

GSK Pension Plan

Save | Invest | Retire





GSK Pension Plan

UK Grades 1 - 10

Save

Pages 4 - 6

- Core contributions
- Matching contributions
- Additional contributions (AVCs)
- Bonus sacrifice
- Legal & General Self Invested Personal Pension

Invest

Pages 7 - 17

- How Lifecycle works
- Manage your own investments
- GSK investment funds
- Monitoring your investments

Retire

Pages 18 - 19

- Your GSK pension
- Your State pension

More information

Pages 20 - 25

- What happens if...
- Pension tax allowances
- Plan information and regulatory bodies
- Terms explained

Total Reward

GSK Pension Plan

Saving for retirement is a long-term commitment. Your retirement could last 20 or 30 years, so it is important that you start saving for retirement as soon as possible.

That's why you automatically become a member of the GSK Pension Plan when you join GSK and both you and GSK start contributing to your pension from your first date of employment. If you do choose to make additional contributions, GSK will match some of your contributions.

Knowing how much to save is important too, so GSK provides tools to help you monitor and manage your pension savings, and offers different ways to save more if you need to.

The Plan also provides valuable life insurance benefits.

How the Plan works

The GSK Pension Plan is a defined contribution (DC) plan. The way it works is simple:

- An account is opened in your name
- You and GSK contribute to your account
- You can contribute an additional amount too and GSK will match some of your contributions
- Your account is invested to build up its value over the long term
- At retirement, you use your pension savings to buy your choice of pension benefits



More information

The GSK Pension Plan is an important part of your Total Reward at GSK so please take the time to read this booklet carefully.

You will find more information about how the GSK Pension Plan works via the UK HR page on Connect GSK and you can monitor your pension savings at www.totalrewardonline.co.uk.

If you have a specific question about the Plan, you should call the GSK HR Service Centre on: +44 207 660 6942 or freephone: 0808 234 4391 – and select the option for the Pension Plan (the Plan administrator).



Save

The best way to build up your pension savings is to start saving as soon as possible and to save as much as possible. There are three ways to contribute to the GSK Pension Plan: core contributions, matching contributions and additional contributions.

Core contributions

As soon as you join the Plan, GSK starts contributing 7% of your Pensionable Pay into your Plan account each month and you will be required to contribute 2% of your Pensionable Pay.

Matching contributions

If you wish, you can contribute more to your account and GSK will match your contributions up to an extra 3% of your Pensionable Pay.

You should log on to www.totalrewardonline.co.uk and select 'benefits' at the top of the page to amend the level of your contributions.

So, if you pay a matching contribution of just 3% of your Pensionable Pay, 15% will be paid into your account: 7% GSK core contributions, your 2% core contribution, plus your matching contribution of 3% and GSK's matching contribution of 3%.

GSK CORE CONTRIBUTIONS	+	EMPLOYEE CORE CONTRIBUTIONS	+	IF YOU PAY A MATCHING CONTRIBUTION	+	GSK WILL MATCH YOUR CONTRIBUTION	=	TOTAL CONTRIBUTION TO YOUR ACCOUNT
7%	+	2%	+	0%	+	0%	=	9%
7%	+	2%	+	1%	+	1%	=	11%
7%	+	2%	+	2%	+	2%	=	13%
7%	+	2%	+	3%	+	3%	=	15%



Save

Additional contributions

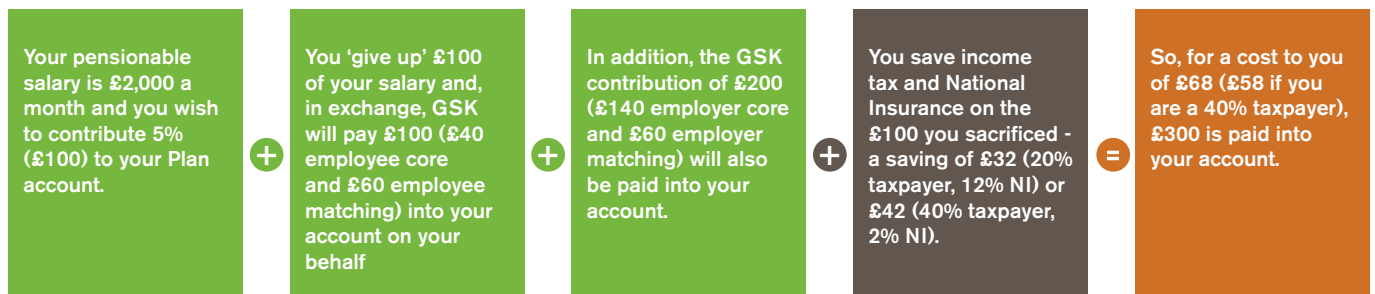
To make sure you build up sufficient savings for your retirement, you can pay extra pension contributions. Any contributions you pay in excess of 5%, are called Additional Voluntary Contributions (AVCs) and these contributions are not matched by GSK.

You can contribute up to 50% of your salary each month (and up to 100% of your bonus) into your pension. However, please be aware that the Annual Allowance may affect the amount of tax you pay. For more information please refer to the 'Pension tax allowances' on [page 22](#).

How your contributions are paid

Your contributions are paid by pension salary sacrifice, which means that you 'give up' a portion of your salary and, in exchange, GSK pays an equivalent amount into your Plan account. Because your salary reduces, you pay less income tax and National Insurance.

For example:



Other ways to save

You can boost your pension savings by contributing some or all of your bonus, or some or all of your shares from one of the GSK share plans, or by making additional pension contributions.

So, for a cost to you of £68 (£58 if you are a 40% taxpayer), £300 is paid into your account.

Bonus sacrifice

If you wish, you can contribute some or all of your annual bonus towards your pension through bonus sacrifice. Bonus sacrifice means that you 'give up' some of your bonus and, in exchange, GSK pays an equivalent amount into your GSK Pension Plan account (or the L&G Self Invested Personal Pension see [page 6](#)). You save income tax and National Insurance on the amount of bonus you sacrifice.

You will be sent information at the beginning of each year about how to apply for bonus sacrifice.

Transferring benefits from elsewhere

Once you join the GSK Pension Plan, you can apply to transfer in benefits from a previous scheme. If the Trustees agree that you can go ahead with the transfer, the amount received from your previous scheme (known as the transfer value) will be transferred into your pension pot. The Plan may provide benefits in a different way from your previous scheme; for example, your previous scheme may link benefits directly to your salary. So it's worth thinking carefully about whether transferring your pension savings into the Plan will make the most of your money.

What you need to do

If you are considering a transfer to the GSK Pension Plan, contact Willis Towers Watson, the pension plan administrators, who will send you a Transfer-in Application form in order to start the process.

Email: gskpensions@willistowerswatson.com

Telephone: 01737 227563

Save

Legal & General Self Invested Personal Pension

The Legal & General Self Invested Personal Pension (L&G SIPP) is a personal pension plan provided by Legal & General. It is designed to work alongside the GSK Pension Plan and to give you additional options for saving and investing for retirement.

The L&G SIPP allows you to:

- Make regular contributions however, your Core contributions must continue to be paid to the GSK Pension Plan
- Contribute some or all of your bonus via bonus sacrifice
- Transfer in your GSK shares from one of the GSK share plans
- Invest in a wide range of investment funds

You may start drawing benefits from your L&G SIPP at any time between age 55 and age 75, even if you are still working.

Like contributions to the GSK Pension Plan, your contributions to the L&G SIPP are made by pension salary sacrifice, which means that you make income tax and National Insurance savings.

If you contribute GSK shares (or make cash contributions by cheque), basic rate tax relief on the value of your shares (or cash) will be paid into your L&G SIPP account, further boosting your pension savings. If you are a higher-rate taxpayer, you may be eligible to claim the additional tax relief via your tax return.

You can find out more about the L&G SIPP, which is provided by Legal & General, via the UK HR page on [Connect GSK](#).



Important

It is important that you take independent financial advice to make sure the L&G SIPP is an appropriate investment for you. The value of investments can fall as well as rise and is not guaranteed. Before you apply for a L&G SIPP, you should read and fully understand all of the important information provided by Legal & General, including the Key Features of the L&G SIPP and the L&G SIPP Fees and Charges to decide whether this is appropriate for you.

Invest

Your contributions to the GSK Pension Plan are invested in order to earn investment returns and build up the value of your account. When you join the Plan, your account is automatically invested for you in GSK Lifecycle Drawdown Option.

How Lifecycle works

Lifecycle aims to build up your pension savings while you are some way from retirement and then protect the value of your savings as you approach retirement. Your savings are invested for you following an investment strategy designed for your preferred option at retirement. You may still choose a different option at retirement if you prefer – The Lifecycle strategy only determines how your pension plan account is invested before you retire.

To build up the value of your pension savings, your account is invested in the GSK Lifecycle Fund until you are within 5 years of your normal retirement date (age 65) – unless you choose a different target pension date (between age 55 and age 75) in order to build up the value of your account. This is known as the 'Growth Phase'.

Then, to protect your accumulated pension savings during the period five years prior to retirement, your savings are gradually switched to the funds as detailed in the graphs over the following pages. This is known as the 'Pre-Retirement Phase'.

To change your target pension date log into www.totalrewardonline.co.uk and select the GSK Pension Plan under Quick Links in the right hand menu.



GSK Lifecycle Options

The GSK Lifecycle Option currently offers three Lifecycle strategy options which are designed to reduce the level of investment risk and volatility of investment returns as you approach retirement.

- GSK Lifecycle Drawdown Option (Default)
- GSK Lifecycle Pension Option
- GSK Lifecycle Cash Option

The GSK Lifecycle Drawdown Option will manage your investments according to an investment strategy designed for taking income drawdown in retirement. Similarly, the GSK Lifecycle Pension Option will be managed for you according to an investment strategy designed to target the purchase of an inflation-linked annuity (pension) at retirement. Finally, the GSK Lifecycle Cash Option will manage your investments according to an investment strategy designed for taking all your pot as a one-off cash lump sum at retirement.

When you join the Plan, your account is automatically invested for you in GSK Lifecycle Drawdown Option. The Trustee periodically reviews the default investment strategy from time-to-time to ensure it remains appropriate.

If you wish to change your GSK Lifecycle option you can do this by going to www.totalrewardonline.co.uk and select the GSK Pension Plan under Quick Links in the right hand menu.

Invest

Advantages of Lifestyle Options

Whilst it remains your choice how to invest your pension, there are a number of advantages to utilising a lifestyle option, which can include:

More protection against stock market volatility

Switching your pension account gradually out of growth assets is expected to give you some protection against the impact of major falls in stock markets in the years shortly before retirement. In particular, switching into cash funds helps protect the part of your pension account that you receive as tax free cash from sudden falls in stock markets.

Convenience

The gradual switching of your pension account into lower risk funds as retirement age approaches happens automatically, without requiring any activity from you. It also ensures that your money is not moved in one go at a time when the markets might be low.

Annuity protection (within the GSK Lifecycle Pension Option)

Fixed interest investments are designed to help maintain the annuity buying power of your pension account. Switching gradually into these investments therefore helps protect you against the risk that your income in retirement will reduce as a result of an annuity becoming more expensive shortly before you retire.



Disadvantages of Lifestyle Options

As with all investment options there may be disadvantages for your specific circumstances. These can include:

Lower expected returns

The less money your pension account has in growth assets, the less opportunity you have to gain from investment growth. So, while switching your pension account into lower risk assets is expected to provide greater financial protection closer to retirement, it is also expected to reduce the returns that your pension account earns.

Lifestyle may not be suited to a member's individual requirements

Lifestyling makes assumptions about when you will retire and how you will withdraw benefits. For example, the GSK Lifecycle Pension Option assumes that you will take 25% of your pension account as tax-free cash and use the remainder to purchase an annuity at retirement - if you do not wish to take benefits in this way, then the GSK Lifecycle Pension Option may not be suitable. The Lifestyle Options are also targeting your selected or defaulted retirement date, and if you retire at another time the strategy will be switching to alternative funds too early or too late for your circumstances.

No guarantees

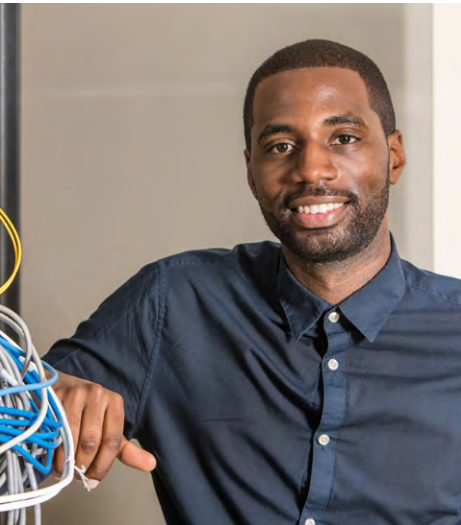
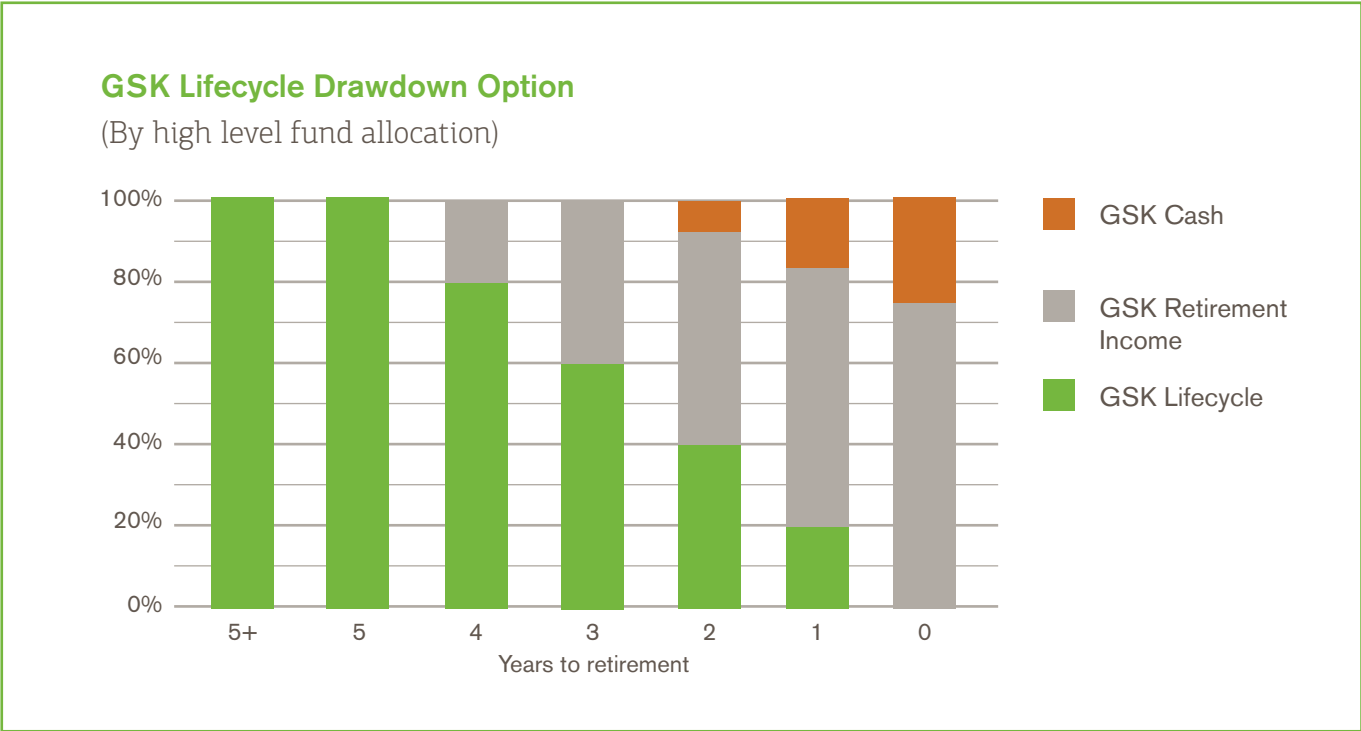
While the Scheme's retirement strategy has been designed to provide increased investment protection as the time horizon to retirement shortens, there are no guarantees that it will do so. For example, fixed interest investments can be volatile over short-term periods and may not always rise and fall exactly in line with the cost of an annuity.

Invest

Details of how the split of investment funds change in each Lifecycle option

The following graphs show how the investment splits change during the 5 years preceding retirement for each of the three lifecycle options.

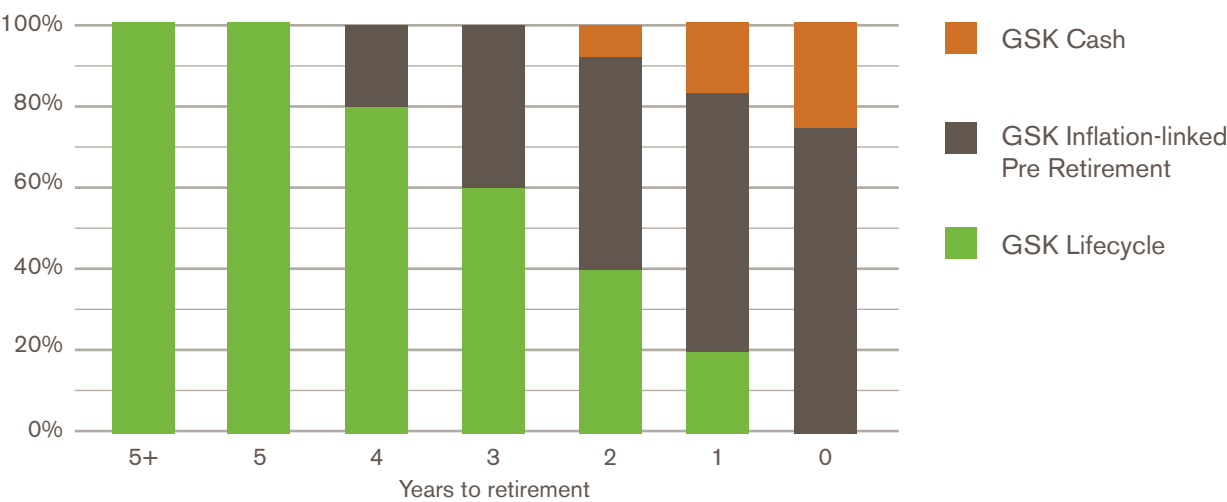
GSK Lifecycle Drawdown Option (current default investment option):



Invest

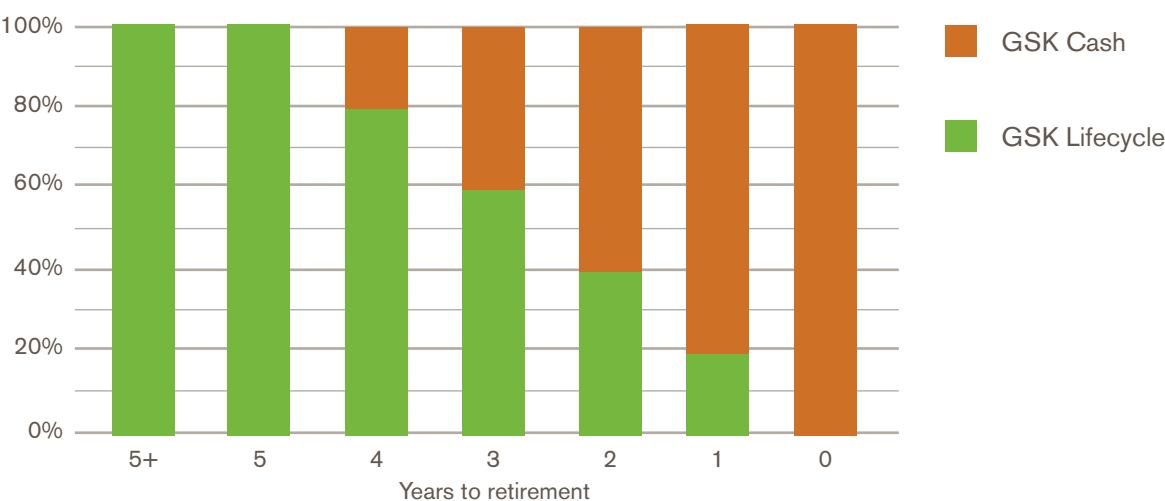
GSK Lifecycle Pension Option

(By high level fund allocation)



GSK Lifecycle Cash Option

(By high level fund allocation)



Invest

Manage your own investments

If you prefer, you can manage your own investments and invest your account in your choice of the seven GSK investment funds. This option is called Freestyle.

You can change your investment choices by going to www.totalrewardonline.co.uk and select the GSK Pension Plan under Quick Links in the right hand menu. If you wish, you can invest your core and matching contributions in Lifecycle and your additional contributions (AVCs) in Freestyle, or vice versa.

Types of investments

The GSK investment funds invest in equities (company shares), bonds (loans to companies or governments), cash and other diversified assets (Diversified Growth Fund). The main types of investment suitable for investing for retirement are:

Equities

Equities are shares in companies. In the past, over long periods of time, they have grown in value more than bonds or cash. However, they can go up and down in value, sometimes significantly over the short term. An investment in equities is expected to grow through share price increases and dividends paid out (although these are not guaranteed).

Equities are likely to be a suitable investment for building up the value of your account while you are some way from retirement.

Diversified Assets

Diversified assets is the term used for a mix of investments which together offer broadly similar potential for growth to equities over the longer term, but which do not depend solely on the equities to generate this return. Diversified assets include property and non-traditional assets. They also include investment strategies where the manager switches between different assets or chooses to capture the difference in value between two or more different assets. These are typically used within diversified growth funds, alongside equities and bonds. Therefore, investing in a diversified growth fund alongside equities would help you spread your risks. Like equities, diversified assets are likely to be a suitable investment for building up the value of your account while you are some way from retirement. They can also be used in conjunction with bonds/cash as you near retirement if you envisage that you are going to continue to stay invested after you retire (by transferring to a drawdown policy).

Bonds and Cash

Bonds are loans to a government, company or other organisation. Cash funds hold various short-term income producing loan investments and are likely to provide protection on the value of your assets. Bonds and cash are likely to provide lower investment returns than equities over the long term. However, they are also less likely to fluctuate in value, though they can still rise and fall (but are not expected to do so as significantly as equities). An investment in bonds and cash is expected to grow through interest paid and any increase in the bond price (although this is not guaranteed).

Bonds and cash are likely to be a suitable investment as you approach retirement, to provide some protection for the savings you have built up. This may be particularly appropriate if you are envisaging taking cash at retirement (e.g. moving into cash may be appropriate) or buying an annuity (e.g. moving into the right type of bonds may be appropriate).

Investment risk

There is no guarantee that investments will increase in value, especially over the short term. The value of investments can rise or fall, and inflation or an increase in the cost of buying a pension can erode the buying power of your investments. Therefore, it is important that you decide how much risk you are prepared to take and monitor your investments regularly to ensure they are providing you with an adequate return.

If you would like further information on the investments, please contact the GSK HR Service Centre on: +44 207 660 6942 or freephone: 0808 234 4391.

Invest

GSK investment funds

The GSK UK Equity Index Fund and the GSK Overseas Equity Index Fund are index-tracking funds; that is, they aim to track or imitate the performance of a particular stock market index as accurately as possible. The GSK Cash Fund, the GSK Diversified Growth Fund and the GSK Inflation Linked Pre-Retirement fund are not index tracking funds and instead rely on the skills of the investment manager to meet the fund objectives.

The underlying allocations and the managers used within the GSK investment Funds could change at any time subject to Trustee approval. The below information is correct at time of publication. For the latest allocations and expenses, please visit www.gskpensions.co.uk

GSK UK Equity Index Fund

Type of investment	UK Equities
Index the fund tracks	FTSE All-Share Index
Invests in	The shares that make up the FTSE All-Share Index
Profile	This fund offers the high performance potential of equities. However, you should be aware that equity returns can fluctuate both up and down – sometimes by large amounts.
Main role	Aims to build up the value of your account over the long term.
Suitability for members near retirement	As a growth-seeking allocation for an income drawdown targeting portfolio. For members planning to take their benefits as cash or purchase an annuity, other funds are more suitable.
Investment manager	Legal & General Investment Management
Annual management charge	0.0225% (excluding variable additional expenses)
Fund's holding in GSK securities	2.76% as at 31 March 2021

GSK Overseas Equity Index Fund

Type of investment	Overseas Equities (excluding UK equities)
Index the fund tracks	18.6% FTSE AW - World (Ex-UK) / 18.6% Solactive L&G ESG Developed (Ex-UK) Index / 23.4% FTSE AW - World (Ex-UK) – GBP Hedged / 23.4% Solactive L&G ESG Developed (Ex-UK) Index GBP Hedged / 5.3% FTSE AW – All Emerging Markets / 5.3% Solactive L&G ESG Emerging Markets Index / 5.3% FTSE Global Developed Small Cap Index.
Invests in	Legal & General's index funds covering North America, Europe (ex-UK), Japan, Asia Pacific (ex-Japan) and Emerging Markets. The foreign currency exposure of the developed overseas assets is reduced through hedging.
Profile	The fund offers the high performance potential of equities and is diversified across countries and regions. However, you should be aware that equity returns can fluctuate both up and down – sometimes by large amounts. While the fund is managed in such a way as to protect against the effects of some currency movements, you should be aware that the value of the fund may be affected by changes in some exchange rates.
Main role	Aims to build up the value of your account over the long term
Suitability for members near retirement	As a growth-seeking allocation for an income drawdown targeting portfolio. For members planning to take their benefits as cash or purchase an annuity, other funds are more suitable.
Investment manager	Legal & General Investment Management
Annual management charge	0.08% (excluding variable additional expenses)
Fund's holding in GSK securities	0.00% as at 31 March 2021

Invest

GSK Diversified Growth Fund

Type of investment	Diversified Growth Fund
Benchmark	Cash return + 3.5% p.a.*
Invests in	The fund aims to achieve growth over longer time periods with lower variability of return than equities, by investing in four funds which invest in a wide range of different asset classes. You should be aware that fund returns can fluctuate both up and down.
Suitability for members near retirement	As a growth-seeking allocation for an income drawdown targeting portfolio. For members planning to take their benefits as cash or purchase an annuity, other funds are more suitable.
Investment manager	Legal & General Investment Management, Nordea Investment Funds, Fulcrum Asset Management and Man Asset Management
Annual management charge	0.551% (excluding variable additional expenses)
Fund's holding in GSK securities	0.06% as at 31 March 2021

*This benchmark has been chosen to reflect a realistic net of fees target for the new combined fund. The cash return is Sterling Overnight Index Average (SONIA)

GSK Inflation Linked Pre-Retirement Fund

Type of investment	L&G Inflation-Linked Pre-Retirement Fund
Invests in	Corporate bonds and index-linked gilts
Profile	Good quality corporate bonds and government gilts are usually less volatile than equities, but historically have produced lower returns over the long term. Although corporate bonds pay a fixed rate of interest and index-linked gilts pay a rate linked to inflation, you should be aware that their price will vary and returns can fluctuate both up and down.
Main role	Aims to protect the inflation-linked annuity purchasing power of a member's pension account in the years up to retirement. In addition, as it is a diversified bond fund, it is expected to produce less volatile, but correspondingly lower future investment returns than equities. However, over short to medium time periods, its value may vary significantly.
Suitability for members near retirement	For inflation-linked annuity purchase or as a defensive allocation for an income drawdown targeting portfolio. For members planning to take their benefits as cash, other funds are more suitable.
Investment manager	Legal & General Investment Management
Annual management charge	0.05% (excluding variable additional expenses)
Fund's holding in GSK securities	1.83% as at 31 March 2021

Invest

GSK Cash Fund

Type of investment	Cash
Invests in	Cash deposits and other short term investments
Profile	Cash funds do not normally fall in value but the rate of interest you earn can vary and may not keep up with inflation over the long term.
Main role	Aims to protect the part of your saving that you plan to take as a cash lump sum against any short term falls in value just before you retire or as a short term defensive holding.
Suitability for members near retirement	For members planning to take their benefits as cash, or to provide a source of tax free cash alongside annuity purchase or income drawdown. For protecting annuity purchasing power or providing growth for income drawdown, other funds are more suitable.
Investment manager	Legal & General Investment Management
Annual management charge	0.07% (excluding variable additional expenses)
Fund's holding in GSK securities	0.00% as at 31 March 2021

GSK Lifecycle Fund

Type of investment	Mixed fund of equities and diversified growth
Benchmark	65%: 3.0% FTSE All Share Index / 3.0% Solactive L&G ESG UK Index / 17.5% FTSE AW - World (Ex-UK) / 17.5% Solactive L&G ESG Developed (Ex-UK) Index / 22.0% FTSE AW - World (Ex-UK) – GBP Hedged / 22.0% Solactive L&G ESG Developed (Ex-UK) Index GBP Hedged / 5.0% FTSE AW – All Emerging Markets / 5.0% Solactive L&G ESG Emerging Markets Index / 5.0% FTSE Global Developed Small Cap Index. 35%: Cash return + 3.5% p.a.*
Invests in	A diversified mix of assets. A 65% / 35% split between global equities and diversified growth will broadly be maintained. The foreign currency exposure of the developed overseas assets is reduced through hedging.
Profile	The fund aims to achieve a high level of growth with lower variability of return than equities alone, by investing in equities and a range of different asset classes. The fund has five building blocks – worldwide equities and four diversified asset funds which aim to achieve a positive inflation related return. However, you should be aware that fund returns can fluctuate both up and down and you might get back less than you invested. Approximately half of the equity exposure derives from Legal & General's Future World index funds covering UK and overseas equities, including emerging markets. The Future World funds focuses on sustainable investing, including Environmental, Social and Governance factors (ESG) when selecting which companies to invest in. While the fund is managed in such a way as to protect against the effects of some currency movements, you should be aware that the value of the fund may be affected by changes in some exchange rates.
Main role	Aims to deliver a high level of growth while providing some protection against large losses. Used in the growth phase of the Scheme's Default Lifecycle strategy.
Suitability for members near retirement	As a growth-seeking allocation for an income drawdown-targeting portfolio. For members planning to take their benefits as cash or purchase an annuity, other funds are more suitable.
Investment manager	Legal & General Investment Management, Nordea Investment Funds, Fulcrum Asset Management and Man Asset Management
Annual management charge	0.2431% (excluding variable additional expenses)
Fund's holding in GSK securities	0.13% as at 31 March 2021

*This benchmark has been chosen to reflect a realistic net of fees target for the new combined fund. The cash return is Sterling Overnight Index Average (SONIA)

Invest

GSK Shariah Fund

Type of investment	Global Equities
Benchmark	Dow Jones Islamic Titans 100 Index
Profile	The fund only invests in approved listed companies whose activities do not contravene the tenets of Islam. The fund offers the high performance potential of equities and is diversified across countries and regions. However, you should be aware that equity returns can fluctuate both up and down - sometimes by large amounts. Any non-Shariah compliant revenue that might be earned is donated to charitable causes selected by the fund's Shariah Committee.
Main role	Aims to build up the value of your account over the long term
Suitability for members near retirement	As a growth-seeking allocation for an income drawdown-targeting portfolio. For members planning to take their benefits as cash or purchase an annuity, other funds are more suitable.
Investment manager	HSBC Global Asset Management
Annual management charge	0.32% (excluding variable additional expenses)
Fund's holding in GSK securities	0.00% as at 31 March 2021

GSK Global Sustainable Equity Fund

Type of investment	Global Equities
Benchmark	6% Solactive L&G ESG UK Index / 37% Solactive L&G ESG Developed (Ex-UK) Index / 46% Solactive L&G ESG Developed (Ex-UK) Index GBP Hedged / 11% Solactive L&G ESG Emerging Markets Index
Invests in	Legal & General's Future World index funds covering UK and overseas equities, including emerging markets. The Future World funds focuses on sustainable investing, including Environmental, Social and Governance factors (ESG) when selecting which companies to invest in. The foreign currency exposure of the developed overseas assets is reduced through hedging.
Profile	The fund offers the high performance potential of equities and is diversified across countries and regions. However, you should be aware that equity returns can fluctuate both up and down – sometimes by large amounts. While the fund is managed in such a way as to protect against the effects of some currency movements, you should be aware that the value of the fund may be affected by changes in some exchange rates.
Main role	Aims to build up the value of your account over the long term.
Suitability for members near retirement	As a growth-seeking allocation for an income drawdown-targeting portfolio. For members planning to take their benefits as cash or purchase an annuity, other funds are more suitable.
Investment manager	Legal & General Investment Management
Annual management charge	0.088% (excluding variable additional expenses)
Fund's holding in GSK securities	N/A as at 31 March 2021*

*Fund launched after this date.

Invest

GSK Retirement Income Fund

Note that this fund is not available as a Freestyle option, but members can select the GSK Lifecycle Drawdown option which partly invests in this fund – see earlier in this Section for more information.

Type of investment	Multi Asset Fund
Benchmark	Bank of England Base Rate + 3.5% per year
Invests in	A diversified mix of assets, including equities, bonds, property and infrastructure
Profile	The fund aims to achieve a consistent level of growth with lower volatility than equities, by investing in a wide range of different asset classes. You should be aware that fund returns can fluctuate both up and down.
Main role	Aims to deliver a moderate level of growth while providing some protection against large losses
Investment manager	Legal & General Investment Management
Annual management charge	0.27% (excluding variable additional expenses)
Fund's holding in GSK securities	0.22% as at 31 March 2021



Invest

Monitoring your investments

When you retire, you can use your GSK Pension Plan savings to provide your choice of pension benefits. For further information refer to the section Retire on [page 18](#) of this booklet.

Whatever route you select for your pensions savings when you reach retirement it is important that you regularly monitor your pension savings each year to ensure you are saving enough and that your pension savings will provide you with an adequate pension in retirement.

Total Reward Online

Total Reward Online (www.totalrewardonline.co.uk) is the home of your personalised Total Reward information. It's available from work or home.

On Total Reward Online, you can:

- Start or change the level of contributions - matching or additional voluntary contributions (AVCs) - to your pension
- Make a one-off additional contribution (AVC) to your pension plan

You can access Total Reward Online from the Total Reward community website on [Connect GSK](#).

ePA

ePA (the pension plan website) allows you to view your pension contributions to date and forecast how much pension you might receive based on your current salary, different assumptions and contribution rates. You can also update your nomination of beneficiary.

You can access ePA by logging on to Total Reward Online and selecting the GSK Pension Plan under Quick Links in the right hand menu.

Annual pension statement

Each year, you will receive a pension plan statement that sets out how much has been contributed to your account during the year by you and GSK, and a Statutory Money Purchase Illustration (SMPI), which is a forecast of your pension at retirement based on a number of assumptions about the future, defined by HM Revenue & Customs.

UK HR Page on Connect GSK

You can view information on the performance of the GSK Pension Plan investment funds over one month, three months, one year, three years and five years via the UK HR Page on [Connect GSK](#).



Retire

At retirement, you use the pension savings you have built up from contributions and investment returns to provide you with a choice of retirement options. The value of your pension will depend on how much your savings are worth at retirement, and how you take your pension. You can currently retire at any point from age 55. The normal retirement age for the GSK Pension Plan is 65.

Your GSK Pension

When you retire, you can use your GSK Pension Plan savings to provide your choice of retirement benefits, from the following options:

- Use pension savings from your pension plan account to buy a pension.
- Access the pension savings in your pension plan account as taxable income as and when you need it. To do this you will first need to transfer your GSK Pension Plan account to another provider who offers a flexi-access drawdown facility.
- Take your pension savings from your pension plan account as a full cash lump sum.



Shortly before you retire, you will receive detailed information about taking your pension benefits. Free, impartial guidance is available from Pension Wise to help you understand the options available to you.

You can access the guidance:

- Online at moneyhelper.org
- By telephone through MoneyHelper
- Face to face with Citizens Advice

To make an appointment for the telephone or face to face service call 0800138 3944 between 8am and 8pm, Monday to Friday.

You should access the guidance and consider taking regulated financial advice to help you decide which option is most suitable for you.

Buying a pension (annuity)

At retirement, you may be able to use some of your pension savings to buy a pension from an insurance company. You may also take up to 25% of your pension savings as tax-free cash.

The GSK annuity (pension) broking service will help you request and compare pension quotations from a wide range of insurance companies, and select the pension benefits that best meet your needs. Full details will be provided when you are approaching retirement.

Flexi-access income drawdown

This is the facility where individuals are able to access the money in their account as taxable income as and when they need it, rather than using it to buy a pension at retirement.

It is also possible to take up to 25% of income drawdown funds as a tax-free lump sum when the drawdown arrangement is created.

You can also use money in a flexi-access drawdown fund to purchase a pension payable for a period of 5 years or less, known as a short-term annuity.

The GSK Pension Plan does not incorporate income drawdown options. However, if you wish to use your pension savings for income drawdown you are able to transfer your pension plan account into a flexi-access drawdown account with an income drawdown provider in your own name.

Taking a cash lump sum

At retirement you can choose to have your GSK Pension Plan savings paid to you as a single cash lump sum. This is known as an Uncrystallised Funds Pension Lump Sum (UFPLS). 25% of the cash lump sum would be tax-free, providing you have sufficient Lifetime Allowance. The remainder of the lump sum would be taxed as income.

Retire

Taking a cash lump sum from age 55 and continuing to build up benefits

If you are aged 55 or over you may also choose to take a cash lump sum or sums from your GSK Pension Plan savings prior to retirement, while you are employed by GSK. This is known as an Uncrystallised Funds Pension Lump Sum (UFPLS). 25% of each cash lump sum would be tax-free, providing you have sufficient Lifetime Allowance. The remainder of each lump sum would be taxed as income.

You would remain a member of the GSK Pension Plan and would continue to build up benefits in the plan up to retirement. Only two withdrawals are permitted within any 12 month period. You may choose whether these are on 31 January, 30 April, 31 July or 31 October of each year. An administration charge of £250 + VAT may apply to each withdrawal.

If you wish to take this option you will need to complete and return the necessary forms to Willis Towers Watson, the pension plan administrators, up to six weeks before the withdrawal is paid to you.

If you would like to find out more about taking a cash lump sum before retirement, or to obtain the necessary forms, please contact Willis Towers Watson the pension plan administrators, using the following contact details:-

Email: gskpensions@willistowerswatson.com

Mail: GSK Pension Plans, Willis Towers Watson,
PO Box 545, Redhill, Surrey, RH1 1YX

The Money Purchase Annual Allowance, which limits the amount of DC pension savings you can make each year before incurring a tax charge, will apply if you use this flexibility. Additionally, this flexibility may not apply if you do not have sufficient Lifetime Allowance remaining or if you have registered with HMRC for certain tax protections.

Your State Pension

In addition to your pension from the GSK Pension Plan and from any previous employers, you will also receive a pension from the state. You can request a statement of your state pension at www.gov.uk.



More information

This section explains what happens if your circumstances change, how much the government allows you to save tax-free, the legal status of the Plan, where you can go for independent advice about any of your pension plans and explanations of the terms used in this booklet.

What happens if...

I wish to opt out of the Plan?

You can opt out of the Plan by contacting the GSK HR Service Centre and by raising a ServiceNow case.

Please note that if you opt out of the Plan within one month from your first date of employment with GSK, this will be processed in the next available pay period and your contribution will be returned to you. If you opt out of the Plan more than one month after your first date of employment, the payments that you have already made will not be refunded.

If you leave the Plan, you will no longer be eligible for the death in service and ill-health benefits normally payable to Plan members (see [page 21](#)).



I wish to rejoin the Plan?

You can re-join the Plan at any time subject to the minimum 2% employee and 7% employer (GSK) contribution rates by contacting the GSK HR Service Centre and by raising a ServiceNow case.

I leave GSK?

If you leave GSK, your and GSK's contributions to your account will stop, and you will have the option to leave your account invested in the GSK Pension Plan or transfer your account to another pension plan.

If you choose to leave your account invested in the GSK Pension Plan, you will be able to transfer your account at a later date. You will also continue to receive the annual Trustee's Report.

I am on maternity leave?

While you are on paid maternity leave, GSK will continue to make core and matching contributions to your account (based on your normal Pensionable Pay) and your death-in-service cover (see [page 21](#)) will continue. Your 2% employee contribution and any additional contributions that you have decided to pay will continue to be deducted from your pay and paid into your account. Your contributions will be based on the actual salary you receive during your maternity leave, not your normal Pensionable Pay. If you pay contributions by salary sacrifice, these will continue to be based on your normal Pensionable Pay.

While you are on unpaid maternity leave, GSK will continue to make core contributions of 7% of your Pensionable Pay; however, you cannot continue contributing to your account. On your return to work, you can make additional contributions to make up any unpaid contributions. GSK will match any additional contributions that you make up over and above your 2% core contribution up to a maximum of 3% of your Pensionable Pay.

Similar rules apply to paternity, adoption, surrogacy and shared parental leave.

More information

What happens if...

I am unable to work due to ill-health?

If you are too ill to work for 30 weeks or more, you may receive an income from GSK of up to 50% of your basic salary payable for up to 2 years or until your normal retirement date, if sooner.

At the end of this period, you may receive a pension of 50% of your Pensionable Pay (calculated before the above income replacement benefits, if any began), plus a pension purchased with the proceeds of your account based on your own contributions.

Payment of a pension due to ill-health is subject to consent by both GSK and the Trustee, and they will require satisfactory medical evidence as the incapacity tests under both the GSKPP rules and legislation must be met. The pension may be reduced or suspended if you fully or partially recover, obtain other earnings, or if you do not produce medical evidence when requested.

If you die while in receipt of an ill-health pension, your spouse/civil partner will receive a monthly pension of 60% of your pension. Children's pensions of 20% of your pension for each eligible child will also be payable. If there are more than two eligible children, they will share 40% of your pension.

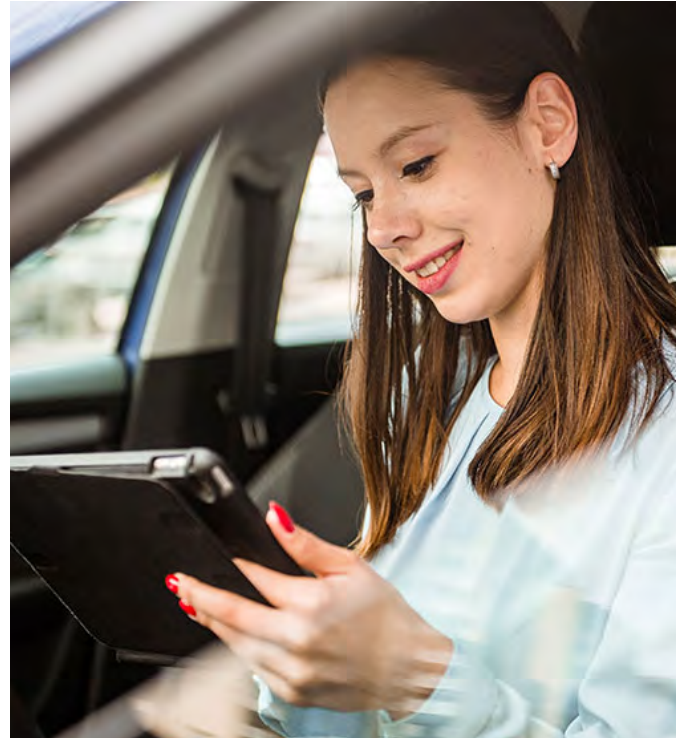
Spouse's and children's pensions are increased each year in line with the rise in the Retail Prices Index, up to a maximum of currently 12% a year.

I die while employed by GSK?

If you die while employed by GSK and a member of the Plan, your family will receive:

- Tax-free cash sum of four times your Pensionable Pay
- Refund of your contributions to your account, taking into account investment returns
- Spouse's (or civil partner's) pension of 30% of your Pensionable Pay at date of death, which may be payable to your financial dependant(s) if you do not leave a spouse or civil partner
- Children's pension: One eligible child will receive a pension of 20% of your Pensionable Pay at date of death. If you have two eligible children, they will share a pension of 25% of your Pensionable Pay at date of death. If you have three or more eligible children, they will share a pension of 30% of your Pensionable Pay at date of death. The child's pension will cease when that child reaches age 18, or, at the Trustee's discretion, age 23 if in full-time education

Spouse's (or civil partner's) and children's pensions are increased each year in line with the rise in the Retail Prices Index, up to a maximum of currently 12% a year.



Nomination of Beneficiary

In order for the cash sum to be paid tax-free, the Trustee must decide on the beneficiary; however, the Trustee can take your wishes into account. Therefore, it is important that you nominate your preferred beneficiary by completing and submitting a Nomination of Beneficiaries form.

If you want to update your nomination of beneficiaries you can do this on the ePA website, under Online Nomination. You can access ePA by logging on to [Total Reward Online](#) and selecting the GSK Pension Plan under Quick Links in the right hand menu.

More information

Pension tax allowances

Annual Allowance

The Annual Allowance is the maximum amount of pension savings you can have each year that benefit from tax relief. This includes pension savings that you make to any registered pension plan plus any made for you by GSK, including the value of any benefits built up in a Defined Benefit (DB) arrangement.

There is no limit on how much you can contribute to a pension plan. However, there are limits to how much tax relief you receive.

Currently, you receive tax relief on contributions of up to 100% of your earnings, up to the Annual Allowance, which is £40,000 for the 2021/22 tax year. A Tapered Annual Allowance will apply to individuals whose 'Adjusted Income' exceeds £240,000 meaning the Annual Allowance is reduced below £40,000 beyond this point.

Most employees can save as much as they can afford towards their retirement without worrying about these limits.

A Money Purchase Annual Allowance, which limits the amount of DC pension savings you can make each year before incurring a tax charge, will also apply once DC pension savings are taken in certain forms. These forms include:

- Drawing down funds from a flexi-access drawdown (FADF) facility (i.e. taking taxable income as and when you need it) or using these funds to purchase a short-term annuity (generally this is a pension payable for five years or less)
- Receiving an Uncrystallised Funds Pension Lump Sum (UFPLS) (i.e. taking a cash lump sum or sums from your DC pension savings, part of which is paid tax-free and the remainder taxed as income)
- Taking more than the permitted maximum from a capped drawdown fund established before 6 April 2015 (i.e. taking taxable income as and when you need it, in excess of the limits that apply to capped drawdown funds set up before 6 April 2015)

The Money Purchase Annual Allowance also applies if you made use of flexible drawdown prior to 6 April 2015.

The Money Purchase Annual Allowance is £4,000 from the 2017/2018 tax year.

Lifetime Allowance

The Lifetime Allowance is the maximum amount of pension savings that you can build up from all registered pension plans that benefit from tax relief

The Lifetime Allowance is set at £1,073,100 for the 2021/22 tax year. The Lifetime Allowance was due to increase in line with Consumer Price Index (CPI) each year, however this increase has been suspended for tax years 2021/22 to 2025/2026.

For further information about the Annual Allowance and Lifetime Allowance, you should refer to www.gov.uk/tax-on-your-private-pension/overview.



More information

Plan information

The Plan has been created as a section of the GSK Pension Scheme (the Scheme). The assets of the Scheme (including the Plan) are kept in a trust separate from those of GSK, although GSK is allowed to require surplus assets to be used to meet its contribution obligations into the Scheme.

Trustee

Overall responsibility for running the Scheme (including the Plan) rests with the trustee directors of the Berkeley Square Pension Trustee Company Limited. The names of the trustee directors are published in the Trustee's Annual Report and Accounts - available by calling the GSK HR Service Centre on: +44 207 660 6942 or freephone: 0808 234 4391 – and select the pension option.

There are special provisions for the appointment and removal of the trustee directors, designed to protect their independence. The trustee directors have a legal responsibility to protect the interests of members and pensioners at all times and to act in accordance with the Trust Deed and Rules of the Scheme, the governing legal document.

The trustee directors are also responsible for the prudent and efficient operation of the Scheme (including the Plan), assisted by independent professional advisers such as actuaries, auditors, solicitors and investment managers.



Plan changes

The Plan may be amended from time to time as allowed in the Trust Deed and Rules (which requires GSK and the trustee directors to agree) or to comply with changes in legislation. In the unlikely event of the Plan being discontinued, the assets will be used for the benefit of members and their dependants in the way described in the Trust Deed and Rules. GSK has the legal right to terminate the Plan and not replace it.

HM Revenue & Customs (HMRC) Registration

The Plan is registered by HMRC under the Finance Act 2004, which means that you can take advantage of the tax relief available to registered schemes. HMRC imposes conditions on the type and amount of payments that can be made from or to

a registered pension scheme with tax penalties being applied and the Trust Deed and Rules of the Plan are drafted to comply with these conditions.

General Data Protection Regulation

The Trustee complies with the General Data Protection Regulation, as amended, requiring its service providers to comply with the General Data Protection Regulation. By participating in the Plan, you consent to the collation and processing of your personal and possibly sensitive data. The General Data Protection Regulation also grants you certain rights to confirm that your personal data is accurate. Enquiries should be made to the GSK HR Service Centre. Further information on the protection of your data is given in the full version of the Data Protection Privacy Notice, which is available to view on the Trustee website at: www.gskpensions.co.uk/dataprotection.

Internal dispute resolution procedure

If you have a dispute regarding the GSK Pension Plan, you should apply with the relevant information to the Pensions Director, Reward COE, GlaxoSmithKline, 980 Great West Road, Brentford, Middlesex, TW8 9GS. If the dispute cannot be resolved, you should contact The Pensions Ombudsman (see [page 24](#)).

More information

Regulatory bodies

If you have a dispute with any pension plan, you should contact the following regulatory bodies for advice.

Pensions Ombudsman

The Pensions Ombudsman is an independent organisation set up by law to deal with pension complaints. It offers a free service to help members and beneficiaries of occupational pension and personal pension schemes to resolve any dispute with the trustee or administrators of the plan. It has the power to investigate and determine any complaint or dispute of fact or the law relating to occupational pension schemes. You can contact the Pensions Ombudsman at:

10 South Colonnade
Canary Wharf
London
E14 4PU

Tel: 0800 917 4487

E-mail: enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk/

The Pensions Regulator (TPR)

TPR is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. You can contact the TPR at:

Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

Tel: 0345 600 0707

Email: customersupport@tpr.gov.uk

www.thepensionsregulator.gov.uk

The Pension Tracing Service

If you are having difficulties tracing your pension benefits from an occupational pension plan, you can contact the Registrar for help. You can contact the Pension Tracing Service by:

Tel: 0800 731 0193

www.gov.uk/find-pension-contact-details

MoneyHelper

MoneyHelper is here to make your money and pension choices clearer. Here to put you in control with impartial help that's on your side, backed by government and free to use.

www.moneyhelper.org.uk

More information

Terms explained

Adjusted Income

This is broadly your gross earnings, including any pension contributions (including contributions paid by you and your employer), but excluding charitable contributions.

Additional contributions (AVCs)

Your own contributions in excess of 5% of your Pensionable Pay paid into your account.



Annual Allowance

The limit, in each tax year, on the amount of pension savings that you can make into the Plan and on which you can get tax relief.

Core contributions

GSK's contributions of 7% (15% if you are grade 1-3) of your Pensionable Pay paid into your account. You are required to pay an employee core contribution of 2% (excluding grade 1-3).

Eligible children

One or more children under age 18, or under age 23 and in full-time education in the opinion of the Trustee.

Lifecycle/Freestyle

Your GSK Pension Plan account is invested automatically for you in the GSK Lifecycle Drawdown option when you join the Plan. If you wish, you can make your own investment choices (this is called Freestyle) or choose an alternative Lifecycle option.

Lifetime Allowance

The Lifetime Allowance is the amount of pension savings you can build up tax efficiently over your lifetime. The notional cash value of your benefits will be compared to your available Lifetime Allowance, which applies to your pension benefits from all registered pension arrangements.

Matching contributions

Your additional contributions on top of your core contribution of 2%, up to 5% of your Pensionable Pay, which GSK will match.

The GSK Pension Plan is run in line with the Trust Deed and Rules. In the event of a conflict between this booklet and the Trust Deed and Rules, the Trust Deed and Rules will apply. A copy of the Trust Deed and Rules is available on request from the Plan Administrator, whose details are included on [page 19](#) of this booklet.

