Santander (UK) Group Pension Scheme
Amalgamated and Associated Sections

A guide to **your benefits**

Your pension | Your future

Santander

Hello

This guide contains a summary of the benefits that may be payable from the Amalgamated and Associated Sections of the Scheme.

The actual benefits payable to you may be different from those set out in the guide. You can find full details of how the Scheme works in the Trust Deed and Rules, the legal document which governs the Scheme. If there is any inconsistency between the Trust Deed and Rules and this guide, the Trust Deed and Rules will be followed.

Contents

The key features of your Scheme at a glance

As a member of the Scheme you are entitled to the following benefits:

- a retirement pension for life
- the right to a tax-free cash sum in exchange for part of your pension
- a lump sum and a pension for your surviving spouse or civil partner and children if you die while still working for the Santander Group
- a pension if you have to retire through illness
- a pension for your surviving spouse or civil partner and children if you die in retirement or before taking your pension
- the chance to retire early
- the option to transfer your pension to a new employer or personal pension plan

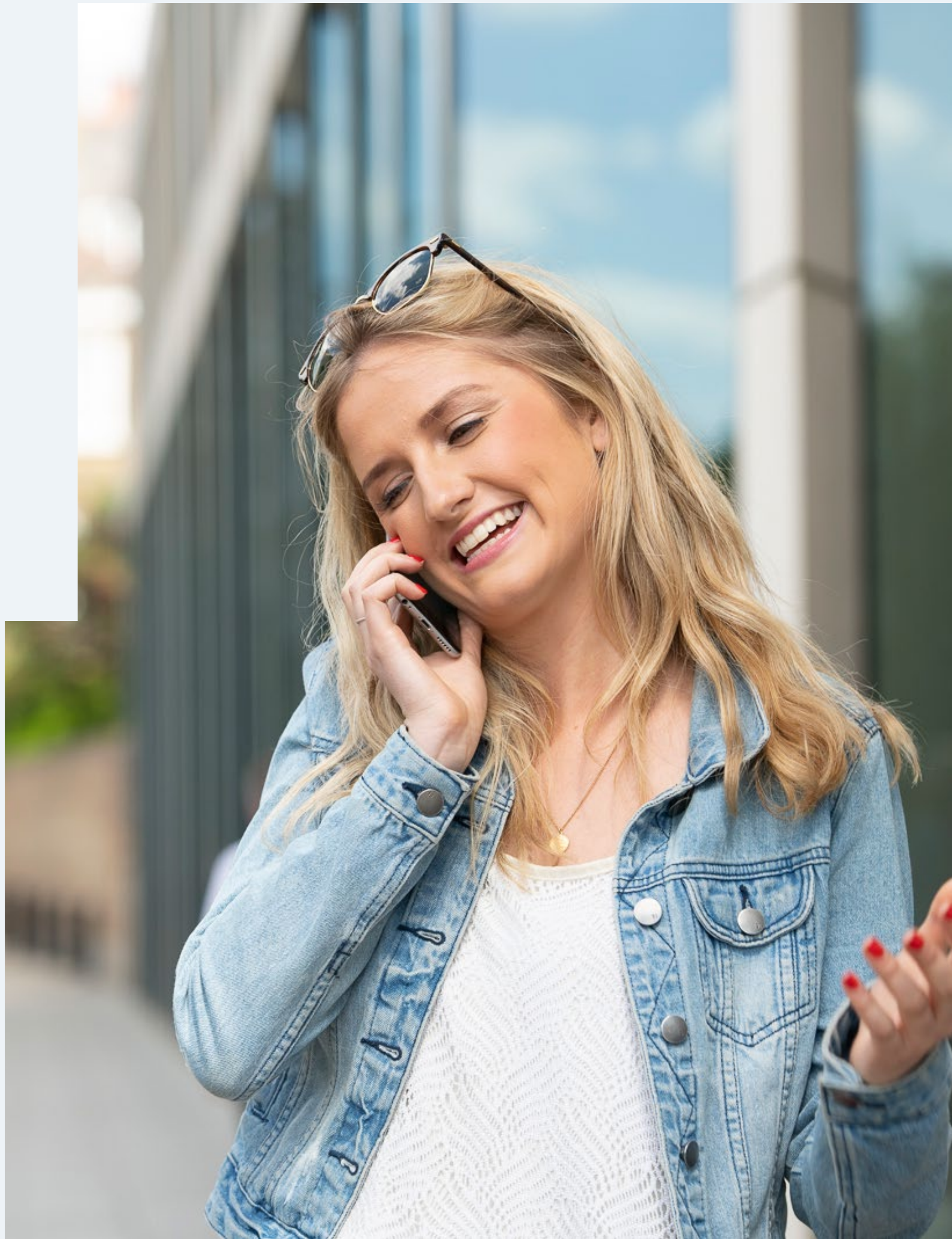
If you have any questions about the Scheme or your benefits, please get in touch with the Scheme's Administrators – they'll be happy to help. You can find their contact details on page 61.

Please note: pensions to spouses, civil partners and children are only payable if you die leaving a spouse, civil partner or children, as defined in the Rules of the Scheme.

Introduction

This guide is for current active members of the Amalgamated Section and Associated Section of the Santander (UK) Group Pension Scheme ('the Scheme').

We've tried to make this guide easy to read and understand, but we've had to use a few technical terms. These appear in **bold** throughout the guide and they are defined under 'Some terms you'll need to know' on page 6.



Some terms you'll need to know

Although we have tried to use simple language in this guide, we have had to use certain terms and expressions that have specific meanings. These terms are shown in **bold** wherever they appear in this guide and their meanings are explained here.

Basic Annual Salary

This is your annual basic salary (plus any other payments the **Company** decides should be included).

For all members, from 2 March 2015 increases to Basic Annual Salary are capped at 1% a year when calculating the benefits, except for the calculation of the lump sum which is payable if you die while in **Pensionable Service**.

For salary sacrifice members, your capped Basic Annual Salary is based on the salary you would be receiving had you not entered into the salary sacrifice arrangement.

Basic Annual Salary (and any other payments the **Company** decides should be included) on 1 March 2015 cannot exceed £145,800 a year for members who joined the predecessor Amalgamated or Associated schemes after 31 May 1989. Basic Annual Salary for those members, for the purposes of working out the death in service lump sum, will be limited to the 'earnings cap' that would have applied (under pre 6 April tax laws) at the date of death.

Company: Santander UK Plc.

Employer: any Employer of the Santander Group which takes part in the Scheme.

Estate: Your property, money and possessions that are assessed for tax purposes on death.

Final Pensionable Salary (FPS) is the greater of either:

- your capped **Basic Annual Salary** during the 12-month period ending on the last day of the month before your retirement, leaving service or death; or
- the highest amount of your capped **Basic Annual Salary** during any of the previous four 12-month periods.

Guaranteed Minimum Pension is the minimum amount of pension that schemes have to pay members in respect of periods of contracted-out **Pensionable Service** between 6 April 1978 and 5 April 1997 (see page 52). If your pension included GMP benefits, these have been converted to non-GMP benefits.

Normal Pension Age

The Normal Pension Age for the Scheme is age 65 for both men and women. It's the normal retirement age for **Pensionable Service** on and after 6 April 2010.

2010 Pension Age

This is the normal retirement age for **Pensionable Service** before 6 April 2010.

Your 2010 Pension Age depends on when you joined your first employer.

- If you entered service before 1 April 1981 it's the anniversary of your joining date that's closest to your 58th birthday.
- If you entered service between 1 April 1981 and 31 May 1989 it's the first day of the month following your 58th birthday.
- If you entered service on or after 1 June 1989 it's the first day of the month following your 60th birthday.

Normal Pension Date is the first day of the month following your 65th birthday for **Pensionable Service** on and after 6 April 2010.

Pensionable Service is the period of continuous service that counts towards your pension. Normally this is the number of years that you've contributed to the Scheme plus any extra years granted because you transferred in benefits from another scheme. Part years of Pensionable Service will count towards your pension. You'll have reached the maximum amount of Pensionable Service when your pension at **Normal Pension Age** is the same as two-thirds of your **Final Pensionable Salary**.

1

Building up **your benefits**

How your pension builds up

You build up pension at the rate of 1/60th of **Final Pensionable Salary** for each year of **Pensionable Service** on or after 6 April 2010.

For your **Pensionable Service** before 6 April 2010, you built up pension at the rate of 1/50th of **Final Pensionable Salary**.

Some members may have a combination of 50ths and 60ths for **Pensionable Service** before 1 July 1986. (For these members, pension was originally built up at the rate of 1/60ths and several opportunities were given over time to change to 1/50ths with a different contribution basis.)

You can't normally build up a pension of more than **two-thirds of your Final Pensionable Salary**.

Please note, as there are additional benefits to being an active member of the Scheme, you will not automatically become a deferred member when you reach the maximum pension benefit threshold. It is up to you to decide if you wish to continue to be an active member of the Scheme when this threshold is reached.

How much you pay

To build up your benefits, you pay 4% of capped **Basic Annual Salary** (plus any other payments the **Company** decides should be included). In return, you are entitled to all of the benefits described in this guide.

If you are a salary sacrifice member, your **Employer** will pay equivalent contributions to the Scheme on your behalf. And you won't have to pay National Insurance on your contributions.

Although you contribute towards the cost of the benefits that the Scheme provides, the **Employers** pay most of the cost.

Please note: the Government limits the amount you can pay into your pension(s) every year through the Annual Allowance (AA). To find out the AA for the current tax year, visit the **government website**.

There also used to be a limit on the amount you could pay into all your pensions during your lifetime called The Lifetime Allowance (LTA). From April 2024, the LTA was abolished.

Boosting your pension

If you want to boost your pension benefits you can, by making additional voluntary contributions (AVCs) to LifeSight, the **Company's** defined contribution scheme. You also have the option to pay contributions into any other personal pension arrangement of your choice.

You can find out more about LifeSight on One HR under the **Rewarding you** section, which contains Plan guides, information on making additional voluntary contributions and other useful factsheets and information.

Please note: you are no longer able to pay additional voluntary contributions (AVCs) to the Scheme, or to transfer benefits into the Scheme from other pension arrangements. However, any AVCs you paid before 6 April 2010, and any transfers of benefits accepted into the Scheme in the past, remain part of your benefits.

2

At retirement

When you can retire

You can take your benefits from the Scheme when you reach 65. This is the **Normal Pension Age** under the Scheme. However, you can, if you want, take your pension early, when you reach your **2010 Pension Age**.

If you want to take your benefits earlier than your **2010 Pension Age** you can, from age 55 onwards, but you'll need your **Employer's** consent. The normal minimum pension age (NMPA) is 55 but will change to 57 from 2028.

It's also possible, after the age of 55, to take your pension benefits while you carry on working. For more information about this option, please get in touch with the Scheme's Administrators.

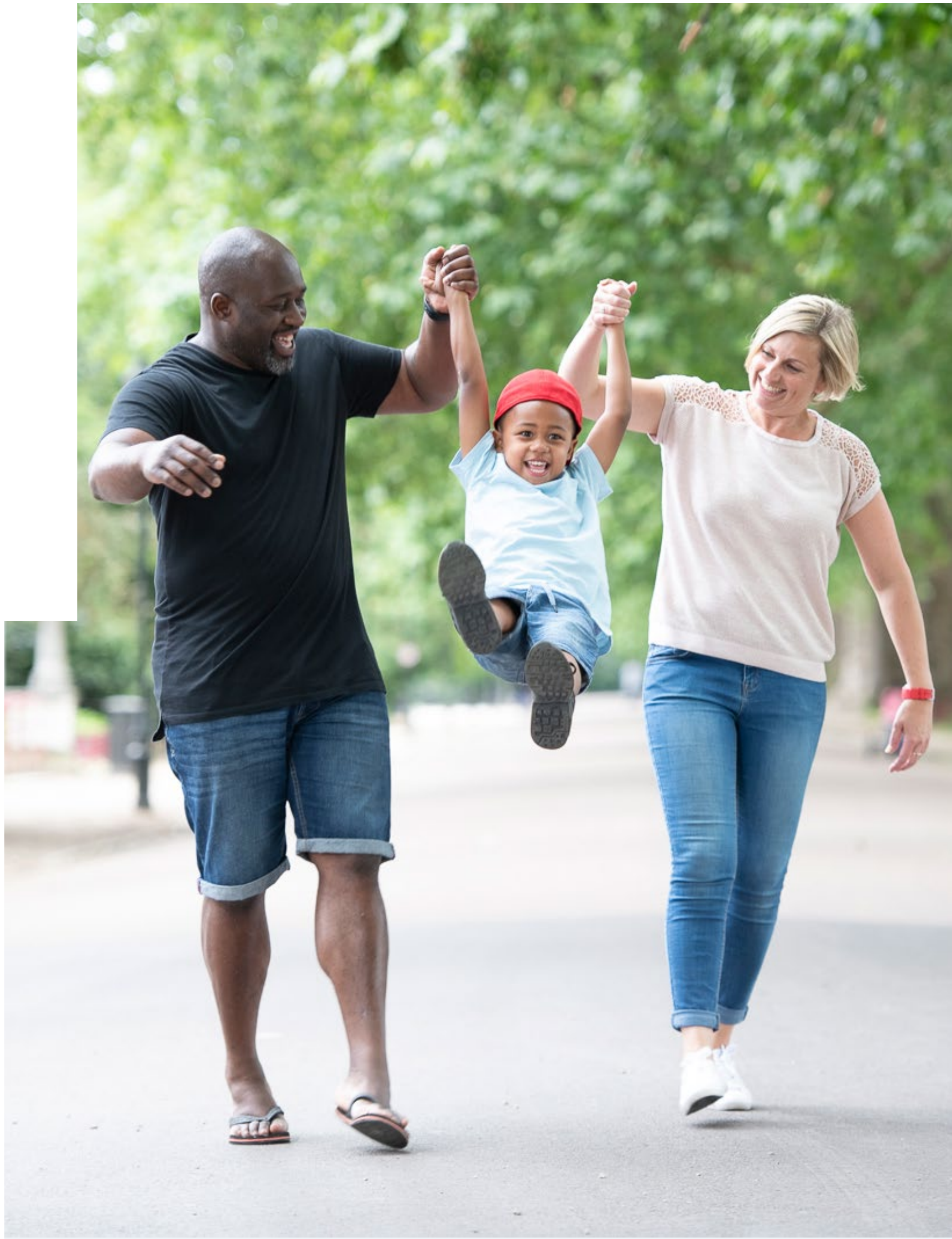
If you want to take your benefits later than your **Normal Pension Age** (age 65) you can, as long as you are still working for one of the **Employers** that participates in the Scheme. In these circumstances you may continue to build up pension in the Scheme.

What you will get

Your benefits give you a pension for life, based on your **Pensionable Service** and your **Final Pensionable Salary**. The pension will increase each year, broadly in line with inflation. You have a once-only option to give up some of your pension for a cash lump sum.

Please note:
For any period of part-time work, you'll be treated as if your Final Pensionable Salary is what you'd have earned if you were full time, but your Pensionable Service will be reduced based on the hours that you work compared to a full-timer.

For more details about your benefits as a part-timer, please get in touch with the Scheme's Administrators.



How your pension is calculated

Retiring at Normal Pension Age

Your pension from the Scheme will normally be paid from age 65.

Because the Scheme's **Normal Pension Age** increased on 6 April 2010, your pension is split into two parts.

- First we work out your pension built up on or after 6 April 2010.
- Then we work out the pension you have built up before 6 April 2010.

We add the results to get your total pension.

Please see the following pages for more details.

If you made Additional Voluntary Contributions (AVCS) to buy extra pension, this is then added to your total pension.

Your total pension

=

post 5 April 2010 pension

+

pre 6 April 2010 pension

How your pension is calculated

Your post 5 April 2010 pension is worked out as follows:

Number of years of **Pensionable Service** on or after 6 April 2010

×

1/60th

of your Final Pensionable Salary

=

Your post 5 April 2010 pension

How your pension is calculated

Your pre 6 April 2010 pension is worked out as follows:

The higher of:

Number of years of **Pensionable Service** before 6 April 2010

×

1/50 of **Final Pensionable Salary** at your **Normal Pension Age**

and

Number of years of **Pensionable Service** before 6 April 2010

×

1/50 of **Final Pensionable Salary** at your **2010 Pension Age**

This pension is increased from your **2010 Pension Age** to your retirement date

=

Your pre 6 April 2010 pension

Example
Let’s look at Della

Della's details

	Up to 5 April 2010	From 6 April 2010
Pensionable Service	10 years	5 years
Retirement age	60 (**2010 Pension Age**)	65 (**Normal Pension Age**)
Final Pensionable Salary (FPS)	£20,000 (at **2010 Pension Age**)	£25,000 (at **Normal Pension Age**)
Accrual rate	1/50th of **FPS**	1/60th of **FPS**

Working out Della's pension

Della's post 6 April 2010 pension is worked out as follows:

Pension built up on or after 6 April 2010:
5 years' **Pensionable Service**

×

1/60th of **Final Pensionable Salary**
(£25,000)

=

Post 5 April 2010 pension of

£2,083 a year

Working out Della's pension

Della's pre 5 April 2010 pension is worked out as follows:

The higher of:

Pension built up before 6 April 2010:
10 years' **Pensionable Service**

×

1/50th of **Final Pensionable Salary**
(£25,000)

= pension of **£5,000** a year

and

Pension built up before 6 April 2010:
10 years' **Pensionable Service**

×

1/50th of **Final Pensionable Salary**
at **2010 Pension Age** (£20,000)

= initial pension of **£4,000** a year

This pension is increased from Della's **2010 Pension Age** to her retirement date of 65 by a late retirement uplift* for each of the five years between her **2010 Pension Age** and her 65th birthday

Pension of

= £5,353 a year

*** The increase applied here may change from time to time.**

Working out Della's pension

Della's total pension

The post 5 April 2010 pension and the higher of the two pre 5 April 2010 pensions are added together to give the total pension.

Post 5 April 2010 pension

£2,083

+

Pre 5 April 2010 pension

£5,353

=

Total pension

£7,436
a year

Please note: Part years as well as full years of **Pensionable Service** count towards your pension.

How your pension is calculated

Retiring early

Your pension is worked out in much the same way as for retiring at **Normal Pension Age**, but the amount will be reduced as set out below. This is because you'll be receiving your pension earlier, so for a longer time.

- Your pre 6 April 2010 pension will be reduced for each year or part year that your retirement is before your **2010 Pension Age**.
- Your post 5 April 2010 will be reduced for each year or part year that your retirement is before age 65.

You must take both parts of your pension at the same time.

To find out more, please get in touch with the Scheme's Administrators.

How your pension is calculated

Retiring late

Your pension when you retire (which must be by age 75) will be based on the higher of:

- your **Pensionable Service** and **Final Pensionable Salary** at retirement

OR

- your **Pensionable Service** on and after 6 April 2010 and your **Final Pensionable Salary** at your **Normal Pension Age**, PLUS a late retirement increase (to reflect the fact that you are retiring after your **Normal Pension Age**)

  PLUS

  your **Pensionable Service** before 6 April 2010 and what would have been your **Final Pensionable Salary** at your **2010 Pension Age**, PLUS a late retirement increase (to reflect the fact that you are retiring after your **2010 Pension Age**).

Whenever you choose to retire

Choosing to take a lump sum

When you come to take your pension you can normally choose to take up to 25% of the value of your total pension benefits as a cash lump sum. The lump sum will be paid free of tax. If you choose this option it means you'll give up part of your pension, so your monthly retirement pension will be smaller.

Full details of exactly how much cash you're able to take, and how much pension you'd have to give up to do so, will be given to you as you approach retirement.

Although your own pension will be reduced if you choose to take a cash sum, the pensions for your partner or dependants will not be affected. These are worked out based on your total pension before any cash is taken.

When you come to retire:

- *If the total value of your pension benefits under the Scheme is less than £10,000, the Trustees may choose to pay your benefits to you as a lump sum.*
- *If the total value of your pension benefits under all registered pension schemes is less than £30,000, the Trustees may be able to pay your benefits to you as a lump sum.*

These figures are the current amounts set the Government. They may change in future.

How your pension increases once in payment

Different increases apply to the different parts of your pension.

On 1 September each year:

- your pre 6 April 2010 pension will be increased either by 5% or the latest published 12-month increase in the Retail Prices Index, whichever is the lower. If your pension included GMP benefits which have been converted to non-GMP benefits, some of your pension may receive different pension increases.
- your post 5 April 2010 pension will be increased either by 2.5% or the latest published 12-month increase in the Retail Prices Index, whichever is the lower.

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Leaving the **Scheme before retirement**

What happens

If you stop working for the Santander group, you'll automatically stop being an active member of the Scheme. You may also opt out of the Scheme while still working for the Santander group, but you must give the Trustees at least one month's notice in writing.

Please note that if you do opt out, you won't be able to rejoin the Scheme at a later date, although you will be able to join LifeSight (see page 10).

When you leave the Scheme you can decide to:

- become a deferred member; that is, you leave your benefits in the Scheme until you retire and start taking a pension
- transfer the cash equivalent of your benefits to another pension arrangement. When you leave the Scheme, you'll be given a summary of your options and, if you want, you can ask for the cash value of your benefits (see 'Transferring benefits' on page 33 for more information).

It's important to remember to tell us if you move house between leaving and retirement, so we know where to get in touch with you with information about your benefits. You can update your details through the member portal. Visit our website, select the 'Login' button and go to See › My Details. It's also important to keep your Expression of Wish form up to date (see page 41 for more information).

What you will get

Your benefits will give you a pension for life, based on your **Pensionable Service** and your **Final Pensionable Salary** at the date you left the Scheme.

The pension will increase each year, broadly in line with inflation, until you come to take it. You'll normally have the option to give up some of your pension for a tax free lump sum. (See 'Choosing a lump sum' on page 23 for more information.) The Scheme's Administrators will write to you within six months of your **Normal Pension Age** to remind you of your benefits and what choices you have.

Please note:

If some of your service was part-time service, this will be treated as shown on page 13.

If you have a small pension, the Trustees may be able to pay your benefits to you as a lump sum (see page 23 for more information).

Once in payment your deferred pension will increase as shown on page 24.

How your pension is calculated

Because the Scheme's **Normal Pension Age** was increased on 6 April 2010, your pension is split into two parts.

- First we work out your pension built up on or after 6 April 2010.
- Then we work out the pension you have built up before 6 April 2010.

We add the results to get your total pension.

Please see the following pages for more details.

If you made Additional Voluntary Contributions (AVCS) to buy extra pension, this is then added to your total pension.

The pension will start to be paid when you reach your **Normal Pension Date**, unless you ask for it to be paid early (you must be at least 55) and the Trustees agree to this (see page 32).

How your pension is calculated

Your post 5 April 2010 pension is worked out as follows:

Number of years of **Pensionable Service** on or after 6 April 2010

×

1/60th

of your **Final Pensionable Salary**

=

Your post 5 April 2010 pension

Increases before retirement

The post 5 April 2010 pension is then increased each year between your leaving date and your retirement date in line with the Retail Prices Index (RPI), up to a maximum of 5% a year.

How your pension is calculated

Your pre 6 April 2010 pension is worked out as follows:

If you leave before your **2010 Pension Age**

Number of years of **Pensionable Service** before 6 April 2010

×

1/50th

of your **Final Pensionable Salary** at your date of leaving

The pension is then increased each year between your leaving date and your 2010 Pension Age in line with the Retail Prices Index (RPI) up to a maximum of 5%. After your 2010 Pension Age, your pension will be increased up to your retirement date, to reflect the fact you are taking this part of your pension late.

If your pension used to include Guaranteed Minimum Pension that was converted, different increases may apply to a part of your pension.

Your total pension

We add your post 5 April 2010 pension to your pre 6 April 2010 pension to give your total pension.

How your pension is calculated

Your pre 6 April 2010 pension is worked out as follows:

If you leave on or after your **2010 Pension Age**

Number of years of **Pensionable Service** before 6 April 2010

×

1/50th

of your **Final Pensionable Salary** at your **2010 Pension Age**

The pension is then increased each year from your 2010 Pension Age up to your retirement date, to reflect the fact you are taking this part of your pension late.

If your pension used to include Guaranteed Minimum Pension that was converted, different increases may apply to a part of your pension.

Your total pension

We add your post 5 April 2010 pension to your pre 6 April 2010 pension to give your total pension.

Taking your deferred pension early

You may retire at your **2010 Pension Age** without the **Company's** or Trustees' consent. If you want to retire before your **2010 Pension Age** (but after you reach age 55), the Trustees have to agree to this, and if you are still working for the Santander Group, you will also need the agreement of the **Company**.

If you retire early your pension will be reduced because you'll be receiving your pension for a longer time. Broadly, the pension will be reduced as follows.

- Your pre 6 April 2010 pension will be reduced for each year or part year before your **2010 Pension Age**.
- Your post 6 April 2010 pension will be reduced for each year or part year before your **Normal Pension Age**.

To find out more or to ask to take your deferred pension early, please get in touch with the Scheme's Administrators.

4

Transferring **your benefits**

Transferring your benefits

Instead of receiving pension benefits from the Scheme, you may be able to take a transfer payment to another approved pension arrangement.

You can use the member portal to obtain an informal, on-the-spot estimate of your current transfer value (the cash equivalent) of your benefits under the Scheme.

To get a formal quotation, please get in touch with the Scheme's Administrators. You can ask for a quotation, at no cost, twice in any 12-month period.

Deciding whether or not to transfer your benefits out of the Scheme can be a difficult decision to make – you need to be sure that it is the right action for you. We strongly recommend that you take independent financial advice before deciding to transfer your benefits out of the Scheme. (Neither the Trustees nor the Scheme's Administrators can give such advice.) You can find out more about choosing an independent financial adviser by going to page 59.

Transferring your benefits

Also, you'll need to take independent financial advice from an adviser authorised by the Financial Conduct Authority (FCA):

- if the transfer value of your pension benefits is greater than £30,000; **and**
- you want to transfer your benefits to a pension arrangement with a view to acquiring a right or entitlement to 'flexible benefits' (meaning defined contribution, money purchase or cash balance benefits).

The Trustees need to see evidence that you've taken such advice, before they can make the transfer payment.

Please ask the Scheme's Administrators for more information if you're thinking about a transfer payment.

Take care!

You may get contacted by organisations encouraging you to think about transferring your benefits before your 55th birthday, offering a promise of cash incentives or loans against your pension assets. For most people, the offers will be bogus and you'll probably lose most, if not all, of your retirement savings. For more information on scams and what to look out for, visit **our website**.

5

Protection for **your family**

If you die while you are in Pensionable Service

If, sadly, you die while still in **Pensionable Service** there'll be help for your loved ones.

Lump sum

A tax-free lump sum death benefit of four times your **Basic Annual Salary** at the date of your death will be paid. For the purpose of calculating this lump sum, your **Basic Annual Salary** will include full salary increases after 1 March 2015.

All contributions you've paid into the Scheme (for salary sacrifice members this includes the contributions you would have paid had you not entered into the salary sacrifice arrangement), plus interest to the date of your death, will also be added to the lump sum.

Pension for your spouse or civil partner

In most cases, if you're married or in a civil partnership when you die, your partner will receive a pension for life from the Scheme.

If you die before your **Normal Pension Date** the amount of the pension will be two thirds of the pension you'd expect to have received at your **Normal Pension Date**. This is reduced to one half if there are two or more children eligible for a child's pension. The pension you'd expect to have received at your **Normal Pension Date** is calculated as if you'd worked until your **Normal Pension Age**, but based on your **Final Pensionable Salary** when you died.

If you die after your **Normal Pension Date** (while still in **Pensionable Service**), the amount of the pension will be two thirds of the pension you would have been entitled to had you retired the day before you died. However, this is reduced to one half if there are two or more children eligible for children's pensions.

The pension is payable monthly from the date of your death and continues for your partner's lifetime. It will broadly increase each year by 5% (or the increase in the Retail Prices Index if lower) for pension earned before 6 April 2010, and by 2.5% (or the increase in RPI if lower) for pension earned on or after 6 April 2010. If your pension included GMP benefits which have been converted to non-GMP benefits, some of your pension may receive different pension increases.

The pension may be less if you've been separated from your partner for more than two years when you die, and there are no children living with or supported by your partner. In these circumstances, the Trustees may reduce the pension to the legal minimum that must be paid to a partner under the rules for contracted-out benefits. If you want to know more about this, please get in touch with the Scheme's Administrators.

If you die while you are in Pensionable Service

Pensions for your children

If you die while in **Pensionable Service**, your children will be eligible to receive children's pensions on your death if they're unmarried and under the age of 18 (or are unmarried and under the age of 23 if they are in full-time education or carrying out an apprenticeship).

If there's only one eligible child, they'll receive a pension of one quarter of the pension you would have received.

If there's more than one eligible child, the Trustees decide which eligible children to pay a pension to, and in what shares. The total amount of the pension payable will depend on whether a pension is payable to a surviving partner.

- If a pension is payable to a surviving partner, the total of the children's pensions will be 50% of your pension.
- If there's no pension payable to a surviving partner, the total of the children's pensions will be:
    - 100% of your pension if there are four or more eligible children
    - 75% of your pension if there are three eligible children
    - 50% of your pension if there are two eligible children.

If you die before your **Normal Pension Date**, your pension will be calculated as if you'd worked until your **Normal Pension Age**, but based on your **Final Pensionable Salary** when you died.

If you die after your **Normal Pension Date** (while still in **Pensionable Service**), your pension will be worked out as if you had retired on the day before you died.

Pension for other dependants

The Trustees can also decide to pay a pension to certain of your relatives or anyone financially dependent on you at the time of your death. The Trustees will decide the amount of the pension and how long it will be paid for.

On your death after retirement

If, sadly, you die within the first five years of your retirement, the Scheme will pay the balance of the first five years of pension payments as a lump sum. However, this would not include any allowance for future pension increases.

Pension for your spouse or civil partner

In most cases, if you're married or in a civil partnership when you die, your partner will receive a pension for life from the Scheme.

The amount of the pension will be two thirds of the pension you were receiving when you died (ignoring any reduction for taking a cash sum at retirement). This is reduced to one half if there are two or more children eligible for children's pensions.

The pension is payable monthly from the date of your death and continues for your partner's lifetime. It will broadly increase each year by 5% (or the increase in the Retail Prices Index if lower) for pension earned before 6 April 2010, and by 2.5% (or the increase in the Retail Prices Index if lower) for pension earned on or after 6 April 2010 onwards. If your pension included GMP benefits which have been converted to non-GMP benefits, some of your pension may receive different pension increases.

If you married or entered into a civil partnership after the date you left **Pensionable Service** and less than six months before you died, the Trustees will only pay the legal minimum that must be paid to a partner under the rules for contracted-out benefits.

The pension may be less you've been separated from your partner for more than two years when you die and there are no children living with or supported by your partner. In these circumstances, the Trustees may decide to pay only the legal minimum payable to a partner under the rules for contracted-out benefits. If you want to know more about this, please get in touch with the Scheme's Administrators.

Pension for your children

Your children will receive a pension on your death in the same way as if you'd died in service (see page 38), but based on the pension you were receiving at your death (ignoring any reduction for taking a cash sum at retirement).

If you die before taking your deferred pension

Lump sum

If you die before your deferred pension comes into payment, a lump sum will be paid equal to the amount of your contributions to the Scheme (for salary sacrifice members, including the contributions you would have paid had you not entered into the salary sacrifice arrangement). Interest on your contributions to the date of your death will be added to the lump sum.

Pension for your spouse or civil partner

In most cases, if you're married or in a civil partnership when you die, your partner will receive a pension for life from the Scheme.

The amount of the pension will be two thirds of the pension you would have received at your **Normal Pension Age**, but this is reduced to one half if there are two or more children eligible for children's pensions.

The pension is payable monthly from the date of your death and continues for your partner's lifetime. It'll broadly increase each year by 5% (or the increase in the Retail Prices Index if lower) for pension earned before 6 April 2010, and by 2.5% (or the increase in the Retail Prices Index if lower) for pension earned on or after 6 April 2010 onwards.

If your pension included GMP benefits which have been converted to non-GMP benefits, some of your pension may receive different pension increases.

If you married or entered into a civil partnership after the date you left **Pensionable Service** and less than six months before you died, only the legal minimum pension under the rules for contracted-out benefits will be payable to your partner. If you've been separated from your partner for more than two years when you die and there are no children living with or supported by your partner, the Trustees may decide to pay only the legal minimum pension payable to a partner under the rules for contracted-out benefits. If you want to know more about this, please get in touch with the Scheme's Administrators.

Pensions for your children

Your children will receive pensions on your death in the same way as if you'd died in service (see above), but based on the pension you would have received at your **Normal Pension Age**.

Telling us your wishes

The Trustees decide who will receive the lump sum and in what proportions. This ensures that the lump sum will not count as part of your estate for inheritance tax purposes and means it can be paid quickly, without waiting for your estate to be settled.

You should let the Trustees know who you'd like to receive the lump sum by completing an Expression of Wish form (also known as a nomination form). The Trustees will take your wishes into account but are not bound to follow them.

It's also important to update your Expression of Wish details whenever your circumstances change – such as marrying, having children, divorcing, or if someone you've nominated dies.

You can make a nomination or update it through the member portal. Visit **our website**, select the **'Login'** button and go to **See > Expression of Wish**. You can also request a form from the Scheme Administrators. You can find the contact details for the Scheme's Administrators on page 61.

6

What **happens if...**

What happens if... you take maternity leave

While on maternity leave you don't have to pay into the Scheme. Your benefits will be worked out as if you'd continued to receive your normal pay. **Pensionable Service** during your leave is affected as set out below.

- Paid maternity leave – you'll be credited with **Pensionable Service** for this period whether or not you return to work.
- Unpaid additional maternity leave – you'll only be credited with **Pensionable Service** for this period if you return to work, even if on a part-time basis. For each month you work on your return, you'll be credited with one month's extra **Pensionable Service** up to a maximum period equal to your unpaid additional maternity leave.

Your death in service benefits will cover you throughout your whole maternity leave. If you don't return to work after maternity leave, you'll be treated as having left the Scheme and your leaving date will be the last day of your paid maternity leave.

What happens if... you take paternity leave

While on paternity leave you don't have to pay into the Scheme. Your paternity leave will count as **Pensionable Service** and your benefits will be worked out as if you'd continued to receive your normal pay.

Your death in service benefits will cover you throughout your paternity leave. If you don't return to work after paternity leave, you'll be treated as having left the Scheme and your leaving date will be the last day of your paternity leave.

What happens if... you take parental or discretionary leave

While on parental or discretionary leave you don't have to pay into the Scheme.

Any period of parental or discretionary leave you take won't count towards your **Pensionable Service**, although your death in service benefits will cover you during such a period. A deduction for the period will be made to your **Pensionable Service** when you retire or leave the Scheme, whichever is earlier.

If you don't return to work after parental or discretionary leave, you'll be treated as having left the Scheme and your leaving date will be the day before your parental or discretionary leave began.

What happens if... you take adoption leave

While on adoption leave you don't have to pay into the Scheme. Only the period of your paid adoption leave will count as **Pensionable Service** and your benefits will be worked out as if you'd continued to receive your normal pay.

Unpaid extra adoption leave will not count towards your **Pensionable Service**, but your death in service benefits will cover you during the whole of your adoption leave. A deduction for any period of unpaid extra adoption leave will be made to your **Pensionable Service** when you retire or leave the Scheme, whichever is earlier.

If you don't return to work after adoption leave, you'll be treated as having left the Scheme and your leaving date will be the last day of your paid adoption leave.

What happens if... you are absent due to illness or injury

If you're absent from work due to an illness or injury, you'll still need to contribute to the Scheme during the period of absence. You may be allowed to suspend your contributions if you're not receiving any pay or receiving only statutory sick pay.

As long as you give satisfactory medical evidence of your illness or injury to the **Company**, the period of absence will count as **Pensionable Service** up to the maximum period of 2.5 years. This can be extended if the **Company** agrees. You'll be covered for death in service benefits during this period. Your benefits may, at the **Company's** discretion, be worked out as if you'd continued to receive your normal pay.

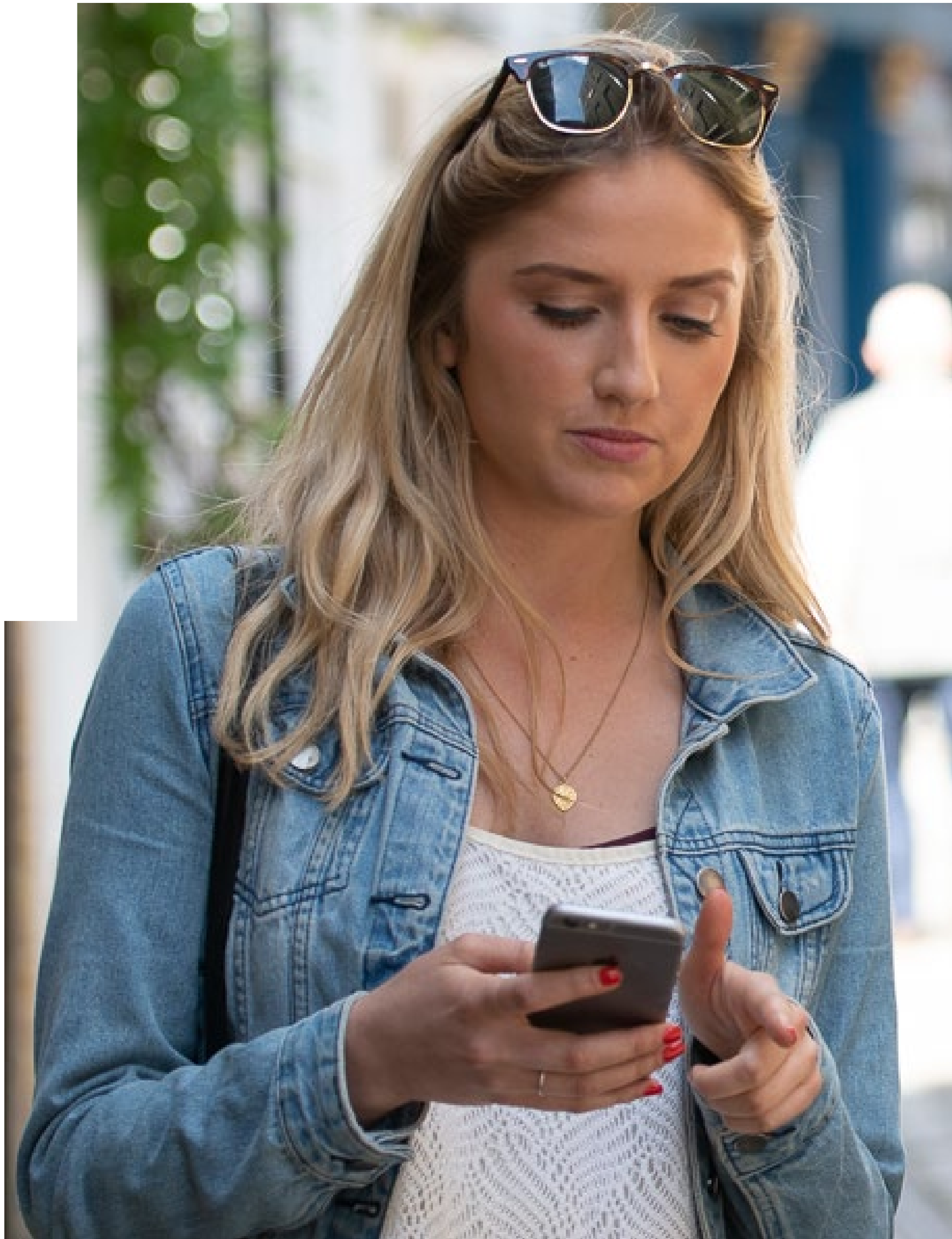
Within 12 months of returning to work, you'll need to pay the contributions that you would have paid during your absence if you had worked normally during that period.

If you don't return to work within the maximum period of 2.5 years (or any extended period agreed by the **Company**), you'll be treated as having left the Scheme and your leaving date will be the last day of the maximum period.

What happens if... you get divorced or your civil partnership ends

In these circumstances, your pension rights and those of your partner may be taken into account as part of a financial settlement.

The court can direct this to be done in several different ways. Please get in touch with the Scheme's Administrators for a factsheet explaining these.



What happens if... you become ill while in Pensionable Service

If you become seriously ill while you're in **Pensionable Service**, you may be able to retire on grounds of ill health and receive an ill-health retirement pension from the Scheme.

Retirement on grounds of ill health and payment of an ill-health retirement pension must be agreed by the Trustees and have the approval of Santander UK plc. The Trustees will need medical evidence when considering an application for ill-health retirement. They'll also ask for further medical evidence of continuing ill health after granting you an ill-health pension. If the Trustees later consider that your health has recovered sufficiently for you to be able to work, they may reduce or suspend your ill-health pension.

In exceptional cases of ill health, it may be possible to pay you a lump sum in place of an ill-health retirement pension.

For more information, please get in touch with the Scheme's Administrators.

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What the **State provides**

The State Pension has changed

The State Pension changed on 6 April 2016. The basic State Pension and the State Second Pension (S2P) were replaced with a single flat-rate State Pension for all those reaching State Pension age on or after that date.

The amount of State Pension that you receive depends on your National Insurance contributions record. To qualify for the full amount you need to have 35 years or more of National Insurance contributions or credits. You need to have 10 years to qualify for any amount at all. If you've between 10 and 35 years, you'll receive a proportionate amount.

Contracting out before 6 April 2016

Before 6 April 2016, all company pension schemes had the option to 'contract out' of the State Second Pension (S2P) and the Scheme took up this option. This means you didn't build up any benefits under S2P up to 6 April 2016.

Instead, responsibility for providing you with an extra pension transferred from the State to the Scheme and the Scheme guaranteed benefits that were at least equivalent to, and normally better than, the pension provided by S2P.

Because you would receive less pension from the State, you paid a lower rate of National Insurance. This saving helped you meet the cost of your Scheme contributions.

However from 6 April 2016, contracting-out was no longer allowed. The basic State Pension and the S2P were replaced at that time by a flat-rate single tier State Pension (see the previous page).

If you were in **Pensionable Service** before 6 April 1997, the Scheme provided a minimum benefit called the **Guaranteed Minimum Pension** (GMP). Special rules apply to determine how GMPs were increased where you left **Pensionable Service** before the age at which GMPs were paid (65 for men and 60 for women). These GMP benefits have been converted to non-GMP benefits so the Scheme no longer has to pay you a GMP.

To find out more about your State Pension, or to ask for a forecast, call the Future Pension Centre on 0800 731 0175 or visit www.gov.uk/check-state-pension

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Running **the Scheme**

The role of the Trustees

The assets and investments of the Scheme are held in a Trust, which ensures that they are completely separate from the assets of the **Company**.

The Trust is looked after by a Trustee company called Santander (UK) Group Pension Scheme Trustees Limited, which has a Board of Trustees. The Board of Trustees is referred to as 'the Trustees' in this guide.

The Trustees are responsible for the proper management of the Scheme and must act in the best interests of all the members.

There are currently ten Trustees; two are independent, four are member nominated, and four are employer nominated.

Handling your personal information

The Trustees are legally responsible for protecting your personal information, and have to comply with the relevant data protection legislation and regulations. The Trustees will process data that relates to you during the course of your Scheme membership, to calculate and provide your benefits.

For the Scheme to run smoothly, your personal information may need to be passed to other organisations, such as the Scheme's Administrators or the Scheme Actuary so that they can carry out specific processes for the Trustees. It may also be passed to the **Company** or the **Employers** for HR management, financial planning and liability management. This may involve your personal information being processed outside the UK.

In all cases, the Trustees will ensure that your personal information is only used in line with their instructions and strict policies on confidentiality, and that all necessary security measures are in place.

The role of the Scheme Actuary

All the pension benefits for members and their dependants are funded by the contributions of members and the **Employers**. These contributions are invested by the Scheme's investment managers.

The Scheme Actuary carries out a valuation of the Scheme at least every three years, when the Scheme's assets are compared to the amount needed to pay all the promised benefits. The results of this process are then used to set the future **Employer** contribution levels, with the aim of ensuring that there'll be enough assets to pay all the benefits due.

If you have a complaint

Complaints or disputes can usually be resolved informally by the Scheme's Administrators or the Santander Central Pensions Unit.

There is also a formal procedure for resolving disputes. This involves, as a first stage, the consideration of complaints by the Scheme Pensions Manager and if necessary, as a second stage, consideration of complaints by the Trustees. Details of this procedure are available from the Scheme's Administrators.

The Money and Pensions Service (MaPS) is available to give free, independent information on pensions matters. Contact details are on page 59.

If your dispute cannot be resolved under the formal dispute resolution procedure, you may refer your complaint to the Pensions Ombudsman. Contact details are on page 59.

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Independent help and **information**

Independent help and information on pension matters

The Money and Pensions Service (MaPS)

MaPS is available to assist you with any pensions queries or any difficulties that you've failed to resolve with the Trustees. They are an independent non-profit organisation that gives free information, advice and guidance on the whole spectrum of pensions covering State, company, personal and Stakeholder schemes.

You can contact MaPS by writing to:

Address: Money and Pensions Service, Borough Hall,
Cauldwell Street, Bedford MK42 9AP

Telephone: 01159 659570

Website: maps.org.uk/en

The Pensions Ombudsman

The Pensions Ombudsman can investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme. The Pensions Ombudsman won't normally investigate a complaint until it has been through the Scheme's formal dispute resolution procedure.

The Pensions Ombudsman can be contacted by writing to:

Address: 10 South Colonnade, Canary Wharf
London E14 1RB

Telephone: 0800 917 4487

Website: www.pensions-ombudsman.org.uk

The Pension Tracing Service

The Pension Tracing Service, run by the Department for Work and Pensions (DWP), holds details of all occupational pension funds. If you need help to trace pension benefits from a previous employer, you can contact:

Address: The Pension Tracing Service, The Pension Service 9,
Mail Handling Site A, Wolverhampton WV98 1LU

Telephone: 0345 6002 537

Website: www.gov.uk/find-lost-pension

The Department for Work and Pensions (DWP)

The DWP is responsible for State benefits. They can help you find out about your State benefits and how you can claim benefits.

Their website www.dwp.gov.uk contains information on pensions and savings. You can also check your State Pension by going to www.gov.uk/check-state-pension

Financial Guidance

If you need help with making decisions about your pension benefits or are considering transferring them out, or help with your finances in general, we strongly recommend that you seek advice from an independent financial adviser. In certain circumstances when transferring your benefits, you have to seek such advice (see page 35 for details).

Visit www.unbiased.co.uk for help with finding an adviser in your area.

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Keeping in touch with **the Scheme**

Getting more information about the Scheme

Every year, until you come to take your benefits at retirement, we'll upload an annual benefit statement to the member portal if you're an active member.

Regular newsletters are available to keep you up to date with what's happening in the Scheme and which summarise the Scheme's financial position. Visit **our website**, select the 'Login' button and go to **See › My Documents** to view the newsletters on the member portal.

You can ask the Scheme's Administrators for copies of formal Scheme documents that give more detail about the Scheme, including the annual Report and Accounts, the Actuary's Valuation Report and the Trust Deed and Rules.

The Scheme's Administrators

If you've any queries about the Scheme or your benefits, please get in touch with the Scheme's Administrators:

Email:	SUKGPS@buck.com
Helpline:	0330 678 4782
Address:	The Santander (UK) Group Pension Scheme Gallagher (Bristol) PO Box 319 Mitcheldean GL14 9BF

Please remember

*To keep us up to date with any change of address or email address, or change in your circumstances, such as marriage, divorce, or the dissolution of a civil partnership. You can update your details through the member portal. Visit **our website**, select the **'Login'** button and go to **See › Personal Details**.*

If you have any questions about your benefits or the Scheme in general, please contact Gallagher, the Scheme's Administrators:

0330 678 4782 | SUKGPS@buck.com

Write: The Santander (UK) Group, Pension Scheme, Gallagher (Bristol), PO Box 319, Mitcheldean GL14 9BF

Please remember to tell us your full name, and National Insurance Number when contacting us.

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