LEONARDO

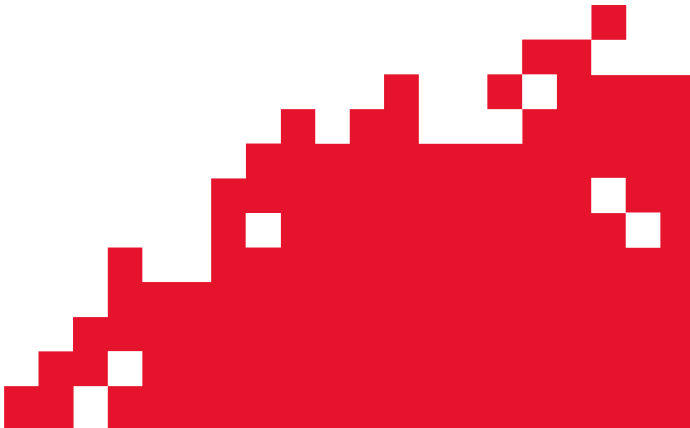
ELECTRONICS
Pension Scheme

LEONARDO ELECTRONICS
PENSION SCHEME

MEMBER BOOKLET

100+ SECTION

FOR MEMBERS EMPLOYED AS AT 6 APRIL 2024



MARCH 2025 EDITION

LEONARDO ELECTRONICS PENSION SCHEME

100+ SECTION BOOKLET

FOR MEMBERS EMPLOYED AS AT 6 APRIL 2024

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Introduction

Leonardo FuturePlanner and the Leonardo Electronics Pension Scheme (the 'Scheme') are part of the valuable benefits package that the Leonardo Group provides to eligible UK employees. The Group recognises that you are a key part of its future success and in return wants to provide benefits which will make a difference to your future.

New pension benefits build up for all Leonardo employees through membership of a defined contribution scheme; Leonardo FuturePlanner. This booklet includes some references to the benefits payable from FuturePlanner but for full information about how you can save for retirement please visit **www.futureplanner.co.uk**, including the separate Member Booklet.

Up until 5 April 2024 pension benefits for some employees built up in defined benefit schemes, including the 100+ Section of the Leonardo Electronics Pension Scheme which is covered by this booklet. These benefits are now deferred and protected for members of the Scheme. In particular there are certain enhanced benefits while you still work for Leonardo UK as an Employed Deferred Member. The benefits are explained in more detail in the booklet, but, briefly, the Scheme will provide you with a pension in retirement, an option to take a tax-free cash sum and a pension for your spouse or civil partner following your death.

You should note that this booklet is intended as a guide and is not a legal document. **If there is any conflict between the booklet and the Rules of the Scheme, the Rules will prevail**. If you are uncertain about what Section of the Scheme you are a member of please contact XPS.

Your benefits are also subject to limits and allowances associated with the requirements of HM Revenue and Customs. Whilst we have tried to provide a helpful summary of the tax regime applicable to pensions in this booklet, we cannot take any responsibility for individual financial or tax planning decisions you may take. You should take independent financial advice if you are in any doubt about your personal financial or tax position.

Please also note that this booklet is based on our understanding of tax and pensions legislation as at 6 April 2024. This legislation, including the limits applicable for tax purposes, may change. This booklet sets out the benefits for Members in Pensionable Service on 5 April 2024. If you left the Scheme before this date, this booklet is not applicable to you.

Further information

The Scheme has a website – **www.lepensions.co.uk** – which provides lots more information about the Scheme, including guides and modelling tools.

If you wish to discuss a pensions matter please contact the Scheme's administrator, XPS:

- Telephone: 0117 440 2491
- Email: **leps@xpsgroup.com**
- Write to: Leonardo Electronics Pension Scheme, XPS Administration, PO Box 562, Middlesbrough TS1 9JA.

Alternatively, you can contact the Pensions Management team:

- Email: **pensions@leonardo.com**
- Write to: Leonardo Helicopters Pension Scheme, Box 205, Lysander Road, Yeovil BA20 2YB.

Definitions

Throughout this booklet there are certain words and phrases which have special meanings and these are defined below:

'Beneficiaries' are your spouse, civil partner, your parents, grandparents and your spouse's or civil partner's parents, grandparents and their descendants (including adopted persons and step children) and the spouses, civil partners, widows and widowers of those descendants, your Dependants or former Dependants (see definition below), any person with an interest in your estate, any person whose maintenance or education you have contributed to, and any person nominated by you in writing to the Trustee.

'Block 1' means your pension attributable to your Pensionable Service up to 5 April 2016.

'Company' means Leonardo UK Ltd as the current principal employer of the Scheme.

'Deferred Member' means a member of the Scheme who has left employment with the Employer but has not yet claimed their pension.

'Dependant' is your spouse, civil partner or child under the age of 18 or any person who is financially dependent on you at the time of your death. This includes anyone who shares living expenses with, or receives financial support from, you and whose standard of living would be affected by the loss of your support. A child between 18 and 23 is considered a Dependant if he or she is in full-time education or vocational training, as is any child if in the opinion of the Trustee the child is not capable of supporting him or herself. The Trustee's decision as to whether someone is your Dependant is final.

'Earnings Cap' means the limit set by the Company and the Trustee on the pay that counts towards calculating your benefits and contributions if your Pensionable Service started on or after 1 June 1989. The current Earnings Cap is £204,600 (2023/24 tax year).

'Employed Deferred Member' means a member of the Scheme who remains in employment with the Employer.

'FuturePlanner' means Leonardo FuturePlanner which is the plan made available by the Employer to provide future service benefits to all of its employees.

'Index' means the Consumer Prices Index (CPI) or any other suitable index chosen by the Trustee with the consent of the Company.

'Ill Health' means permanent physical or mental deterioration in health which in the opinion of the Company and the Trustee, on the basis of medical evidence from a registered medical practitioner, prevents you from following your normal employment and seriously impairs your earning capacity for the foreseeable future.

'Normal Retirement Date' means the first day of the month following or coincident with your 65th birthday. For simplicity, we have referenced 'age 65' in this booklet.

'Pensionable Salary' means your basic pay and any permanent shift allowance received in the Scheme Year. If your Pensionable Service started on or after 1 June 1989, your Pensionable Salary cannot exceed the Earnings Cap. The Company's decision as to whether any aspect of your remuneration is pensionable is final.

'Pensionable Service' means your service after joining the Scheme during which you have (or are deemed to have) paid contributions to the Scheme. For the purpose of calculating Block 1 only it includes pensionable service under the BAE Systems Pension Scheme (100+ Section).

'Retirement Account' means the top up part of your pension provided by 2% of your Pensionable Salary paid by the Company up to 5 April 2024. The benefits provided will be determined by the value of the Retirement Account at the time when it is drawn.

'Scheme' means the Leonardo Electronics Pension Scheme.

'Scheme Actuary' means an actuary who is a Fellow of the Institute and Faculty of Actuaries and who has been appointed by the Trustee to be the Scheme Actuary.

'Scheme Year' means a year ending on 5 April.

'Service' means employment with the Company or any other employer participating in the Scheme.

'Smart' means the option for your contribution to be made by salary sacrifice rather than deduction from salary.

'State Pension Age' means age 66 (unless you were born before 6 October 1954, in which case your State Pension Age will be younger). It will rise to 67 between 2026 and 2028 and to 68 in accordance with announcements made by the Government.

'Trustee' means Leonardo Pension Schemes (Trustee) Ltd.

Membership

Membership of the Scheme was available from 29 April 2005 with the first members being transferees from the then BAE Systems Group pension arrangements.

The Scheme provides a defined benefit pension with the amount payable being based on a proportion of Pensionable Salary for each year of Pensionable Service, plus a defined contribution Retirement Account (see page 7).

The Scheme was closed to new entrants from April 2009 when Leonardo FuturePlanner was introduced as the arrangement for new employees.

The Scheme closed to future accrual on 5 April 2024. Those in Pensionable Service at that date became Employed Deferred Members with certain protected benefits.

Retirement Account

Your Retirement Account is a benefit to top up your core pension.

The Account will contain the contribution of 2% of your Pensionable Salary paid by the Company (2% of basic salary prior to 6 April 2016, 2% of basic salary plus permanent shift pay between 6 April 2016 and 5 April 2024 together with any historic 'additional basic contributions' you paid prior to 1 December 2009). The benefits provided from the Retirement Account will be determined by its value at the time when it is drawn.

Your Retirement Account is held in units in investment funds offered by Mobius Life. You may choose which investment funds are used, from a range of options selected for you by the Trustee with the help of Schroders Solutions. If you did not make a decision, the Trustee will have chosen the default investment option for you.

When you come to retire your Retirement Account may be used to:

- pay a lump sum to you when your core pension starts; and/or
- provide an additional income to you.

If you would like a lump sum it may be possible for part of this to be tax free within the 25% of the total value of your benefits which can be taken as a 'Pension Commencement Lump Sum'.

If you would like an income when you retire this could be through:

- a guaranteed income, known as an annuity, which is provided outside the Scheme by a third party such as an insurance company; and/or
- a drawdown product, through which the Retirement Account is transferred to a third party provider and you are able to draw regular sums from it. The income is not guaranteed since it depends on investment returns and the rate at which you make withdrawals.

The value of your Retirement Account would also be available to your Beneficiaries as a lump sum if you die before your retirement.

For further information about the investment options available and how your Retirement Account may be used please read the Retirement Account Guide which is available from the Scheme's administrator (see page 3 for contact details) or can be downloaded from **www.lepensions.co.uk**.

You should note that the value of your Retirement Account could go up or down depending upon your investment returns. It is therefore possible to get back less than the amount that has been paid in.

Normal retirement

Employed Deferred Members who remain in Service until their Normal Retirement Date (age 65) will receive an immediate pension payable for life.

Your core pension is made up of 'blocks' and 'revaluation' as explained below:

Blocks
The blocks reflect the different ways pensions have been calculated over time.

Block 1 (Pensionable Service prior to 6 April 2016)
Your first block is the value of your pension at 5 April 2016 plus, for those who were previously in the 100+ section of the BAE Systems Pension Scheme, a transitional uplift (where applicable to you).

Previously, for those who were active members of the BAE Systems Scheme on 29 April 2005, the Scheme rules provided benefits using a formula which was based on your Pensionable Salary and Pensionable Service with both the Company and BAE Systems, less a deduction, broadly equivalent to the value of your deferred pension in the BAE Systems arrangements. Block 1 consists of the pension you have built up under these prior rules on 5 April 2016 but with a transitional uplift which is calculated as if you are guaranteed to receive future salary increases of 1% above inflation (CPI) until your Normal Retirement Date.

For those who joined the Leonardo Electronics Pension Scheme from 1 May 2005 onwards Block 1 consists of the pension you have built up based on Pensionable Salary and Pensionable Service with the Company.

You will have received a Block 1 Statement which confirms the amount of your pension as at 5 April 2016. Please refer to this Statement and the 'Guide to Block 1', available on the Scheme website – **www.lepensions.co.uk** – if you would like more information about the previous formula.

Blocks 2 to 9
For each Scheme Year (or part year) that you are an active member of the Scheme from 6 April 2016 to 5 April 2024, you built up a 'block' of pension equal to 1/100th of your Pensionable Salary earned during that Scheme Year.

If you participated in Buy Up, your accrual rate will be higher (see page 12).

Revaluation
The 'blocks' will be revalued each 5 April (after the Scheme Year in which they were earned) by 1% above inflation (as measured by an Index) up to a maximum of 6% for so long as you remain in Pensionable Service.

If inflation is negative by more than 1% your pension would not reduce in value. No part revaluation is applied if you cease to be in Pensionable Service during the year.

The top up benefit provided from your Retirement Account will be in addition to your core pension.

There are guarantees which provide that your pension will never be less than the pension you would have been entitled to if you left Service on 5 April 2016 or on 5 April 2024.

The Trustee will provide you with a Statement of the total pension you have accrued based on the formulae described above. You can also find more information on the value of your pension at **www.MyPension.com/LEPS** Pension benefits you may have built up from membership of FuturePlanner would be payable in addition.

Late retirement

If you remain in Service as an Employed Deferred Member after age 65 your pension will be calculated as if you had left on your Normal Retirement Date and will then be increased for late payment on a basis determined by the Trustee after considering advice from the Scheme Actuary.

The top up benefit provided from your Retirement Account will be provided at retirement in addition to your core pension.

If you stay in Service after age 75 you will be treated for all purposes of the Scheme as having left on reaching that age.

Pension benefits you may have built up from membership of FuturePlanner would be payable in addition.

Early retirement

If you leave Service as an Employed Deferred Member after reaching age 55 (moving to 57 on 6 April 2028), you may choose an immediate pension (if the Trustee and Company consent).

You must give the notice of termination of employment to the Company that is required in your contract of employment. Alternatively, you can ask the Company and Trustee if a shorter notice period is acceptable.

The core pension on early retirement will be based on the blocks of pension and revaluation (as described on page 8) accrued up to your early retirement date and then reduced for early payment (to take into account the extra years over which your pension will be paid).

The reduction will be on a basis determined by the Trustee (and agreed with the Company) based on actuarial advice.

The top up benefit provided from your Retirement Account will be in addition to your core pension.

Details of the option to give up part of your pension in exchange for a cash sum (usually tax free) are given on page 13.

Pension benefits you may have built up from membership of FuturePlanner would be payable in addition.

Ill Health retirement

If, at any age as an Employed Deferred Member you are suffering from Ill Health you may seek the approval of the Trustee and the Company to retire early.

Ill Health involves a permanent breakdown in your health and to qualify, you would need to meet the criteria defined in the Rules of the Scheme. The Company and the Trustee would review the evidence from a registered medical practitioner and may require you to undergo a medical examination.

The core pension will be calculated on the same basis as your pension on early retirement, except that the Trustee will not reduce your core pension for early payment.

The top up benefit provided from your Retirement Account will be in addition to your core pension.

Until you reach age 65, the Trustee may periodically require evidence of your continued Ill Health. If the Trustee considers that your health has improved, it may reduce or suspend your pension for any period before you reach Normal Retirement Date.

If you wish to consider applying to retire on grounds of Ill Health, please contact your local HR department for further information.

Pension benefits you may have built up from membership of FuturePlanner would be payable in addition.

There may also be a lump sum benefit payable under the income protection scheme provided by the Employer to members of FuturePlanner.

Voluntary savings

Prior to the closure of the Scheme to future accrual on 5 April 2024 there were two ways to pay voluntary contributions to secure extra benefits:

- It was possible to pay **Additional Voluntary Contributions (AVCs)** to secure extra retirement benefits. They were deducted from salary before tax and passed to an external provider for investment so that you were able to accumulate a pot of money in a retirement account in your name (similar to your 100+ Retirement Account). These retirement accounts are effectively the same as those available through FuturePlanner.
- It was possible once each year, under the **Buy Up option**, to opt to pay extra contributions to secure a higher accrual rate so that the 'block' of pension secured for that year was higher than the standard rate.

The benefits described in this booklet exclude any benefits secured by AVC contributions unless otherwise specified.

For more information you can contact XPS or visit the 'Additional Voluntary Contributions' section of the Scheme website – **www.lepensions.co.uk** – where you can find the Guides to each of these options.

If you want to pay further AVCs it is possible to do so through FuturePlanner.

Cash sum option

You may exchange part of your core pension when it is due to start for a cash sum which is payable tax free (under current regulations). The amount of pension payable to your spouse or partner on your death is not affected.

The calculation of the maximum tax-free cash sum is very complex but (in broad terms) up to 25% of the total value of your benefits can be taken in the form of cash.

The amount of your core pension you will need to give up for tax-free cash up to the 25% maximum is determined by the Trustee having taken advice from the Scheme Actuary.

The Trustee is unable to advise you whether it is in your interests to take part of your pension as a lump sum at retirement. You are advised to consult a professional financial adviser before deciding whether to exercise this option.

In addition, you can take 25% of the value of your Retirement Account in FuturePlanner as a tax-free cash sum.

Transfer option

The cash value of your total benefits may be transferred to a new company pension scheme (this may require the agreement of your new employer), to an individual pension arrangement (including a drawdown policy) or a master trust. You can choose this option at retirement rather than take benefits from the Scheme. It would extinguish all your rights within the Scheme.

Please see page 17 for more details about the transfer option.

Pension increases

Once your pension is in payment, it will increase each year on 1 May (or on such other date as may be decided by the Trustee).

The increase will be in line with the annual increase in the Retail Prices Index for the prior January, subject to a maximum increase. This maximum is 5% in any year for all pension benefits accrued prior to 6 April 2006 and 2.5% for benefits accrued on or after 6 April 2006.

Proportionate increases are given in the first year of retirement relative to the number of complete months for which you received your pension.

Pension increases also apply to spouse's, civil partner's, partner's and Dependant's pensions when in payment.

Increases are determined by reference to the pension you receive. Pension exchanged for a cash sum or any other option at retirement is excluded.

You will be advised in writing of how your pension will increase each year.

Pension increases apply to your core pension benefits and those secured by participating in the Buy Up option. If you use your Retirement Account or any AVC fund to purchase a pension with a pension provider, different increases will apply depending on the options you choose at retirement.

Payment of pension

Pensions are payable monthly in advance on the first working day of each month. They are paid for life from the date of retirement and are subject to tax under PAYE.

Your first instalment of pension may include an amount covering the period from the date of your retirement up to the end of that month.

All pensions are paid by credit transfers to a bank or building society account.

Please make sure you keep XPS informed of any change of address or account details during retirement. If you fail to do so it may mean that your pension is suspended for a period.

If you live outside the UK, the Trustee may ask you to verify your existence each year.

The Trustee reserves the right to reclaim from your estate any overpayments of pension following your death.

Leaving Service

Deferred pension

If you leave Service before age 65 and have not drawn your benefits, your status would change from being an Employed Deferred Member to a Deferred Member.

The deferred core pension is based on the blocks of pension and revaluation (as described on page 8) accrued at your leaving date.

The deferred core pension receives increases between leaving Service and the date it comes into payment or age 65 if earlier (known as revaluation). The rate of increase is in line with statutory requirements which are based on the percentage rise in inflation over that period (currently measured by the Consumer Prices Index). For benefits accrued prior to 6 April 2009 the increase is up to a maximum of 5% per annum compound. For benefits accrued after 5 April 2009 the increase is up to a maximum of 2.5% per annum compound.

Your Retirement Account (and any AVCs) will continue to be invested and achieve investment returns (positive or negative).

Drawing a deferred pension

You may choose to start receiving your deferred pension before age 65 (but not before age 55 (or 57 after 6 April 2028) unless you prove to the satisfaction of the Trustee that you are suffering from Ill Health). Your core pension (after the increase to the date of retirement set out above has been applied) will be reduced at a rate determined by the Trustee (and agreed with the Company) based on actuarial advice to allow for the extra years over which your pension will be paid.

If you retire early the Trustee may decide not to reduce the pension or reduce it by a smaller amount if they are satisfied that you had to retire from employment on grounds of such serious Ill Health that you are permanently unable to undertake the duties you carried out in your last employment with the Company, your pension will not be reduced to take account of the fact it is being paid early.

With the consent of the Trustee, you may choose to start receiving your deferred pension after Normal Retirement Date at any age up to age 75. If your pension starts after Normal Retirement Date, the Trustee will increase it for late payment based on actuarial advice.

The top up benefit provided from your Retirement Account (and any AVCs) will be in addition to your core pension.

Please note that the consent of the Trustee and the Company is required to retire unless you retire at Normal Retirement Date.

When you retire the relevant options such as to apply for a cash sum will be available to you (as described on page 13).

Transfer option

The cash value of your deferred benefits may be transferred to a new company pension scheme (this may require the agreement of your new employer), to an individual pension policy (including a drawdown arrangement) or a master trust. You can choose this option at any time up to a year before your Normal Retirement Date provided you have not started to receive your benefits. Transfer requests received within one year before your Normal Retirement Date, or beyond your Normal Retirement Date, are at the discretion of the Trustee (with the approval of the Company). You should advise your new employer or your personal pension provider if you are interested in the transfer option.

Please note that there are important differences in the nature of the benefits provided in a 'defined benefit' arrangement like the Leonardo Electronics Pension Scheme, and those in 'defined contribution' arrangements, which you would need to consider carefully before taking such a decision. Any member wishing to transfer benefits (valued at £30,000 or more) to a defined contribution arrangement must provide confirmation to the Trustee from a suitably qualified Independent Financial Adviser that they have taken advice.

Cash transfer values are calculated on a basis recommended by the Scheme Actuary. This complies with the relevant statutory requirements and is in compliance with relevant legislation.

The Trustee's liability to pay any benefits in respect of you, under the Scheme, ceases upon payment of the transfer value to your new employer's scheme or to an individual pension policy, and the Trustee cannot be held responsible if the benefits or investment performance of your new scheme or policy fails to match that under the Scheme.

You can ask for a statement of entitlement to the cash amount of your transfer value at any time, although a charge would apply if you request more than one transfer value in a 12 month period.

Both your Retirement Account and AVCs may be transferred out of the Scheme, separately from your core benefits, at any time before they are used to secure retirement benefits.

Death as an Employed Deferred or Deferred Member

Lump sum

On death as an Employed Deferred Member or Deferred Member a lump sum will be payable.

If the death is on or before age 65 and no spouse's pension is payable, the value of your basic contributions to the Scheme (with no interest) will be payable.

If you die after age 65, the lump sum is five years of pension payments as if you started to receive a pension at the date of death (disregarding future increases).

Regardless of your age at death, the lump sum will also include:

- the value of your Retirement Account;
- the value of any voluntary contributions fund under the AVC option; and
- if no spouse's pension is payable, any additional contributions paid under the Buy Up option (with no interest).

The lump sum is payable at the discretion of the Trustee and this means that it is normally free from inheritance tax. The Trustee will choose from one or more of your Beneficiaries which includes your spouse, civil partner, partner, children, parents and other family members.

To assist the Trustee in making its decision you are strongly advised to nominate one or more preferred recipients by completing an Expression of Wish. This can be done online through **www.MyPension.com/LEPS**. Alternatively, this can be obtained from the Scheme website and should be returned to XPS Administration to be held electronically on your personal record.

Although the Trustee is not bound to follow your wishes, any nominations you make can help them in what can be a difficult decision. Please also review and, if necessary, update the Expression of Wish regularly.

If the Trustee cannot pay the lump sum death benefit because you die without leaving any Beneficiaries, no benefit will be payable and instead more assets will form part of the general assets of the Scheme.

If you are also a member of FuturePlanner further lump sum benefits are likely to be payable to you from that plan. You are also strongly advised to complete an Expression of Wish form for FuturePlanner.

Spouse's pension

On death as an Employed Deferred or Deferred Member your spouse would receive a pension equal to 50% of your deferred pension (including increases to date of death as described on pages 8 and 16).

Spouse's lump sum option

Where possible, your spouse will be given the opportunity to commute (exchange) their spouse's pension for an additional lump sum which is currently tax free.

Death in retirement

Lump sum

If you die within five years of retirement a lump sum is due. This is the value of the pension payments which would have been made during the remainder of the five-year period if you had not died (disregarding future increases).

The lump sum is payable to your Beneficiaries at the discretion of the Trustee.

Spouse's pension

Your spouse will receive a pension equal to 50% of your pension at the date of death.

If you gave up any pension at retirement for a cash sum (or under another retirement option), the pension will be calculated as 50% of the amount that would be payable if you had not done so.

If you are in receipt of a pension in respect of your Retirement Account or AVCs this will not be taken into account when calculating the spouse's pension, unless you made provision for this with the provider when you purchased the pension.

Conditions for spouse's pension

Civil partnership/same sex marriage

A civil partner or same sex spouse will be treated in the same way as an opposite sex spouse.

Pension for 'common law partner'

If you do not have a spouse but have a relationship (with a person of the same or opposite sex) which closely resembles marriage, the Trustee may, in its discretion, treat that person as a spouse and pay a pension to them.

If your spouse is not living with you at the date of death and in the opinion of the Trustee the marriage had broken down, the Trustee may reduce or not pay a pension to the spouse. It may instead pay all or part of the spouse's pension to a person whom the Trustee considers had a relationship with you closely resembling marriage.

The Trustee has discretion not to pay the pension where the relationship which gives rise to the pension commenced within six months before your death.

Dependants

If you die leaving one or more Dependants the Trustee may, at its discretion, pay some or all of the spouse's pension to those Dependants. This applies even if there is also a surviving spouse.

If at the date of your death, the Dependant is under age 18 or under age 23 and in full-time education or training the pension will continue for so long as this remains the case. At the Trustee's discretion the pension may continue after those ages if the Trustee considers the Dependant to be in financial hardship.

If a Dependant is an adult the Trustee may reduce, suspend or terminate the pension if in its opinion this is justified in the circumstances.

When a Dependant's pension ceases the Trustee may decide to increase the pension to a spouse or other Dependant of the member.

Divorce

If you are in the process of obtaining a divorce and you believe that any financial settlement arrangement will include pension benefits, you should contact the Scheme administrator.

Communications

You can find more information about the Scheme at **www.lepensions.co.uk**

InFocus

The Trustee will issue you with periodic newsletters (called InFocus) about the Scheme. These will provide information about the latest developments as well as annual summaries of the accounts, the investments and funding position.

Formal documents

You also have a right to see copies of some of the formal documentation that governs the Scheme. This includes:

- the Trust Deed and Rules of the Scheme;
- the Trustee's annual report and accounts;
- the internal dispute resolution procedure;
- the Trustee's statement of investment principles which explains how the Trustee invests the money paid into the Scheme;
- the Trustee's statement of funding principles which sets out the Scheme's funding plan;
- the recovery plan (if any) which explains how any funding deficit is being made up;
- the schedule of contributions which shows how much money is being paid into the Scheme;
- the actuarial valuation report which shows the results of the Scheme Actuary's latest formal investigation of the valuation position;
- the actuarial update (if any) which shows the Scheme Actuary's estimate of the valuation position over the year or years since the last formal investigation.

Some of these documents are accessible from the Scheme's website at **www.lepensions.co.uk**. Alternatively, you can request a copy from the Scheme administrators.

Disputes and Regulators

Internal Dispute Resolution Procedure

If you have a query about your benefits, or any other matter relating to the Scheme, you should contact the Scheme administrator. They will normally be able to help and answer most of your queries.

However, if you have a dispute which is not settled to your satisfaction, you can use the Trustee's Internal Dispute Resolution Procedure (IDRP) to try and resolve the problem. You can also seek help from the Pensions Ombudsman's Early Resolution Service.

You can request a copy of the IDRP from the Scheme administrator, XPS, who can explain how you may make a formal application for your complaint to be considered. Under the procedure, you should submit your application to the Pensions Manager using the address shown in the IDRP documentation.

Once you have completed your application and supplied the required information, the nominated complaints officer will come to a decision regarding your complaint and notify you of the outcome. Normally this will be within four months of receipt of your application.

If you are still dissatisfied, then you may apply within a further six months for the Trustee to reconsider your complaint. Again, the Trustee will normally advise you of its decision within four months of receiving your application.

The Trustee's decision is final and there is no further appeal within the Internal Dispute Resolution Procedure. You may, however, approach the Pensions Ombudsman's Early Resolution Service for advice.

MoneyHelper

MoneyHelper is a free service which provides pension guidance, money guidance and debt advice. These services were previously provided by three separate government entities; The Pensions Advisory Service (TPAS), Pension Wise and the Money Advice Service.

MoneyHelper can assist you and other beneficiaries of occupational pension schemes in connection with pensions queries, including difficulties which you may have failed to resolve with the Trustee or Scheme manager. The contact details are:

Money Helper,
120 Holborn,
London EC1N 2TD

Website: **www.moneyhelper.org.uk**
Telephone: 0800 011 3797

Pensions Ombudsman

Early Resolution Service:

The Pensions Ombudsman's Early Resolution Service is available to assist you and other beneficiaries in connection with any difficulty you have failed to resolve with the Trustee, or to assist with a potential complaint.

Email: **enquiries@pensions-ombudsman.org.uk**
Telephone: 0800 917 4487

Complaints:

The Pensions Ombudsman (TPO) can investigate complaints of fact or law between a scheme member and the scheme authorities and he has power to make a decision which is legally binding on all parties. However, he will normally only intervene after the formal IDRP process has been followed and failed to resolve the dispute. The contact details are:

The Pensions Ombudsman,
10 South Colonnade,
Canary Wharf,
London E14 4PU

Website: **www.pensions-ombudsman.org.uk**
Email: **helpline@pensions-ombudsman.org.uk**
Telephone: 0800 917 4487

Pensions Regulator

The Pensions Regulator was appointed by Parliament as the Regulator for occupational pension schemes to protect the interests of scheme members and their beneficiaries. The Pensions Regulator can intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties and has the power to fine or suspend trustees. Professional advisers are in certain circumstances required to report to the Pensions Regulator if they become aware of a matter in relation to a particular scheme which the Pensions Regulator would want to know about. The contact details are:

Pensions Regulator,
Telecom House,
125 – 135 Preston Road,
Brighton,
East Sussex BN1 6AF

Website: **www.tpr.gov.uk**
Telephone: 0345 600 5666

Pension Tracing Service

Information about the Scheme (including the address at which the Trustee may be contacted) has been given to the Pension Tracing Service who can help individual members keep track of the deferred benefit entitlements they have in previous employers' schemes. The contact details are:

Pension Tracing Service,
Post Handling Site A,
Wolverhampton WV98 1LU

Website: **www.gov.uk/find-pension-contact-details**
Telephone: 0800 731 0193

Pension Wise

understand the options in relation to the increased flexibility of 'defined contribution' benefits (such as your AVC or Retirement Account fund). You should consult Pension Wise, which can be accessed online, by phone or face to face, before making any decisions in relation to how you draw your AVC or Retirement Account fund.

Visit **www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise** for more information, or call 0800 138 3944 to book a free appointment. Pension Wise is a guidance and information service only. Neither the Trustee nor Pension Wise can provide you with advice or recommendations about the best options for you.

Small (but important) print

The Leonardo Electronics Pension Scheme (previously known as the Selex Pension Scheme) was established by Leonardo UK Ltd (then named BAE Systems Avionics Limited) on 4 March 2005. It is set up under trust and administered by the Trustee according to the Rules. This booklet is a broad guide to the Scheme and will always be overruled by the formal Rules if there is any difference between the two documents.

Trustee

The Trustee board consists of Company nominated Trustee Directors (drawn from the Company's management or independent trustees) and member nominated Trustee Directors (chosen from Scheme members, through the Pensions Consultative Committee). The Trustee Directors are equally and jointly responsible for the administration of the Scheme and for the investment of the Scheme's assets.

If you would like to contact the Trustee you can write to Leonardo Electronics Pension Scheme, Box 205, Leonardo, Lysander Road, Yeovil BA20 2YB or email **pensions@leonardo.com**.

Rules

Copies of the Rules can be viewed on request. Please contact the Scheme administrator at the address shown at the front of this booklet. Under the Rules, which contain powers of amendment and termination, any amendment would be subject to the prior agreement of the Trustee and the Company.

Tax regulations

The Scheme complies with statutory requirements governing occupational pension schemes and is registered with HM Revenue & Customs under the Finance Act 2004. There are various HMRC limits on contributions and benefits which enjoy favourable tax treatment.

In particular the Annual Allowance allows you to contribute each year to registered pension schemes in a tax efficient way up to the Annual Allowance (but not exceeding your own relevant earnings for that tax year). The standard Annual Allowance is £60,000 in the 2024/25 tax year but may be lower if you have accessed some of your pension savings flexibly or are a high earner (with the first earnings test being at £200,000). Increases in the value of your savings into the Scheme and any other pension arrangements including FuturePlanner in a pension input period in excess of the Annual Allowance will attract additional tax charges. The pension input period is 6 April – 5 April each year. Unused annual allowance can be carried forward for three years.

Entitlement to benefits

The benefits provided by the Scheme are strictly personal and you cannot assign or charge them.

Discretionary benefits

The Rules of the Scheme also allow the Trustee and the Company to provide additional benefits at their discretion. This includes options available at the discretion of the Trustee to commute pension benefits on grounds of serious ill health or triviality. Where a discretionary benefit is granted at the request of the Company, the Trustee may require the cost of those benefits to be met by the Company based on the advice of the Scheme Actuary.

BAE Systems

Any benefits you have from previous employment with BAE Systems are not covered by this booklet.

For information about BAE Systems benefits please contact Mercer Ltd, Maclaren House, Stretford, Manchester M32 OFP or telephone: 03308 187 282.

Data Protection

The personal data (including any special category personal data – e.g. relating to health or sexual orientation) that you provide (or which is provided on your behalf) will be handled by the Trustee as a data controller, and by its authorised third parties, in accordance with applicable data protection law and as described in the Trustee's Fair Processing Notice, available to view at **www.lepensions.co.uk**

Further information

Please visit the Scheme website – **www.lepensions.co.uk** – to find more information about the Scheme, including guides and online modelling tools.

If you are considering retirement and would like a formal illustration or have any other questions, please contact the Scheme administrators. Their contact details are on page 3 of this booklet.