

# SELEX

## Pension Scheme

21 June 2006

**The trustee and the company have jointly issued the following statement. It should be read by members of the 2000 Section who are considering drawing their pension from the BAE Systems 2000 Pension Plan while continuing to earn pension in the SELEX Pension Scheme.**

We have been informed by the trustees of the BAE Systems 2000 Pension Plan that the rules of that scheme have been amended to provide that if a member wishes, he may draw his pension from the BAE Systems 2000 Pension Plan whilst he continues to earn pension in the SELEX Pension Scheme provided that he has attained age 50 (or 55 from 6 April 2010). This change has only been possible as a result of changes in the tax rules governing pension schemes from 6 April 2006.

The change to the BAE Systems 2000 Pension Plan means that members of the 2000 Section of the SELEX Pension Scheme may draw their BAE pension benefits whilst still working for SELEX and earning benefits within the SELEX Pension Scheme.

The SELEX Pension Scheme was designed to provide benefits linked to pensionable service in both the BAE Systems 2000 Pension Plan and the SELEX Pension Scheme. The pension from the BAE Systems 2000 Pension Plan is deducted when calculating the pension from the SELEX Pension Scheme. It was the intention that pensions would be drawn at the same time from both schemes. The trustee of the SELEX Pension Scheme and the company would like to recommend to any member who is considering drawing a pension from the BAE Systems 2000 Pension Plan whilst continuing to earn pension in the SELEX Pension Scheme to take independent financial advice as this may have an impact on the amount of pension available from each scheme. By drawing the pensions at different times a member may receive different benefits than if both pensions are taken together.

Members should note that if they draw their pension from the BAE Systems 2000 Pension Plan while continuing to earn pension in the SELEX Pension Scheme, the BAE Systems pension will be reduced for early payment on cost neutral terms. Currently, if a member retires from active service and draws his pension from the BAE Systems 2000 Pension Plan at the same time as the pension from the SELEX Pension Scheme, the BAE Systems pension will be reduced for early payment on enhanced terms.

NOTE: This announcement is not issued by or on behalf of the BAE Systems 2000 Pension Plan. For further information about the BAE Systems 2000 Pension Plan or if you wish to take your BAE pension now, you should contact the BAE Systems advisers at Xchanging on telephone 01772 677200 or email [fulwood.pensions@hr.xchanging.com](mailto:fulwood.pensions@hr.xchanging.com).

NOTE: This announcement does not apply to members in the Main Section and 100+ Section. A separate announcement has been issued in relation to the Main Section and 100+ Section.