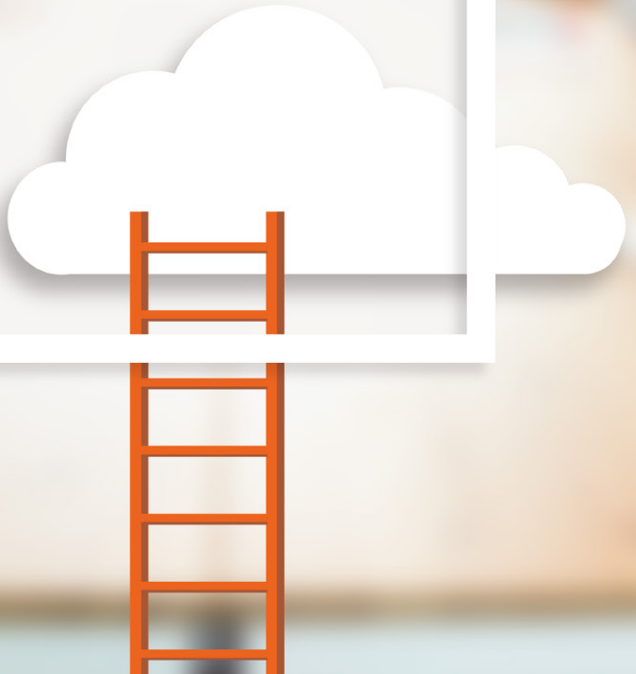


SAVING FOR THE FUTURE IS NOW WITHIN YOUR REACH

**Your DC Choice Pension
Employee Guide**



FOCUSING ON YOUR FUTURE

A guide to the Mitchells & Butlers Pension Plan

At Mitchells & Butlers, we believe planning and saving for the long-term is important and our workplace pension scheme, **DC Choice**, has been designed to help you save for your future while you work.

It also provides protection for you and your family today, in the event of serious ill-health or even death.

You can get more information from the Company Pensions Team (see '[Useful Contacts](#)' at the end of this guide), but in the meantime please read this guide, which will introduce you to the main facts and features.

DC Choice –
helping you to
save for your
future while
you work

As a member of the
Mitchells & Butlers
workplace pension,
the value of your
pension savings
will depend on:



HOW MUCH
is paid in



HOW LONG
you're in DC
Choice



**HOW THE
INVESTMENTS**
change in value



HOW MUCH
is paid
in charges

FOCUSING ON GETTING ON BOARD

Joining DC Choice

You are eligible to join if you are between age **18 and 65** (your Normal Retirement Age or if different, the age specified in your contract of employment).

To join you must complete the Application Form, which is enclosed with this guide, and return it to the Company Pensions Team (see [Useful Contacts](#)) using the return envelope.

Making contributions to your account

1

You can choose to pay a Core Contribution of 4% or 5% of your Plan Pay (your basic four weekly pay before tax) and the Company will make a Matching Credit of 1.5 times your contribution.

All contributions you pay will be through Salary Exchange (unless you choose otherwise) – not just the Core Contributions (although certain exclusions may apply). Read more about Salary Exchange below to help decide if it is right for you.

2

DC Choice is a tax-efficient way to save for your retirement as your contributions are deducted from your pay before tax which means it costs you less. The table on the following page shows how much could be paid into DC Choice and how much you would contribute.



Need to know

Along with your contributions, the Company pay in and you'll get tax relief from the Government too.

3

FOCUSING ON SAVING FOR THE FUTURE

Your 4 weekly plan - £1,000

Core Contribution	Matching Credit	Cost to you (after tax relief)	Cost to you (after tax & Salary Exchange)	Amount invested for you
4%	6%	£32.00	£27.20	£100.00
5%	7.5%	£40.00	£34.00	£125.00

Your 4 weekly plan - £1,500

Core Contribution	Matching Credit	Cost to you (after tax relief)	Cost to you (after tax & Salary Exchange)	Amount invested for you
4%	6%	£48.00	£40.80	£150.00
5%	7.5%	£60.00	£51.00	£187.50

Your 4 weekly plan - £2,000

Core Contribution	Matching Credit	Cost to you (after tax relief)	Cost to you (after tax & Salary Exchange)	Amount invested for you
4%	6%	£64.00	£54.40	£200.00
5%	7.5%	£80.00	£68.00	£250.00

You can give your pension savings a boost by making **Additional Voluntary Contributions (AVCs)**; these are optional and are a useful way of increasing your retirement savings.

AVCs can be regular or one-off lump-sum contributions and will normally qualify for tax relief.

Any AVCs will be deducted from your pay with your Core Contribution, so if you are thinking about paying a substantial sum you should discuss this with your Payroll department.

Get in touch with one of the [Company Pensions Team](#) for further information (see [Useful contacts](#)).



Salary Exchange

Under Salary Exchange you agree to reduce your pay in return for an equivalent benefit from the Company. This means your pay is reduced by the same amount you would otherwise have paid into DC Choice.

The Company then pays this amount into your pension savings account for you, together with its contribution.

In this way Salary Exchange reduces your actual pay so any National Insurance contributions you pay are also reduced, which will save you money.

The Company will automatically include you in Salary Exchange, unless:

- ▶ you earn less than the pay protection limit, or
- ▶ you would prefer to have your contributions taken from your pay

If you earn less than the pay protection limit, paying into your pension savings via Salary Exchange would not be financially beneficial to you, so your contributions will be deducted from your pay instead.

You can, of course, choose to have your contributions taken directly from your pay if you prefer, and you can arrange this by contacting the The Company Pensions Team (see [Useful Contacts](#)).

Need to know

Salary Exchange: the Company takes your pension contributions from your salary before tax is deducted.

Paying in this way means you get immediate tax relief and your NI contributions are reduced.



Higher rate tax-payer?

Salary Exchange provides immediate tax relief for higher earners, which means you won't have to spend time claiming tax relief from HMRC.

Know the limits

The Government has set limits on the amounts that can be paid in each tax year and on the total amount of pension savings that you can build up across all of your pension arrangements. If you are a higher earner, you might exceed these limits and incur a tax charge. Details specific to your own circumstances can be obtained from an Independent Financial Adviser, see [Useful contacts](#) if you need help finding an adviser).

Need to know

You should review how your pension savings are invested, and when you expect to retire from time to time.

Investing your pension savings

How your pension savings are invested is important, as this will affect their value and the amount that your pension account can provide.

Unless you choose otherwise, all contributions will be invested on your behalf in a fund or Pathway (Pathway is the name given by L&G to the collection of funds available to you for investing your pension savings in) that will allow you to withdraw your investments in a flexible way, by drawing down your savings as you need them.

The fund has been chosen by the Trustees as it aims to provide long term investment growth and is judged to be suitable for most members. However, this should not be taken to be financial advice – you should take your own financial advice if you want to understand what investments will best suit your own particular circumstances.

Your Target Pension Age (TPA) (the age at which it is assumed you will take your pension savings from your account) will also be set for you, at age 65, unless you choose differently. If you choose an alternative TPA then you should consider what Pathway best suits your future plans.



You can check how your pension savings are invested, see the different funds and your Target Pension Age by logging on to Me2 and going automatically through to your L&G account.

We understand that choosing where to invest your pension savings is a personal matter, and investing in the default fund might not be the right path for you. If you decide to make your own investment choices it is important to think about how far away you are from accessing your funds from your pension savings, and what plans you have for the future.

For more information on the alternative fund Pathways you can choose from, contact The Company Pensions Team (see [Useful contacts](#)).



FOCUSING ON THE END GOAL

Taking your pension savings

When can you access your pension savings, and what are your options?

You can normally take your pension savings at any time on or after the age of 55, regardless of your employment status. Some members may be able to take their pension savings earlier.

There are three main access options and you can choose a mix of these:



cash sum



secure regular income for life (annuity)



flexible withdrawals (drawdown) through the L&G Master Trust

You could leave all or part of your pension savings until a later date, with the opportunity for these to grow (although they may also decrease in value).

The options you choose can affect:

- how much tax you end up paying
- how long your pension savings will last
- what is left behind when you die

If you take any funds out, you can still continue to pay in but the limit on how much you can pay may reduce.

You can learn more about these options, and understand better what might be suitable for you, via the Company Pensions Team (see [Useful Contacts](#)).

Need to know

You can normally take your pension savings from age 55. There are three main options or you can choose a combination of them all.

Helping Hand

Deciding what to do with your pension savings is a major financial decision, and the Government offers everyone (over the age of 50) access to free and impartial guidance on the choices available, through its **Pension Wise service** (see [Useful contacts](#)).

What if...

Need to know
Make sure you review your Nomination of Beneficiary form regularly, especially if your personal circumstances change.

What if I leave the Company or opt-out of the Plan?

If you leave, all contributions to your account will stop and you will no longer be eligible for ill-health or life assurance benefits.

Your options will usually include:

1 transferring your pension savings to another approved pension scheme

2 leaving your pension savings where they are and then transferring at a later date, or choosing from the three main access options explained above

Once a year the Trustees will review all members who have chosen to remain invested in the Plan. For most members their pension savings will be transferred automatically (in April each year) to the Legal & General Mastertrust or they can choose to transfer to another pension scheme if they wish. The Trustees will write to all those affected at the appropriate time.

What happens if I'm off work for a period of time?

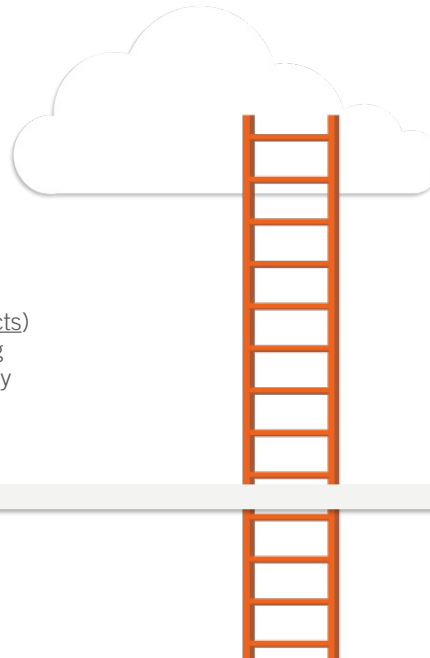
Please contact the Company Pensions Team (see [Useful Contacts](#)) for details about membership and contribution payments during any period of long-term absence (for example maternity or family leave, or extended time off due to ill-health) as different rules might apply depending upon the circumstances.

What if I die or fall ill?

DC Choice offers the comfort of knowing that your family will have some financial security if the worst happens.

- If you die whilst a member of DC Choice and whilst employed by the Company before reaching age 75, DC Choice will pay out a life assurance cash sum of six times your Benefit Pay. With the money saved in your pension account, the Trustees may secure an annuity, pay a scheme pension or pay the money out as a lump sum.
- You should ensure that you have completed a Nomination of Beneficiary Form, stating who you would like to receive the money. In order to protect the tax-free status of the cash sum payment the Trustees are not bound by your wishes, but will always take them into account when making their decisions.
- Please make sure you keep your Nomination of Beneficiary Form up to date especially if your circumstances change, for instance, if you marry or divorce, or have a child.
- In some circumstances, part of your account may be used to provide a dependant's pension on your death. Please ensure you complete the Dependant section of the Form by nominating one or more dependant(s) and what proportion they should receive.
- If you have to leave work due to serious ill-health or an accident before you reach your Normal Retirement Age, the Company will pay a lump sum into your pension savings account. The amount will depend on whether you are expected to be prevented from doing any kind of paid work for any employer (full incapacity) or if you are unable to continue in your normal type of work long-term for the Company (partial incapacity).

You can find out full details on eligibility for the payment of ill-health benefits from the Company Pensions Team (see [Useful Contacts](#)).



DC Choice

We're here to help

We have a great team in place to look after your pension savings through DC Choice, and you'll get communications from each of us at various times during the year.

Take a look at our easy guide to who's who in DC Choice, and where to find help if you need it...



Me2: Your first port of call for help with managing your pension savings and planning for the future. Log on to Me2 to see all your DC Choice information in one place and to find the answers to those burning pension questions!

<https://logon.me2.world> Need help logging on? Call 0344 4430101



L&G: Look after the administration of DC Choice, make sure your pension savings are invested in line with your long-term plans, and keep everything running smoothly in the background. You can access [Manage Your Account](#) directly through Me2 by going to My pension savings on your home page and clicking on the Defined Contribution + icon. Select the L&G tile which will automatically take you through to your L&G account.

You can get in touch with us at any time, and for individual guidance when you come to access your pension savings.

(full contacts details on the following page).



M&B: We make monthly payments into DC Choice alongside yours to keep you on track with saving for your future. Most of the daily management of DC Choice is taken care of by the Trustee and L&G, but we are always involved with any major decisions about the Plan.

The Company Pensions Team: We're here to answer any questions you have about all aspects of DC Choice.

(full contact details on the following page).



Trustee: We look after DC Choice for you. We make sure any decisions or changes to the Plan are always made in your best interests.

Get in touch if you have a question about how the Plan is governed
pensions@mbplc.com

Useful contacts

The Pensions team

Email: pensions@mbplc.com or louise.sullivan@mbplc.com
Telephone number: 0121 4985440

Independent Financial Advice

We recommend that you seek independent financial advice prior to making any decisions about your pension savings. You can contact any of the organisations below. On each of their websites, you can search for an adviser in your area and choose the particular kind of financial advice you want, e.g. investment, pensions, divorce, etc.

Association of Professional Financial Advisers

Website: www.apfa.net/apfa/consumers/

Website run by The Personal Finance Society

Website: www.findanadviser.org

Other useful contacts

Money Advice Service

a website useful for helping people understand financial issues
www.moneyadvice.org.uk

Pension Wise - free, impartial pensions guidance from the Government

www.pensionwise.gov.uk

This summary booklet is intended to provide a general overview of DC Choice, and although every effort has been made to ensure the content is accurate, it cannot include every detail. Should there be any discrepancy between this summary booklet and the Trust Deed & Rules of the Mitchells & Butlers workplace pension plans (the "Plans"), the Trust Deed & Rules take precedence. The Government can pass legislation that overrides the Trust Deed & Rules and the Plans must then operate accordingly. If you wish to see a copy of the Trust Deed & Rules please contact the M&B Pensions Team, either by phone on 0121 4985440 or e-mail at pensions@mbplc.com or louise.sullivan@mbplc.com.

Need to know

Log on to Me2 to keep on track with your long-term savings plan.