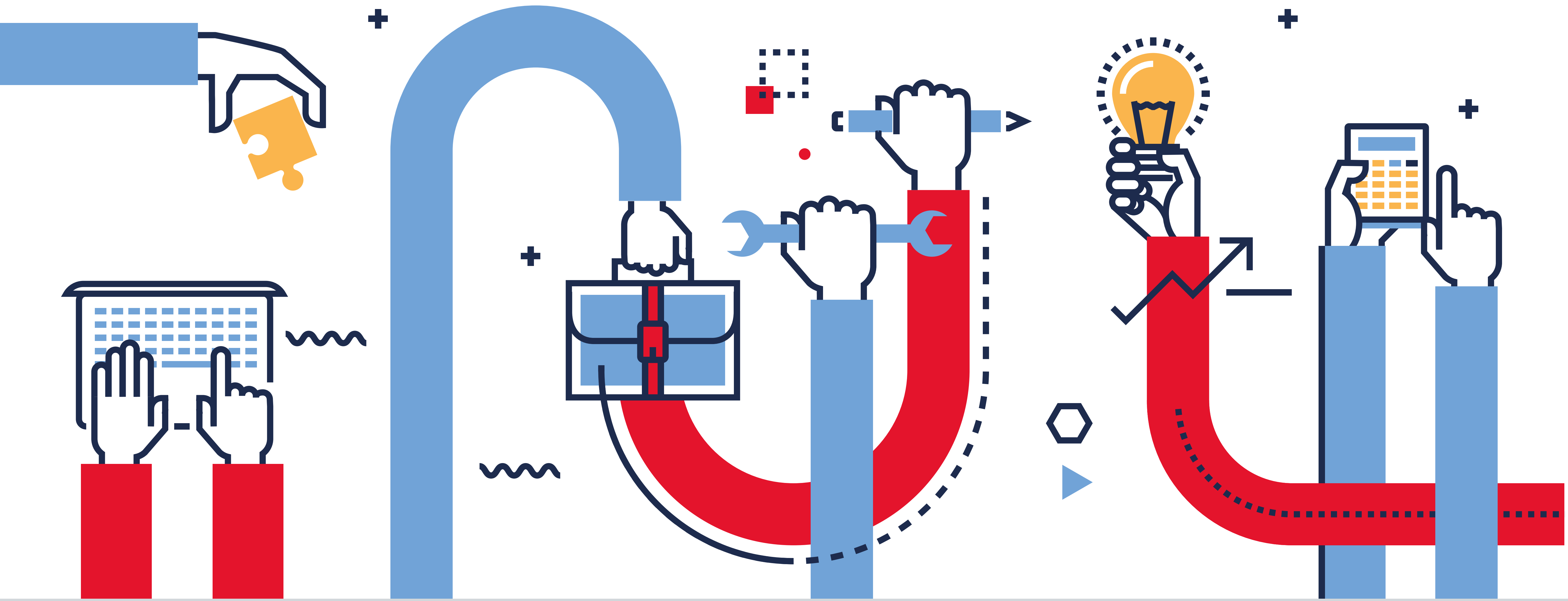
FUTUREPLANNER

LEONARDO

MEMBER BOOKLET

MATCH PLUS+

Updated: December 2024



PENSION QUALITY MARK PLUS

CONTENTS

WELCOME

TO **LEONARDO FUTUREPLANNER**

Leonardo FuturePlanner is our defined contribution (DC) pension plan. It has been given the Pensions Quality Mark Plus, which is only given to the UK's very best DC pension plans.

PENSION QUALITY MARK PLUS

MATCH PLUS+

As a member of FuturePlanner, you have flexibility to save as much as you like for when you reach retirement age. You can also use the money that builds up in your FuturePlanner *Retirement Account* in the way that works best for you.

Even better, the money you save up in FuturePlanner is yours to keep – including the valuable contributions paid in by Leonardo.

This booklet explains how FuturePlanner works. It's an important part of your future financial planning, so please take the time to read this booklet carefully. If, after reading it, you have any questions, please get in touch – we're here to help.

ABOUT **FUTUREPLANNER**

Leonardo FuturePlanner is a defined contribution (or money purchase) pension plan. This means that you and Leonardo pay in a defined percentage of your *Pensionable Salary*, which is allocated to a *Retirement Account* in your name. The money paid into your FuturePlanner Account is invested with the aim of growing your pension savings.

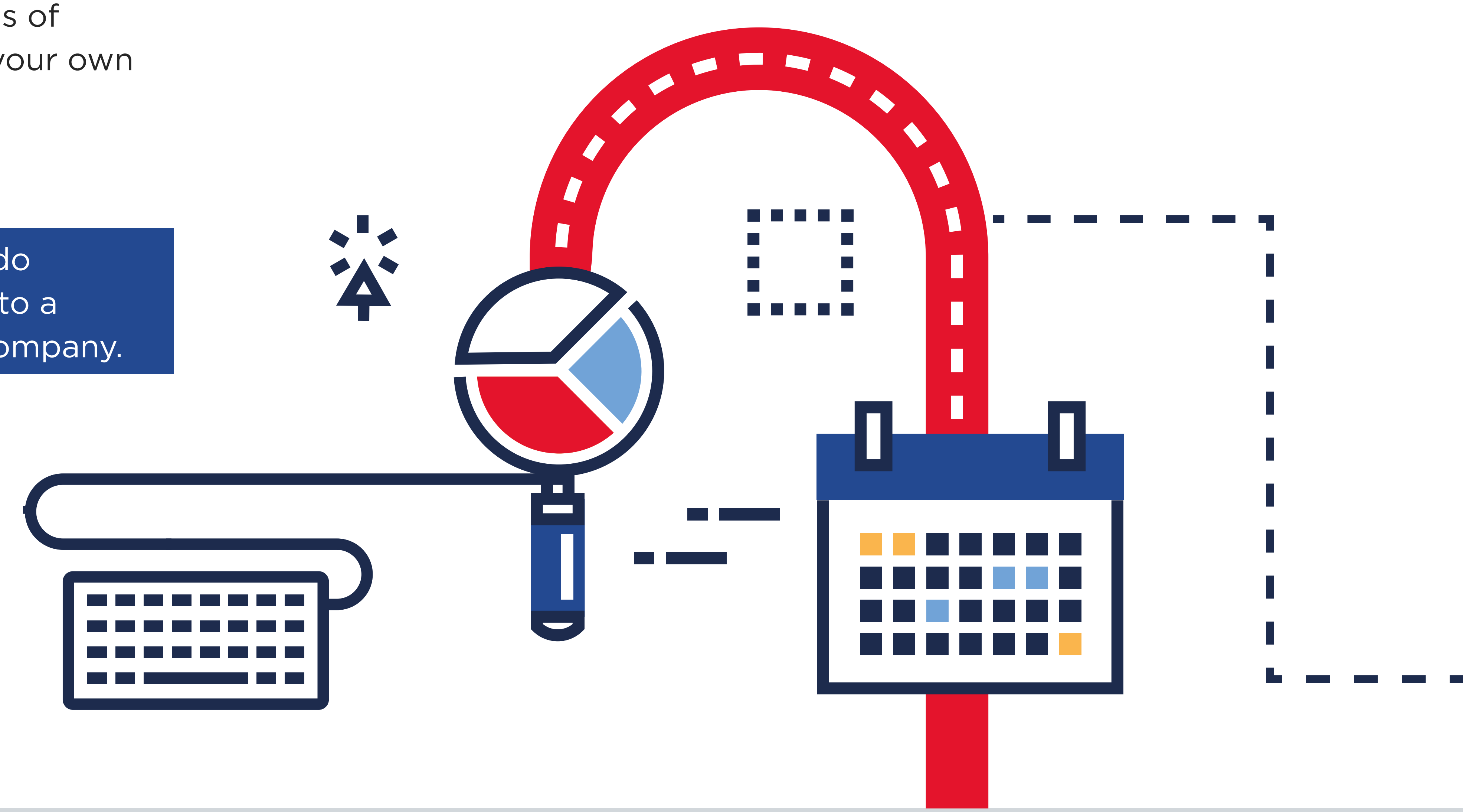
The *Trustee* has set up a Default investment strategy where everything happens automatically. It is designed to be suitable for the needs of most members – so don't worry if you're not confident making your own investment decisions.

MATCH **PLUS+**

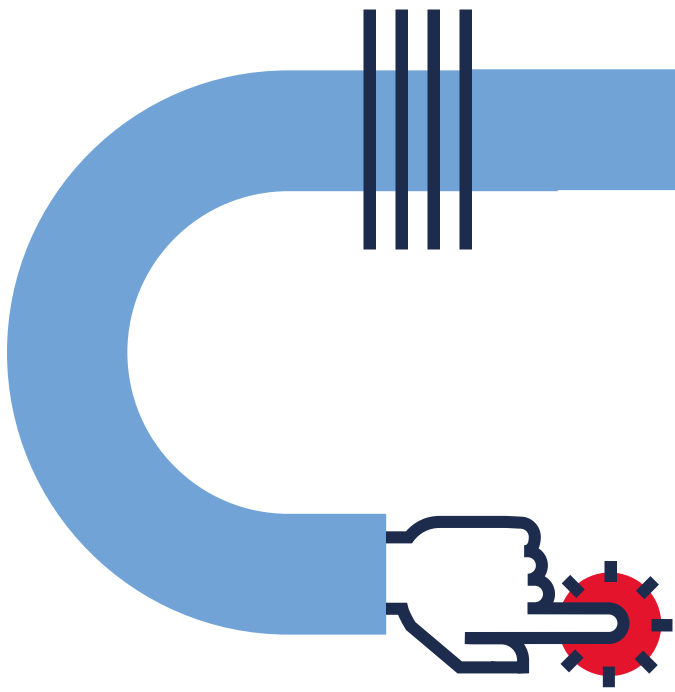
The amount to be paid in is up to you. Leonardo matches anything you pay in – and more – up to a maximum of 8% from you and 15% from the Company.

Your contributions can also qualify for tax and National Insurance breaks. This means that every £1 you contribute to FuturePlanner may only cost you 72p (for a basic rate taxpayer). This may differ if you pay tax in Scotland or Wales.

Leonardo also pays additional contributions to FuturePlanner that cover the cost of providing death-in-*service* and ill-health benefits as well as administrative expenses for as long as you remain a member.



FUTUREPLANNER: BENEFITS IN BRIEF



If you leave early

You can transfer the value of your *Retirement Account* to a new employer's plan or another registered pension arrangement. If you don't do this, the *Trustee* may, at some point in the future, decide to transfer or 'buy out' your benefits so that you deal directly with a separate Master Trust or insurance company to manage your *Retirement Account*. We would write to you before this happens.

If you fall ill

Leonardo has an insurance policy in place that provides income protection for up to two years based on half pay and then a lump-sum benefit if you remain ill. This is available up until your State pension age. You could also receive, at any age, the value of your *Retirement Account* at the time you leave *service* due to ill health.

If you die in service

A lump sum of four times your *Pensionable Salary* would be payable to your beneficiaries. This is currently tax free within certain limits. This benefit ceases at age 75. Your beneficiaries would also receive the value of your *Retirement Account* at the time of death.

When you retire

You can take the money that has built up in your *Retirement Account* at any time from age 55 (this minimum age will increase to 57 in April 2028 for members who joined FuturePlanner on or after 4 November 2021). You can take 25% of your *Retirement Account* as a tax-free cash sum, and then use the rest in a way that suits you best – to buy an annuity, to set up a drawdown account, or take it as cash. These options are explained in more detail on pages 19-20.

A pension may be payable to your spouse or dependants on your death in retirement, depending on the options you selected at the time.

JOINING **FUTUREPLANNER**

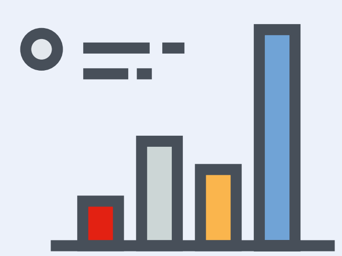
You will be automatically enrolled into FuturePlanner at 5% of your *Pensionable Salary* on the date you start work.

Your contributions will be:

- matched by the Company at 12% of your Pensionable Salary
- made through *Smart* salary sacrifice (see page 9)
- invested through our default strategy using your State pension age as your *Target Retirement Age* (see page 12)

The Company matches every 1% of your Pensionable Salary on a Match Plus basis. So, from day one, you are receiving 12% of your Pensionable Salary as 'free' money. However, if you increase your contribution to 8% of your Pensionable Salary, you would get the maximum Company contribution of 15% of your Pensionable Salary.

If you want to adjust your contribution, you can do this online in your own *Retirement Account* at any time. You should receive your login details approximately three weeks after your first pay day.

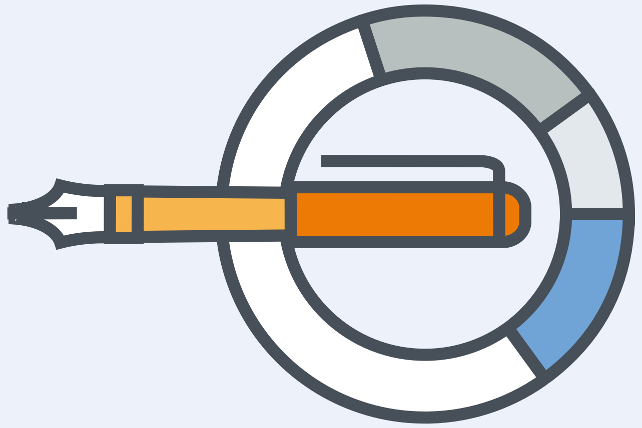


Transfers in

If you have any pension rights from other pension arrangements, you may transfer the value into FuturePlanner, subject to the consent of the *Trustee* and Leonardo.

Opting out

If you are certain that you do not want to be a member of FuturePlanner, you need to complete an **opt-out form**. Opt-out forms are available on the FuturePlanner website under **Library** or by contacting the *Administrator*. More information about opting out is available on page 24.



CONTRIBUTIONS

The table below shows how much you can contribute to FuturePlanner as a percentage of your *Pensionable Salary* and how this will be matched by Leonardo. Please note you can only pay in whole percentage rates.

There is also a useful Match Plus calculator on the homepage of the website, which shows you how your contributions could stack up.

MATCH PLUS+

Your contribution	Match Plus rate	Company contribution	Total
1%	+2%	3%	4%
2%	+4%	6%	8%
3%	+6%	9%	12%
4%	+7%	11%	15%
5%	+7%	12%	17%
6%	+7%	13%	19%
7%	+7%	14%	21%
8%	+7%	15% (max)	23%
9%+	+7%	15%	24%+

This is the level at which you will be auto-enrolled into FuturePlanner.

CONTRIBUTIONS CONTINUED

Paying in more

In addition to the contributions set out on page 7, you can pay voluntary contributions on top to secure extra retirement benefits. The voluntary contributions would be paid into your *Retirement Account* alongside your other FuturePlanner contributions to increase the fund available on your retirement.

Voluntary contributions are not matched by Leonardo. If you want to pay voluntary contributions, you can do this online in your own Retirement Account. There is also a contribution change form in the library section of the FuturePlanner website. You can increase, reduce or stop your voluntary contributions by giving one month's notice.

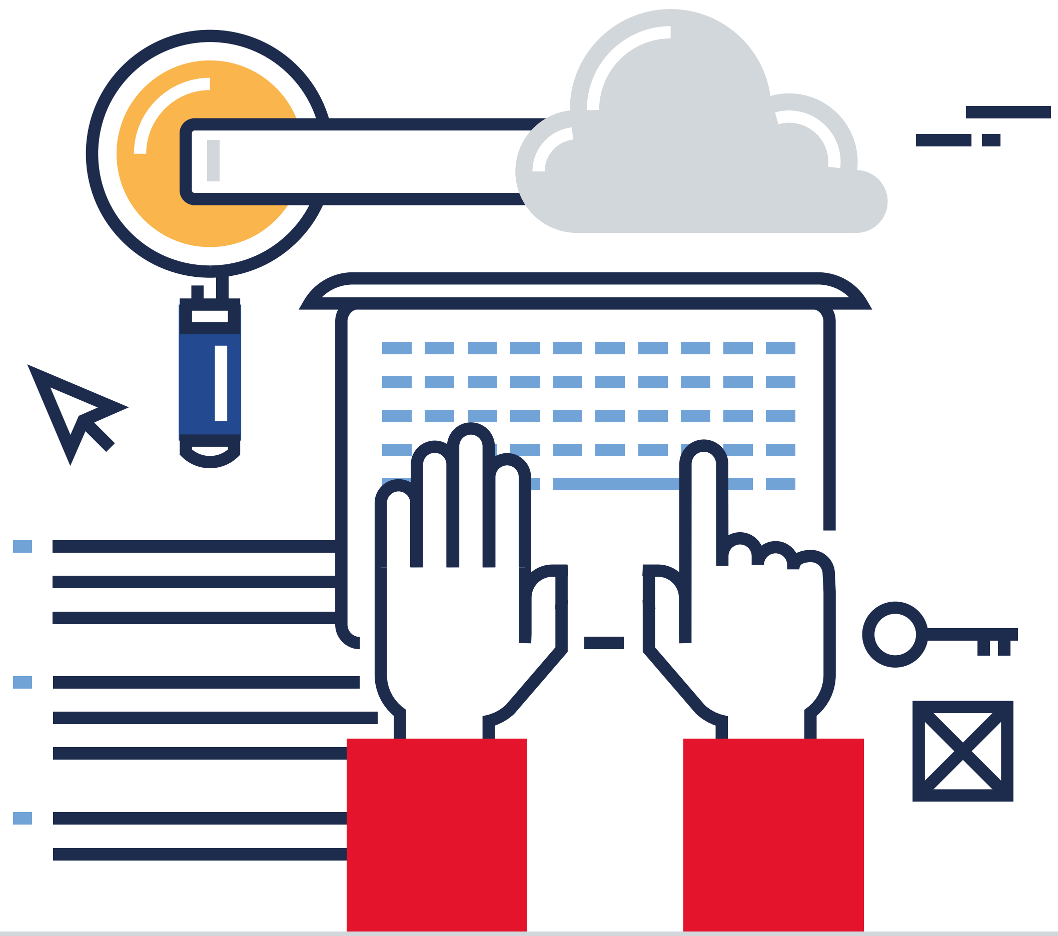
Voluntary contributions qualify for tax relief and can also be paid through *Smart* to generate National Insurance savings. You can read more about tax relief and *Smart* on the pages that follow.

Tax relief

Your contributions are deducted from your pay before tax – which means that part of your contribution is paid for by a reduction in the tax you pay.

This means that, for someone paying tax at 20%, each £1 of employee contribution costs 80p in terms of take-home pay.

For someone paying tax at 40%, each £1 employee contribution costs 60p in terms of take-home pay.



CONTRIBUTIONS CONTINUED

Smart

Smart is an arrangement to pay your contributions through salary sacrifice. *Smart* stands for 'save money and reduce tax' and it is a tool used by many companies to deliver savings in National Insurance (NI) to their employees and the business.

Employee NI is 8% of a band of earnings. So, with the tax relief and the *Smart* saving, every £1 you pay into your *Retirement Account* would cost you just 72p.

If you earn more than the Government's Upper Earnings Limit (£50,270 for the tax year 2024/25), the savings tend to be lower as the rate of NI is lower for earnings above this level.

This is how *Smart* works:

- You do not make pension contributions.
- Instead, your salary goes down by the amount of the pension contributions you would normally pay (salary sacrifice).
- Leonardo pays an amount equal to the pension contributions you would normally have paid, directly into FuturePlanner.
- As a result, both you and Leonardo pay no NI on pension contributions and your take-home pay may be increased in comparison to non-Smart pension contributions.

Each £1 you contribute to FuturePlanner may only cost you 72p, thanks to tax relief and *Smart* salary sacrifice. Go to page 11 for an example that shows how the cost of joining FuturePlanner may be less than you expect. This may be different if you pay tax in Scotland or Wales.

CONTRIBUTIONS CONTINUED

Smart terms and conditions

Your salary before the *Smart* deduction will be used as the reference salary to work out your FuturePlanner benefits (for example the matching Leonardo contributions and the death-in-*service* lump sum), other Company benefits (including bonuses, overtime and maternity pay) and for any salary reviews. Your salary before the *Smart* deduction will also be quoted as your salary for the purposes of any mortgage or loan applications.

The *Smart* option is part of your terms and conditions of employment. Leonardo intends to operate *Smart* as long as the savings on NI continue to be available. However, if the rules on tax or NI change, or there is some other reason that prevents Leonardo from continuing with the arrangement, it will stop. If this happens, your salary will be increased back up to its pre-Smart level and you must pay pension contributions by deduction from salary. If this happens, your take-home pay may go down because you are no longer making savings on NI. You will not have to pay back any of the savings you made while *Smart* was operating.

You are not able to participate in *Smart* if the salary sacrifice would reduce your salary to below the National Living Wage, so you will automatically be opted out of *Smart* if your earnings are below a threshold set by Leonardo. It is also not possible to sacrifice statutory pay, for example on maternity, paternity, adoption or sick leave.

Smart impact on State benefits

Your NI contributions count towards State benefits and it is possible that joining *Smart* could affect some of these benefits.

For many State benefits, you will qualify as long as you pay the minimum level of NI. Other benefits are means tested so you may need to consider whether the increase in net pay from *Smart* would impact on the level of these benefits.

It is your choice whether to opt-out of *Smart* on joining FuturePlanner.

CONTRIBUTIONS CONTINUED

Example

Let's look at how much would be invested in the *Retirement Account* of a member who is earning £2,500 a month, and how much that would cost them.

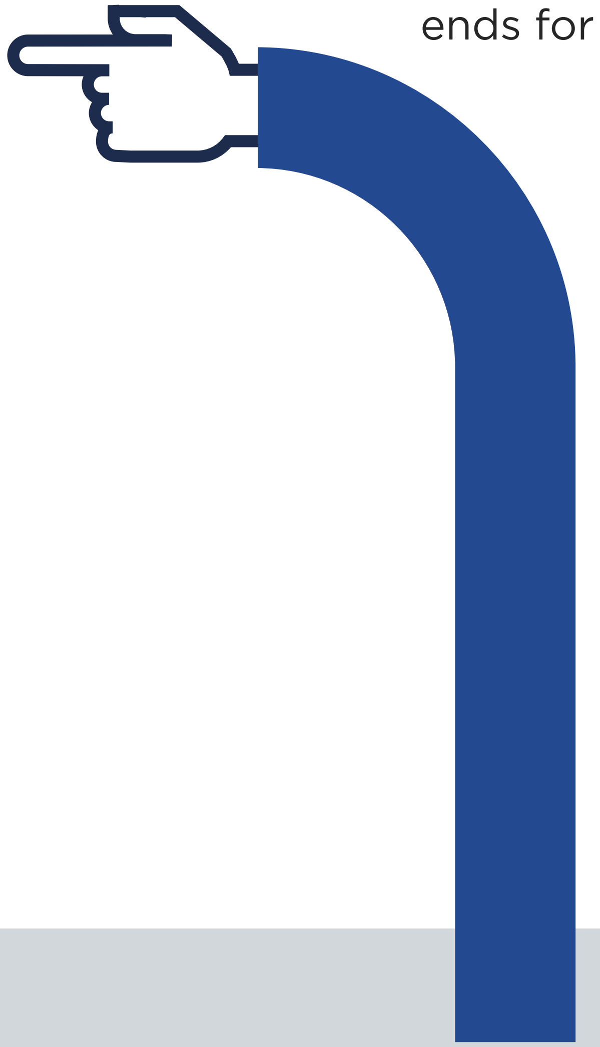
	3% contribution level	5% contribution level
Total contribution (gross amount going into your account each month):	£300.00	£425.00
Actual cost to the member:	£54.00	£90.00
Employee *Smart* saving:	£6.00	£10.00
Employee tax relief:	£15.00	£25.00
Leonardo contribution:	£225.00	£300.00

Contribution limits

There are very few limits on the amount you can pay into FuturePlanner. It is possible to pay up to 100% of your *Pensionable Salary* in any month if you wish.

If the contributions made to your *Retirement Account*, taken with the increase in value of any other pension arrangements you have, exceed the Annual Allowance, you will be liable to additional tax on the excess. This is described in more detail on page 28.

Contributions will stop when your membership of FuturePlanner ends for whatever reason.



INVESTING YOUR RETIREMENT ACCOUNT

Your contributions to your *Retirement Account* are invested with the aim of making your pension savings grow faster.

Contributions are used to buy units in an investment fund. The day-to-day price of the units, which determines the value of your holding, moves in line with the value of the fund's investments. The value of your *Retirement Account* could therefore go up or down depending on the investment returns and this will be a key factor in determining how much your benefits will be worth when you decide to access them.

New employees are automatically enrolled into the Default investment strategy, which means that 100% of your *Retirement Account* (and all future contributions) will be invested in this way. However, you have a choice between using the Default strategy or investing in one or more of the 10 Self Select funds that have been made available by the Trustee. You cannot invest in both the Default strategy and Self Select funds at the same time.

If you wish to switch your investments, you can do this online in your Retirement Account.

The Default investment strategy is explained on the pages that follow.

Click here to go to the Self Select investment pages.

Default investment strategy

The *Trustee* has set up a Default investment strategy which is designed to be suitable for the needs of most members, particularly if you do not want to be actively involved in day-to-day investment decisions. It is currently used by over 92% of FuturePlanner members.

The strategy is a way of investing your *Retirement Account* in growth assets for most of your working life. As your career progresses, more protection from market volatility is introduced and, as you get close to retirement, the money is moved into the final Retirement focus fund, which provides a platform for the various retirement options available: drawdown (the default), taking cash or buying an annuity. If you don't make a choice, your money will be moved into the income drawdown focused fund, but if you already know that you want to take it as cash or buy an annuity, you can select a tailored Retirement focus fund.

The *Trustee's* advisers, Schroders, have created four blend funds with different investment objectives which are used in the Default strategy. Schroders will adjust the components of these blend funds, between different asset classes, based on their views of the opportunities and risks within investment markets and the overall return the fund is seeking. Each of the funds are administered by Mobius Life although there may be several different underlying investment managers chosen by Schroders within the funds.

INVESTING YOUR RETIREMENT ACCOUNT CONTINUED

Blend fund name	Target	Risk level – 1 (low) to 6 (high)	Charge*
FuturePlanner Long-Term Growth Fund	Inflation +5%	5	0.345%
FuturePlanner Stable Growth Fund	Inflation +4%	4.5	0.370%
FuturePlanner Cautious Growth Fund	Inflation +3%	3.5	0.395%
FuturePlanner Retirement focus: default (income drawdown)		3	0.292%
FuturePlanner Retirement focus: income for life (annuity)		2	0.307%
FuturePlanner Retirement focus: take the pot as cash		1	0.350%

* These charges are a reasonable estimate and actual charges may vary. Current rates can be found on the Mobius Life investment microsite, accessible through the investment section of your **www.MyPension.com/FuturePlanner** account.

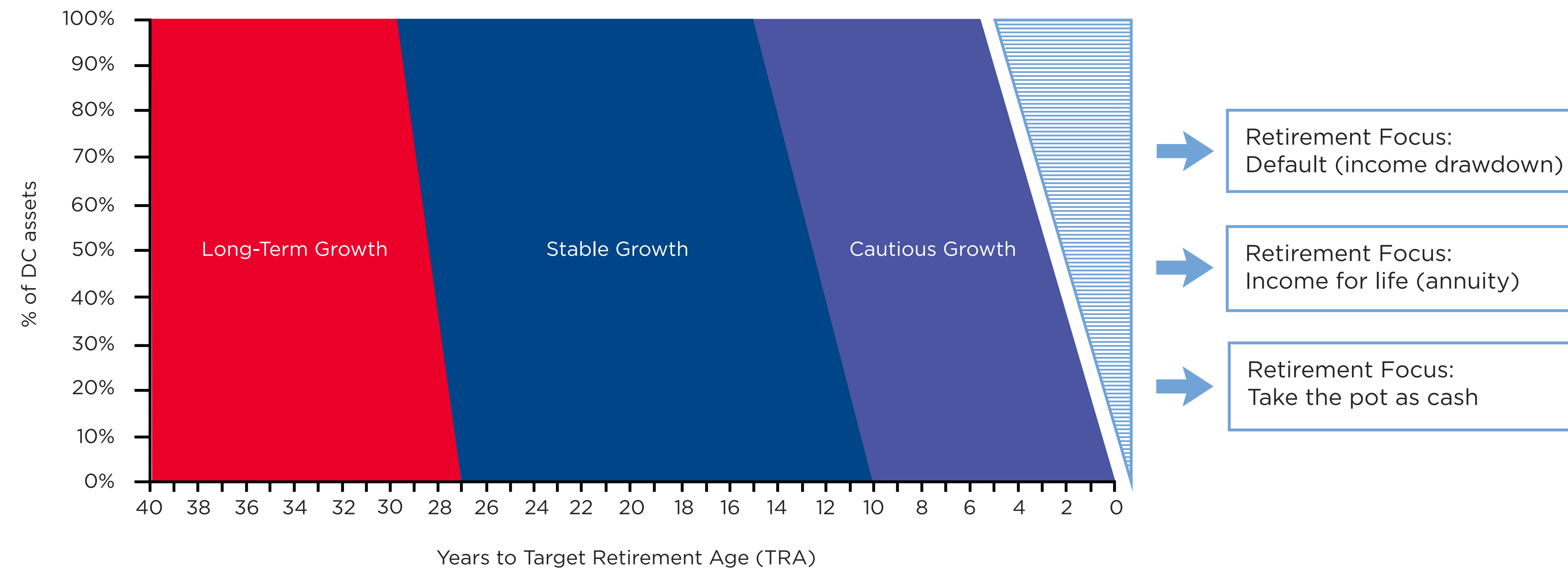
INVESTING YOUR RETIREMENT ACCOUNT CONTINUED

Default 'lifestyle' switching

The automatic process of switching your *Retirement Account* from higher risk funds into lower risk funds is called 'lifestyling'. The switches take place at certain fixed points, depending on how far you are from your *Target Retirement Age*.

When you get to your *Target Retirement Age*, your *Retirement Account* will be in the final Retirement focus fund, which provides a platform for the various retirement options available: drawdown (the default), taking cash or buying an annuity.

In the last five years leading up to your Target Retirement Age, the money will move to a default Retirement focus fund suitable for income drawdown. You can take tax-free cash and keep the rest of your savings invested. However, if you already know that you want to take an annuity or withdraw all of the money early on in retirement, you can choose one of the alternative Retirement focus funds.



Default (income drawdown) – this option is aimed at members who intend to keep funds invested into retirement by transferring into an income drawdown solution. The investments in the default option have been set up to mirror the default investments in Smart Pension (a workplace Master Trust pension scheme that the Trustee uses to provide a smooth transition into drawdown).

Income for life (annuity) – this option is aimed at members who want the certainty of a fixed income by purchasing an annuity.

Take the pot as cash – this option is aimed at members who intend to take their savings as cash at retirement. Depending on the size of your DC savings at retirement, some of the cash may be tax-free and some may be taxed.

INVESTING YOUR RETIREMENT ACCOUNT CONTINUED

Why age matters

The earliest you can take your benefits in FuturePlanner is 55. This will increase to 57 in April 2028 for members who joined FuturePlanner on or after 4 November 2021.

It is very important to tell us your *Target Retirement Age* - the age you plan to take the money that has built up in your *Retirement Account*. This is because your *Target Retirement Age* sets the dates when the gradual lifestyle derisking takes place. For example, say you plan to retire at age 65 but we think you are retiring at 60. At age 60, your *Retirement Account* will have switched into the default Retirement focus fund (unless you have selected one of the other Retirement focus fund options), which means your *Retirement Account* may get less investment growth than you would have hoped for over the last five years of your career.

If you do not choose a *Target Retirement Age*, the *Trustee* will assume that you wish to retire at your *State Pension Age*.

The *Trustee* has no responsibility if you fail to notify them of any change to your *Target Retirement Age*.

Self Select

Alternatively, if you don't think the Default strategy is appropriate for your circumstances, you might wish to manage the investment of your *Retirement Account* more actively.

You can make your own Self Select selection from a range of 10 funds made available by the *Trustee*.

The funds are administered by Mobius Life although the underlying investment manager may change from time to time.

The table on the next page provides an overview of the Self Select funds, but you can view more detailed fund factsheets by logging into your **Retirement Account.**

INVESTING YOUR RETIREMENT ACCOUNT CONTINUED

	Target	Risk level – 1 (low) to 6 (high)	Charge*
Blend funds			
FuturePlanner Long-Term Growth Fund	Inflation + 5%	5	0.345%
FuturePlanner Stable Growth Fund	Inflation +4%	4.5	0.370%
FuturePlanner Cautious Growth Fund	Inflation +3%	3.5	0.395%
Passive funds			
FuturePlanner Global Equity Fund	Match the index for global equity exposure	5	0.153%
FuturePlanner ESG Global Equity Fund	A global equity fund favouring companies with strong Environmental, Social and Governance characteristics with a 50% currency hedge	5	0.273%
FuturePlanner Islamic Global Equity Fund	This fund aims to invest in a diversified portfolio of securities, which meet Islamic investment principles	5	0.322%
FuturePlanner Corporate Bond Fund	Match the index return for corporate bonds	2.5	0.116%
FuturePlanner Fixed Annuity Focus Fund	Match the movement in the price of fixed annuities (investing in a mix of government and corporate bonds)	2	0.120%
FuturePlanner Inflation-Linked Annuity Focus Fund	Match the movement in the price of inflation-linked annuities (investing in a mix of inflation-linked gilts and corporate bonds)	2	0.120%
FuturePlanner Cash Fund	Match a cash return	1	0.123%

* The charge includes all fixed provider costs and a combination of Mobius Life charges for investment administration and Schroders' charges for managing the asset allocation of the fund (where applicable). The charge can vary over time and the latest rates can be found at **www.futureplanner.co.uk**.

INVESTING YOUR RETIREMENT ACCOUNT CONTINUED

Investment charges

Investment charges are levied on your *Retirement Account* each year. These charges relate to the costs of investment advice, administration and management. They vary with the fund you select and depend on the underlying investment managers. The *Trustee* reviews the charges regularly, with the help of their investment consultant, Schroders.

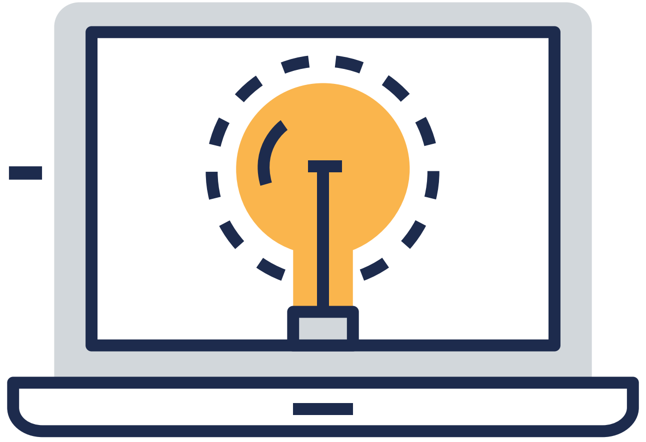
The size of the charge is related to the complexity of the fund, so it is hoped that the higher charges will be reflective of a better result in terms of risk and return.

The charges apply as a percentage of the value invested in the fund. For example, if you were invested in the FuturePlanner Global Equity Fund, there is a charge of 0.153%. So for each £100 invested you would pay 15p a year.

Risk levels

The risk level is an indication of how volatile or variable the fund value is likely to be on a day-to-day basis as well as the fund's potential for drawdown or loss. It is therefore a measure of how much the fund value could change on a day-to-day basis with a focus on downside risk. The range runs from 1 (low risk) to 6 (high risk).

Pension investment is typically designed for the longer term. A fund like the cash fund can be shown as low risk (reflecting low variability of returns and low potential for loss), but if members remain invested in cash for many years from an early age, it could be seen as high risk given that the increase in fund value may not keep up with inflation.



INVESTING YOUR RETIREMENT ACCOUNT CONTINUED

Switching investments

You can change the way your *Retirement Account* is invested at any time. Simply log into your Account via the FuturePlanner website, **www.futureplanner.co.uk**. Alternatively, you can complete a **switch form** on the website.

Please note that the Rules of Leonardo FuturePlanner allow the *Trustee* to levy a charge for the costs of switching when you change your investment instruction. However, for the time being the *Trustee* has decided not to levy this charge. You will be advised if the *Trustee* decides to re-introduce the charge in the future.

Statement of Investment Principles

The *Trustee* has drawn up a Statement of Investment Principles in which they set out their policy for selecting the investments available from FuturePlanner.

The Statement is reviewed by the *Trustee* from time-to-time. You can see a copy at **www.futureplanner.co.uk**.

IMPORTANT

Leonardo, its employees and the *Trustee* are not authorised to give you financial advice. If you are in any doubt about which investment funds you should choose, we recommend you speak to an independent financial adviser, who may charge a fee for their services.

Please note that the *Trustee* is not liable in any way for the investment decisions you make. They will review the range of funds available and may decide to make changes from time to time, having taken investment advice for this purpose. However, you are exclusively responsible for the investment instruction you give, even where, in the absence of an instruction, the *Trustee* allocates your investment to a default fund. If the *Trustee* feels it is in the interests of the membership, they may select a new fund manager and discontinue the funds in which you are invested. In these circumstances, where the *Trustee* feels it is appropriate, they may transfer your *Retirement Account* to the new fund(s) equivalent to your chosen investments without your consent.

TAKING YOUR RETIREMENT ACCOUNT

Your options

You have a high degree of flexibility in how you take the money that has built up in your *Retirement Account*, although some of these options involve more risk than others.

In summary, your options are:

1 Tax-free cash lump sum

Under current *HMRC* rules, you can take up to 25% of the value of your *Retirement Account* as a tax-free cash lump sum, subject to a maximum of £268,275 (unless you have a form of Lifetime Allowance protection - see page 28).

2 Drawdown

Drawdown allows you to keep your pension savings invested and then draw an income from them. The Trustee has an arrangement with Smart Pension (a workplace Master Trust pension scheme) to provide flexible at-retirement benefits to members. At retirement, members will have the option to transfer their pension savings to Smart Pension and from there access their retirement drawdown product, Smart Retire. Contact Smart Pension to find out more. Drawdown involves risk as your financial security would depend on future investment performance and the rate at which you draw the income. Remember that there are many other income drawdown providers and you can select one of your own, rather than Smart Retire, if you prefer.

3 Annuity

You can use some or all of your *Retirement Account* to buy a guaranteed income – known as an annuity. You would normally buy this from an insurance company, which would then provide you with a pension during your retirement. You can tailor the annuity to meet your own specific needs. For example, if you are married, you can include a spouse's pension, payable on your death in retirement. Or, if you are in poor health, you might be able to get a higher annuity income, on the expectation that you will not live as long.

TAKING YOUR RETIREMENT ACCOUNT CONTINUED

4 **Cash (taxed as income)**

You can take any amount of your *Retirement Account* as cash in up to two lump sums over the first two years of your retirement. Any withdrawal over 25% of the value of your *Retirement Account* will be taxed as income. This might be at a higher tax rate than you normally pay if the sum takes you into a higher tax bracket. Alternatively, if you want to take a series of withdrawals, you can use the drawdown option described in 2 above.

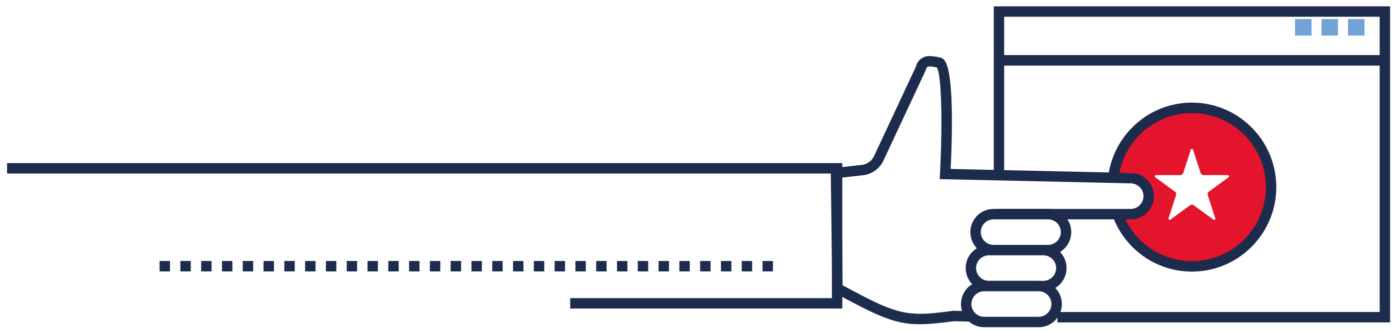
5 **A combination of the options**

You can use any combination of these options to take the benefits that have built up in your *Retirement Account*.

The Default investment strategy works on the assumption that you will continue to keep your funds invested into retirement by transferring them into an income drawdown solution such as Smart Pension (from there you can access their retirement drawdown product, Smart Retire).

Alternatively, if you are already sure of your plans, you can choose a version of the Retirement focus fund that matches your plans:

- Income for life (annuity)
- Take your *Retirement Account* as cash.



TAKING YOUR RETIREMENT ACCOUNT CONTINUED

Choosing your retirement age

The earliest you can take your benefits in FuturePlanner is 55. This will increase to 57 in April 2028 for members who joined FuturePlanner on or after 4 November 2021. However, this is provided you have given any notice you are required to give under your contract of employment.

Flexible retirement

It is possible to take your benefits early (from age 55 or, if you joined FuturePlanner on or after 4 November 2021, from age 57 after 5 April 2028) and continue working for Leonardo. You will not need the consent of Leonardo to do this on the first occasion but you must draw all your FuturePlanner benefits.

If you take your benefits while continuing to work for Leonardo, you will be able to rejoin FuturePlanner and start a new period of membership, with a new *Retirement Account*, which you and Leonardo will contribute to. Should you wish to take the benefits relating to your second period of membership while you are still working for Leonardo, this will require Leonardo's consent.

Depending on how you use your FuturePlanner benefits the first time you take them, the amount you are allowed to pay into your new *Retirement Account* in a tax-efficient way may be restricted. You can find out more here: **https://www.gov.uk/tax-on-your-private-pension/annual-allowance**

If you are thinking about flexible retirement, it is recommended that you take independent financial guidance or advice to help you understand your options and the consequences for future savings.

TAKING YOUR RETIREMENT ACCOUNT CONTINUED

Getting advice

If you wish to obtain specialist advice on which retirement option is best suited to your needs, you can take advice from any independent financial adviser. Please note that the Trustee and Leonardo are unable to advise you on any of these retirement options. If you are at all uncertain of what action to take, it is recommended that you seek independent financial advice.

LEAVING SERVICE

If you leave Leonardo before you can draw your retirement income (or before you want to), no further contributions will be payable into FuturePlanner and your benefits will be 'deferred'.

Your *Retirement Account* will continue to be invested in line with your instructions and you can change your investment instruction by completing a switch form or by logging into your Account through the FuturePlanner website, **www.futureplanner.co.uk**.

Transfer option

The cash value of your *Retirement Account* may be transferred to your new employer's pension scheme, if your new employer agrees, or to a personal pension arrangement of your own choice.

You can choose this option at any time, provided you have not started to receive your benefits. You should advise your new employer or your personal pension provider if you are interested in this option.

The *Trustee's* liability to provide you with benefits ceases upon payment of the transfer value to your new employer's scheme or to an individual personal pension policy. The *Trustee* cannot be held responsible if the new investment fails to match that under FuturePlanner.

Buy out

If your benefits remain in FuturePlanner, the *Trustee* may, where it considers it reasonable, decide to transfer or 'buy out' your deferred benefit and transfer it to a pension arrangement that meets statutory requirements. This would involve the *Trustee* transferring the proceeds of your *Retirement Account* to a separate Master Trust or insurance policy in your name. You would then have a direct relationship with the Master Trust provider or insurance company and could continue to make investment choices from a selection of funds available. No further contributions would be possible into that policy.

The *Trustee* would provide you with 30 days' written notice of the intention to transfer or buy out the deferred benefit and the transfer or buy out would not proceed if there is an outstanding request from you to use the transfer option.

Retirement from deferred status

If you have not transferred or had your benefits bought out of FuturePlanner by the time you wish to take your benefits, you can choose to draw your deferred benefits from FuturePlanner from your *Minimum Pension Age*. You would have the full range of retirement options at that time as described on pages 19-20, including taking a tax-free cash lump sum.

OPTING OUT OF **FUTUREPLANNER**

New employees are automatically enrolled into FuturePlanner, but it is not a condition of your employment to be or remain a member of FuturePlanner.

You may leave FuturePlanner at any time, if you wish, by giving one calendar month's written notice to Leonardo and to the *Trustee*. To opt out, you would need to complete and return an **opt-out form**. You will have the same options as someone with deferred benefits – see page 23.

Please note that if you opt out, Leonardo may be required to automatically re-enrol you back into FuturePlanner on a rolling three-year basis (or earlier for younger and lower paid employees who reach certain thresholds). This is something that has to be done by law, but you can choose to opt out again if you wish. Leonardo will contact you before re-enrolling you.

If you opt out you will be giving up these valuable benefits:

- death-in-*service* lump sum;
- income protection cover;
- generous Match Plus contributions from Leonardo;
- lower tax and National Insurance contributions.

Also, if you opt out but then later decide to rejoin FuturePlanner, you may be asked to provide certain additional information, such as medical evidence.

DEATH BENEFITS

Death in service

If you die in *service* as a member of FuturePlanner, the following benefits may be payable:

- a lump sum equal to four times your annual rate of *Pensionable Salary* as at your date of death (subject to any insurance Free Cover Limit and ceasing at age 75) and
- a lump sum equal to the value of your *Retirement Account* at the date of death.

Death as a deferred member

If you die having left *service* but you have not yet drawn your benefits, then a lump sum equal to the value of your *Retirement Account* at the date of death is payable.

Payment of death benefits

Lump sum death benefits will be paid to, or for the benefit of, your *family* or *nominated person* at the *Trustee's* discretion.

This includes your spouse, civil partner, children, parents, other relatives and dependants as well as other people nominated by you.

Paying benefits at the discretion of the *Trustee* generally enables payment to be made quickly and normally without liability to Inheritance Tax.

You can help the *Trustee* decide who to pay the lump sum benefits to by completing your expression of wish online in your *Retirement Account*. The *Trustee* will consider your wishes but is not legally bound by them.

You should update your expression of wish if your wishes or circumstances change.

Death in retirement

If you die after having started to take your pension, the benefits payable will depend on the choices you made at retirement. For example, if you purchased an annuity and included a spouse's pension in the terms, this would be payable by the insurance company you selected to provide your annuity. If you withdrew your *Retirement Account* as cash, this money would form part of your Estate in the normal way.

INCAPACITY

If you fall ill, there is support available to you as a member of FuturePlanner. Normally the initial support comes through Leonardo's sick pay scheme. Please speak to your HR department if you would like more details of this.

Income protection

Once you have been absent from work for six months, there is an Income Protection insurance that has been put in place by Leonardo for members of FuturePlanner.

This provides an income of 50% of your salary for up to two years, followed by a lump sum.

The 50% income is paid if, and for so long as, your illness satisfies the insurer's definition of *incapacity* that prevents you from working.

After two-and-a-half years of absence, a lump sum would become payable provided you still satisfy the insurer's definition. The value of the lump sum will depend on the length of your membership of FuturePlanner and the amount of time remaining to State Pension Age.

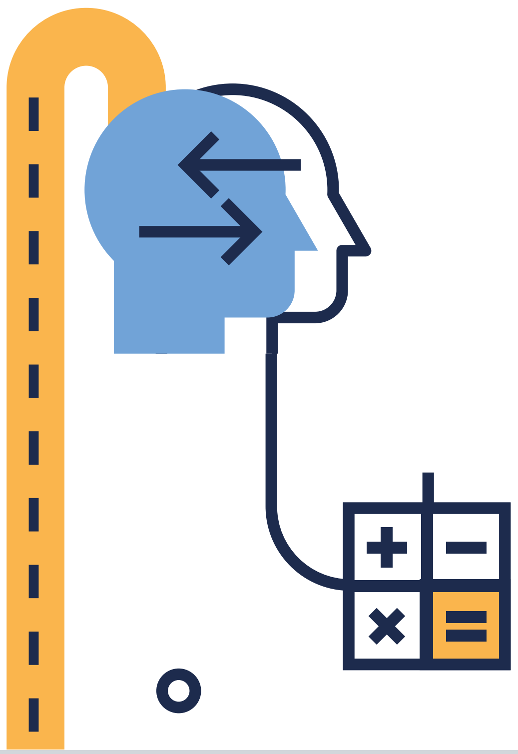
Please note that once you reach State Pension Age the cover ceases. Similarly, once you are within two-and-a-half years of that age, the period of cover reduces pro rata and no lump sum would be payable.

The Income Protection insurance is provided by Leonardo outside of the Rules of FuturePlanner and can be changed at any time. A separate leaflet describing the income protection policy can be found here.

Ill-health retirement

If your *incapacity* satisfies the definition of the *Trustee* (you are suffering from a permanent breakdown in health and are unable to carry on in your occupation), you could draw your pension when your employment ends, even if this is before age 55 (or age 57 from April 2028, if you joined FuturePlanner on or after 4 November 2021).

The amount payable depends on the value of your *Retirement Account* when you retire.



ABSENCE

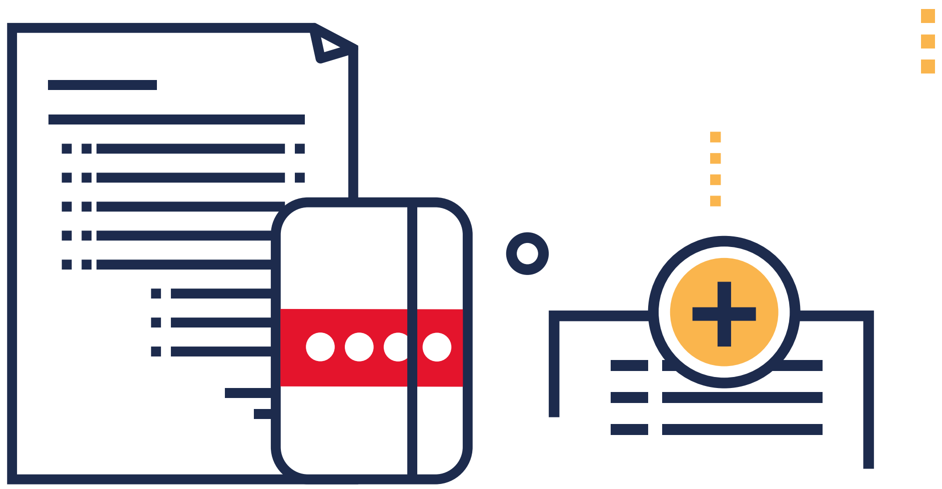
If you are away from work, your membership of FuturePlanner will normally continue for as long as you are receiving contractual pay from Leonardo.

Once your pay ceases, membership will normally end, unless you come under certain special rules that apply to certain types of leave.

Maternity, paternity and adoption leave

Special rules apply to the following forms of statutory leave:

- Maternity leave during your statutory 'ordinary maternity leave period' and also during any further period of 'additional maternity leave' during which you receive pay.
- Paternity leave during which you receive pay.
- Adoption leave during your statutory 'ordinary adoption leave period' and also during any further period of 'additional adoption leave' during which you receive pay.



For each of these types of absence, Leonardo will pay contributions based on your pre-leave pay. You will also have to pay any contributions you usually pay at your chosen percentage rate but these will be based on the actual pay you receive. If you are participating in *Smart*, your *Smart* contributions are classed as 'employer contributions' and therefore would be based on your pre-leave pay. You may wish to reconsider your *Smart* decision during these types of leave. Your lump sum death benefit will continue to be based on your pre-leave pay.

Parental or family leave

If you are absent during a period of paid parental or other family leave, you will be treated as remaining in *service*. Contributions will continue, but both you and Leonardo's contributions and the lump sum death benefits will be based on the actual contractual pay which you are receiving.

Unpaid leave

If you return to work after a period of unpaid leave which you had a legal right to take, your *service* before and after the break will be treated as continuous (but excluding the break). Leonardo may allow you to make up your contributions on your return to work. At its discretion, Leonardo may provide for you to have lump sum death benefit.

PENSIONS TAX ALLOWANCES

A workplace pension means you can save for retirement in a tax-efficient way. However, the Government does limit the amount of tax-advantaged contributions you can pay into a pension each year, and (until recently) how much you can build up in a pension scheme over the course of your working life. These limits – the Annual Allowance and the Lifetime Allowance – will not affect the vast majority of members.

Annual Allowance

The Government will allow you to contribute each year to registered pension schemes in a tax-efficient way up to the Annual Allowance. In April 2023, the Annual Allowance was raised to £60,000 for most people (previously £40,000 for a number of years). Your Annual Allowance may be lower if you retired flexibly and rejoined FuturePlanner, or if you are a high earner.

Contributions in excess of the Annual Allowance will attract additional tax charges. You can check if you have to pay a tax charge on your pension savings using the **HM Revenue & Customs' calculator**.

Lifetime Allowance

The Lifetime Allowance (LTA) was a limit on the amount of pension savings you could build up tax free over your lifetime. It was abolished in April 2024. If you hold an LTA protection, this may protect the amount of tax-free cash you can take as a lump sum at retirement.

KEEPING UP TO DATE

The *Trustee* regularly communicates with you through benefit statements, newsletters and the FuturePlanner website.

Your annual benefit statement will summarise the contributions paid into your *Retirement Account* by you and Leonardo, how your investments have performed, your prospective pension at retirement (assuming you buy an annuity) and your death benefits.

The best way to update your details and make any changes to your Retirement Account is to log into the *Administrator*'s secure system to make certain changes to your *Retirement Account*, such as switching between investment funds and selecting your *Target Retirement Age*.

The *Trustee* will also issue you with newsletters about FuturePlanner from time to time.

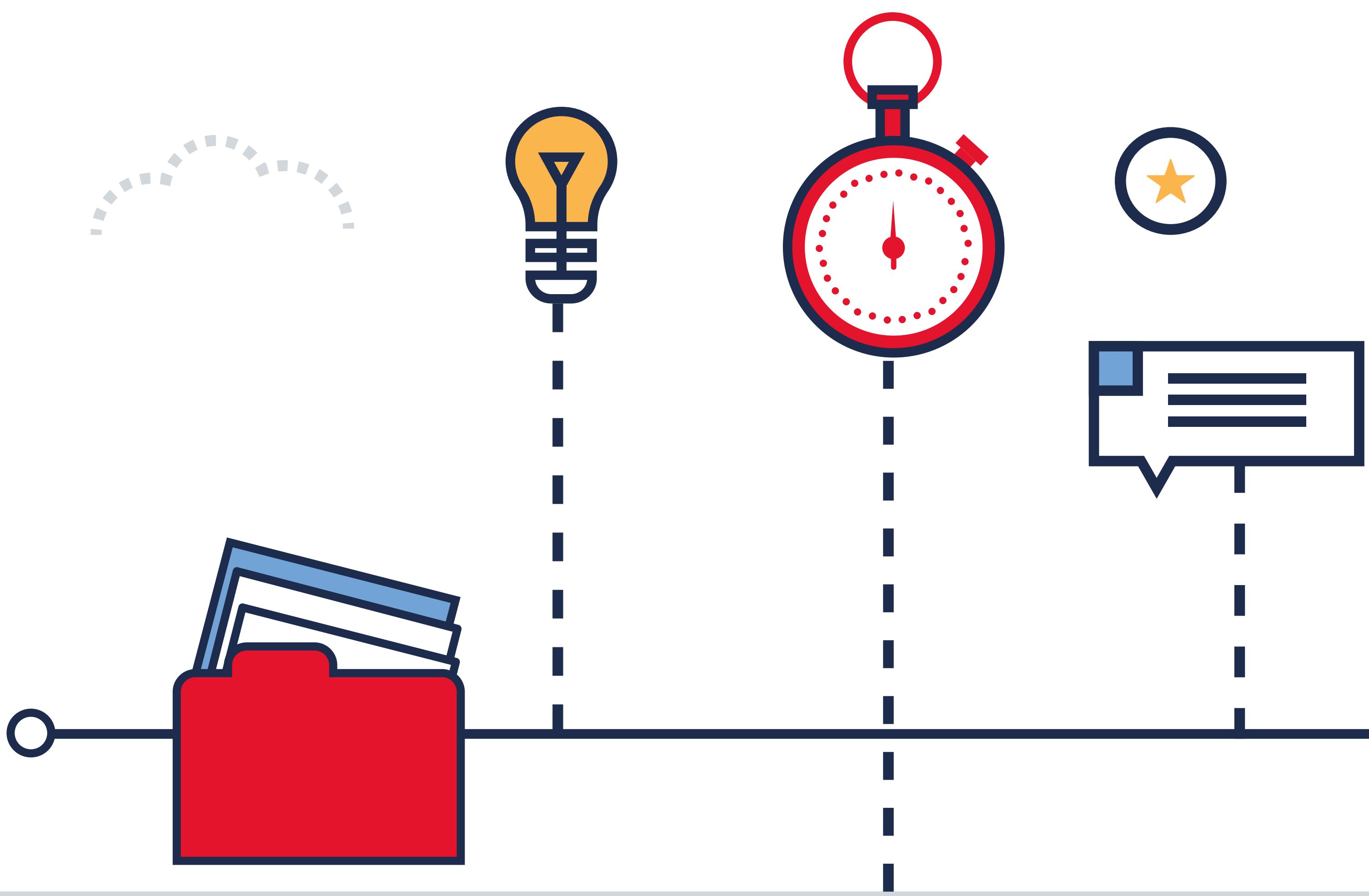
Please keep the *Administrator* up to date with any change of postal and email address, to make sure you receive all communications from FuturePlanner.

OTHER IMPORTANT INFORMATION

Divorce

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

In the event that there is a pension sharing order, the *Trustee* will not admit your ex-spouse into FuturePlanner as a member and instead the benefits will be transferred out to a suitable registered pension arrangement, selected by your ex-spouse.



Internal Dispute Resolution procedure

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

Should you have a complaint or dispute which is not settled to your satisfaction, you can use the Internal Dispute Resolution (IDR) procedure, which the *Trustee* has put in place to resolve complaints or disputes.

Should you wish to make an application under the IDR procedure, you should contact the *Administrator*, XPS Administration. They will send you a copy of the IDR procedure, together with the appropriate forms needed to make an application.

The procedure provides that the nominated complaints officer will consider your application and respond within two months of your formal application being made. If you are still dissatisfied, you may appeal to the *Trustee* to reconsider your application. Your appeal must be received within six months of the decision being made and communicated to you.

The *Trustee's* decision is final. If you are dissatisfied with the outcome of the IDR process, the organisations listed on the next page may be able to assist you.

USEFUL CONTACTS

MoneyHelper

MoneyHelper is the government's free financial information and guidance service.

It aims to help everyone access the information they need to make good financial decisions, by offering free information and guidance on financial planning, pensions and managing debt.

Telephone: 0800 011 3797

www.moneyhelper.org.uk

Pensions Ombudsman

The Pensions Ombudsman can investigate complaints of fact or law between a scheme member and the scheme authorities and has the power to make a decision which is legally binding on all parties. However, he will normally only intervene after his Early Resolution Service has been involved and failed to resolve the dispute.

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

Telephone: 0800 917 4487
www.pensions-ombudsman.org.uk

Pensions Regulator

The Pensions Regulator is the independent regulator of work-based pension schemes in the UK. Its aims are to ensure that the interests of members of these pension schemes are protected and to promote good administration of work-based pension schemes. It is able to intervene in the running of schemes, where there has been a failure of duty.

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

www.thepensionsregulator.gov.uk

Pension Tracing Service

Information about FuturePlanner (including the address at which the *Trustee* may be contacted) has been given to the Pension Tracing Service. The Registrar acts as a central tracing agency to help individual members keep track of the deferred benefit entitlements they have in previous employers' schemes.

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

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

USEFUL CONTACTS CONTINUED

Pension Wise

If you are age 50+ and have built up pension savings in a DC scheme, Pension Wise is a free Government service provided via MoneyHelper that can offer you:

- impartial guidance (online, over the telephone or face to face) to explain what options you have and help you think about how to make the best use of your pension savings;
- information about the tax implications of different options and other important things you should think about;
- tips on getting the best deal, including how to shop around.

www.moneyhelper.org.uk

Unbiased.co.uk

Pension Wise can only provide general guidance and not personalised advice. You can use this website to find a financial adviser in your area who can give you personalised information.

www.unbiased.co.uk

GOV.uk

You can find more information on pensions and retirement planning, including State Pensions and *State Pension Age*.

www.gov.uk

JARGON BUSTER

Throughout this guide there are certain words and phrases which have special meanings and these are defined below.

Administrator

XPS Administration, the company that has been appointed by the Trustee to manage Leonardo FuturePlanner. Certain administration functions may also be carried out by Leonardo's pensions management team.

Basic Salary

Your contractual salary as agreed with Leonardo from time to time. Basic Salary is subject to the Earnings Limit.

Leonardo

Means Leonardo UK Ltd and other employers participating in Leonardo FuturePlanner, including Telespazio UK Limited. Leonardo UK Ltd is the Principal Employer for FuturePlanner, which means it holds certain additional powers under the Rules.

Family

The people related to you and your spouse or civil partner. It includes children, parents, grandparents, brothers, sisters, uncles, aunts, cousins, former spouses/civil partners and other dependants. Adoptive and step relationships are also included.

HMRC

HM Revenue & Customs, who set the tax regulations governing how pension schemes operate.

Incapacity

The Trustee has received evidence from a registered medical practitioner that you are, and will continue to be, incapable of carrying on your occupation because of physical or mental impairment and you have in fact ceased to carry on your occupation.

Minimum Pension Age

This is the earliest you can take your benefits (unless you suffer Incapacity). It is currently age 55, but will increase to age 57 from April 2028 if you joined Future Planner on or after 4 November 2021.

Nominated Person

Someone you nominate in writing to receive death benefits, for example by completing an expression of wish form or by naming them in your Will.

JARGON BUSTER CONTINUED

Pensionable Salary
Your Basic Salary plus any permanent shift allowance (you may receive) and any other earnings which Leonardo advises you in writing are pensionable. Your Leonardo Employer's statement concerning what constitutes Pensionable Salary is final.

Retirement Account
Your defined contribution account in FuturePlanner into which both your and Leonardo's contributions are paid. The value of your Retirement Account also changes in line with the investment performance.

Service
Your service with Leonardo during which you have been a member of FuturePlanner.

Smart
The option to pay pension contributions by salary sacrifice which can reduce liability for National Insurance contributions for both Leonardo and members. (Don't confuse Smart with Smart Pension, which is a workplace Master Trust pension scheme used by the Trustee to provide a flexible at-retirement service to members.)

Smart Pension
Smart is a global savings and investment technology platform provider and one of the UK's largest providers of workplace pensions. Smart Pension, its award-winning Master Trust, is used by hundreds of thousands of members. You can find out more on the **Smart Pensions website**.

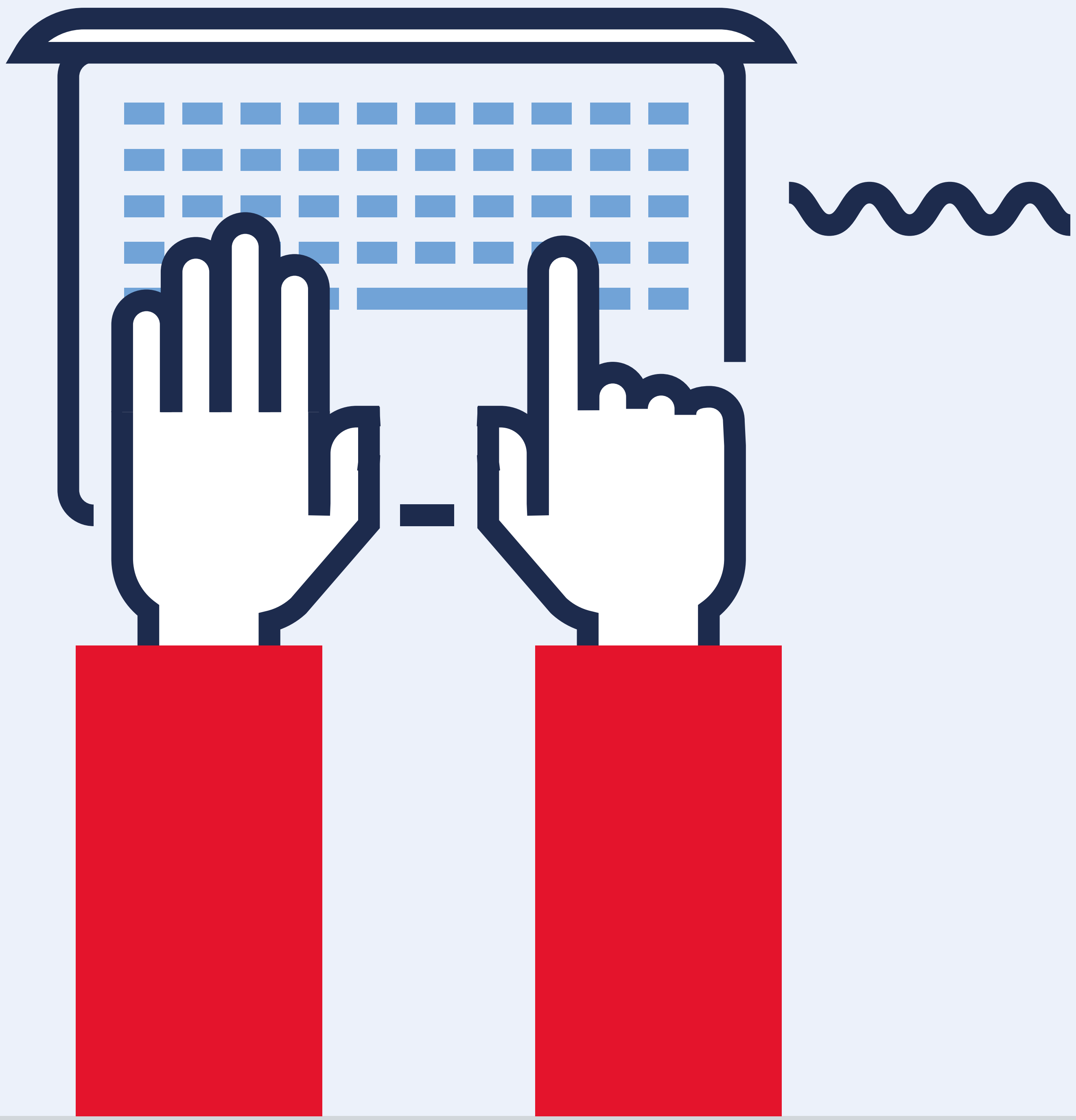
Smart Retire
Smart Retire is part of the Smart Pension Master Trust. It is a retirement product that allows pension savers to combine different options to provide an income in retirement. You can find out more on the **Smart Retire website**.

State Pension Age
The default retirement age for Leonardo FuturePlanner. It means the pensionable age when your State Pension is payable. State Pension Age is currently 66 and will increase to 67 between 2026 and 2028. The Government is also considering bringing forward the planned increase to age 68 from 2044-2046 to 2037-2039. You can find out what your State Pension Age is on the GOV.uk website, **here**.

JARGON BUSTER CONTINUED

Target Retirement Age
The age which you provide to Leonardo FuturePlanner as your preferred age to retire. If you select the Default investment option, your Retirement Account will be invested with a view to an appropriate balance between risk and return over your career leading up to this date.

Trustee
The Trustee of Leonardo FuturePlanner.



THE SMALL PRINT

Leonardo FuturePlanner is a registered pension scheme for the purposes of the Finance Act 2004. It is set up under trust and administered by the *Trustee* in accordance with the formal Leonardo FuturePlanner Rules.

FuturePlanner was established on 1 November 2007 and is governed by Rules dated 1 July 2013, as amended.

Data Protection

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

Trustee

The *Trustee* Directors are selected by Leonardo and by FuturePlanner members and are equally and jointly responsible for the administration of FuturePlanner. Opportunities for members to be appointed as *Trustee Directors* will arise from time to time. The *Trustee* publishes an annual report and accounts which is available on request to any member. It can be downloaded from **www.futureplanner.co.uk**.

Rules

Copies of the Rules can be requested from the *Administrator*. The Rules set out how the benefits are structured and the various powers and duties of the *Trustee* and Leonardo. The Rules can be amended at any time by agreement of the *Trustee* and the Principal Leonardo.

Tax regulations

Leonardo FuturePlanner has to comply with statutory requirements governing occupational pension schemes. *HMRC* also produce regulations and guidelines which FuturePlanner complies with. In particular, FuturePlanner must comply with various restrictions on the type of benefits it provides to ensure it does not lose its registered status, which allows tax relief on contributions and benefits paid through FuturePlanner.

Entitlement to benefits

The benefits provided by Leonardo FuturePlanner are strictly personal and you cannot assign or charge them.

State Pension

The benefits described in this booklet are in addition to the State Pension, which is payable from *State Pension Age*. The State Pension changed for anyone reaching *State Pension Age* on or after 6 April 2016. You can find out more here: **https://www.gov.uk/yourstatepension**.

GET IN TOUCH

If you want to know more or have any questions about your benefits in FuturePlanner, you can contact the *Administrator*, XPS Administration:

Email: FuturePlanner@xpsgroup.com
Telephone: 0118 467 5900
Write to: Leonardo FuturePlanner, XPS Administration, PO Box 562, Middlesbrough, TS1 9JA

Copies of forms are available for members to download from the FuturePlanner website **www.futureplanner.co.uk**.

J-075032 December 2024