

2021

Information for Our Retirees

Inside...

Page 2	Welcome
Page 3	Pension Increases
Page 8	Payroll Information
Page 9	Personal Information Updates & Queries
Page 11	In the Event of a Member's Death
Page 13	IBM Information
Page 14	Retiree Statistics
Page 15	Useful Contacts

Welcome to the 2021 edition of the 'Information for Our Retirees' booklet.

We hope you find this booklet useful. It provides information on pay dates and pension increases for the 2021/2022 financial year, along with details on how to update personal information and some interesting retiree statistics.

Recent developments of the IBM Pension Plan ('the Plan')

As you will know from our most recent communication, the Trustee, following a competitive tender process, has entered into an insurance contract with Rothesay Life Plc ("Rothesay"). Under the terms of this contract Rothesay will provide the Trustee with sufficient funds each month to meet part of members' benefits due in accordance with the Plan's governing documentation.

Please be assured that the Trustee remain responsible for the payment of your benefits. There will be no changes to your benefits and, for those of you who are currently receiving a pension, this will continue to be paid in the normal way by Pensions Trust each month.

Transition to XPS

As communicated at the end of 2020, the administration of the DB section of the IBM Pension Plan and the IBM I.T. Solutions Pension Scheme will be moving to XPS Pensions Group ("XPS"). Although the administration is changing, please be assured that your pension payments will not be affected.

More information on the transition and further details will be sent over the coming weeks.

Information on Pension Increases

C, N, E and M Plan members

Increases to C, N, E and M Plan pensions are effective on 6 April each year.

Pre 97 pension

Pension earned before 6 April 1997 (Pre 97 pension) is subject to the guaranteed increases announced in 2006 which remain in force until 2022.

Increases on Pre 97 pension are based on the Retail Price Index (RPI) and are 50% of the increase in the recorded RPI figure for January (with RPI capped at 5%).

Post 97 pension

Pension earned after 5 April 1997 receives Limited Price Indexation (LPI) increases, which are based on the recorded Consumer Price Index (CPI) figure in September each year. The cap on these increases will depend on the period over which the pension was earned. See the table on page 4 for further details.

Additional Voluntary Contributions (AVCs)

Any pension derived from AVCs (and/or Additional **Smart*** Contributions (ASCs) since 2006) will receive an increase (providing you didn't elect a 'Fixed' non-increasing pension at retirement) based on RPI, either at the level that was available at the point you retired or the level that you chose.

The indices for RPI and CPI are published by the Office for National Statistics.

Visit www.ons.gov.uk for further information

What are the percentage increases?

Pension Element	Index and Cap	Month Used for Calculation	Recorded CPI / RPI Figure	Increase
Pre 97 pension	RPI (50% of RPI, with RPI capped at 5%)	January 2021	1.4%	0.7%
Post 97 pension (LPI increases) – Pension earned between 6/4/1997 and 5/4/2005	CPI capped at 5%	September 2020	0.5%	0.5%
Post 05 pension (LPI increases) – Pension earned after 5/4/2005	CPI capped at 2.5%	September 2020	0.5%	0.5%
C Plan – ICI element	RPI capped at 5%	September 2020	1.1%	1.1%
C, N & E Plan pre-97 non GMP (previously discretionary increases)	RPI (50% of RPI, with RPI capped at 5%)	January 2021	1.4%	0.7%
AVC/ASC pension – LPI up to 5%	RPI capped at 5%	September 2020	1.1%	1.1%
AVC/ASC pension – LPI up to 2.5%	RPI capped at 2.5%	September 2020	1.1%	1.1%
AVC/ASC pension – Fixed	N/A	N/A	N/A	N/A

DSL Plan Members

DSL pension

Increases to DSL pensions are effective on 1 April each year. DSL increases are based on the recorded RPI figure for December each year which is published by the Office for National Statistics.

Additional Voluntary Contributions (AVCs)

Any pension derived from AVCs (and/or Additional **Smart*** Contributions (ASCs) since 2006) will receive an increase (providing you didn't elect a 'Fixed' non-increasing pension at retirement) based on RPI, either at the level that was available at the point you retired or the level that you chose.

What are the percentage increases?

Pension Element	Cap	Month used for Calculation	Recorded RPI Figure	Increase
Pension earned before 6/8/2005	5%	December 2020	1.2%	1.2%
Pension earned after 5/8/2005	2.5%	December 2020	1.2%	1.2%
AVC/ASC pension – LPI up to 5%	5%	December 2020	1.2%	1.2%
AVC/ASC pension – LPI up to 2.5%	2.5%	December 2020	1.2%	1.2%
AVC/ASC pension – Fixed	N/A	N/A	N/A	N/A

I Plan Pension

I Plan pension

I Plan increases are based on the recorded RPI figure for September each year which is published by the Office for National Statistics.

Chemsys pension

Increases to Chemsys pensions are at a fixed rate of 5% each year.

Additional Voluntary Contributions (AVCs)

Any pension derived from AVCs (and/or Additional **Smart*** Contributions (ASCs) since 2006) will receive an increase (providing you didn't elect a 'Fixed' non-increasing pension at retirement) based on RPI, either at the level that was available at the point you retired or the level that you chose.

What are the percentage increases?

Pension	Cap	Month used for Calculation	Recorded RPI Figure	Increase
I Plan	5%	September 2020	1.1%	1.1%
I Plan – Chemsys	N/A	N/A	N/A	5%
AVC/ASC pension – RPI up to 5%	5%	September 2020	1.1%	1.1%
AVC/ASC pension – Fixed	N/A	N/A	N/A	N/A

All Plans – Guaranteed Minimum Pension

GMP increases from the IBM pension plans are given from the age of 60 (females) or 65 (males).

For members reaching State Pension Age (SPA) before 6 April 2016

Increases on any GMP that is in payment are either the responsibility of the State or your pension plan depending on when it was earned. Increases from the State are given from your SPA. Please note:

Pre 88 GMP – increases are the sole responsibility of the State and are included with any additional State Pension you are receiving.

Post 88 GMP – increases are paid, up to a maximum of 3% per year, by your IBM pension plan. The increase in CPI above 3% will be included with any additional State Pension that you are receiving.

Please note that you will only receive increases to your GMP from the State where your GMP is lower than the additional State Pension you receive. If there is a period when your GMP exceeds this figure, you will not receive increases on your GMP from the State until such a time when additional State Pension exceeds the GMP.

For members reaching SPA after 5 April 2016

Following the change in the State Pension system on 6/4/2016:

Pre 88 GMP – will not be increased.

Post 88 GMP – increases are paid, up to a maximum of 3% per year, by your IBM pension plan.

You can find out more about SPA, GMP and pension increases in our 'Reaching State Pension Age' booklets. You can download a copy from our website www.smartpensionsuk.co.uk from the *Resources > Retiree Documents and Publications* area, once you have selected your Status and Plan.

Payroll Information

Pension Payment Dates For 2021/2022

April	Tuesday 6 th
May	Thursday 6 th
June	Monday 7 th
July	Tuesday 6 th
August	Friday 6 th
September	Monday 6 th
October	Wednesday 6 th
November	Monday 8 th
December	Monday 6 th
January	Thursday 6 th
February	Monday 7 th
March	Monday 7 th

Pension Payslips

You can access your payment history by using our online **MyPension** service. Details of how to access **MyPension** are on page 10.

Pension Services do not issue pension payslips every month as the net payment doesn't generally vary. Payslips are only issued in the following circumstances:

- If there is a net change greater than £1 in your monthly payment;
- At the start and end of each tax year, i.e. April and March;

- If your tax code changes; or
- If you change your bank or building society account.

All payslips will be sent to your home address and your **MyPension** payment history will be updated.

P60

You can review your P60 history by logging into your **MyPension** account. Pension Services will issue you a paper copy of your P60 by the end of May. Please keep this safe as we cannot supply duplicates.

Do You Have a Query About Your Tax Code?

HM Revenue & Customs (HMRC) require Pension Services to implement any tax coding notices that they issue. If you have any query about your tax code, please contact HMRC directly using the contact information on the back page of this booklet; HMRC won't allow Pension Services to act on your behalf.

Personal Information Updates & Queries

Notifying a Change of Personal Details

You can update your current address and telephone contact details by logging into **MyPension** at www.smartpensionsuk.co.uk/#/page/mypension

To change your name or marital status, please contact Pension Services in writing. You will need to provide your original documentation (e.g. Marriage certificate, Decree Absolute and/or Deed Poll) or a certified copy from a solicitor. When writing, please include the following information about yourself for security:

- Employee Serial Number;
- Date of Birth; and
- National Insurance number.

Moving Home

If you're moving, or have moved recently, as well as providing IBM Pensions Trust with your new details, HMRC require you to notify them directly when you change address. You can do this online using your Personal Tax Account.

Registering for your Personal Tax Account takes only a few minutes

and can be done at www.gov.uk/personal-tax-account.

Change of Bank Account Details

MyPension enables you to view and/or update your bank or building society details for your IBM pension online. You should update your payment details at least ten working days before the next pension payment date to ensure payment is made to your new account. If you opt not to use the **MyPension** facility, you can write to Pension Services with your new details. Please also include your old bank details and the three pieces of security information as detailed in the previous column.

Updating your Email Address for Newly Retired Members

If you have recently retired, please could you ensure that you have updated your email address on **MyPension** to ensure that you continue to receive email notifications when important information becomes available.

Divorce

If you are getting divorced, please contact Pension Services if your pension is to be included in the financial settlement.

Living Overseas

If you are living abroad, or are emigrating, Pension Services can arrange for your pension to be paid in local currency using the WorldLink payment facility offered by Citibank. The charge is currently £2 per month which is deducted from the net pension amount.

If you use WorldLink, your pension will still be paid on the 6th of each month (or next working day) but you should allow up to five working days for the payment to be in your foreign account.

To find out more information about WorldLink, please visit the Pensions Trust website or contact Pension Services.

To reduce the instances of IBM not being informed of the death of a retiree member abroad, members who live abroad will be asked to verify their eligibility to still receive their pension. This exercise is carried out every two years.

MyPension

MyPension is our secure interactive service that allows you to manage your IBM pension online.

MyPension allows you to

- Review or update your beneficiary nomination
- Update your personal details
- Review your annual pension and the last 24 months' pension payments
- View and update bank details
- View P60 history

To register for **MyPension** please go to www.smartpensionsuk.co.uk/register

If you need any help signing up, the **MyPension** helpdesk is available to support you. You can contact the helpdesk on **+44(0)23 9256 4306** or email prodpen@uk.ibm.com.

MyPension isn't designed to remove the personal service you receive from us – it's designed to make your life easier. As always, you can get in touch with Pension Services on **+44 (0)23 9256 8164**.

In the Event of a Member's Death

Who to Contact

When a member dies it is important to let IBM Pensions Trust know as quickly as possible. Please contact the pension's help desk on **+44 (0)23 9256 8164** or email **pensions@uk.ibm.com** to report the death.

Beneficiary Nomination

It is important to review your beneficiary nomination on a regular basis to make sure that it is up to date. In the event of your death, it will be considered by the Trustee when deciding how to allocate discretionary lump sums from the IBM Pension Plan or IT Solutions Pension Scheme. You can update/confirm your beneficiary nomination by using the facility on **MyPension**, or you can contact pension services by email at **pensions@uk.ibm.com** or by phone on **+44(0)23 9256 8164** for a form to complete.

If you are receiving a dependant's pension then you do not need to fill in a beneficiary nomination form.

The Importance of Having a Will

Whilst many people have Wills, there are many people who do not. Not having a Will makes the life of bereaved family members so much more difficult. This is always a distressing time so please consider making a Will if you have not already done so. A Will not only makes settling an estate more straightforward, a copy of a Will is something which the Trustee often needs to request even if there is a recent beneficiary nomination recorded.

Complex Family Circumstances

IBM Pensions Trust has had to investigate some very complex family circumstances so that the Trustee can make an informed decision over who should receive any discretionary death benefits, for example lump sums or dependants' pensions. Complex family circumstances can take a long time to investigate which makes things more difficult and intrusive for those left behind.

If you have a more complex family circumstance such as an estranged spouse or child(ren), or you do not live with your partner, it would help the Trustee to detail your situation and wishes in a letter. The letter would be held on your pension record. In the event of your death, this information is likely to reduce the amount of investigation necessary and would provide a helpful insight into your perspective at the time of writing. If you are supporting someone financially, such as a partner or an elderly relative, this information is also very helpful to the Trustee.

It is important to remember that you cannot require the Trustee to pay a lump sum or pension to a particular individual; however, your wishes will be taken into account in the context of the requirements of the Rules and the Law.

IBM Information

Employee Purchase Programme – Discounts available on Lenovo products

For the most up to date information about Lenovo products, visit the EPP website or call the EPP hotline between the hours of 09:00 and 17:30, Monday to Friday. You can purchase online or, if you prefer, call the support team and the order will be placed on your behalf. If you have any queries, please contact **websupport@lenovo.com** or give them a call.

Sales enquiries: **+44 (0) 1256 741677**

Customer Service enquiries: **+44 (0) 203 014 0095**

Website:

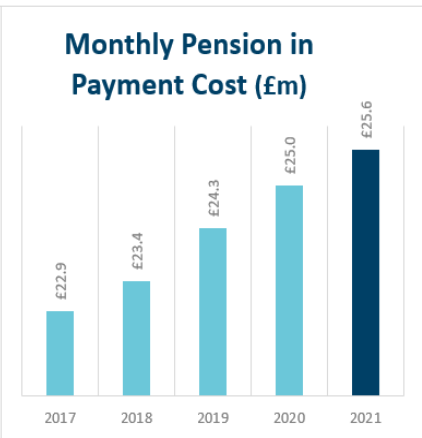
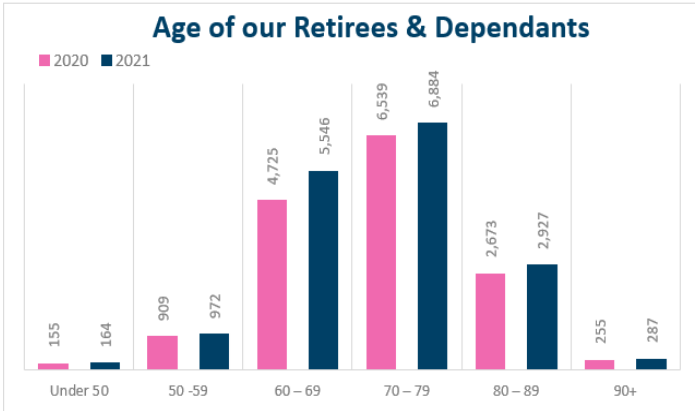
www.lenovo.com/gb/en/gbepp/gatekeeper/showpage?toggle=PasscodeGateKeeper

Passcode: **lenovo2013epp**

IBM Club

The IBM Club provides the opportunity to maintain your network and connect with others through social and cultural activities. Any ex-employee with 10 years of service can join the IBM Club upon attaining minimum pension age regardless of the Pension Plan they are in. If you have reached minimum pension age for your plan and would like to join the IBM Club, email **RetireeClubMembership@uk.ibm.com**. For more information, visit **www.ibmclub.org.uk**.

Retiree Statistics



The data used to produce the charts above is based on figures as at 31 December 2020.

Useful Contacts

Change or query	Who to contact
Pension queries (see page 10 for specific details on personal information updates)	Pension Services IBM United Kingdom Pensions Trust Limited PO Box 41, North Harbour, Portsmouth. PO6 3AU Tel: +44(0)23 9256 8164 Fax: +44(0)23 9256 0962 Email: pensions@uk.ibm.com Internet: www.smartpensionsuk.co.uk
IBM Club	Club Co-ordinator – IBM UK Limited Mailpoint 4000 G HR, North Harbour, Portsmouth, PO6 3AU Tel: +44(0)23 9256 1162 Email: RetireeClubMembership@uk.ibm.com Internet: www.ibmclub.org.uk
Tax queries	Pay As You Earn and Self Assessment HM Revenue and Customs BX9 1AS, United Kingdom Tel: 0300 200 3300 Tel from abroad: +44 135 535 9022
Private medical cover queries – for existing retiree policy holders	Cigna HealthCare IBM helpline number: +44(0)1475 788 720 Email: IBMTeam@cigna.com
IBM shares – ESPP only	For general plan queries: ASK HR Service Centre Tel: 08000 920502 Email: askhr@uk.ibm.com For specific account queries: Computershare Investor Ltd, Computershare USA, IBM Sales Dept, 250 Royall St, Canton MA 2021, USA Tel: 001 781 575 2727 (available from 13:00) Email: ibm@computershare.com
IBM shares – ESPP+ only	For general plan queries: ASK HR Service Centre Email: askhr@uk.ibm.com For specific account queries: Computershare Investor Services PLC PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH Tel: 0370 702 0000 Email: ibm@computershare.co.uk

