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SB Pension Plan (Defined Benefit section)

The SB Pension Plan (the Plan) is a defined benefit (DB) plan, which is designed to provide you with a pension based on your Final Pensionable Salary and service when you retire.

How it works	Tell me more
FAQ's	What happens if...
Who to contact	

All references to GSK within these pages apply equally to GSK, ViiV or GSK Consumer Healthcare employees

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

Definitions

- Pensionable Salary - Your Basic Salary (including any contractual shift pay) less an offset broadly equivalent to the basic state pension over the corresponding period. Basic Salary excludes overtime, bonus, commission, etc.
- Final Pensionable Salary - Final pensionable salary is your Basic Salary (including any contractual shift pay) in the 12 complete months ending on the last day of the month in which you retire, leave or die, less an offset which is broadly equivalent to the basic state pension over the corresponding period.
- Base Salary - is the basic amount of pay that you receive excluding overtime, commission, bonus, shift pay and any other fluctuating elements of pay. From 1 April 2013 (or the date of the next pay review for collectively bargained employees), future increases to base salary and any shift allowance that you receive will be limited for the purposes of calculating pensionable salary to a maximum of 2% in any one year, subject to certain exceptions, as set out in the Decision on Change / Confirmation of Ballot outcome documents issued in Q4 2012. As a member of a DB plan, if you receive an increase in remuneration of above 2% within any one year (1 April to 31 March), the excess above 2% will be paid as a Non-Pensionable Salary Supplement.
- Combined Remuneration - The sum of your **Basic Salary** and your **Non-Pensionable Salary Supplement** (if applicable) is called your Combined Remuneration. Wherever the terms 'salary' or Annual Salary are referenced in isolation under this Plan, these refer to **Combined Remuneration**. The term 'Combined Remuneration' is relevant to you as an employee building up benefits in one of GSK's UK defined benefit (DB) pension plans.
- Life Assurance Salary - Your Life Assurance Salary is the total of your Basic Salary and Shift Allowance and any Non Pensionable Salary supplement and any Non Pensionable Shift Allowance that you are receiving.
- Contribution Salary - Your current annual Pensionable Salary. Your monthly contributions are based on 1/12th of this amount.

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

2014 Budget

In March 2014, the Chancellor announced changes to the way that Defined Contribution (DC) pension benefits, including Additional Voluntary Contributions (AVCs), may be taken from April 2015. The Chancellor also announced other changes, affecting both DC and Defined Benefit (DB) pension benefits.

The news items below provide more information on the Budget and how they affect the GSK pension plans.

Further information on the following can be found in the related links area for the SB Pension Plan

- TotalReward UK News April 2014 - 2014 Budget Update
- Dimensions June 2014 - More freedom on how you take benefits
- Dimensions September 2014 - Further flexibility to be introduced from April 2015
- Dimensions November 2014 - Pensions guidance delivery plans are announced
- Dimensions March 2015 - Budget changes to pensions and the GSK pension plans
- TotalReward UK News April 2015 - Update on 2014 Budget changes to pensions and the GSK pension plans

The changes to the way that Defined Contribution (DC) benefits may be taken from April 2015 means that you now have more options as to how you can use any Additional Voluntary Contributions (AVCs) at retirement.

How it works

The defined benefit section of the SB Pension Plan is designed to provide you with a pension based on your final pensionable salary and pensionable service when you retire.

You and GSK pay the cost of providing your pension. If you wish, you can make additional contributions in order to build up pension savings, which you can use to provide additional pension benefits.

The Plan also provides benefits for your family if you die while employed by GSK.

See important definitions.

Important definitions

- Final Pensionable Salary - Your Basic Salary in the 12 complete months ending on the last day of the month in which you retire, leave or die (including any contractual shift pay) less an offset broadly equivalent to the basic state pension over the corresponding period. Basic Salary excludes overtime, bonus, commission, etc.

- Basic Salary - The Basic salary that you receive, excluding bonus. From 1 April 2013 (or the date of the next pay review for collectively bargained employees), future increases to basic salary will be limited for the purposes of calculating pensionable salary to a maximum of 2% in any one year, subject to certain exceptions, as set out in the Decision on Change / Confirmation of Ballot outcome documents issued in Q4 2012. As a member of a DB plan, if you receive an increase in remuneration of above 2% within any one year (1 April to 31 March), the excess above 2% will be paid as a Non-Pensionable Salary Supplement.
- Combined Remuneration - The sum of your **Basic Salary** and your **Non-Pensionable Salary Supplement** (if applicable) is called your **Combined Remuneration**. Wherever the terms 'salary' or 'Annual Salary' are referenced in isolation under this Plan, these refer to Combined Remuneration. The term 'Combined Remuneration' is relevant to you as an employee building up benefits in one of GSK's UK defined benefit (DB) pension plans.
- Pensionable Salary - Pensionable salary is equal to your Basic Salary. Your monthly contributions are based on 1/12th of your Pensionable Salary.

Contributing to the Plan

You pay 3% of your contribution salary (core contributions) to the Plan each month and GSK meets the rest of the cost of providing your pension of:

1/55 x final pensionable salary x pensionable service

Contribution salary is the current annual pensionable salary.

Pensionable salary is your annual basic salary (including any contractual shift pay), less an offset broadly equivalent to the basic state pension over the corresponding period. Basic salary excludes overtime, bonus, commission, etc.

Pensionable service is the number of years and complete months of permanent continuous employment up to your retirement date.

Normal Retirement Date is the 1st of the month on or immediately following your 65th birthday.

Additional Voluntary Contributions (AVCs)

You can also make Additional Voluntary Contributions (AVCs) to the Plan in order to build up pension savings. These contributions are invested in an account set up in your name and are used to provide additional pension benefits when you retire.

You can contribute up to 50% of your gross pay to the Plan (including core contributions and AVCs) each month through Payroll.

You can also contribute some of your annual Bonus to AVCs or to another pension arrangement, such as the Legal & General Self Invested Personal Pension. You will be sent information on how to do this each year.

To start, stop or change your AVCs, go to www.totalrewardonline.co.uk between the 1st and 26th of the month*.

How contributions are paid

Your contributions to the Plan are paid by salary sacrifice (unless you have opted out).

You give up or 'sacrifice' some of your salary in exchange for GSK paying an equivalent amount towards your pension benefits.

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.

Example for a basic rate taxpayer

If your contribution salary is £30,000 and you contribute 3%, you will make the following income tax and National Insurance savings (for illustration only).

Contribution (3% of £30,000)	£900
Income Tax saving (20%)	£180
NI saving (12)	£108
Cost to you	**£612**

For a basic rate taxpayer, the income tax saving is at your marginal rate and the NI saving is 12%.

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

To start, stop or change your AVCs, go to www.totalrewardonline.co.uk between the 1st and 26th of the month*.

See important definitions.

Your pension benefits at retirement

When you retire, your pension benefits will include:

- A pension for you
- A pension for your spouse of 50% your pension (before any exchange for tax-free cash), payable from your death in retirement
- If you die within 5 years of retirement, a cash sum equal to the outstanding five years' pension, less any spouse's pension

- Annual pension increases

If you wish, you can exchange some of your pension benefits for a tax-free cash lump sum.

Annual pension increases

Your pension and your spouse's and children's pensions in payment will be increased annually as follows:

- **For service before 6 April 1997:** The Guaranteed Minimum Pension (GMP) element of your pension will be increased in line with statutory requirements. The non-GMP element will be increased by the lower of 3% or the increase in the Retail Price Index
- **For service after 5 April 1997:** Your pension will be increased in line with the increase in the Retail Price Index, up to 5%

Your Additional Voluntary Contributions

At retirement, you can use your AVC fund to provide your choice of: pension benefits from the following options:

- Use your AVCs towards a tax-free cash sum from the Plan
- Use your AVCs to buy additional pension ("Buying a pension")
- Access your AVCs as taxable income as and when you need it. **To do this you will first need to transfer your AVCs to another provider who offers a flexi-access drawdown facility**. ("Flexi-access income drawdown")
- Take your AVCs as a full cash lump sum. ("Taking a cash lump sum")

See important definitions.

Working out your pension

The amount of pension you receive from the Plan will depend on your Final Pensionable Salary and pensionable service at retirement, and the value of your AVC fund, if you make AVCs.

Working out your pension

If you retire with a final pensionable salary of £30,000 and 20 years' pensionable service, your pension will be worked out as:

1/55 x £30,000 x 20 = £10,909.09 p.a.

If you choose to retire before age 60 with GSK's consent, your pension will be reduced by 4% for each year below age 60 that you retire. The reduction takes into account that you are likely to receive a pension for a longer period of time if you retire early.

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Working out tax-free cash

You can exchange some of your pension for tax-free cash.

The maximum amount of tax-free cash you can take is the maximum allowed by HMRC which is up to 25% of your overall fund value. Go to HMRC tax-free cash limit.

The amount of tax-free cash you can take may be limited to ensure that your remaining pension is not less than your GMP.

Please note that this is an overview of the benefits payable from the Plan only. Full details of the Plan benefits are set out within the Trust Deed & Rules.

See important definitions.

Investing your account

Your AVCs are invested in order to build up the value of your AVC fund over the long term.

You can choose how to invest your AVC's using one or two investment strategies:

- Lifecycle
- Freestyle

Lifecycle

The GSK Lifecycle investment option was introduced in June 2014. The GSK Lifecycle (pre 2014) applies to members who were within 10 years of target pension date on 31 May 2014. Please refer to the SB and SBSEPP Decision Guide 2018 for further information which is available in the attachments for the SB 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 (currently 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 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’.

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To change your target pension date log into www.totalrewardonline.co.uk and select the Willis Towers Watson 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.

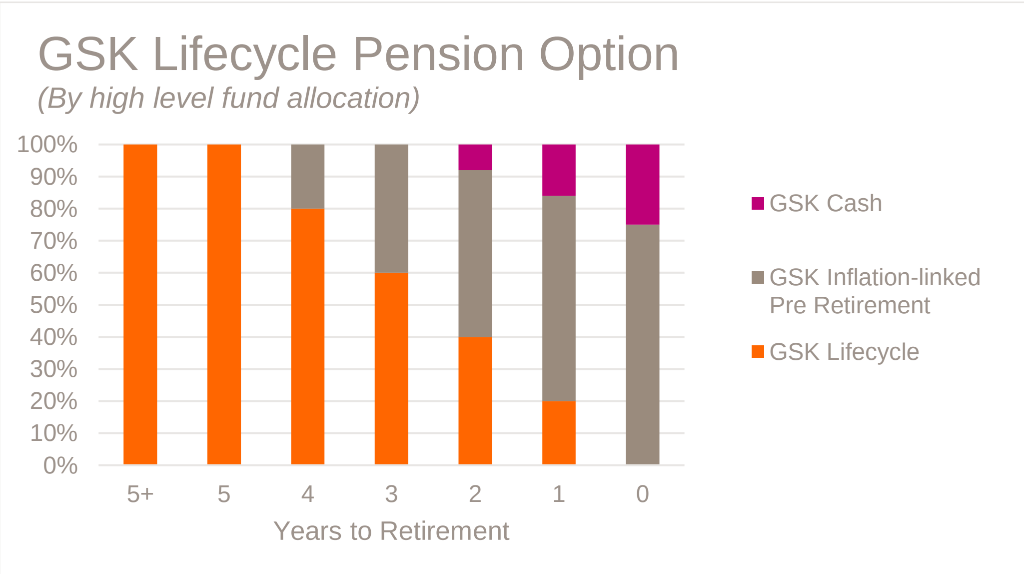
- GSK Lifecycle Pension Option
- GSK Lifecycle Drawdown Option
- GSK Lifecycle Cash Option

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 Willis Towers Watson link under Quick Links in the right hand menu.

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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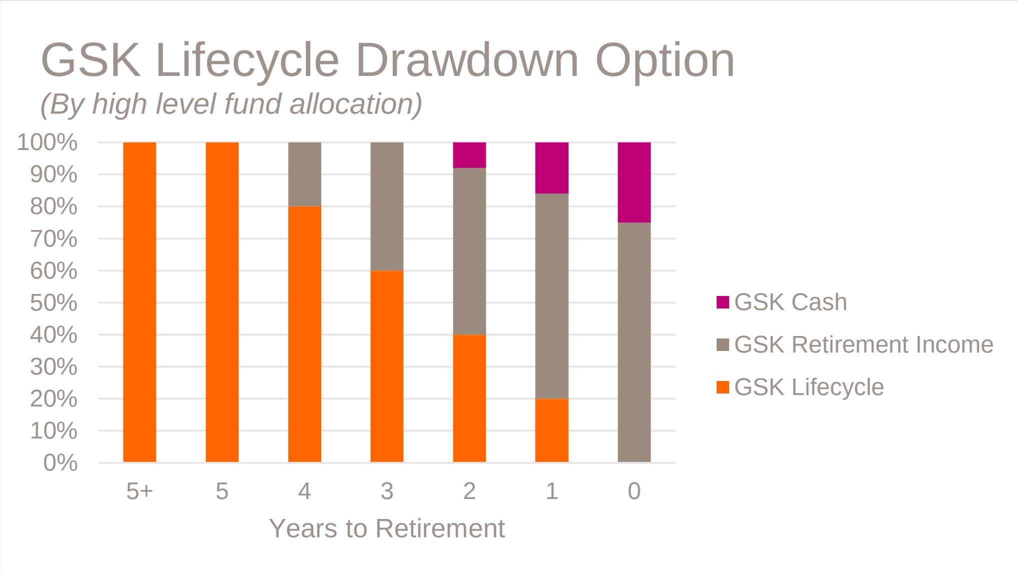
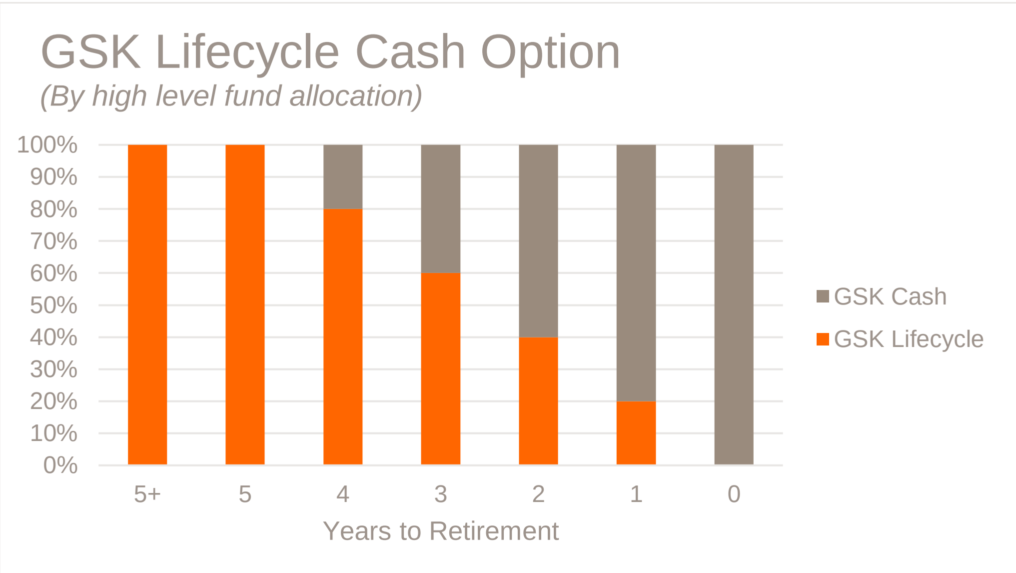


GSK Lifecycle Cash option

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 (pre 2014), your savings are invested for you following an investment strategy designed for

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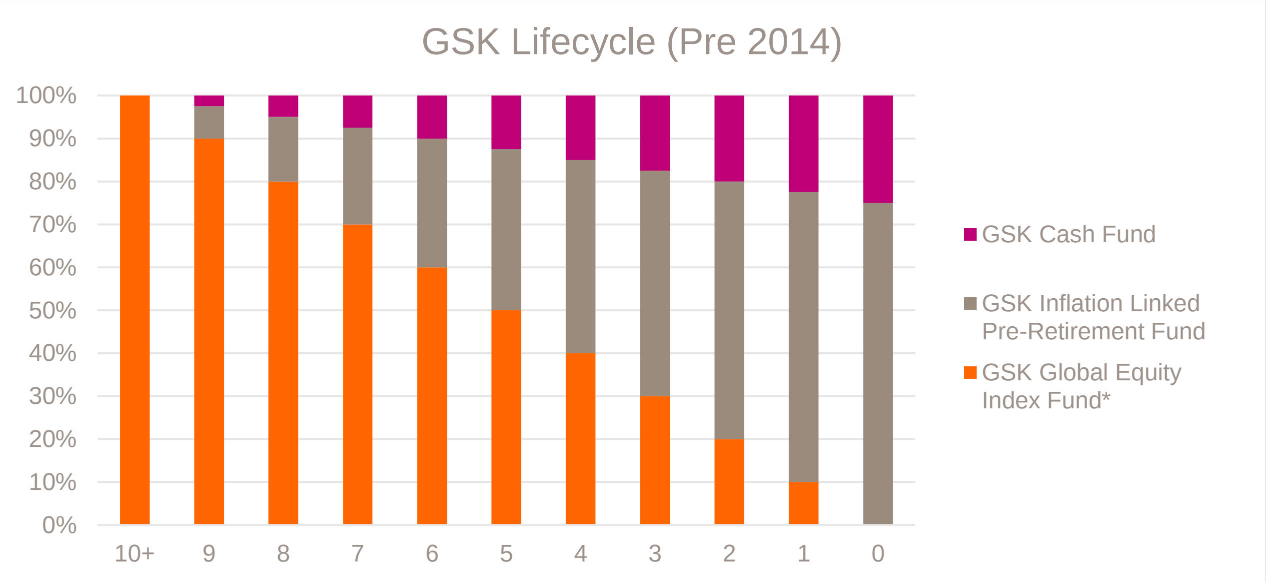
saving to buy a pension at retirement. This means that your savings are invested in equities until you are 10 years from retirement. Then your savings are gradually switched into bonds and cash, as shown in the table below:



*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 Lifecycle, it's important that you set your target pension date and update it if your circumstances change. Contact the SB Pension Plan helpline to update your target pension date.

Your **target pension date** is your preferred retirement age from age 55 onwards.

Freestyle

Lifecycle follows an investment strategy designed for saving to buy a pension at retirement. Therefore, if you are planning to take your AVCs 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 AVCs 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 SB Pension Plan.

GSK investment funds

- 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

SB pension funds (existing contributors only)

- Equitable Life With-Profits Fund (guaranteed bonus)
- Zurich Utilised With-Profits Fund (UWP 1)
- Zurich With-Profits Pension Fund (UWP 4)
- Zurich Main AVC Plan
- Prudential With-Profits Fund
- MGM With-Profits Fund

The following are legacy funds which closed from July 2014:

- **GSK Global Equity Index Fund (90%) / GSK Bond Index Fund (10%) - (Balanced Fund)**
  Investments in this fund, switched to the following funds:
  - 90% GSK Global Equity Index Fund
  - 10% GSK Inflation Linked Pre-Retirement Fund

  From the point of switching there will be no automatic rebalancing between the two funds.

- **Zurich Managed Pension Fund**
  Investments in this fund, switched to the following funds:
  - 75% GSK Global Equity Index Fund
  - 25% GSK Inflation Linked Pre-Retirement Fund

  From the point of switching there will be no automatic rebalancing between the two funds.

- **Zurich Equity Managed Fund**
  Investments in this fund, switched to the GSK Global Equity Index Fund.
- **Zurich Global Select Growth Fund**
  Investments in this fund, switched to the GSK Global Equity Index Fund

Types of investment

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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
- 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).

How investment funds work

Your Additional Voluntary Contributions (AVCs) are used to buy units in the investment funds:

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

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

Find out more about how investment funds work.

See important definitions.

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 SB Pension Plan..

Tell me more

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

-
- Retirement options for your AVCs
- Taking a cash lump sum from age 55 and continuing to build up benefits
- Check if your pension is on track
- HM Revenue & Customs allowances
- Plan information
- Regulatory bodies

Retirement options for your AVCs

When you retire, your pension will be provided by the Plan. If you have made AVCs, you will be able to take some or all of your AVC fund as tax-free cash or use your AVC fund to provide additional pension benefits from the following options:

- Use your AVCs to buy additional pension ("Buying a pension")
- Access your AVCs as taxable income as and when you need it. **To do this you will first need to transfer your AVCs to another provider who offers a flexi-access drawdown facility**. ("Flexi-access income drawdown")
- Take your AVCs as a full cash lump sum. ("Taking a cash lump sum")

Pension wise

Choosing how to use your AVCs 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 AVCs.

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 8pm, Monday toFriday

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 AVCs from the SB 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 AVCs.

Buying a pension

At retirement, you may be able to use some of your pension savings to buy a pension from the 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 from AVC Funds

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

Buying a pension from the Plan

The Plan can provide you with a quote for converting your AVC fund into pension benefits. If you choose to 'buy' additional pension from the Plan, it will be paid by the Plan.

Buying a pension from an insurance company

If you choose to buy a pension from an insurance company, you may also take up to 25% of your AVCs as tax-free cash. The GSK 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

GSK will pay for you to use the pension broking service before you retire. If you then choose to buy pension benefits 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.

Your pension will be paid by the insurance company.

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 their AVCs 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 SB Pension Plan does not incorporate income drawdown options. However, if you wish to use your AVCs for income drawdown you are able to transfer your AVCs 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.

You should seek financial advice prior to transferring to another provider 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 AVCs 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.

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 AVCs 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 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 1 February, 1 May, 1 August or 1 November of each year. The first opportunity to take a withdrawal will be in August 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 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 Team
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.

Check if your pension benefits are on track

To view your estimated retirement benefits go to www.totalrewardonline.co.uk and select the Willis Towers Watson link under Quick Links in the right hand menu.

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).

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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 2020 the annual allowance for tax relieved pension savings will be reduced for individuals whose 'adjusted incomes' exceed £240,000. 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 £240,000 an individual earns, that individual's Annual Allowance will be reduced by £1. Following the government announcement on 11 March 2020, the minimum tapered allowance has now been reduced from £10,000 to £4,000.

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 £2000,000 will not be subject to the new taper.

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.

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 your DC pension savings in that year exceed the Money Purchase Annual Allowance.

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.

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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 £1,073,100 for the tax year 20209/2021. The Lifetime Allowance will continue to increase in line with the Consumer Price Index (CPI).

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 the Lifetime Allowance	55% 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 is 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.

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 www.totalrewardonline.co.uk
- 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 GSK pension 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 £268,275. If you have fixed protection the tax free cash limit will be higher depending on the time you made the election equivalent to 25% of the level of fixed protection.**Plan information**

The Plan's legal status

The assets of 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 Plan.

Trustee

Overall responsibility for running the Plan rests with the trustee directors of the Smithkline Beecham Pension Plan Trustee 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 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

The Data Protection Privacy Notice for the GSK Pension Plan can be found here: https://www.gskpensions.co.uk/data-protection/

By participating in the Plan, you consent to the collation and processing of your personal and possibly sensitive data.

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 James Chemirmir, 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.

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.

The Pension Tracing Service, Tyneview Park, Whitley Road, Newcastle-upon-Tyne, NE98 1BA

2013 changes to the Defined Benefit pension plans

In November 2012 we concluded our consultation on changes to the UK defined benefit pension plans.

For details of the outcome of the consultation and the company's final decision, click on the links below:

- Outcome of consultation and Company decision
- Outcome from the ballot of the union members
- Outcome of the Basic State Pension offset discussion with the Trustees *(applicable to SBPP members only)*

Outcome of consultation and Company decision

The consultation period on the proposed changes to the UK defined benefit pension plans (collectively 'the DB Plans') has now ended.

After careful consideration of the member feedback received we have decided to go ahead with the changes, but have made several amendments to address some of the key concerns raised during the consultation.

The final changes that we are making include the following elements that were originally proposed:

- Future increases to your basic salary (the element of pay we use to calculate your plan pension) will be limited to a maximum of 2% in any one year (broadly equivalent principles will apply to shift pay for those whose shift pay is pensionable)
- If your basic salary would otherwise have been increased by more than 2% in any one year, the excess above 2% will be awarded as a non-pensionable salary supplement
- The sum of these two elements (basic salary + non-pensionable salary supplement), now known as your Combined Remuneration, will be used to calculate all of your non-pension benefits. So those benefits which are not provided through the pension plan, such as bonus, will not be impacted by these changes

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The final decision also recognises and incorporates several of the responses we received from you during the consultation process. The following amendments to the original proposal have been made:

- A £30,000 pensionable salary threshold will apply before the annual 2% limit to increases on basic salary is applied [Factsheet]
- All members will be able to maximise increases to basic salary in any given year, should in any one year they receive a less than 2% basic salary increase, and they have a non-pensionable salary supplement (NPSS) element which can top up to the annual 2% limit. This mechanism does not impact Combined Remuneration.[Factsheet]
- There will be some protections for members who move on and off shift in the future (where shift pay is pensionable on a defined benefit basis), [Factsheet]
- Employees who are subject to multi-year pay deals will be able to maximise the increase in basic salary (up to the annual 2% limit) for each of the years covered by the agreement, limited to the total amount of the pay deal [Factsheet]

All the factsheets are available in the related links area for the GSK Pension Plan.

In addition, we communicated the intent to have a discussion with the Trustees of the SmithKline Beecham Pension Plan ("SBPP") around some form of discretionary protection for SBPP members whose pensionable salary includes a Basic State Pension offset to basic salary. View the outcome of the discussion with the Trustees is available in the related links area for the SB Pension Plan.

More details of the amendments with worked examples are set out in factsheets which are available below:

- Threshold [Factsheet]
- Top Up [Factsheet]
- Shift Pay [Factsheet]
- Multi-year pay deals [Factsheet]

The formal description of the final change (including the amendments) is given here [Statement of change] is available in the related links area for the SB Pension Plan.

Important legal note:

This document and accompanying communications are only about the specific change to your contractual employment terms and do not guarantee your benefits. Benefits under GSK's pension arrangements are subject always to the Rules of the arrangements in force from time to time. GSK reserves the right to amend or withdraw any of its pension arrangements at any time and for any reason.

Proposed changes to the UK Defined Benefit pension plans

Confirmation of outcome from ballot of Unite and GMB members

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Please note that nothing in this note affects employees who are not currently building up benefits in one of GSK's DB plans or are not covered by a collective bargaining agreement between the company and the unions.

We refer to the Joint Statement (is available in the related links area for the SB Pension Plan) of GSK and Unite the Union and the GMB union (the "Unions") on 6 November 2012. This described the consultation between GSK and the Unions regarding GSK's proposal to cap annual increases in basic salary (and shift pay where pensionable on a defined benefit basis) for members of a defined benefit ("DB") pension plan to 2% pa. Any pay increases which would otherwise have been awarded above that 2% level would take the form of a non-pensionable salary supplement.

The Joint Statement noted that the GMB and Unite planned to ballot those of their members that would be impacted by the proposed changes, and that the ballot would be decided by simple overall majority of eligible UK union members that vote.

GSK has now been officially informed by the Unions of the results of this ballot. We are pleased to announce that the proposed changes have been accepted. We believe that these changes give us the best chance of continuing with our goal of offering you a defined benefit pension on sustainable terms.

Future pay reviews, as part of the collective bargaining negotiations and agreements with the unions, will therefore proceed on this basis.

Individual employees who are members of a DB plan and who are covered by a collective bargaining agreement will receive individual notification confirming the ballot outcome and setting out the changes in further detail. However, please note that no action is needed in response to this - notwithstanding these changes, you are still a member of your DB plan subject to the rules of the plan from time to time.

3 December 2012

Important legal note: *GSK reserves the unilateral right to determine any question of interpretation regarding the principles of pensionable pay capping or their application to specific situations. This document does not guarantee any member's pension benefits - GSK reserves the right to amend or withdraw all or any of the benefits under its pension plans at any time and for any reason.*

Outcome of the Basic State Pension offset discussion with the Trustees

Applicable to SBPP members only

For details of the outcome of the discussions with the Trustees of the SmithKline Beecham Pension Plan (SBPP) on how the 'State Pension Offset' would be determined in the future, see the copy of the letter sent to affected employees and is available in the related links area for the SB Pension Plan.

Frequently Asked Questions

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How the Plan Works

Contributions

Pension benefits

How does the defined benefit section of the Plan work?

Your pension from the Plan is based on your final pensionable salary and your pensionable service. You pay 3% of your contribution salary each month to the Plan and GSK meets the rest of the cost of providing your pension. You can make Additional Voluntary Contributions in order to build up extra pension benefits.

When can I retire?

Normal Retirement Date is the 1st of the month on or immediately following your 65th birthday.

However, you can retire at any time between age 55 and age 75.

Contributions

How much does GSK contribute?

GSK meets most of the cost of providing your pension.

How much do I contribute?

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You contribute 3% of your contribution salary each month towards your pension. If you wish, you can make AVCs in order to build up extra pension savings, which you can use to provide additional pension benefits when you retire.

Can I contribute my annual Bonus?

Yes, you can contribute some or all of your bonus to the Plan (as Additional Voluntary Contributions) or to the Legal & General Self Invested Personal Pension, in order to build up extra pension savings. You will be sent information on how to do this each year.

What can I do if I wish to save more towards my pension?

You can make Additional Voluntary Contributions (AVCs) to the Plan and/or contribute to another pension arrangement, such as the Legal & General Self Invested Personal Pension, in order to build up extra pension savings.

Is there a limit to how much I can contribute?

There is no limit to how much you can contribute towards your pension each year. You can contribute up to 50% of your salary to the Plan (including your core contributions and AVCs) each month through Payroll, and as much as you wish to another pension arrangement, such as the Legal & General Self Invested Personal Pension.

You save income tax and National Insurance on your contributions (to all pension arrangements) up to the lower of 100% of your earnings or the Annual Allowance. A lower Money Purchase Annual Allowance applies to future DC and AVC contributions once you have taken your DC pension savings (including AVCs) 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 SB Pension Plan helpline.

Pension benefits

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

You can monitor your estimated retirement benefits from the Plan via your TotalReward Statement. This also provides an illustration of your projected AVCs 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 required level of pension benefits

What pension benefits will I receive at retirement?

You will receive a pension based on your Final Pensionable Salary and pensionable service; a spouse's pension of 50% your pension before any reduction for tax free cash, payable from your death in retirement; plus if you die within 5 years of retirement, a cash sum equal to the outstanding five years' pension, less any spouse's pension. You can exchange some of your pension for tax-free cash. You can also take any Additional Voluntary Contributions (AVCs) that you have built up as tax-free cash (subject to HMRC limits) or use your AVCs to provide additional pension benefits from a choice of retirement options.

What if I work part-time?

If you work part-time, you enjoy access to the same benefits as a full-time employee. For any period of defined benefit service, your pension builds up on a pro-rata basis. In determining the pension payable, an equivalent full-time Final Pensionable Salary is calculated, by increasing actual earnings in line with the ratio of full-time hours to the hours actually worked. Your Pensionable Service is then reduced pro rata.

Do I pay tax on my pension benefits?

Yes. You will pay income tax at your marginal rate on your pension benefits (except for any tax-free cash you take).

How is my pension paid?

Your pension will be paid monthly in advance 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.

Will my pension in payment be increased annually?

Your pension and your spouse's and children's pensions in payment will in increased annually as follows:

- **For service before 6 April 1997:** The GMP element of your pension will be increased in line with statutory requirements. The non-GMP element will be increased by the lower of 3% or the increase in the Retail Price Index
- **For service after 5 April 1997:** Your pension will be increased in line with the increase in the Retail Price Index, up to 5%

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

Pension wise

The Government has introduced a free, impartial pension guidance service for members approaching retirement, to understand the options for their DC benefits (including AVCs). 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 8pm, Monday to Friday

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

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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 AVCs in retirement. 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 SB Pension Plan.

See important definitions.

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

SB Pension Plan (defined benefit section)

I have a baby / adopt a child

The benefits you are entitled to as a member of the Plan will normally be unaffected while you are on maternity/adoption/surrogacy/shared parental leave.

Your contributions will be based on the actual pay you receive, but your pension benefits will be based on your full pensionable salary as if you were working normally.

I am unable to work due to illness

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If you retire early due to ill health, with GSK's consent, you will receive an immediate pension based on your pensionable service to normal retirement date and your final pensionable salary at early retirement, with no reduction for early retirement. You will need to provide the Trustee with satisfactory medical evidence.

You will continue to be eligible for death in service benefits while you are on sick leave.

I go on sabbatical / unpaid leave

Your membership of the Plan will normally continue while you are on unpaid leave for up to six months. If you are on unpaid leave for more than six months, your membership may be suspended with GSK's consent.

Your contributions will be based on the actual pay you receive, but your pension benefits will be based on your full pensionable salary as if you were working normally.

I transfer to another job

If you transfer to another GSK job within the UK, your participation in the 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.

I am promoted to a higher grade

Your participation in the Plan will not be affected. If you are promoted to grade 3 or above, you can join the GSK Pension Plan (Executive Section) if you wish.

I resign / get dismissed

Your membership in the Plan will stop on your last day of employment with GSK.

If you resign, or get dismissed, a deferred pension based on your Final Pensionable Salary and pensionable service on your last day of employment will be payable when you reach your normal retirement date. Your deferred pension will be increased according to statutory requirements. The pension in deferment will increase in line with the Consumer Price Index and capped at 5% for pension accrued up to 5 April 2009, and capped at 2.5% for pension accrued post 6 April 2009. If you die before taking your deferred pension, benefits similar to those payable for death after retirement will be paid, but the cash sum will be limited to a refund of your contributions.

You can elect to take your deferred pension from age 55, but it will be subject to an actuarial reduction if you retire before your normal retirement age. Full details can be obtained from the Plan administrator.

Alternatively, you can request the transfer of a cash amount equivalent to the value of your pension benefits to another pension arrangement.

I retire / am made redundant

If you are made redundant over age 45, there may be additional pension benefits depending on when you joined GSK. For more information, please refer to the current UK Redundancy Policy.

If you retire from active service before age 60, your pension will be reduced by 4% for each year before age 60 that you retire. This reduction may be waived by GSK if you retire early due to ill health.

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I die in service

The following pension benefits will be payable:

- A cash sum equal to 3 times your life assurance salary (annual salary at the date of your death), payable to your nominated beneficiaries
- A refund of your contributions (under current legislation, these are normally paid tax-free)
- A spouse's pension equal to 50% of your prospective pension, payable for life
- A pension for each of your eligible children (up to a maximum of 4) equal to 12.5% of your prospective pension, payable to age 18 or age 23 if in full-time education

Pension payments are guaranteed for five years from the date of retirement. If death occurs within this period, a lump sum will be payable. This represents the balance of five years' guaranteed pension payments, less any other spouse's, dependants' and/or children's pensions payable due in the five-year period.

If you are not married, the equivalent spouse's pension may be divided amongst your eligible children or other dependants, at the Trustee's discretion.

Nomination of beneficiaries

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 Willis Towers Watson website homepage under the Death Nomination Details tab. Alternatively, contact Willis Towers Watson on 01737 227 563 and ask for a Nomination of Beneficiaries form to be sent to you. Please return your original completed form to Willis Towers Watson at the address below.

Who to contact

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

If you have a question about your personal account in the SB Pension Plan, call the Plan helpline on 01737 227 563, or email GSKpensions@willistowerswatson.com.

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