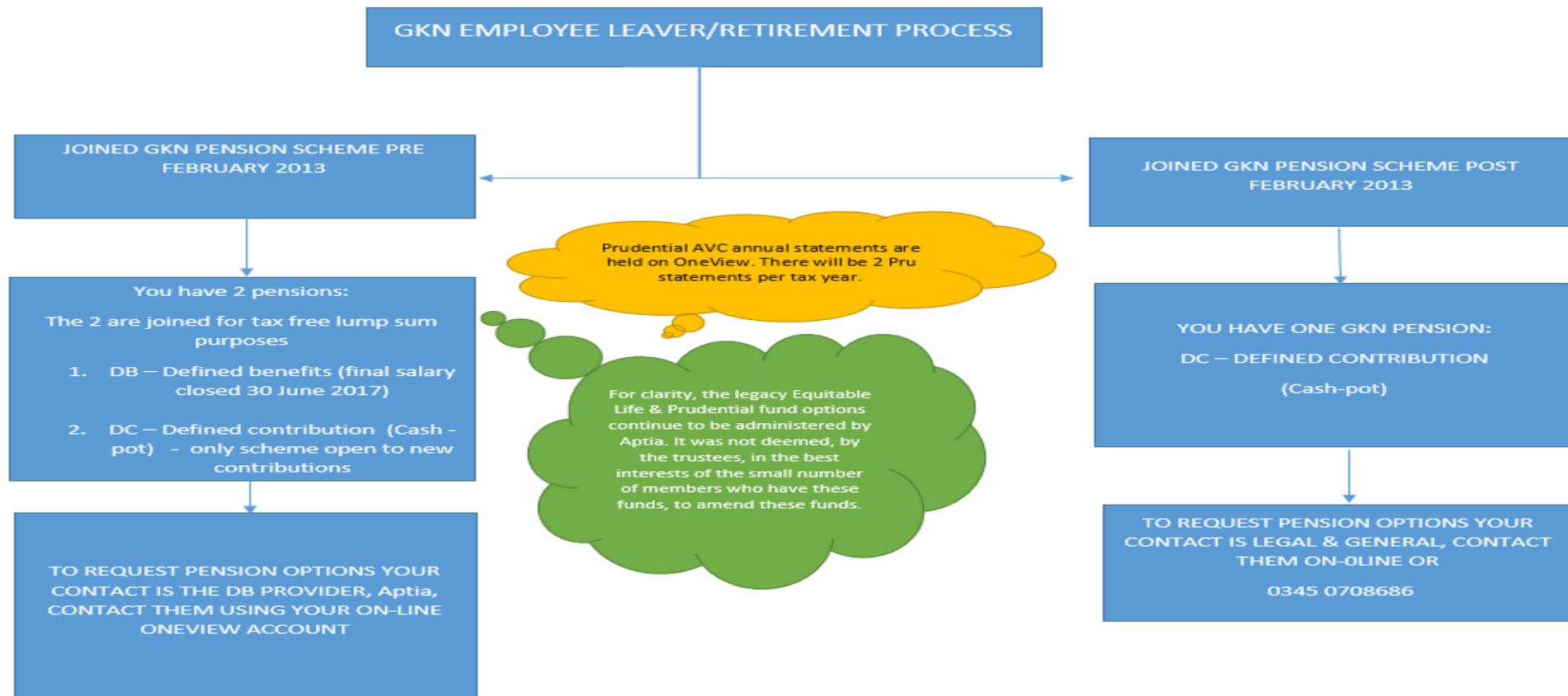
The Trustee of the GKN Group Pension Scheme has introduced a new option for Members who retire before their State Pension Age.

This means that if you retire before State Pension Age, you are able to exchange part of your Scheme pension for an additional pension, payable up to State Pension Age. The Scheme pension then reduces when you attain State Pension Age, when the Basic State Pension is payable.

It is not an enhancement to your Scheme pension, rather it is just a redistribution of when your Scheme pension is received.

This option, if applicable forms part of the Aptia leavers pack, more details are available by contacting Aptia on-line.

# Retirement contact flowchart





# Confirmation of whom to contact when looking for a retirement quote

1. Former DB members looking for a retirement quote or transfer value should register/login to their OneView to get a quick real time response. At the start of each month L&G give a valuation of their individual DC pension pot to Aptia which is used to calculate the on-line valuations and quotes. Please note that for former 'Airbus' employees these quotes do not include the pension 'top up' applicable to your scheme. also be used to request a retirement quote or transfer value. Alternatively you can call Aptia.
2. DC members looking for a retirement quote need to contact L&G (via Manage your Account Portal or phone call).
3. Members re-joining GKN after a period working away outside of GKN are a little more complicated, please speak to Payroll if wish further information.
4. You **have** to leave GKN employment to access you GKN pension.

# Aptia & L&G – How does this work??

1. Start with the easy one – if you are a DC only member then you only deal with L&G.
2. If you are a “Former DB” member you will have a few more hoops to deal with as you have both DB and DC pensions and so have a cash pot with L&G and a DB pension with Aptia.
3. The GKN DB and DC pension schemes are linked as “Former DB” members are allowed to take their DB 25% tax free lump sum from their DC fund thus preserving the monthly DB pension. As such, Aptia & L&G need to talk.
  - a) When looking to retire or transfer your benefits, DB Scheme Members should contact Aptia via phone or on-line using OneView (not L&G) in the first instance.
  - b) You will have to give the date you want to retire to Aptia.
  - c) This date is very important as Aptia and L&G will need to know if they have received all of the contributions or at least when they are expected. Aptia will ask L&G for the cash value of the member’s DC savings and L&G have to supply this to Aptia within 5 days.
  - d) Aptia will then supply pension options to you within 5 working days of receiving the information from L&G (so 10 days in total).

As soon as you have a retirement date as to when you want to take your benefits it is best to speak to Aptia (if former DB) or L&G (if DC), but also please let HR know.

## When taking your pension things to bear in mind.

1. **You have to leave GKN employment to take your pension.**
2. Your GKN DB pension is paid on the 1<sup>st</sup> of each month. Please bear in mind your leave date to when you may first receive your pension. Aptia's cut off for paying pension is the end of the first week of the previous month (so a very early cut off).
3. Make sure you tell HR you are leaving in good time if HR are not advised then payroll will not get the details in time and your pension could be delayed. There has been a recent change to the leaver process to ensure that it falls before the cut off as mentioned in point 2 above. Now the Payroll team tell Aptia all DB members whom have left employment in that month (previously it was L&G), the first file is sent on the 10<sup>th</sup> of the month with the second following on the 20<sup>th</sup>. Payroll also tell L&G that you have left when we load your last contribution (which will be the day after payday).
4. Tax – the tax code used for your initial pension payments may not be as expected, this is usual and will smooth out in a few months if not speak to the pension provider (L&G or Aptia).



# Pension Jargon

There are a huge range of confusing terms used in the pension world the two key ones are:

1. Defined Benefits Pension Scheme – These are regarded as being ‘final salary pension schemes’ to which a member does not really have to interact, the pension paid is a fixed monthly sum based on salary and length of service.
2. Defined Contribution Pension Scheme – Referred to as an ‘Individual Pot’ . This is in essence a cash pot with which a member should interact (via the on-line L&G Portal). DC pensions offer flexibility.
3. For other terms I would point you towards a website which should cater for all queries.  
<https://thepeoplespension.co.uk/jargon-buster/> ✓ Easy to access, easy to read (only as an

information point, GKN do not use or recommend any product offered by this website).

# What is Pensave & how much will GKN contribute?

Pensave is the term used for the GKN Pension scheme salary sacrifice arrangement, things to be aware of:

1. Salary sacrifice reduces pay subject to tax and national insurance and can have an effect on statutory payments. Statutory maternity and redundancy payments in particular could be affected but it may have an impact on SSP & SPP but this is limited due to the lower weekly payable limits set for these payments & GKN's leave policies.
2. Pensave contribution percentages are between 3% and 8% (Employer matched levels) and can be changed throughout the year. Requests to change contributions in excess of 8% will only attract Pensave relief in April of each year, outside this April window they will attract Tax relief only and be known as non-pensave contributions.
3. Non-pensave contributions appear on the right hand side of the payslip, as long as legislation allows these will automatically move to pensave arrangements in the following April.
4. GKN are legally prohibited to allow salary sacrifice payments to take employees salary under the national minimum wage, HR will advise if this is going to be an issue.
5. GKN contractually matches 1.5 times the employees contribution (EES) up to a maximum of 12%, so once employee contributions reach 8% the maximum GKN employers contribution (ERS) of 12% is reached. There is a minimum contribution of 3% but no maximum (though you cannot surrender 100% under pensave due to national minimum wage complications). If you want to contribute a significant % (over 50%) please contact the Payroll Department on [GKNPayrollUK@GKNAerospace.com](mailto:GKNPayrollUK@GKNAerospace.com) to discuss.
6. If you wish to amend your contribution % complete the "DC option form scheme 1" held as per page 13.

# Pension Contributions and AVC's – payslip consolidation.

Traditionally pensave contributions into the pension that exceed the core contribution 8% (8% gives the maximum employers contribution of 12%) are known as AVC's. Contributions are shown separately; pensave on the left, non-pensave on the right . Someone contributing 8% and 8% AVC under pensave, plus 4% non-pensave AVC, the employer contribution is 12%. The payslip will show 20% EES and 12% ERS:

Non-pensave contributions are shown on the right hand side of the payslip:

PAYMENTS		DEDUCTIONS	
Basic Pay	2818.25	Tax Paid	241.20
PenSave DC Scheme	-225.46	NI Contracted I	188.44
Pensave AVC %	-225.46	AVC %	112.73
		EES Pension %	20.00
		ERS Pension %	12.00
TOTAL PAYMENTS		TOTAL DEDUCTIONS	542.37
2367.33			
BANK	SORT CODE	ACCOUNT No.	CUMULATIVES
BUILDING SOCIETY ROLL No.			Total Gross
MESSAGE			Taxable Gross
			Tax Paid
			Employees NI
			Employers NI
			Ees pension
			Ers pension

These 2 entries are not deductions but show the employee and employer pension % rates.

This shows the year to date pension contributions. Pensave and non pensave combined

Please note the Members L&G account will show (a combined 28% employers contribution and 4% employees contribution) so an employers contribution of £789.11 (£225.46+£225.46+£338.19) plus an employees of £112.73. **So £901.84 goes into pension at a net cost of £414.85**



## Sundry points

Being in the pensions scheme attracts additional benefits.

- Life cover – 8 x pensionable pay - **cover ceases at 75**
- Group Income Protection – a payment of a reduced salary for a period of up to 3 years plus a possible taxable lump sum if you are unable to return to work. – **cover ceases at State Pension Age (SPA).**

***These benefits cease when you leave GKN's employment or cease being an active member of the pension scheme.***

# Sundry points - Lump sum death benefits nomination forms

A nomination form needs to be completed by all members to ensure that the trustees have direction on whom lump sum death benefits are to be paid, this is in relation to Life cover, and the return of defined contribution pension payments.

1. If you joined the pension scheme pre April 2013 you will need to update your nomination form on-line through Aptia OneView website; <https://login.OneView.com>, you will not be able to make a nomination on the L&G website. You will also be able to see your nomination in the your account. If you do not have access to OneView you need to contact Aptia on 0345 3372456
2. If you joined the pension scheme post April 2013 then you need to make a nomination on the L&G Website – by clicking on the **Nominate Beneficiaries box** see below:

**NB: you will need to complete this section even if you've previously made a nomination, once completed you will be able to view/change going forwards.**

## Your beneficiaries

Tell us who you want to leave your pension pot to in the event of your death. You can update this information at any time if your situation changes.

Nominate beneficiaries

# Sundry points – Funding of the closed DB scheme

- Melrose have also promised additional funding. An extract from the letter Melrose sent to Secretary State for Business, Energy and Industrial Strategy in March 2018.

Recognising the potentially significant sale proceeds available as we exit some of our existing businesses, we have agreed to contribute 5% of the proceeds from any existing Melrose non-GKN business and 10% of the proceeds from the sale of any GKN non-core business until the schemes are fully funded. This will mean the pension schemes are well progressed towards fully funded to their new and improved funding level prior to reviewing strategic options for the Aerospace and Driveline businesses. In any event, we have committed to ensuring the schemes are fully funded before they exit the Melrose Group.

- An extract from the 31 December 2022 Melrose annual results.

## **PENSIONS**

As stated above, Melrose is rightly proud of its track record in addressing pensions challenges in the businesses we buy and GKN has been no different. We have delivered on our commitments ahead of schedule, overcoming the large funding pension deficit we inherited of almost £1 billion to bring the UK schemes into being materially fully funded as at the end of last year, despite the challenges of COVID-19 and without detracting from our investment in the businesses. With the Demerger Proposal, the schemes attached to GKN Automotive will transfer to Dowlais, benefitting from their much improved position, leaving the continuing Melrose Group with the pension schemes attached to GKN Aerospace. As the next step in securing the future for members, we have now agreed a buyout of approximately half the remaining GKN Aerospace UK pension liabilities for £45 million. This further reduces the pension exposure for the Melrose Group, and gives certainty to the members of the scheme. This is a complete transformation from the situation inherited in 2018 and is testimony to the already strong Melrose track record in respect of pension schemes.



# Sundry – Pension tax relief

## Tax relief - The annual allowance

The annual allowance is a limit on the amount that can be contributed by an individual each year, while still receiving tax relief. It's based on your earnings for the year and is capped at £60,000 (employees and employers contributions combined). Unused relief from the prior 3 tax years can be used to pay contributions in excess of £60,000.

## What is the annual allowance?

The annual allowance is a limit to the total amount of contributions that can be paid to [defined contribution](#) pension schemes. The annual allowance is currently capped at £60,000 **although a lower limit of £10,000 (employees and employers contributions combined) may apply if members have already started accessing a DC pension.** The annual allowance applies across all of the schemes members belong to, it's not a 'per scheme' limit and includes **all** of the contributions that members & GKN pay. This includes **non-inflationary** increases in any DB schemes (annual increase multiplied by a factor of 16). The annual allowance will reduce for very high earners (over £260k per tax year).

## High Earners.

For High earners there is a dedicated pension section on the GKN L&G Website:

<https://www.legalandgeneral.com/workplace/g/gkn-1/helpful-resources/tax-information-for-high-earners/>

# Sundry – Rise in normal minimum pension (NMPA) age to 57

## Background to the rise in NMPA

### What Is the NMPA?

For registered pension schemes, the NMPA is the earliest age at which pension benefits can normally be accessed without incurring an unauthorised payments tax charge, except on the grounds of ill health or where the member has a protected pension age. The NMPA is currently set at age 55.

### What Is a protected pension age?

A member with a protected pension age can still take benefits before NMPA without triggering a tax charge provided certain conditions are met. There are currently two forms of protected pension age. One dates back to the introduction of the NMPA (at age 50) in 2006, as part of the current pensions taxation regime. The other dates back to 2010 when the NMPA was raised to age 55.

### What increase to the NMPA is being proposed?

In November 2021, the government published the Finance No.2 Bill 2021/22 which will, amongst other things, increase the NMPA for registered pension schemes from age 55 to 57 with effect from 6 April 2028. This is to coincide with the rise in SPA from age 66 to 67, which is legislated to take place between 2026 and 2028. On 7 January 2022, the Department for Work and Pensions launched the next review of SPA.

# Where can I get some advice on my DC scheme?



## Welcome to Pension Wise

Pension Wise is a government service that offers free, impartial pensions guidance about your defined contribution pension options.

An appointment with Pension Wise is free and will help you understand what your overall financial situation will be when you retire.

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/book-a-free-pension-wise-appointment>



# HMRC App

If you have paid too much personal tax at the end of the tax year, you can easily claim your tax refund through the HMRC app. They will pay the refund straight into your bank account, which means you don't have to wait for us to send it by post.

You can also use the app to check your pay a few days before payday, check your tax code, and view an estimate of your earnings and any tax paid.

To start managing your individual finances in the HMRC app, select the 'Pay As You Earn (PAYE)' section from the 'Money' screen to find the relevant information. If you're due money back from HMRC, you'll see a green button on the page to claim your refund and the amount they owe.

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# The End

