



YOUR PENSION CHOICES EXPLAINED

*IT'S YOUR **JOURNEY**
IT'S YOUR **CHOICE***

Your Pension	05
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THE FUTURE IS IN YOUR HANDS AND WE ARE HERE TO HELP



10 SECOND SUMMARY

What do you need to know? This guide helps explain your pension choices. You need to decide:

- 1.** Whether you want to be a member of the pension Plan.
- 2.** How much money you want to put into your pension.
- 3.** Where you want to invest your pension.
- 4.** Who you want to nominate as your beneficiary.

When was the last time you thought about your retirement? For most of us, the answer will probably be some time ago. Yet the planning you do now could make a big difference to your life in retirement.

This guide explains the features of your Michelin Pension and Life Assurance Plan (the Plan) for your DC fund and the different ways you can save for your retirement. The great news is that there is something to suit everyone and it is not as complicated as you might think.

For those words and phrases that can get confusing, we have included a jargon buster on page 4. We have also avoided pension jargon wherever possible.

Contact your Plan administrators (Capita)

✉ Michelin Pension and Life Assurance Plan
The Pension Department,
Capita, Hartshead House
2 Cutlers Gate, Sheffield
S4 7TL

@ **Michelin@pensionsoffice.com**

☎ 0344 391 2422

Find your way online

Visit our website at **www.michelin-pensions.co.uk** and you will find some great resources:

- A copy of your member guide and other useful publications.
- Access to Member Online where you can log in to check your account and plan for your retirement using the online modeller.

If you need help, you may also want to speak to an independent financial adviser. Visit **www.vouchedfor.co.uk** to locate an adviser near you. The Trustee cannot offer you financial advice.

HELPING YOU TO FIND YOUR WAY

Follow this simple guide to understand your options:

Your jargon buster **04**
Understand some of the words and phrases used in this guide.

Your pension **05**
Discover how your Plan pension works and how it will help you to save for your future. Find out how the Government is also encouraging employees to save for retirement.

Your future, your way **06**
Think about your retirement plans and how you can turn them into reality.

Three different ways to save for your retirement **08**
Understand how you and the Company contribute to your pension.

A little extra to help you on your way **11**
Find out about Government incentives to help you save for your retirement.

The roadmap **12**
Read a case study which shows how planning for your future can work in practice.

Withdrawing cash from the Plan before you retire **14**
See how you can access some or all of your savings from age 55 while you are still working.

Life events on the way **15**
Discover what happens to your pension when you experience different life events, like maternity leave, illness and death.

If you leave the Company **17**
Learn about your options if you decide to leave the Company before your Normal Retirement Date.

Find your way at retirement **18**
Understand your options when you retire.

Choose the right way for you **19**
Find out what action you need to take after reading this guide.

Appendix **20**
See a complete statement of your and the Company's contributions.

Where to go for more information **21**
Discover some useful resources to help you plan for your future.



**Your Plan has received
an independent Pension
Quality Mark**

The Michelin Pension and Life Assurance Plan has been awarded a Pension Quality Mark by the Pensions and Lifetime Savings Association. This means it is a high quality defined contribution pension plan and has met strict criteria relating to contribution rates, governance and communications.

YOUR JARGON BUSTER



QUESTION

Who can join the pension Plan?

If you are an eligible employee you will be invited to become a member of the Plan on the first day you join the Company as a UK employee. It does not matter if you work full time or part time. You may also be automatically enrolled into the Plan if you meet certain criteria – see page 5.

Don't let some of the words we use in the pensions industry put you off planning your future. Use this simple jargon buster to understand them.

Company

When reading this guide we will refer to your Company and this means Michelin Tyre PLC as the sponsoring employer of the Plan.

Dependant

This refers to someone who in the Trustee's opinion is financially dependent on you.

Defined contribution (DC) pension

A pension where contributions are paid into an individual retirement account. The contributions are invested and the money in your account at retirement is based on the contributions paid in and the investment returns received.

Getting the right advice

The choices you make are important as they impact the amount of money you will have in retirement. The Trustee and the Company are here to help but we cannot offer you advice. If you need advice, the Trustee has secured the services of Origen who understand how the Michelin Plan works. You can find more information about Origen in their Help at Hand leaflet, which is available to download from the online library on the Plan's website at www.pensions.michelin.co.uk. Or you can go to www.vouchedfor.co.uk to find a list of local financial advisers. In either case, you will be responsible for agreeing and paying the adviser's professional fees.

Pensionable Pay

The sum of your basic salary or basic wage from the Company, plus the pensionable element of any shift allowance or other income from the Company.

Trustee

Michelin Pensions Trust Limited, which is responsible for ensuring that the Plan is operated in accordance with its rules and the law. The directors of the Trust are either appointed by the Company or elected by members of the Plan.

Normal Retirement Date

The Normal Retirement Date of the Plan is age 65 and we use the 1st day of the month after your 65th birthday. However, with the Company's agreement you can take your pension as early as age 55.

YOUR PENSION

Your Company DC pension is a generous benefit and is designed to help you plan your future. The first step is to understand your Plan pension and how it will help you to save for your future.

What is your pension?

Every day, you work to be able to afford to pay the bills and enjoy some of the luxuries in life. When you retire, you will no longer have this income, so it is important that you have savings.

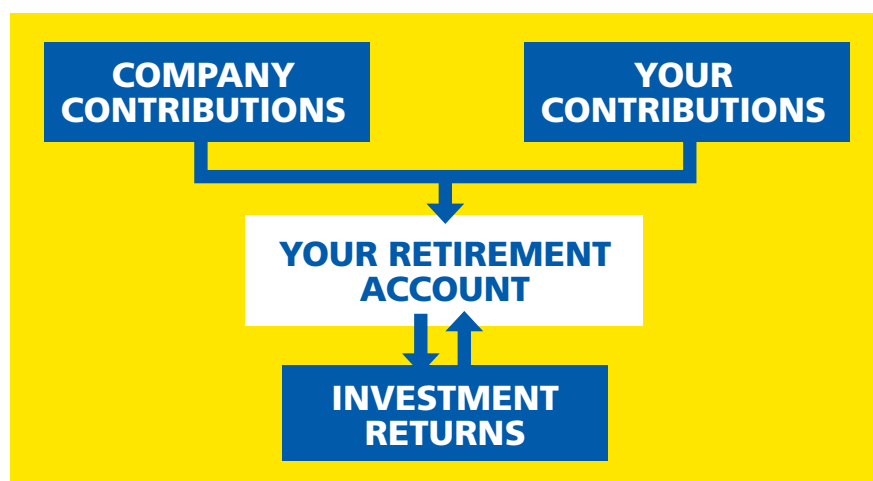
Your Plan pension is a way of saving money, so that you have an income that lets you spend your time doing the things you want to do when you retire. You will also have a lot more free time once you give up work, so it is likely that you will need more than you think!

We all save and plan for different things in life, whether it is the holiday of our dreams, a house or a new car. The great news is the Company will help you save for your retirement while you work with them.

How does your pension work?

The Plan the Company provides is a simple and cost effective way for you to save for your retirement.

As a member of the Plan, you will have your own retirement account. This account remains yours throughout your working life. Providing you are a member of the Plan and pay into it, the Company will also pay money into it while you work for them. The money that you have in your account is invested to help you increase your savings – and you can choose how it is invested.



When you retire, the savings in your account can be used to provide your retirement income. There are a number of different ways to do this, and as you get closer to retirement you will need to consider which one is best for you. You will also have the option to take all or part of your money as a cash lump sum (currently, depending on the amount you take, some or all of this may be free of tax).

How the Government is ensuring you keep saving for your future

The Government has introduced laws that mean all employers must automatically enrol eligible employees into a pension Plan if they:

- ▶ are aged between 22 and State Pension age;
- ▶ earn more than £10,000 a year; and
- ▶ work in the UK.

If you earn less than this, are under age 22 or are over State Pension age, you also have the option to opt in to the pension Plan.

Our pension Plan is a Qualifying Scheme, which means that it meets or exceeds all of the requirements of the automatic enrolment laws.

Do you have to join the Plan?

Once you have joined the Plan you can choose to opt out if you feel that saving for retirement is not right for you at the moment. However, the law does not allow you to opt out of the Plan prior to being enrolled.

Even if you opt out, we need to automatically re-enrol you every three years. The Company will send you further information about automatic enrolment and how you can opt out if you want to.

YOUR FUTURE, YOUR WAY

When you think about your retirement, what do you see? A comfortable lifestyle with regular holidays and evenings out or a more modest lifestyle? What added costs might you have in retirement that you don't have now (e.g. healthcare costs)?

Does your future look expensive?

When you are choosing how much to save for retirement and where to invest your retirement account, it's a good idea to consider the income you want in retirement and how you plan to achieve it.

Think about how much you earn each year now and whether you think you will need more or less in retirement. For example, if you are earning £25,000 today, should you be aiming for a similar salary in retirement? You should also think about any other income you might get in retirement. For example, the Government could provide you with a pension each week in retirement. You can find out how much your State Pension might be and when you can claim it, on the Government's website at www.gov.uk. Choose the 'Working, jobs and pensions' tab.

If you notice a gap between what you want and what you have got, changing your investment strategy or the level of contributions to your pension could make a big difference. Visit www.moneyhelper.org.uk for details.

Investing in your future

You can choose which way to build your retirement account and there are a number of options available. You can choose to invest your account in any combination of Journey Plan funds, which will manage your investments for you, and/or self select funds, where you choose the funds you want to invest in.

If you do not choose where to invest your retirement account, it will automatically be invested in our Journey Plan 2 funds with a target retirement age of 65. This is likely to be appropriate for a member who is aiming to transfer most of their funds into a drawdown arrangement at retirement. See the 'Find your way at retirement' section on page 18 for an explanation of how drawdown arrangements work.

For more information, read the investment guide on our website at www.michelin-pensions.co.uk

Journey Plan funds

Journey Plan funds make investing a bit easier because you're letting someone else decide where your savings should be invested. There are two sets:

- Journey Plan 2 funds are suitable for someone who plans to leave their pension savings invested after retirement and draw on these when they want,
- Journey Plan 4 funds are suitable for someone who plans to take the bulk of their money as cash around the time of their target retirement date.

The aim is to have your pension savings invested in a suitable place for when you've decided to retire. Your investments are gradually moved into different types of investments depending on how near or far from retirement you are. You'll also choose your target retirement date with this option so that your savings are invested in the right funds at the right time. You don't have to retire at this date and can change it if your circumstances change.



TO SPEND OR TO SAVE?

FICTION

"I can afford that new car. I can always top up my pension later in life."

FACT

You can, of course, contribute more to your Plan pension as you approach retirement. But, this money won't be invested for long, so it won't have as much time to grow. Contributing more to your pension now instead of buying that new car could leave you with money to buy a better car in retirement!

Self select funds

Using the self select funds, you can create your own investment strategy from the full range of funds. You can invest your money in one fund or a mixture of funds. This option suits people who have knowledge of investments, how they work and who regularly keep track of their pension or have specific investment needs.

Whichever of the two options you choose, or if you choose a mix of the two, the income that you will receive in retirement will depend on the performance of these investments, as well as how much is paid into your retirement account and the cost of buying an income when you retire.

All investments involve some risk – they go down in value as well as up so it is important to invest in something that you feel comfortable with. Before you make your decision, think about:

- How far away from retirement you are.
- How much you can afford to contribute to your pension.
- Other savings you have outside of your retirement account.

If you are not sure which way is right for you there are tools on the website www.michelin-pensions.co.uk and an investment guide to help. We recommend that you read the investment guide carefully and seek help from a financial adviser if you need it. Once you have made your decision, don't forget to review your investments regularly to make sure they are helping you meet your savings goals.

One retirement – one pension

If you have worked for another employer and have a pension outside of the Plan, you may be able to transfer it into the Plan.

We recommend that you take advice from a financial adviser before transferring your pension. Contact your local Personnel Department or Capita for more details.

When do you want to retire?

When you retire will depend on many factors – like your interests, your savings and your health. It is important to think about when you would like to retire when planning for your income. Do you want to retire completely by a certain age, or work part time and ease yourself into your retirement?

Think about what your ideal situation is and how many years you have left to save:

- Will you need to increase your contributions to meet your ideal situation?
- Will you need to take more risk with your investments to try and get higher investment returns?
- Will you need to work longer and delay your retirement to give you longer to save?

With the Journey Plan funds you'll choose a target retirement date within a five year range. It doesn't mean you have to retire at that date and you can change your mind.

Topping up your account

Paying more into your retirement account is an excellent way of helping you reach your retirement goals and do the things you want to do. To help encourage people to save for their retirement, the Government offers tax relief on the contributions you make into your retirement account.

The tax benefits of saving into a pension are generous but there are limits. To find out how much tax you can save read page 11 There are also savings to be made as a result of salary sacrifice (see page 9).

It is important to remember that any contributions that you make into your retirement account can't be accessed until you reach age 55 (see page 14). The Government intends to raise this minimum age to 57 from 2028.

See your future

Do you want to know how much you could get in retirement? Do you want to know how contributions to your pension could change this outcome?

Once you're a member, you can model your future online using the tool provided by Capita. Simply log in to the DC Section of Member Online via www.michelin-pensions.co.uk

THREE DIFFERENT WAYS TO SAVE FOR YOUR RETIREMENT

Your Plan pension gives you the flexibility to contribute what you can afford at different times of your life.

The regular contributions that you and the Company make may not provide an acceptable retirement income on their own. If you can afford it, you might consider contributing more into the Plan. Further details are shown on page 9, but here are your options in a nutshell.

Option	What is it?	How much can I pay?	How much will the Company pay?	What are the benefits?
1 REGULAR CONTRIBUTIONS	The contributions you must make to be a member of the Plan.	Between 3.25% and 6.25% of Pensionable Pay depending on your age.	Between 4.75% and 9.25% of Pensionable Pay depending on your age.	If you pay regular contributions you receive generous contributions from the Company.
2 ADDITIONAL MATCHED CONTRIBUTIONS	Extra regular contributions you can make to boost your savings, which the Company will match.	Up to 2.25% of earnings up to the Upper Earnings Limit and 4% above this level.	The Company will match your contributions.	Pay a bit more each month and the Company will also pay more.
3 ADDITIONAL VOLUNTARY CONTRIBUTIONS	Extra contributions you can make to boost your savings, which the Company will not match.	There is no limit, but you should be aware of the tax implications of your annual allowance (see page 11).	The Company will not contribute any extra for these contributions.	It's a flexible approach to saving more because you can change your options at any time and pay one off lump sums.

If you make your regular contributions, Additional Matched Contributions or Additional Voluntary Contributions via salary sacrifice, you will benefit from a National Insurance (NI) savings boost explained on page 9. You will also benefit from income tax savings for all types of contributions and this is explained on page 11.

1 REGULAR CONTRIBUTIONS

As a member of the Plan you will need to make regular contributions. The minimum amount you must pay will depend on your age. The older you are the more you will need to contribute. For members aged 35 or under contributions start at 3.25% of Pensionable Pay. This figure goes up by a further 0.1% each year you are aged over 35.

The Company's regular contributions start at 4.75% for members aged 35 or under and these go up by 0.15% each year you are aged over 35. There is a table showing the contributions payable in the Appendix on page 20.

Salary sacrifice

Your regular contributions are paid by salary sacrifice but you can elect to opt out. This means that your pay is reduced by the amount of the pension contribution you would otherwise pay. The Company then pays this amount, together with its contribution, into your retirement account.

If you make your contributions via salary sacrifice, the Company saves money on NI contributions and shares this saving with you. Because the contribution is paid by reducing your pay, you save on your NI contributions too.

For regular and Additional Matched Contributions, the Company pays 50% of its NI saving as an additional pension contribution into your retirement account. This means that an additional 6.9% of any salary you exchange is paid into your retirement account. This does not apply to any Additional Voluntary Contributions you make.



JENNY'S PENSION SAVINGS

The example below shows the extra benefit Jenny receives by making her contributions via salary sacrifice. Below, you can see that Jenny can make £3,277 in pension savings when she contributes just £876 after tax. Find out more about salary sacrifice on page 9.

Jenny is 54 years old and earns £25,000 a year. At this age, the contributions going into her retirement account for the next year will be as follows:

- ▶ Jenny pays salary sacrificed contributions of: 5.15% of her Pensionable Pay a year (£1,288)
- ▶ The Company pays: 7.6% of her Pensionable Pay a year (£1,900)
- ▶ Her extra NI savings boost is: 6.9% of her regular contribution (£89 a year)

This means her total savings are:

**£3,277
A YEAR**

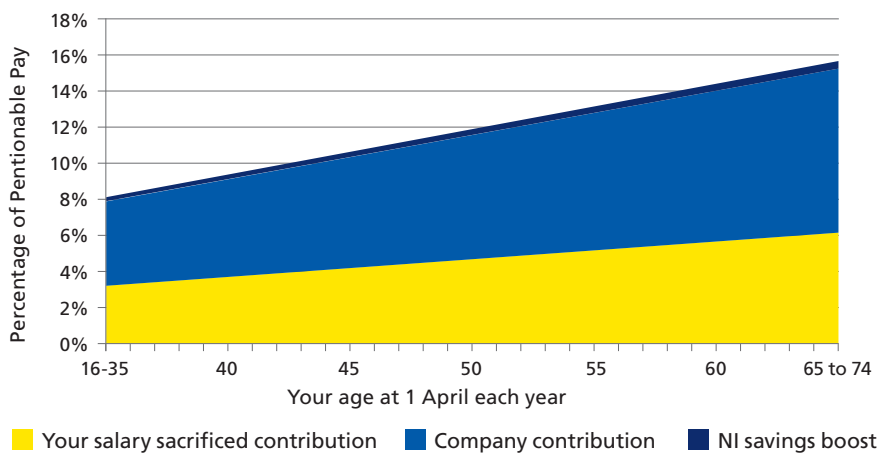
The NI savings boost shown above was calculated as follows:

**£1,288 X 6.9%
= £89**

So, on 1 April each year (after age 35), contributions will increase as follows:

- ▶ Your salary sacrificed contributions go up by 0.1%.
- ▶ Company contributions to the Plan go up by 0.25% (this is inclusive of your salary sacrificed contribution increase of 0.1%).
- ▶ Your NI savings boost (6.9% of your salary sacrifice contribution) increases in line with your salary sacrificed contributions.

The chart below illustrates this:



A full table of contribution rates is available on page 20.

Is salary sacrifice right for everyone?

It is possible that a small number of people would not benefit from salary sacrifice. These are people who are on a lower income, such as part time employees or people who are already using salary sacrifice extensively for other benefits.

The Company will identify anyone who falls into these categories and will not allow them to participate in salary sacrifice. If you want to opt out of this way of contributing, complete a Biannual Pension Changes form by 31 March or 30 September each year as salary sacrifice applies from 1 April and 1 October each year. This form is available from your Personnel Department. If you are not covered by the salary sacrifice arrangement, you must pay contributions directly to the Plan. In this situation you will still get income tax savings, but you will not benefit from the NI savings. If you are automatically enrolled into the Plan you will make contributions using salary sacrifice. If you do not want to contribute using salary sacrifice, you can contact your Personnel Department to start paying contributions directly into the Plan instead.

? How much will I have to pay?

If you are over age 35, you can calculate how much you have to pay by using the formula below. 0.1% is the annual increase that applies and 3.25% is the minimum contribution rate at age 35 or below.

**(Your age next 1 April - 35) X 0.1% + 3.25
= your salary sacrificed contribution**

Using Jenny's example on page 8 this would be:

(54 - 35) X 0.1% + 3.25% = 5.15%

A full table of contribution rates is available on page 20.

Please note: If you are below age 35, your minimum contribution is set at 3.25%. If you are over age 65, your minimum contribution is set at 6.25%.

2 **ADDITIONAL MATCHED CONTRIBUTIONS**

If you can afford to, you might decide to pay in more than your regular contributions and take advantage of the Additional Matched Contributions option. The great news is that the Company will match these Additional Matched Contributions if you decide to make them. The contributions you can make are based on your earnings:

Earnings below £50,270*	Contribute up to 2.25% (in increments of 0.25%)
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Earnings above £50,270*	Contribution 4%
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** The Upper Earnings Limit for 2021/22 – see the tip box on this page for details.*

Depending on your earnings, you could choose to do both and pay some up to 2.25% and some at 4%.

Additional Matched Contributions can be paid by salary sacrifice – see page 9. You can make your choice by completing a Biannual Pension Changes form by 31 March or 30 September each year. This is available from the Personnel Department or www.michelin-pensions.co.uk.

3 **ADDITIONAL VOLUNTARY CONTRIBUTIONS**

If after paying regular and Additional Matched Contributions, you still want to save more you can by making Additional Voluntary Contributions. Any Additional Voluntary Contributions you make will be your savings only, as the Company does not match these.

You can pay your Additional Voluntary Contributions by salary sacrifice and make a saving on your National Insurance contributions (see page 9), provided you choose to make a regular contribution for at least 6 months starting from either 1 April or 1 October. You can make this choice by completing a Biannual Pension Changes form by 31 March or 30 September.

Also, you can choose to pay Additional Voluntary Contributions in other ways, for example as lump sums or variable amounts. You can do this at any time by completing an Additional Voluntary Contribution form. These do not benefit from salary sacrifice.

All forms are available from the Personnel Department or www.michelin-pensions.co.uk.

Upper Earnings Limit

This is the maximum amount of earnings you must pay full NI contributions on. This limit is set annually by the Government and is £50,270 for the 2025/26 tax year.

The full NI contribution rate of 8% applies to earnings below the limit. A reduced NI contribution rate of 2% applies to earnings above the limit.

A LITTLE EXTRA TO HELP YOU ON YOUR WAY

To help you save for your retirement the Government provides a number of tax incentives. There are some limits to the amount that you can save but these limits won't affect many employees.

Income tax savings

You generally make your payments into the Plan by reducing the amount of gross pay that you receive. This means that you only pay tax on what is left of your income, so your pension savings are tax free. In practice, this means that for every £10 of contributions you make, you will receive the following income tax savings:

- Basic rate tax payer: £2
- Higher rate tax payer: £4

You also make savings on your NI contributions (see page 9).

Tax when you take benefits

How your benefits are taxed will depend on how you take them. You can read more about your options on pages 14 and 18.

If you withdraw any money as a cash lump sum after you reach age 55 known as an Uncrystallised Funds Pension Lump Sum (see page 14), then 25% of this will be tax free. The other 75% will be added to your taxable income for that year and taxed accordingly. This could result in you paying a higher rate of income tax than usual.

If you transfer money out into a flexi access drawdown policy, again 25% of the amount transferred can be taken as a tax free cash sum. The rest will be taxed as income as and when you take it.

If you take your savings in the form of an annuity, this will be taxed as income. Again, you can take 25% of your retirement account as tax free cash.

In general, the tax that you have to pay will be deducted before your pension is paid to you. The amount you pay will depend on your total income and this will be assessed against your personal tax allowance. You do not have to pay NI on your pension.

How much can you save?

To help ensure people do not misuse these tax incentives, the Government has set some limits to the pension savings you can make and receive tax relief for.

The annual allowance for most members for the 2025/2026 tax year is £60,000. This includes your and the Company's contributions. However, this will be reduced for anyone with "income" over £260,000 a year. There is a sliding scale which will reduce the annual allowance to £10,000 for those with "income" above £360,000. "Income" here is taxable earnings plus the value of your pension savings. The calculation can be complex so we recommend that you review your position in detail if you think you might be affected. If your taxable earnings (i.e. P60 earnings) alone are less than £200,000 p.a., you will not be affected by this.

Special rules apply if you are over age 55 and take cash from your retirement savings while continuing to pay into the Plan. If you do this, you may be subject to a "Money Purchase Annual Allowance" of £10,000. This applies to the contributions made for the rest of the tax year, after you have taken your payment. The Money Purchase Annual Allowance will apply if you choose to take a Uncrystallised Funds Pension Lump Sum (see page 14) or transfer money out into a flexi access drawdown policy and take more than just your tax free cash sum entitlement. Contact the Pensions Department (Capita) if you want to know more about this.

Money Purchase Annual Allowance applies for all subsequent tax years not just the one where the payment is taken.

The lifetime allowance was the limit on the total pension savings you could build up over your lifetime, but was abolished 5 April 2024.

These allowances won't affect many employees. If you have any questions or think you may be affected by these allowances, please speak to your financial adviser or contact the Pensions Department.



What is the annual allowance?

The annual allowance limits the amount of money that can be paid into a pension each year without paying any tax on it. If you exceed this limit then you may incur an additional tax charge.

THE ROADMAP

When planning for your retirement, it's worth thinking about how to make the most of your savings throughout your working life.

At different ages we have different priorities and different opportunities to save. The key thing when planning your retirement is to plan early. The earlier you start, the more time your money has to grow and therefore your contributions might not need to be as high to start with. This is Ben's roadmap. What could yours look like?

Your key

Regular Regular contributions

AMC Additional Matched Contributions

AVC Additional Voluntary Contributions

30 YEARS

Ben buys his first home after saving as much as he can for a deposit.

After reading his annual benefit statement, he knows he should be saving more than the minimum of 3.25% each month. But, he wants to have a bit of fun with his money and has just started dating a great new girl – Anna. He hopes he can afford to save more soon.



	Regular	AMC	AVC
Ben	3.25%	0	0
Company	4.97%	0	0

20 YEARS

Ben leaves university and starts work at the Company, earning £18,000 each year. After talking to his parents and his manager, he decides to join the Plan.

At this age, his minimum regular contribution is £36.90 each month and he is comfortable he can afford this. After all, he doesn't want to miss out on savings from the Company – they will contribute an extra £55.62 each month to his retirement account!

	Regular	AMC	AVC
Ben	3.25%	0	0
Company	4.97%	0	0

35 YEARS

Ben marries Anna this year and has a small wedding in Carnoustie on the coast near Dundee. As Ben's circumstances change, he reviews his pension. Thanks to his joint income and shared bills he can finally afford to contribute more than the minimum to his pension. This means he can make the most of the Company's contributions.

He decides to make Additional Matched Contributions of £46.87 a month, which the Company matches. As he is older, his regular contributions have also increased.

	Regular	AMC	AVC
Ben	3.25%	0	0
Company	4.97%	0	0

IMPROVE YOUR ROADMAP

- Start early for more opportunities to build your savings.
- Review your savings when your circumstances change.
- Take advantage of Company contributions and tax relief.
- Look at all of your options when you reach your retirement age.

40
YEARS

Ben is promoted and now earns £30,000 each year. He has a new baby at home, Lynne, who is taking up a lot of time, energy and money! However, he continues with his Additional Matched Contributions as he knows it is important and does not even notice the impact on his take home pay anymore.

As he is still making his contributions via salary sacrifice, he is still benefiting from extra savings from the Company.

	Regular	AMC	AVC
Ben	3.75%	2.25%	0
Company	5.76%	2.25%	0

50
YEARS

Ben and his wife pay off their mortgage and are starting to plan for their retirement. Lynne is 11 years old now and he is trying to teach her to save her pocket money instead of spending it on sweets.

Trying to set a good example – and wanting to ensure he has saved enough himself – he decides to give up his bonus (and a bit more) and makes an Additional Voluntary Contribution of £1,000. Even though he knows the Company won't match this, he knows it's a good idea. After all, it won't be long till he hits age 60!

	Regular	AMC	AVC
Ben	4.75%	2.25%	£1,000
Company	7.33%	2.25%	0

60
YEARS

After reviewing his annual benefit statement, Ben is happy to retire with his wife at age 60. Lynne has moved to Dundee and is working herself now.

He is surprised how much more he has been able to save in the last few years! He wished he had saved more when he was younger, but is still very happy.

He decides he doesn't necessarily want a regular, steady income but would prefer the flexibility of drawing money when he needs it. He's happy to keep a watchful eye on his savings to make sure he

doesn't use them up too soon. And he's factored into the equation the possibility of inheriting some money later in life and possibly downsizing to free up more money if its needed. So, after speaking to the people at Pension Wise and also taking financial advice, he transfers his account into a flexi access drawdown policy. He takes 25% of his savings as a tax-free cash sum and withdraws the rest in chunks as and when he needs to.

Ben is also able to boost his income with the State Pension when he reaches State Pension age.

WITHDRAWING CASH FROM THE PLAN BEFORE YOU RETIRE

If you're 55 or over, you could start withdrawing some of your savings directly from the Plan as cash, even if you are not retiring. But you must make sure that this won't leave you short of money in retirement!

We know this arrangement could be really helpful to pay for big one off expenses, like paying off a mortgage or other debts, but there are a few things you need to keep in mind.

How can you take cash?

There are two key ways you can take cash from your retirement savings after you reach age 55. One is directly from the Plan, and the other is by transferring money out of the Plan. If you'd like to withdraw money directly from this Plan, you need to take what's known as an Uncrystallised Funds Pension Lump Sum – yes, it's a bit of a mouthful!

If you take cash this way from this Plan:

- ➔ There are limits on your withdrawals. The minimum amount you can withdraw is £3,000. You can also only make one withdrawal every five years from age 55.
- ➔ Most of your cash is treated as income by the tax man. Normally, the first 25% is tax free. The other 75% will be added to your taxable income for that year and taxed accordingly. If the amount you're withdrawing is quite large you could end up paying 40% or even 45% tax on some of it.
- ➔ The tax the Plan has to deduct from your payment may be substantial. When the Plan makes a lump sum payment, it will have to apply an emergency tax code. This could mean that tax is overpaid and you will be responsible for reclaiming any overpayment from HMRC. Make sure you understand how much tax will be deducted before you make an application. For example, if you want £10,000 immediate cash, you will need to withdraw about £13,500.
- ➔ Taking an Uncrystallised Funds Pension Lump Sum will trigger a reduction in your Annual Allowance (the amount you can pay in tax efficiently each year). See page 11 for details on how the Annual Allowance works and what happens if you trigger a reduction.
- ➔ Fees apply. You will be charged £75 to cover the administration costs.

Above all, make sure you leave enough in your pension pot for your retirement. If you wish to transfer money out of the Plan, contact the the Pensions Department (Capita).

How do you make it happen?

The process will be administered on the Plan's behalf by Capita, our Plan administrators. You will need to ask them for the appropriate form, complete it and send it back to them. Capita will then arrange the withdrawal of funds, calculate the tax and pay you the net amount direct to your bank account (after tax has been deducted).

Please note: This option is only available for savings you have in our Defined Contribution Section. There is no facility for an Uncrystallised Funds Pension Lump Sum from the Defined Benefit section. If you want to take cash from these benefits before you retire, you will have to transfer your Defined Benefit Section benefits out of this Plan into a separate arrangement.

The government is raising the minimum retirement age from 55 to 57 for anyone retiring on or after 6 April 2028.

LIFE EVENTS *ON THE WAY*

Planning for your retirement is for the long term and while at work you may experience certain life events such as being absent from work or maternity / paternity leave. What happens to your retirement savings and benefits during these events is shown below. You may want to refer back to this section in the future if you experience any of these events.

Maternity, shared Paternity and Adoption Leave

If you take maternity, shared parental and adoption leave you will still be covered for death in service and income protection benefits. Please check with your Personnel Department if you are unsure whether you are covered.

Your regular Company contributions will still be paid into your retirement account and these will be paid in exactly the same way as they are when you are at work. The contributions you make will be based on a percentage of your actual earnings while you are on maternity, shared paternity or adoption leave. The difference between your regular contributions while you were working and the contributions you actually pay while you are on leave will be made up by the Company until you return from leave.

If you were making Additional Matched Contributions you can continue to pay these and the Company will continue to match the amount you pay while you are on leave. If you want to stop your Additional Matched Contributions, contact your local Personnel Department.

No contributions will be paid by yourself or the Company if you decide to take any unpaid maternity leave.

If you decide not to return to work with the Company after your leave, you will have the same options as when leaving the Plan. For more details on these options please read more on page 16.

Ordinary Paternity Leave

If you take a period of ordinary paternity leave you will continue to contribute to your retirement account. Your contributions will be based on your actual pay including your statutory paternity pay. The Company will continue to pay contributions into your account, based on your pay before you took paternity leave. The difference between your regular contributions while you were working and the contributions you actually pay while you are on leave will be made up by the Company until you return to work.

If you were making Additional Matched Contributions you can continue to pay these and the Company will continue to match the amount you pay, while you are on leave. If you want to stop your Additional Matched Contributions, contact your Personnel Department.

You will still have your death in service and income protection benefits while on leave.

Parental Leave

If you take unpaid parental leave you are not required to make contributions to the Plan but you will still be covered for death in service benefits and income protection. When you return you have the option to make up the contributions you have missed. If you decide to pay the missed contributions the Company will also pay their contributions into the Plan.

Other temporary absences

If you are away from work, your membership of the Plan can continue for as long as you are an employee. For example, you may be allowed to take unpaid leave as a carer.

Death in service and income protection insurances will stop being provided after 24 months if absence is due to illness or injury and you are not in receipt of benefit from the Income Protection Insurance. Otherwise, it will stop after 12 months.

Absence due to illness

If you are off work due to an illness or injury for a relatively short time your retirement account is not affected. More details on what happens to your income during short periods of illness can be found in your employee handbook.

If you are off work for a longer period of time, the Company provides you with income protection as a member of the Plan providing you are still making pension contributions. The income protection that is provided is an insurance policy that is held with an insurer and they will assess your illness and decide if you qualify for the benefit.

If you qualify under the insurance policy you can claim benefits six months from the start of your absence and the cover lasts up until your Normal Retirement Date. You will be entitled to:

- 50% of your Pensionable Pay which will have tax and NI contributions deducted. The payment you receive will increase by 2.5% each year to compensate for rising costs.
- Payment of both your regular contributions and Company regular contributions based on your full Pensionable Pay.
- Death in service benefits based on your full Pensionable Pay.

If you have income from elsewhere this may impact the amount of income you will receive from the policy. The Company can change or vary the benefits you receive from the policy, but you would be informed of any changes.

You will still be covered for death in service while you are receiving income protection payments.

Which kind of member am I?

Active Member

You are an Active Member if you are an employee of the Company and are paying into the Plan.

Deferred Member

You are a Deferred Member if you are no longer paying into the Plan, but you have left your accumulated fund in the Plan.

Retired Member

A retired member is an ex-employee receiving a pension as a direct result of an accumulation of contributions.

What happens if you die?

As a member of the Plan you have valuable life cover. Your cover will depend on what type of member you are and when you joined the Plan. The table below shows what benefits your dependants may be entitled to receive.

What type of member are you?	What lump sum benefit is provided?	What pension benefit is provided?
Active Member who joined the Plan on or after 1 October 2012 or who joined before then but have switched into this section	6 x your Pensionable Pay plus a refund of your own and Company contributions.	Your dependants can choose to use some or all of the lump sum benefit described to purchase a pension.
Active Member who joined the Plan before 1 October 2012	4 x your Pensionable Pay plus a refund of your own and Company contributions.	A pension to your dependants (or the opportunity to receive payments from a drawdown policy or a Flexible Access drawdown lump sum) will be purchased using the total of 4 x your Pensionable Pay.
Deferred Member	A refund of contributions.	No pension is provided.
Retired Member	This will depend on the selections you make when you retire (see page 17 for more details).	

The Trustee will be responsible for paying any applicable lump sums to your beneficiaries or dependents and they will take into account the people you have listed on your Nomination form, so it is important that you keep this up to date. You can get a replacement form from the Personnel Department if your situation changes.

The lump sum will be tested against your Lump Sum Allowance and the Lump Sum and Death Benefit Allowance. Dependants' pensions will not count towards the Lump Sum Allowance of the dependant receiving the pension.

The life cover is insured separately by the Trustee.

IF YOU LEAVE THE COMPANY

If you decide to leave the Company before your Normal Retirement Date, there are a number of options available to you and these are outlined below.

If you have been in the Plan less than 30 days

If you have been a member for less than 30 days, you will have a refund of your own contributions. The money you get back will be less tax (as you received tax relief on your contributions).

If you have been in the Plan for 30 days or more

If you have been a member of the Plan for 30 days or more, the money that you have in your account will remain there until you retire, die or transfer your money to another pension arrangement. The money that is in your account will remain invested so it is important that you still keep track of how things are going and make sure it is still helping you reach your goals for retirement.

If you leave the Plan but not the Company

If you want to leave the DC Plan but still work for the Company, you will need to write to your Personnel Department and give one calendar month's notice. Leaving the Plan is an important decision as you will lose out on the valuable benefits like death in service and income protection. You will also need to save for your retirement in a different way and you will give up the Company contributions while you are not a member. If you decide to rejoin the Plan later, you may need to provide medical evidence before these benefits can be offered again.

Under automatic enrolment, even if you leave the Plan you will be re-enrolled every three years. More information will be sent to you about this if it applies to you.

***THE MONEY THAT IS
IN YOUR ACCOUNT
WILL REMAIN
INVESTED SO IT IS
IMPORTANT THAT
YOU KEEP TRACK
OF HOW THINGS
ARE GOING.***

FIND YOUR WAY AT RETIREMENT

When you reach your retirement, the pension that you have saved in the Plan will help to provide your income. The planning you have done throughout your working life will mean that you have a number of ways you can use the money in your retirement account.

It is important that you consider all of the options and select the right one for you. Some of the options cannot be changed if your circumstances change.

When can you take your pension?

The Normal Retirement Date of the Plan is age 65, but with the Company's agreement you can take your pension as early as age 55 (age 57 from 2028). You do not need the Company's permission to retire after age 60. Please also note the Company is obliged to automatically enrol you into the Pension Plan (and re-enrol you every three years thereafter). If you retire due to ill health this can be at any age, although you may be better off claiming income protection instead (see page 15 for more details).

You will start to receive information approximately six months before you are due to retire to help you make the right choices.

How much will you get if you retire at your Normal Retirement Date?

You have three key options that you can mix and match as you please from age 55. No matter what you choose, the first 25% of your total benefits (from any pension source) is tax free if you take it as a lump sum. The balance is taxed at your marginal rate of income tax, which means you pay the relevant tax rate on each portion of your income.

Your new options are:

- 1. Money now** – You might want to take some, or even all, of your savings in cash from age 55. Beware of the tax implications – if the amount you're withdrawing is quite large you could end up paying 40% or even 45% tax on some of it.
- 2. Buy a secure income** – You can use some or all of your money to buy a regular guaranteed income from an insurance company (this is called an annuity). There are lots of types of annuity you can choose and depending on your circumstances these can offer good value for money (e.g. some companies offer special rates for heavy smokers or people in poor health).
- 3. Take a flexible income** – You can take some or all of your money using income drawdown. This is where you transfer your money out of this Plan into a flexible arrangement. Your money remains invested and you take an income directly from that account. There's a risk you could run out of money if you don't manage the amount you draw down each year carefully and monitor the performance of your investments on a regular basis.

The Trustee has been able to agree individual terms with Legal & General (L&G): the company who manage the Plan's investments. As a result, L&G are offering transferring members:

- customised terms regarding charging and flexibility which our advisers tell us are competitive.
- the possibility for members investing in the Journey Plan funds, to transfer the ownership of their investments without actually having to sell and re-buy.

These terms were reviewed as part of the investigation process which was carried out by the Plan's DC investment advisers. The Trustee is not endorsing any product or provider and other insurers and providers also offer the ability to 'flexibly access' pension savings.

You can read more about flexible access specifically through the L&G Mastertrust Pension Access Scheme at www.legalandgeneral.com/pas-l (and you can get a personal quote from them there, too).

As it takes time to plan and consider your options at retirement you will start to receive information approximately six months before you are due to retire to help you make the right choices. You will be guided through the retirement process to help you make choices that are best for you.

To read the details about your choices, read the flexibilities leaflets available at www.michelin-pensions.co.uk

How much will you get if you retire later?

If you decide not to take your retirement at age 65 your account will remain invested until you retire or reach your 75th birthday. If you continue as a member of the Plan you will pay 6.25% of your Pensionable Pay into your retirement account, and the Company will continue to pay 9.25%. You will also have all of the additional contribution payment options available and these are described on page 8.

Supporting your retirement income with the State Pension

Once you reach State Pension age, the Government will provide you with a State Pension. This will be paid for the rest of your life and you can use it to top up your pension.

You might also be entitled to additional amounts, depending on your earnings history. To find out more about the State Pensions and how to claim them you can visit www.gov.uk

CHOOSE THE RIGHT WAY FOR YOU

We hope that you have found this guide useful and you understand how to make the most of your pension. It is now time for you to choose the right way to save for your retirement and here is what you need to do.

STEP
1

THINK

Consider how much you need in retirement, whether you're saving enough and when you think you might retire.

STEP
2

FIND OUT MORE

Visit our website www.michelin-pensions.co.uk to read the investment guide and find many other valuable resources.

STEP
3

GET HELP

Seek help from a financial adviser if you need to.

STEP
4

TAKE ACTION

Complete your Enrolment form and fund switch form and return it to your Personnel Department, making sure you select:

- How much you want to contribute.
- How you want to invest your account – Journey Plan funds or self-select funds, or a mix of the two.
- Complete your Nomination form.

STEP
5

REVIEW

Keep track of your pension online at www.michelin-pensions.co.uk.

APPENDIX- CONTRIBUTIONS

The table below shows how much you and the Company pays, depending on your age.

Your age	Your contribution (%)	Company contribution (%)	Extra Company Contribution Because of Salary Sacrifice (%)	TOTAL (%)
16-35	3.25	4.75	0.22	8.22
36	3.35	4.90	0.23	8.48
37	3.45	5.05	0.24	8.74
38	3.55	5.20	0.24	8.99
39	3.65	5.35	0.25	9.25
40	3.75	5.50	0.26	9.51
41	3.85	5.65	0.27	9.77
42	3.95	5.80	0.27	10.02
43	4.05	5.95	0.28	10.28
44	4.15	6.10	0.29	10.54
45	4.25	6.25	0.29	10.79
46	4.35	6.40	0.30	11.05
47	4.45	6.55	0.31	11.31
48	4.55	6.70	0.31	11.56
49	4.65	6.85	0.32	11.82
50	4.75	7.00	0.33	12.08
51	4.85	7.15	0.33	12.33
52	4.95	7.30	0.34	12.59
53	5.05	7.45	0.35	12.85
54	5.15	7.60	0.36	13.11
55	5.25	7.75	0.36	13.36
56	5.35	7.90	0.37	13.62
57	5.45	8.05	0.38	13.88
58	5.55	8.20	0.38	14.13
59	5.65	8.35	0.39	14.39
60	5.75	8.50	0.40	14.65
61	5.85	8.65	0.40	14.90
62	5.95	8.80	0.41	15.16
63	6.05	8.95	0.42	15.42
64	6.15	9.10	0.42	15.67
65	6.25	9.25	0.43	15.93

WHERE TO GO FOR MORE INFORMATION

Saving for your retirement doesn't have to be complicated, but we all need a little help on the way. The good news is that there are a number of resources on hand to help.

Your Plan administrator (Capita)

✉ Capita, Hartshead House,
2 Cutlers Gate, Sheffield, S4 7TL

@ Michelin@pensionsoffice.com

☎ 0344 391 2422

Help from a financial adviser

The choices you make are important as they impact the amount of money you will have in retirement. The Trustees and the Company are here to help but we cannot offer you advice. The Trustee has secured the services of Origen who understand how the Michelin Plan works. You can find more information about Origen in their Help at Hand leaflet, which is available to download from the online library on the Plan's website at www.pensions.michelin.co.uk. Or you can go to www.vouchedfor.co.uk to find a list of local financial advisers.

The Money and Pensions Service

The Service has been created to provide a single resource for government-sponsored financial guidance. It brings together the Money Advice Service, the Pensions Advisory Service and Pension Wise under one umbrella. You can get in contact with the Service for the following things:

- **Pensions guidance** – information on workplace and personal pensions.
- **Money guidance** – guidance on financial matters and day-to-day money management skills.
- **Debt advice** – information and advice on debt.

The Money and Pensions Service also works with the government and the Financial Conduct Authority (FCA) to help protect consumers. You can get in touch with them in the following ways:

☎ 0800 011 3797 (Pensions helpline)

🌐 www.moneyhelper.org.uk

Internal dispute resolution process

The Plan has an internal procedure for resolving any disputes which may arise. The procedure has been designed to ensure that any dispute is properly investigated, and where possible resolved. An outline of the full process can be requested from your Pensions Manager at:

✉ The Pension Department, Capita, Hartshead House
2 Cutlers Gate, Sheffield, S4 7TL

Pension Tracing Service

If you have pensions elsewhere and you are not sure how to find them, the Pension Tracing Service will help you to locate the details. They can be contacted at the following address:

✉ Pension Tracing Service, The Pension Service, Tyneview Park, Whitely Road, Newcastle on Tyne, NE98 1BA

☎ 0845 600 2537

The Pensions Regulator (TPR)

TPR was set up under the Pensions Act 2004. It has the responsibility to regulate the operation of occupational pension schemes in the United Kingdom. The statutory objectives of the TPR are as follows:

- To protect the benefits of members of work-based pension schemes.
- To promote good administration of work-based pension schemes.
- To reduce the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund.

TPR can be contacted at the following address:

✉ The Pensions Regulator, Napier House, Trafalgar Place, Brighton, BN1 4DW

☎ 0845 600 0707

🌐 www.thepensionsregulator.gov.uk

The Pensions Ombudsman

The Pensions Ombudsman is appointed under the Pensions Schemes Act 1993, and can investigate and determine any complaint or dispute of fact or law in relation to any pension scheme made or referred in accordance with the Act. The decision made by the Pension Ombudsman is binding on the parties involved, subject to a right of appeal to the High Court on points of law.

The Pension Ombudsman's address is:

✉ The Pensions Ombudsman, 11 Belgrave Road
London, SW1V 1RB

☎ 0207 630 2200

🌐 www.pensions-ombudsman.org.uk



CONTACT US

✉ Michelin Pension and Life Assurance Plan, The Pensions Department, Capita, Hartshead House, 2 Cutlers Gate, Sheffield, S4 7TL

📧 Michelin@pensionsoffice.com

☎ 0344 391 2422

Important points to remember

This guide should be read alongside the Michelin Pension and Life Assurance Plan member and investment guides available at www.michelin-pensions.co.uk

This communication is for information only. It does not take into account your personal circumstances and does not constitute financial advice. Neither the Trustee, the Company, nor the Plan administrators can provide you with financial advice. If you are unsure as to what action to take we strongly recommend that you seek financial advice. If you have any questions about your investment options, contact the Plan's administrators on 0344 3912 422. For a list of advisers visit www.vouchedfor.co.uk. Please be aware that you may be charged a fee for any advice.

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Investments in developing or emerging markets may be more volatile and less marketable than in more established markets such as Europe or North America. Exchange rates may also affect the value of an overseas investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

TRUST DEED AND RULES

The information in this guide summarises many aspects and benefits under the Plan. A full and thorough description of the Plan and all conditions under which benefits are payable is detailed in the Trust Deed and Rules, which is a legal document governing the provision of benefits. These may be inspected on request by contacting the Pensions Department. In the event that the benefits and conditions described in this guide differ from the Trust Deed and Rules, the Trust Deed and Rules will prevail.

ANNUAL REPORT AND ACCOUNTS

The Trustee produces an annual Report and Accounts, in respect of the Plan. The report will include details on how the Plan has performed over the year. It includes the Annual Governance Statement signed by the Chair of the Trustee. A copy of this report is available to Plan members and beneficiaries by contacting the Pensions Department:

✉ The Pension Department, Capita, Hartshead House
2 Cutlers Gate, Sheffield, S4 7TL

DATA PROTECTION

The Trustee (Michelin Pensions Trust Limited), whose registered office is at Campbell Road, Stoke-On-Trent, Staffordshire ST4 4EY, is the data controller in respect of personal data processing for the administration of the Plan.

In processing your personal data, the Trustee may: process your sensitive personal data such as information regarding your health records; pass on personal data to third parties which may include the Plan's sponsoring employer, professional advisers, administrator, insurance companies, counterparties to the Plan's investments, as may be necessary or desirable for the operation of the Plan; and retain your personal data for legitimate business reasons or to comply with applicable laws.

In the event that your personal data is sent outside the UK or the EEA, the Trustee will still process your personal data in accordance with the applicable data protection laws, and will take reasonable steps to ensure that your personal data is handled securely and in accordance with the data protection policy at www.pensions.michelin.co.uk

In certain circumstances, your personal data may be passed to service providers who act as data controllers.

You can find out more about how the Trustee uses your personal data and your rights with respect to that personal data in our data protection policy at www.pensions.michelin.co.uk