HR Knowledge Management
UK Total Reward
GSK Pension Plan (Executive Section)

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Version: 2.2	Version Date: 14 May 2019	Author: UK Benefits

GSK Pension Plan (executive section)

The GSK Pension Plan* (executive section) is designed to help you save tax-efficiently for your retirement, with help your employer.

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Can I join?

As a UK GSK, ViiV or GSK Consumer Healthcare employee, you will be automatically enrolled into the GSK Pension Plan (executive section) if you are grade 3 or above. **All references to GSK within these pages apply equally to GSK, ViiV or GSK Consumer Healthcare employees.**

How do I join?

If you join GSK at grade 3 or above, or are promoted to grade 3, you automatically become a member of the GSK Pension Plan (executive section) and GSK will contribute to your pension plan account. You can also pay contributions and GSK will match your contributions up to 5%.

* The GSK Pension Plan is a qualifying workplace scheme which meets the Government's automatic enrolment requirements, including the minimum employer and employee contribution requirements.

How it works

The GSK Pension Plan (executive section) is a Defined Contribution pension plan, which works in the same way as a savings account, except that there are certain rules as to how and when you can access your pension savings.

- GSK contributes to your pension account each month
- You can also contribute and GSK will contribute more
- Your pension account is invested between now and retirement in order to build up its value
- When you retire, you can use your pension savings to provide your choice of pension benefits
- You may also be able to take a cash lump sum from the Plan from age 55

Contributing to your pension plan account

GSK contributes to your pension plan account each month. You can also contribute and GSK will contribute more.

- How Core and Matching contributions add up
- Extra pension contributions: Additional Voluntary Contributions/Bonus

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- How contributions are paid
- How much can I contribute?

How Core and Matching contributions add up

GSK contributes 15% of your pensionable salary into your account each month - these are called Core contributions.

GSK will match your contributions up to an additional 5% of your pensionable salary - these are called Matching contributions:

GSK's Core contributions	Your Matching contributions	GSK's Matching contributions	Total contributions to your account
15%	0%	0%	15%
15%	1%	1%	17%
15%	2%	2%	19%
15%	3%	3%	21%
15%	4%	4%	23%
15%	5%	5%	25%

To get the maximum contribution from GSK, you will need to contribute 5% of your pensionable salary and in return GSK will contribute 20% (GSK's 15% core contributions + GSK's 5% matching contribution), making a total contribution into your account of 25% of your pensionable salary.

Your **pensionable salary** is your monthly salary.

Extra pension contributions: Additional Voluntary Contributions/Bonus

To make sure you build up sufficient savings for your retirement, you can pay extra pension contributions.

These are called Additional Voluntary Contributions (AVCs).

You can also contribute some or all of your annual bonus to your Pension account or a Legal & General Self Invested Personal Pension is available in the related links area for the GSK Pension Plan. This is called Bonus Sacrifice. Bonus Sacrifice means that you 'give up' some or all of your bonus and, in exchange, GSK pays an equivalent amount into your GSK Pension Plan account. You can save income tax and National Insurance on the amount of bonus you sacrifice.

You will be sent information each year in February on how to do this.

If you would like to change the level of your contribution, you can do this at www.totalrewardonline.co.uk between the 1st and 26th of the month.

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How contributions are paid

Your contributions to the GSK Pension Plan are paid by salary sacrifice.

You give up or 'sacrifice' some of your salary in exchange for GSK paying an equivalent amount into your pension plan account, in addition your core and matching (if appropriate) contributions.

Because you give up some of your salary, your salary reduces and you pay less income tax and National Insurance, which reduces the actual cost to you of your contributions.

Your contribution (5% of £90,000) paid into your pension account	£4,500
Income Tax saving (40%)	£1,800
National Insurance saving (2%)	£90
Cost to you	**£2,610**
Plus GSK contributes to your account	
GSK's Core contribution (15% of £90,000)	£13,500
GSK's Matching contribution (5% of £90,000)	£4,500
Total contributions to your account	**£22,500**

You can change your level of contribution at www.totalrewardonline.co.uk between the 1st and 26th of the month*.

How much can I contribute?

At GSK, you can make pension contributions of up to:

- 50% of your salary, and
- 100% of your bonus

HM Revenue & Customs allows to you save as much as you want towards your pension; however, income tax and NI savings are only available on contributions up to the Annual Allowance and you may pay additional tax if your pension savings at retirement exceed the Lifetime Allowance. From, from 6 April 2016 the annual allowance for tax relieved pension savings is tapered for individuals whose ‘adjusted incomes’ exceed £150,000. This is known as the ‘Tapered’ Annual Allowance. If you think that you may be affected by the ‘Tapered’ Annual Allowance, you may wish to consider capping your pensionable salary for future pension contributions only by electing the Capped Pensionable Salary option.

In addition, from 6 April 2015 the Money Purchase Annual Allowance was introduced which limits the amount of DC pension savings you can make each year before incurring a tax charge. The Money Purchase Annual Allowance will only apply if you flexibly access any DC pension savings. The Money Purchase Annual Allowance limit has reduced from £10,000 to £4,000, from the 2017/2018 tax year.

You can use the Pension Calculator to work out how much you need to save for your retirement.

You can change your level of contribution at www.totalrewardonline.co.uk between the 1st and 26th of the month*.

* Dates may change for Bank Holidays. Check TotalReward News on connectGSK for updates.

Capped Pensionable Salary option

Your pensionable salary will be capped £40,000 from the tax year 2017/2018, to ensure you stay within the Annual Allowance threshold.

GSK contributes 15% of your capped pensionable salary into your account each month - these are called Core contributions. The 15% core contributions will be restricted to a capped salary to ensure you stay within the tapered Annual Allowance threshold. In addition, you will be paid a cash supplement of 15% (the GSK Core contribution rate) on your salary in excess of the capped salary.

Under the capped pensionable salary option you are mandated to contribute 5% of your pensionable salary and in return GSK will match your contributions. GSK will contribute 20% (GSK's 15% core contributions + GSK's 5% matching contribution), making a total contribution into your account of 25% of your capped pensionable salary.

GSK's Core contributions	Your Matching contributions	GSK's Matching contributions	Total contributions to your account
15%	5%	5%	25%

If your Tapered Annual Allowance is greater than £10,000, you will be able to participate in Bonus Sacrifice, or make a one off AVC Contribution in March to enable you to contribute up to your Tapered Annual Allowance Threshold.

How can I select the Capped Pensionable Salary option?

The election to move to the Capped Pensionable Salary option is irrevocable. You should seek Regulated Financial Advice if you are unsure if this option is right for you. You should log onto Total Reward Online and follow the Election Process to transfer to the Capped Pensionable Salary option.

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Investing your account

You can choose how to invest your pension savings:

- Lifecycle
- Freestyle

Lifecycle

The GSK Lifecycle Pension option was introduced in June 2014. The GSK Lifecycle (pre 2014) applies to some members who were within 10 years of target pension date on 31 May 2014. Please refer to the GSKPP Decision Guide for further information, available in the related links area for the GSK Pension Plan.

GSK Lifecycle

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 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, currently, age 75) in order to build up the value of your account. This is known as the 'Growth Phase'.

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

To change your target pension date log into www.totalrewardonline.co.uk and select the Equiniti Pension Solutions link 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 Pension Option
- GSK Lifecycle Drawdown Option
- GSK Lifecycle Cash Option

When you join the Plan, your account is automatically invested for you in GSK Lifecycle Pension 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 Equiniti Pension Solutions link under Quick Links in the right hand menu.

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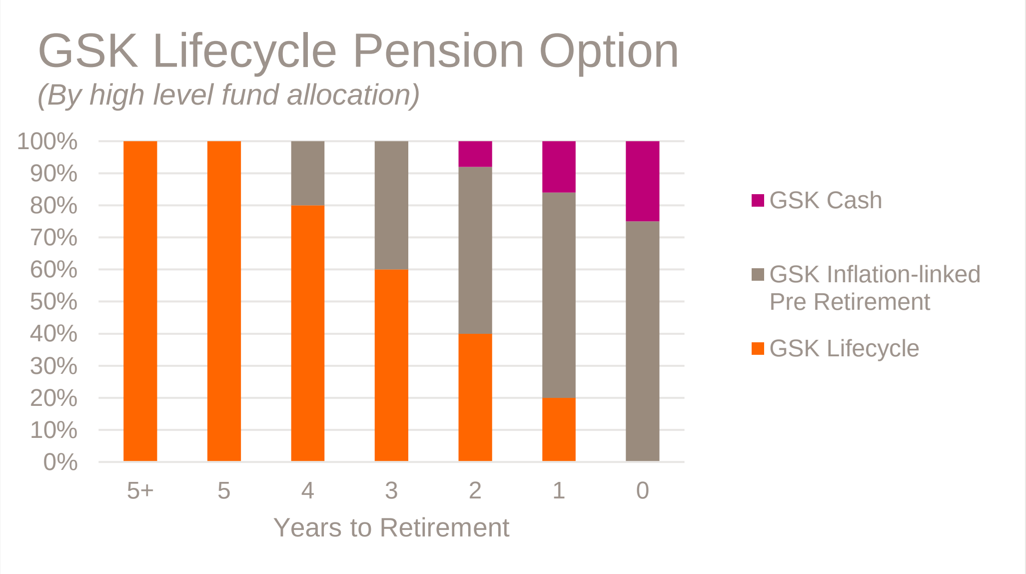
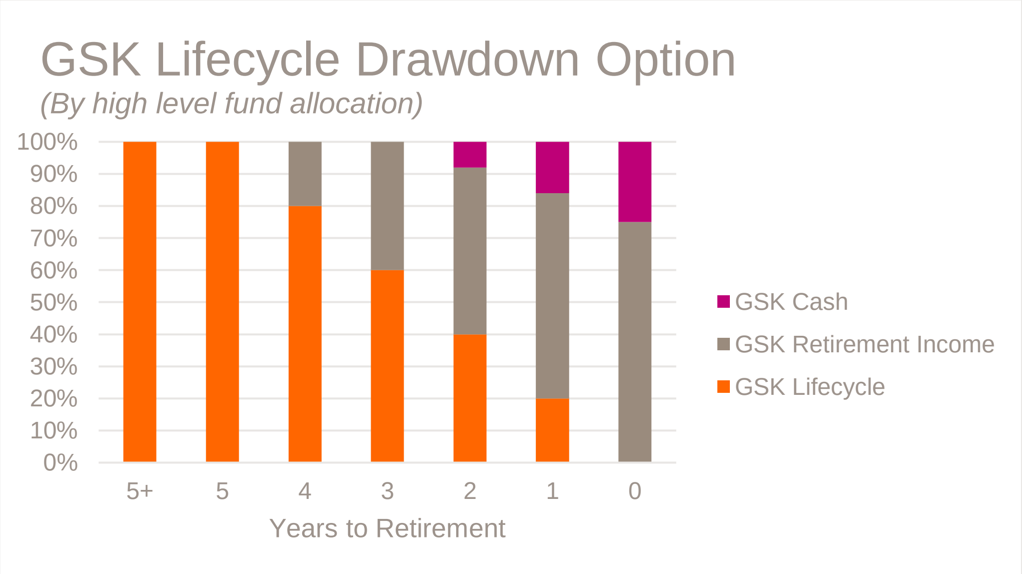
GSK Lifecycle Pension option (previously GSK Lifecycle investment option – currently this is the default investment option

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.



GSK Lifecycle Drawdown option

The GSK Lifecycle Drawdown Option will manage your investments according to an investment strategy designed for drawing down an income from your pot in retirement.



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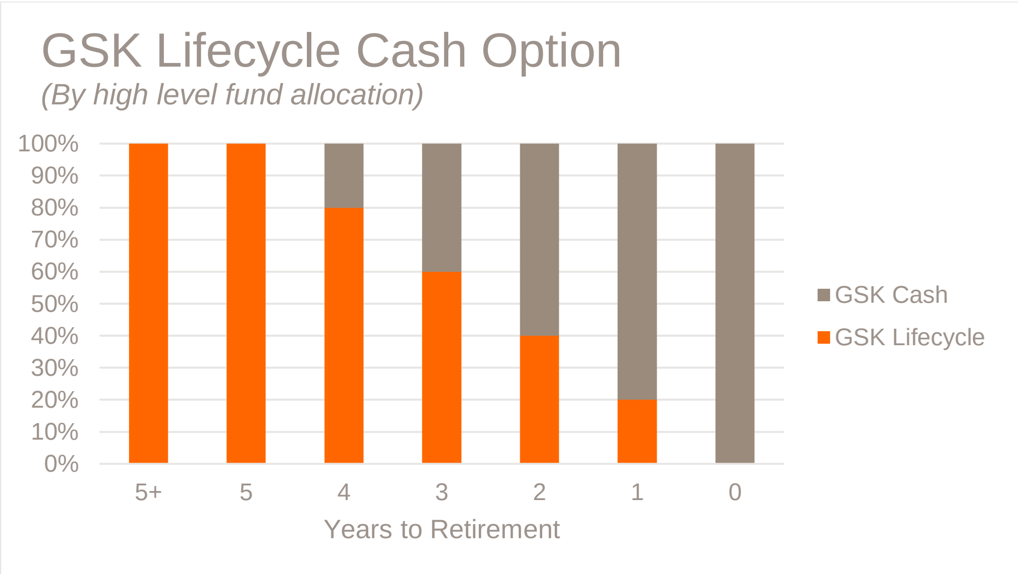
GSK Lifecycle Cash option

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.



GSK Lifecycle (pre 2014)

This Lifecycle only applies to you if you were within 10 years to target pension date on 31 May 2014. With Lifecycle, your savings are invested for you following an investment strategy designed for saving to buy a pension at retirement. This means that your savings are invested in equities until you are 10 years from retirement. Then your savings are gradually switched into bonds and cash, as shown in the table below:

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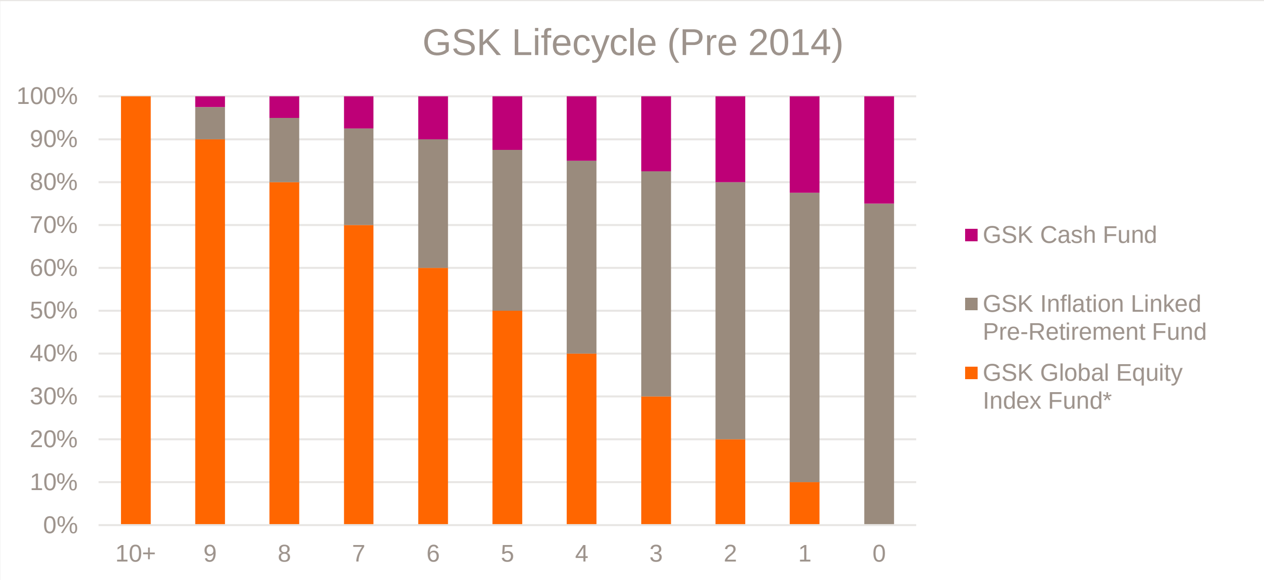

*The Global Equity Index Fund invests 30% in the GSK UK Equity Index Fund and 70% in the GSK Overseas Equity Index Fund.

If you invest in a Lifecycle option, it's important that you set your target pension date and update it if your circumstances change. Contact the GSK Pension Plan helpline to update your target pension date.

Your **target pension date** is your preferred retirement age between 55 and 75, unless you were a member as at 5 April 2006 and have a protected minimum retirement age of 50.

Freestyle

Lifecycle follows an investment strategy designed for saving to buy a pension at retirement. Therefore, if you are planning to take your pension savings as cash at retirement or access them as taxable income as and when you need it during retirement, Freestyle may be more appropriate for you.

With Freestyle, you choose how your savings are invested in a range of investment funds:

Changes to the Investment Funds were made from June 2014. The Decision Guide details the changes which were introduced and is available in the related links area for the GSK Pension Plan.

- GSK UK Equity Index Fund
- GSK Overseas Equity Index Fund
- GSK Diversified Growth Fund
- GSK Inflation Linked Pre-Retirement Fund
- GSK Cash Fund
- GSK Shariah Fund

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To view or change your investments at any time, go to www.totalrewardonline.co.uk and select the Equiniti Paymaster link under Quick Links in the right hand menu.

Find out more about how investment funds work.

Monitoring your investments

To make sure you are saving enough for your retirement, you should regularly monitor your account:

- Check your account balance at www.totalrewardonline.co.uk
- Check investment fund performance which is available in the related links area for the GSK Pension Plan.
- Use the Pension Calculator to make sure your savings are on track

Retirement options

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

- Use pension savings from your pension plan account to buy a pension. ("Buying 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.** ("Flexi-access income drawdown ")
- Take your pension savings from your pension plan account as a full cash lump sum. ("Taking a 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 should access the guidance and consider taking financial advice to help you decide which option is most suitable for you.

You may also find Legal &General's 3-in-1 Retirement Planner helpful to explore the options for taking your DC benefits in retirement.

When can I take my pension benefits?

You can take your pension benefits at any time between age 55 and age 75.

In addition, if you joined the GSK Pension Plan before 6 April 2006 and retire when leaving employment with GSK between age 50 and age 55, you can buy a pension or take a cash lump sum. You must take all of your pension benefits from the GSK Pension Plan and leave GSK employment when you do this. You may be able to transfer your pension plan account to some flexi-access drawdown providers from age 50, but you will not normally be able to take benefits from the flexi-access drawdown fund until you are age 55.

Tell me more

View Pension fund performance is available in the related links area for the GSK Pension Plan.

- How investment funds work
- Types of investment
- GSK investment funds
- Retirement options
- Taking a cash lump sum from age 55 and continuing to build up benefits
- Check that your pension is on track
- Tax relief and HM Revenue & Customs allowances
- Plan Information
- Regulatory bodies

How investment funds work

Your contributions are used to buy units in the GSK investment funds:

- The value of your investment in each fund equals the number of units purchased multiplied by the unit price
- If the unit price rises, the value of your investment increases; if the unit price falls, the value of your investment decreases
- The price of the units varies depending on investment performance and the cost of investing in the fund

Types of Investment

The GSK investment funds invest in equities (company shares), bonds (loans to companies or government), cash and other diversified assets (such as property and non-traditional assets) or a combination of these

There is no guarantee that investments will increase in value. 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.

The main types of investment suitable for investing for retirement are:

- Equities
- Diversified assets

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- Bonds and Cash

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 organisations. **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 of the savings you have built up particularly if you are envisaging take cash at retirement (where moving into cash may be appropriate) or buying an annuity (where moving into the right type of bonds may be appropriate).

GSK Investment funds

The GSK Pension Plan offers a choice of six freestyle investment funds:

- GSK UK Equity Index Fund

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- GSK Overseas Equity Index Fund
- GSK Diversified Growth Fund
- GSK Inflation Linked Pre-Retirement Plan
- GSK Cash Fund
- GSK Shariah Fund

In addition, you can choose to invest in one of the Lifecycle options. Investments would be in the GSK Lifecycle Fund up until 5 years prior to Target Pension Ages when these would gradually switch dependant on the option chosen

- GSK Lifecycle Fund

View recent investment fund performance is available in the related links area for the GW Pension Plan.

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 charge:	0.025%
Fund's holding in GSK Securities:	3.2188% as at 30 June 2018

GSK Overseas Equity Index Fund

Type of investment:	Overseas equities (excluding UK equities)
Index the fund tracks:	FTSE AW - All World (ex-UK) Index. The foreign currency exposure of the developed overseas assets is reduced by 50% through hedging
Invests in:	Legal & General's index funds covering the North America, Europe (ex-UK), Japan, Asia Pacific (ex-Japan) and Emerging Markets.

Profile:	The foreign currency exposure of the developed overseas assets is reduced by 50% through hedging 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 charge:	0.0825%
Fund's holding in GSK Securities:	0.0025% as at 30 June 2018

GSK Diversified Growth Fund

Type of investment:	Diversified Growth Fund
Benchmark:	Cash return + 3.5% p.a.*
Invests in:	A diversified mix of assets, including equities, bonds and financial contracts
Profile:	The fund aims to achieve growth over longer time periods with lower variability of return than equities, by investing in two funds which invest 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
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:	Aberdeen Standard Investments**/ Nordea Investment Management
Annual charge:	0.6475%

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Fund's holding in GSK Securities:	0.145% as at 30 June 2018

Notes
* This benchmark has been chosen to reflect a realistic net of fees target for the new combined fund. The cash return is LIBID GBP 7 Day
** Standard Life Investments and Aberdeen Asset Management merged in August 2017. The Standard Life GARS fund is unchanged by this merger.

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 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 charge:	0.05%
Fund's holding in GSK Securities:	1.7769% as at 30 June 2018

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 portion of your savings which you plan to take

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	as a cash lump sum against any short-term falls in value just before you take the lump sum 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 charge:	0.07%
Fund's holding in GSK Securities:	0% as at 30 June 2018

GSK Lifecycle Fund

Note that this fund is not available as a Freestyle option, but members can select the GSK UK Equity Index Fund, the GSK Overseas Equity Index Fund and the GSK Diversified Growth Fund

Type of investment	Mixed fund of equities and diversified growth.
Performance objective	75%: 30% FTSE All Share / 70% FTSE AW - All World (ex-UK) Index. The foreign currency exposure of the developed overseas assets is reduced by 50% through hedging. 25%: Cash return + 3.5% p.a.*
Invests in	A diversified mix of assets. A 75% / 25% split between global equities and diversified growth will broadly be maintained.
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 three building blocks – worldwide equities and two 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. 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 charges in some exchange rates.
Main role	Aims to deliver a high level of growth while providing some protection against large losses.

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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 / Aberdeen Standard Investments**/ Nordea Investment Management
Annual charge	0.211%
Fund's holding in GSK Securities:	0.7629% as at 30 June 2018

Notes
* This benchmark has been chosen to reflect a realistic net of fees target for the new combined fund. The cash return is LIBID GBP 7 Day
** Standard Life Investments and Aberdeen Asset Management merged in August 2017. The Standard Life GARS fund is unchanged by this merger.

GSK Shariah Fund

Type of investment	Global Equities
Performance objective	Dow Jones Islamic Titans 100 Index
Invests in	Shares that are compliant with the tenets of Shariah Law that make up the 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 charge	0.32%

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Fund's holding in GSK Securities:	0.82% as at 30 June 2018

Retirement options

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

- Use pension savings from your pension plan account to buy a pension. ("Buying 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.** ("Flexi-access income drawdown")
- Take your pension savings from your pension plan account as a full cash lump sum. ("Taking a cash lump sum")

Pension wise

Choosing a retirement option is an important financial decision.

Free and impartial pensions guidance is available to help you understand the options in relation to what you can do with your DC benefits.

You can access the guidance:

- Online at www.pensionwise.gov.uk
- By telephone through The Pension Advisory Service
- Face to face with Citizens Advice

To make an appointment for the telephone or face to face service call 030 0330 1001 between 8am and 10pm, Monday to Sunday

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

When you take your pension savings from the GSK Pension Plan you will be asked to confirm whether you have accessed the guidance and/or taken financial advice.

Remember to shop around to make the most of your pension savings.

Buying a pension

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

The Money Purchase Annual Allowance, which limits the amount of DC pension savings you can make each year before incurring a tax charge, will not apply if you do this.

Pension Purchase

- **Retirement savings built up from contributions paid before July 2009:** You can use these savings to buy a pension from the GSK Pension Plan or an insurance company
- **Retirement savings built up from contributions paid from 1 July 2009 onwards:** The option to buy a pension from the GSK Pension Plan does not apply to retirement savings built up from contributions paid from 1 July 2009 onwards. You can use these savings to buy a pension from an insurance company.

GSK pension broking service

GSK's pension broking service can help you:

- Find the most appropriate and cost-effective pension
- Select the pension that best meet your needs
- Request and compare pension quotations from a wide range of pension providers
- Evaluate your options

How much does it cost?

GSK will pay for you to use the pension broking service before you retire.

If you then choose to buy a pension through the service, you will be charged a one-off fee of 1.1% of your pension savings, up to a maximum fee of £550.

You can also choose to buy a pension from an insurance company not using the pension broking service. If you do this you will not be charged a fee.

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.

From 6 April 2015, income drawdown will be provided through flexi-access drawdown funds (FADF).

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.

You should compare a selection of products and providers in order to ensure that the flexi-access drawdown account is appropriate based on your own needs and circumstances.

This may include a flexi-access drawdown fund operated independently by Legal & General, which has been arranged by GSK as an option for members wishing to access income drawdown.

You should seek financial advice prior to transferring to either Legal & General or another provider of your own choice, to ensure that it is an appropriate investment.

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 access your money from a flexi-access drawdown fund.

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.

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.

GSK Pension Plan governing documentation

This page provides a summary of the benefits available to you from the GSK Pension Plan. Your benefits under the GSK Pension Plan are governed by the GSK Pension Plan's governing documentation. In the event of any conflict between this page and the terms of the applicable governing documentation, that documentation will prevail.

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. The first opportunity to take a withdrawal will be in July 2015. An administration charge of £250 + VAT applies to each withdrawal.

If you wish to take this option you will need to complete and return the necessary forms to Equiniti Paymaster, 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 Equiniti Paymaster, the pension plan administrators, using the following contact details:-

Email: gskteam@equiniti.com

Mail: GSK Team
Equiniti Paymaster
PO Box 556
Crawley
West Sussex
RH10 1WS

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.

Check if your pension benefits are on track

There are two key stages to checking if your pension benefits are on track:

1. Estimate how much you need to save to build up your pension benefits
2. Consider which retirement option is right for you based on the pension savings you expect to build up

There are tools available to help you with each of these stages:

1. The Pension Calculator allows you to estimate the size of your projected pension plan account at retirement by changing the assumptions used to project your savings and trying out different contribution rates, retirement ages etc.

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2. Once you have an estimate of the size of your projected pension plan account at retirement, you can use Legal & General's 3-in-1 Retirement Planner to explore the options for taking your DC benefits in retirement.

You may need to repeat stages 1 and 2 to find the right combination of pension savings and benefits for you.

Pension Calculator

To estimate how much you need to save to build up your pension benefits, go to www.totalrewardonline.co.uk and select the Equiniti Paymaster link under Quick Links in the right hand menu.

This reference guide provides an overview of the pension plan management website and is available in the related links area for the GSK Pension Plan.

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If you are a member of the GSK Pension Plan with legacy SB DC (defined contribution) benefits, you will see a summary of the pension schemes of which you are a member.

Click on the **Select** link to the right of the plan you wish to view or update. To use the pension modeller, you need to select your GSK Pension Plan. Your SmithKline Beecham DC pension fund is included in the pension fund value shown in the modeller.

.Accessing Compendia for the first time:

1. Go to the website
2. Click on the Register link
3. Enter your Pass Code which is **GSK**
4. Enter your Personal Data to confirm your identity:
   - your payroll number* (also known as your Personnel number, HR ID or Employee ID)
   - your National Insurance (NI) number*
   - your Date of Birth in the format DD/MM/YYYY
5. Enter your username and password

   Username: Please set your username as your payroll number (also known as your Personnel number, HR ID or Employee ID) suffixed by the letters GSK. For example 01234567GSK

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Password: Your password must be at least 9 alpha numeric characters with at least one number, one lowercase letter and one uppercase letter.

6. Set your three security questions and responses

When you have completed the above steps, you will receive the message "Member Registration has been successful". Click Finish.

You can now log in to the system with your username and password.

Once you have completed your registration, you can access the site at anytime from work or home via TotalReward Online. Log in to TotalReward Online using your MUD ID and password and then select **Equiniti Paymaster** under the Quick Links menu.

***Payroll and NI number**

You can find your payroll number and National Insurance number on Workday:

- View Profile/Overview/IDs/National IDs (for NI number)
- View Profile/Overview (for payroll/Employee ID number)

3-in-1 Retirement Planner

To explore the options for taking your DC benefits in retirement go to www.legalandgeneral.com/retirementplanner. You will need to enter the estimated size of your pension plan account at retirement, from stage 1 above. You can also enter details of any other DC pension accounts that you hold.

For instructions on using the planner see Where can I explore the options available to me at retirement?

In the FAQ section of the Legal & General Worksave Mastertrust (Flexi-access Drawdown Fund) which is available in the related links area for the GSK Pension Plan

HM Revenue & Customs allowances

There is no limit to how much you can contribute towards your retirement each year or how much you can save towards your retirement during your working life. However, your retirement savings are subject to certain HM Revenue & Customs allowances:

- Annual Allowance and Money Purchase Annual Allowance
- Lifetime Allowance

- Tax-free Cash Limit

Please note that references on this page to "DC pension savings" include Additional Voluntary Contributions (AVC's).

Annual Allowance and Money Purchase 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 the amount you can save in the GSK pension plans, but there is a limit on the amount that can you get tax relief on each year.

You receive income tax and National Insurance relief (if you pay contributions by pension salary sacrifice) on your contributions up to the lower of:

- 100% of your total taxable earnings, or
- Annual Allowance, less GSK's contributions to your account

The Annual Allowance is currently £40,000, however from 6 April 2016 the annual allowance for tax relieved pension savings will be reduced for individuals whose 'adjusted incomes' exceed £150,000. This is known as the 'Tapered' Annual Allowance.

'Adjusted income' is broadly an individual's total taxable earnings, including any pension contributions (this includes contributions paid by you and your employer); it also includes interest and other investment income, but excludes charitable contributions.

Tapering means that for every £2 of adjusted income over £150,000 an individual earns, that individual's Annual Allowance will be reduced by £1. The maximum reduction to the Annual Allowance will be £30,000, meaning that anyone with *adjusted income* of £210,000 or above will have an Annual Allowance of £10,000 for each tax year.

To ensure this measure is focused on high income individuals who are currently considered to be gaining the most benefit from pensions tax relief, those with income, excluding pension contributions, but including interest and other investment income, below £110,000 will not be subject to the new taper.

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From 6 April 2015 a new 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 will also apply 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 which has reduced from £10,000.

If you take your DC pension savings in one of the ways which triggers the Money Purchase Annual Allowance, it will apply to you and will limit the amount of DC pension savings you can make each year before incurring a tax charge. This includes DC pension savings that you make plus any DC pension savings made for you by GSK.

If the Money Purchase Annual Allowance does not apply, the standard Annual Allowance will continue to apply. This limits the maximum amount of pension savings across all of your pension arrangements, including both Defined Benefits (DB) and Defined Contribution (DC), you can have each year before incurring a tax charge.

What happens if I exceed the Annual Allowance?

You will have to pay a tax charge on any amount above the Annual Allowance. The rate of tax charge depends on the rate at which you pay income tax and your total taxable income. You are able to 'carry forward' of any unused Annual Allowance from the three previous tax years to reduce the tax charge.

The three year carry forward rule

You may carry forward any Annual Allowance that you have not used for the previous three tax years to the current tax year. This gives you a higher amount of available Annual Allowance and also means that if you exceed the Annual Allowance in one year, you can use your unused allowance from previous years to reduce the tax charge.

What happens if the Money Purchase Annual Allowance applies and I exceed it?

You will have to pay a tax charge on any amount above the Money Purchase Annual Allowance.

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If you are building up any Defined Benefit (DB) pension then these benefits are not compared against the Money Purchase Annual Allowance. However, the Annual Allowance available for your DB pension built up in a given year will reduce to £30,000, plus any unused Annual Allowance from the previous three tax years.

If the Money Purchase Annual Allowance applies and you do not exceed it, your total Annual Allowance, for both DB and DC arrangements, will be £30,000 for DB plus any unused Annual Allowance from the previous three tax years and £4,000 Money Purchase Annual Allowance.

You will not be able to carry forward any unused Money Purchase Annual Allowance.

Meeting Annual Allowance tax charge through the pension plan

If you have an Annual Allowance tax charge, GSK allows you to reduce your pension benefits and pay part of your pension tax charge from the GSK pension plans. This applies whether you have a tax charge because you have exceeded either the Money Purchase Annual Allowance or the Annual Allowance. This means that the pension plans administrator must pay some of your Annual Allowance tax bill in return for reduced benefits in the Plan, if you request this. This option will be available within the GSK pension plans where your total Annual Allowance charge (across all plans) in that same tax year exceeds £2,000.

Pension Input Period

The Annual Allowance and Money Purchase Annual Allowance are calculated over a year. This is known as the Pension Input Period (PIP). From 6 April 2016 the PIP will be aligned to the 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 £1.055 million for the tax year 2019/2020, increased from £1.03 million in the 2018/2019 tax year. The Lifetime Allowance is due to continue to increase in line with Consumer Price Index (CPI) from 2018 onwards.

What happens if I exceed the Lifetime Allowance?

If the total value of your pension benefits from all sources (i.e. the GSK pension plan, past employers' registered plans and/or personal pension arrangements) exceeds the Lifetime Allowance, you will be required to pay a Lifetime Allowance charge on any excess.

	Tax payable
Cash lump sum benefits that exceed	55%

the Lifetime Allowance	For example, if your total cash lump sum benefits that exceed the Lifetime Allowance are £10,000 after the Lifetime Allowance Charge of £5,500 (55%) is deducted, you would receive £4,500, i.e. £10,000 - £5,500 = £4,500
Pension benefits that exceed the Lifetime Allowance	25% For example, if your total pension benefits that exceed the Lifetime Allowance (before tax) are £1,000 a year, a Lifetime Allowance Charge of £250 (25%) would be deducted. You would pay income tax at your highest marginal rate on the balance of pension payable, after the Lifetime Allowance charge is deducted. If your marginal rate of tax if 40%, you would receive a pension of £450: £1,000 - £250 = £750 £750 - £300 (£750 x 40%) = £450

Protecting your existing pension savings against the reduced Lifetime Allowance

Fixed Protection 2012, 2014 and 2016

The Lifetime Allowance has reduced in recent years and HMRC has made available certain protections for individuals, for example Fixed Protection 2012 and 2014. For those who applied for Fixed Protection 2012 prior to 5 April 2012, members will retain a Lifetime Allowance of £1.8 million whilst they still hold that protection. For those who applied for Fixed Protection 2014 prior to 5 April 2014 members will retain a Lifetime Allowance of £1.5 million whilst they still hold that protection. For those who applied for Fixed Protection 2016 prior to 5 April 2016 members will retain a Lifetime Allowance of £1.25 million whilst they hold that protection.

There are strict conditions which must be met in order to continue to hold Fixed Protection. For example, any members who hold Fixed Protection will not be able to continue to build up future pension benefits or make any further contributions to any pension plan. There are also restrictions on where and how you can transfer your pension benefits.

Individual Protection 2014 & 2016

Individual Protection was introduced in 2014 when the Lifetime Allowance reduced from £1.5million to £1.25million from 6 April 2014 onwards. It gives individuals who hold it a protected Lifetime Allowance equal to the value of their pension savings on 5 April 2014, subject to a maximum of £1.5million. Eligible individuals had to register for Individual Protection 2014 prior to 5 April 2017 and have pension savings as at 5 April 2014 in excess of £1.25 million.

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Individual Protection 2016 will also be available for members whose pension savings exceed £1m on 5 April 2016. This will give members a personalised lifetime allowance equivalent to the value of their pension savings on 5 April 2016, subject to a maximum of £1.25m. Such protection will be available to those who do not hold either Individual Protection 2014 or Primary Protection (a protection made available by HMRC in connection with the introduction of the Lifetime Allowance in 2006).

Members who hold this Individual Protection may continue to build up further pension benefits and make further pension savings. However, any pension savings that exceed their individual protected Lifetime Allowance are subject to the Lifetime Allowance tax charge.

Monitoring your account against the Lifetime Allowance

It is important that you monitor your retirement savings from all sources (i.e. the GSK pension plan, past employers' schemes and/or personal pension arrangements) against the Lifetime Allowance:

- To check the value of your pension benefits from GSK (only) as a percentage of the Lifetime Allowance, go to TotalReward Online
- If you believe that your pension benefits from GSK and other sources are close to the Lifetime Allowance, you should contact the GSK HR Service Centre

HMRC Tax-free cash limit

When you retire you can take up to 25% of the total value of your pension benefits from the Plan, as a tax free sum, up to the tax-free cash limit.

The tax-free cash limit is 25% of your available Lifetime Allowance. If you have not used any of your Lifetime Allowance, the limit is currently £263,750. If you have registered for certain tax protections your tax-free cash limit may be higher depending on the time you made the election equivalent to 25% of the level of fixed protection.

How to opt out of the Plan

You can opt out of the Plan by email or in writing by contacting Equiniti Paymaster, the pension plan administrators, using the following contact details:-

Mail: GSK Team
Equiniti Paymaster
PO Box 556
Crawley
West Sussex
RH10 1WS

Email: gskteam@equiniti.com

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Important to note

If you opt out of the Plan completely within one month of joining, you will receive a refund of your contributions. If you opt out after this date, your contributions will remain invested in your pension plan account and will not be refunded.

If you opt out of the Plan altogether, you will be removed from the GSKPP and will no longer receive a contribution from GSK into your pension account. You would also not be covered for life cover of four times your Pensionable Pay.

Details of the options available to you for dealing with your pension account if you leave the GSKPP (e.g. if you resign or retire) are available on What happens if...

How to opt out of salary sacrifice

You can opt out of salary sacrifice by email or in writing using the pension plan administrator contact details shown above.

If I opt out completely, can I re-join a workplace pension scheme at a later date?

Yes, you can re-join the GSKPP at the 0% employee and 15% employer (GSK) contribution rates by giving written notice to GSK or by visiting TotalReward Online.

Automatic re-enrolment into the GSKPP

If you choose to opt out of the Plan altogether or go back to your existing contribution level, GSK will automatically re-enrol you into the GSKPP in March 2022, but you will be able to opt out again if you wish. GSK will write to you when you are due to be re-enrolled in 2022.

Plan Information

The Plan's legal status

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 from the Plan helpline).

There are special provisions for the appointment and removal of the trustee directors, which are 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) approval

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.

Data Protection Act 1998

The Trustee complies with the Data Protection Act 1998, as amended, requiring its service providers to comply with the Data Protection Act 1998. By participating in the Plan, you consent to the collation and processing of your personal and possibly sensitive data. The Data Protection Act also grants you certain rights to confirm that your personal data are accurate. Enquiries should be made to your local HR Department.

Internal dispute resolution procedure

The Plan has an internal procedure to resolve any disputes that may arise. An outline of the procedure is available on request from the UK Benefits Department. If you wish to take advantage of the procedure, you should apply with the relevant information to Dan McDonald, Reward COE, GlaxoSmithKline, 980 Great West Road, Brentford, Middlesex, TW8 9GS.

If the dispute is not resolved, you will be able to contact The Pension Advisory Service (TPAS) and, ultimately, the Pensions Ombudsman.

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Regulatory bodies

The Pensions Advisory Service (TPAS)

This is an independent organisation offering a free service to help members and other beneficiaries of occupational pension and personal pension schemes in connection with any pensions query that they may have or any difficulty that they have failed to resolve with the trustee or administrators of the Plan. You can contact TPAS for help in resolving any difficulties.

TPAS, 11 Belgrave Road, London SW1V 1RB

Pensions Ombudsman

You may refer a query to an independent Pensions Ombudsman appointed by the Government under section 145(2) of the Pension Schemes Act 1993. The Ombudsman has the power to investigate and determine any complaint or dispute of fact or the law relating to occupational pension schemes. The Pensions Ombudsman, 11 Belgrave Road, London SW1V 1RB

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. The aim is to ensure that the interests of Plan members are properly protected. The Pensions Regulator, Napier House, Trafalgar Place, Brighton, East Sussex BN1 4DW

The Pension Tracing Service

Full details of the Plan and a contact address for the Trustee have been recorded on the register. This means that if you change or have changed jobs, and have trouble tracing your benefits, you can contact the Registrar, who should be able to help.

Frequently Asked Questions

- How does the Plan work?

Contributions

- How much does GSK contribute?
- How much can I contribute to the GSK Pension Plan?
- What if I work part-time?
- Can I contribute my bonus?
- What can I do if I wish to contribute more than 50% of my pensionable salary?
- Is there a limit on how much I can contribute?
- Can I transfer in pension benefits from a previous employer?

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Investments

Monitoring your savings

At retirement

How does the Plan work?

The GSK Pension Plan is a defined contribution plan. This works in a similar way to a savings account, except there are certain rules as to how and when you can access your savings. GSK contributes 15% of your pensionable salary to your GSK Pension Plan account each month and will match any contributions you make, up to 5% of your pensionable salary. Your contributions are invested to build up their value over the long term. At retirement, you use your pension savings to provide your choice of pension benefits.

Contributions

How much does GSK contribute?

GSK contributes 15% of your pensionable salary to your account each month and will match your contributions up to 5% of your pensionable salary. So if you contribute 5%, 25% will be paid into your account (GSK's 15% core contributions + plus your 5% contribution + GSK's 5% matching contribution).

How much can I contribute to the GSK Pension Plan (executive section)?

You can contribute up to 50% of your pensionable salary. GSK contributes 15% of your pensionable salary and will match your contributions up to 5% of your pensionable salary. You can also contribute some or all of your annual bonus.

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What if I work part-time?

If you work part-time, GSK's contributions to your account will be based on your part-time pay.

Can I contribute my bonus?

Yes, you can contribute some or all of your bonus. You will be sent information on how to do this in Q1 each year.

What can I do if I wish to contribute more than 50% of my pensionable salary?

You can also contribute to the Legal & General Self Invested Personal Pension or another personal pension arrangement of your choice.

Is there a limit on how much I can contribute?

There is no limit to how much you can contribute towards your pension each year. You save income tax and National Insurance on your contributions up to the lower of 100% of your total taxable earnings or the Annual Allowance less GSK's contribution to your account. A lower Money Purchase Annual Allowance applies once you have taken your DC benefits in certain forms.

Can I transfer in pension benefits from a previous employer?

You may be able to transfer in pension benefits from a previous employer. For more information, contact the GSK Pension Plan helpline.

Investments

What investment options does the GSK Pension Plan offer?

GSK offers six investment funds suitable for investing for retirement.

You can choose to have your contributions invested for you according to a Lifecycle investment strategy or you can make your own investment decisions (Freestyle).

How can I check how much investment funds are performing?

Investment fund performance is updated every three months on Total Reward and is available in the related links area for the GSK Pension Plan..

Monitoring your savings

How will I know if I have saved enough for retirement?

You can monitor your pension savings from the GSK Pension Plan via TotalReward Online and your annual pension statement (which provides an illustration of your projected pension plan account at your target pension date and the pension you might receive). You can also use the Pension Calculator to work out how much you need to save to achieve your preferred level of pension.

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From 6 April 2015 you have more retirement options and are not restricted to using your pension plan account to provide a pension at retirement. You can use Legal & General's 3-in-1 Retirement Planner to see what benefits you may be able to get in retirement based on the level of your pension savings.

For more information, refer back to Check if your pension benefits are on track.

What happens if I am approaching the Lifetime Allowance?

If you have pension benefits from another employer or personal pension arrangements, you should ensure that these together with your GSK pension benefits do not exceed the Lifetime Allowance. If you feel that you are affected by the Lifetime Allowance you should contact the HR Service Centre to understand your options.

At retirement

When can I retire?

You can retire at any time between age 55 and age 75.

In addition, if you joined the GSK Pension Plan before 6 April 2006 you can retire when leaving employment with GSK between age 50 and age 55 and buy a pension or take a cash lump sum. You must take all of your pension benefits from the GSK Pension Plan and leave GSK employment when you do this. You may be able to transfer your pension plan account to some flexi-access drawdown providers from age 50, but you will not normally be able to take benefits from the flexi-access drawdown fund until you are age 55.

If your account is invested in a Lifecycle option, you should make sure that your target pension date (the age at which you wish to retire) is correct.

Do I have to buy a pension?

You may use your pension savings to buy a pension for yourself, but you can also take up to 25% of your savings as tax-free cash, or buy a spouse's pension, inflation-proofing or a guarantee period (this means that if you die within the guarantee period, the remaining pension that would have been payable to you during the guarantee period will be paid to your beneficiaries).

- From 6 April 2015, you may also 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**.
- You may also take your pension savings as a full cash sum at retirement.

Will I be given help if I want to buy a pension?

Yes, GSK's pension broking service will help you to buy a pension.

Do I pay tax on my pension benefits?

Yes. You will pay income tax at your marginal rate on your pension benefits. This includes pension income, income from flexi-access drawdown funds and any cash lump sums in excess of the tax-free amount that may be taken from the Plan.

If you use your pension savings to purchase a pension, or transfer your pension savings to a flexi-access drawdown provider you may take the first 25% of your pension plan account as tax-free cash (you will need to transfer to a drawdown provider before taking the tax-free cash).

If you use your pension savings to take a single cash lump sum at retirement, or take one or more cash lump sums while in employment with GSK you may take up to 25% of each cash lump sum as tax-free cash.

How are my pension benefits paid?

If you buy a pension from the GSK Pension Plan, your pension will be paid monthly in arrears into a bank or building society account nominated by you. Tax will be deducted by the Plan, through the Pay As You Earn (PAYE) system.

If you buy a pension from an insurance company, your provider will explain the payment details.

If you transfer your pension account to a flexi-access drawdown provider, they will explain your payment options.

If you take an Uncrystallised Funds Pension Lump Sum from the GSK Pension Plan, this will be paid into a bank or building society account nominated by you. Tax will be deducted by the Plan, through the Pay As You Earn (PAYE) system.

I'm not sure how I should use my pension savings. Where can I find out more?

Pension wise

The Government has introduced a free, impartial pension guidance service for DC members approaching retirement, to understand the options for their DC benefits. This service is called Pension wise and can be accessed online at www.pensionwise.gov.uk, face to face through Citizens Advice or by telephone through the Pensions Advisory Service.

To make an appointment for the telephone or face to face service call 030 0330 1001 between 8am and 10pm, Monday to Sunday.

You should access the guidance to help you decide which option is most suitable for you.

Further information on Pension wise will be included when you receive detailed information on taking your pension benefits shortly before retirement.

Financial Advice

If you require specific advice on which option is best for you, you should consult an authorised Financial Adviser. This may be an Independent Financial Adviser, who can advise on a full range of financial products and providers, or a Restricted Financial Adviser, who can advise on a restricted range of financial products and providers.

For more information see www.fca.org.uk/consumers/financial-services-products/investments/financial-advice/independent-and-restricted-advisers. All Independent and Restricted Financial Advisers must be authorised by the Financial Conduct Authority (FCA). You should check that your chosen Financial Adviser is authorised before using them.

Chase de Vere (0845 609 2009 - quote GSK) and Origen (0844 209 3925 - quote GSK) are familiar with the GSK pension plans and may offer an initial consultation free of charge. Details can be obtained from the GSK Exclusives area of TotalReward Discounts, which is accessed via quick links on TotalReward Online. You may, of course, use your own authorised Financial Adviser.

If you do not have your own authorised Financial Adviser, you can obtain addresses and telephone numbers of authorised financial advisers by geographic location at www.unbiased.co.uk or by contacting contact@unbiased.co.uk.

Retirement Planner

Legal & General's 3-in-1 Retirement Planner lets you explore some of the potential options for taking your DC benefits in retirement.

What happens if...

- I have a baby / adopt a child
- I am unable to work due to illness
- I go on sabbatical / unpaid leave
- I transfer to another job
- I am promoted to a higher grade
- I resign / retire early / get dismissed
- I retire / am made redundant
- I die in service

GSK Pension Plan

I have a baby / adopt a child

Paid maternity/adoption/surrogacy/shared parental leave

While you are away from work on paid maternity/adoption/surrogacy/shared parental leave, GSK will continue to make core and matching (if applicable) contributions based on your pensionable salary and your death-in-service cover will continue.

Your contributions to your account will continue, based on the actual salary you receive during your maternity/adoption/surrogacy/shared parental leave, not your normal pensionable pay. GSK will make up any shortfall between your contributions and those that would have been made based on normal pensionable pay.

Unpaid maternity/adoption/surrogacy/shared parental leave
While you are away from work on unpaid maternity/adoption/surrogacy/parental leave, GSK will continue to make core contributions, based on your pensionable salary. Your contributions to your account will cease. When you return to work, you will have the option to make up any missed contributions, which GSK will match up to 5% of your pensionable salary.

I am unable to work due to illness
If you are away from work due to illness or injury, GSK will continue to contribute to your account. GSK's core contributions will be based on your notional salary (your salary before your sick leave). **During any unpaid sickness leave**, your contributions to your account will cease. When you return to work, you will have the option to make up any missed contributions, which GSK will match up to 5% of your pensionable salary.

During paid sickness leave, your contributions to your account will continue as normal, unless you choose to vary or stop these at any time. Your and GSK's matching contributions will be based on the actual pay you receive.

Death-in-service benefits will continue during any period of sickness leave, based on your notional salary (see 'What happens if I die in service') is available in the related links area for the GSK Pension Plan.

If you are unable to work due to long-term ill health for 30 weeks or more, you may receive an income from GSK of 50% of your basic salary payable for up to 2 years or until your Target Pension Date, if sooner.

At the end of this period, you may receive a pension of 50% of your pensionable salary, plus a pension purchased with the proceeds of your account built up from your own contributions.

Payment of a pension due to ill-health is subject to consent by both GSK and the Trustee, which will require satisfactory medical evidence. The pension may be reduced or suspended if you fully or partially recover, or if you do not produce medical evidence when requested.

If you die while in receipt of an ill-health pension, your spouse or 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, currently up to a maximum of 12% a year.

I go on sabbatical / unpaid leave
GSK may consent to a period of unpaid leave. During such a period, your membership of the Plan will be suspended: contributions will cease and you will not be covered for death or ill-health benefits (unless the period of absence is less than 3 months). You will be able to rejoin the Plan when you return to work.

I transfer to another job
If you transfer to another GSK job in the UK, your participation in the GSK Pension Plan will not be affected.

GSK employees who transfer to another country as part of an international assignment or permanent relocation should contact Mobility Services for more information.

If you work part-time, you will still be eligible to join the Plan. GSK's contributions to your account will be based on your part-time pay.

I am promoted to a higher grade

Your participation in the GSK Pension Plan will not be affected. If your salary increases, GSK's contributions and any contributions you make (as a percentage of your pensionable salary) will increase accordingly.

If you are promoted to Grade 0, you will automatically join the GSK Pension Plan (senior executive section).

I resign / get dismissed

If you leave GSK, all contributions to your account will cease. You will not be able to take a cash lump sum from the Plan until you retire. You may transfer the proceeds of your account to another pension arrangement or you may leave your account invested in the Plan.

If you wish to transfer the proceeds of your account to another pension arrangement, your new pension arrangement must be willing and able to accept the transfer payment and you must transfer all of your benefits at the same time. The amount paid will be the value of your account at date of transfer. You can check your account value by going to www.totalrewardonline.co.uk and selecting the Equiniti Paymaster link under Quick Links in the right hand menu at any time but you will need a formal Transfer Value quotation in order to proceed with a transfer. Transfer Value quotations can be obtained from the Plan helpline on 0800 163 250, but you will only normally be given one quotation per year.

If you leave your account invested in the Plan, it will remain invested in your chosen funds. You may change the way your account is invested once a year. If you die before retirement, the proceeds in your account will be used to provide benefits for your dependants.

I retire / am made redundant

If you retire, your pension savings will be used to provide your choice of pension benefits.

If you are made redundant, depending on your age, you may choose to retire from the Plan. You will not be able to take a cash lump sum from the Plan until you retire. You may transfer the proceeds of your account to another pension arrangement or you may leave your account invested in the Plan (see above).

I die in service

If you die while employed by GSK, your family will be eligible for a range of benefits: *Cash sum for your beneficiaries:* Your beneficiaries will receive a tax-free cash sum of four times your annual rate of pensionable salary at date of death plus the proceeds of your account built up from your own contributions.

The Trustee has discretion over who receives the cash sum death benefit. This means that, under current legislation, the cash sum is payable tax-free.

The Trustee can take your wishes into account if you have completed a Nomination of Beneficiaries Form. You should use this form to nominate the person(s) to whom you would like the cash sum to be paid.

The nomination form can be found on the Compendia website under Your Personal Details. Alternatively, contact GSK HR Service Centre on +455 7547 or Freephone 0808 234 4391, select Equiniti Paymaster (the Plan administrator) and ask for a Nomination of Beneficiaries form to be sent to you. Please return your original completed form to Equiniti Paymaster at the address below.

Pension for your spouse or civil partner: Your spouse or civil partner will receive a pension of 30% of your pensionable salary at date of death payable for his or her life.

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If there is no spouse/civil partner, a pension equivalent to that of the spouse's pension may be paid to a dependant or dependants chosen by the Trustee.

Pensions for your children: An eligible child will receive a pension of 20% of your pensionable salary at date of death. If you have two eligible children, they will share a pension of 25% of your pensionable salary at date of death. If you have three or more eligible children, they will share a pension of 30% of your pensionable salary at date of death.

A child's pension will cease when that child reaches age 18, or age 23 if in full-time education.

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

Who to contact

For questions about the GSK Pension Plan, contact the **GSK UK HR Support Centre**

If you have a question about your personal account in the GSK Pension Plan:

Contact: GSK Pension Plan helpline on 0800 163 2500
Email: gskteam@equiniti.com

Mail: GSK Team
Equiniti Paymaster
PO Box 556
Crawley
West Sussex
RH10 1WS