

Telefonica UK Pension Plan - DC Section

Partial transfer request from the Telefonica UK Pension Plan (the Plan) for an active member

Dear Member

You have requested a partial request of your defined contribution benefits in the Plan (the Partial Transfer). As you may be aware, such transfers are subject to the discretion of the Trustee of the Plan.

The Trustee will grant its discretion for your Partial Transfer if you have

- Met all of the conditions set out in Section A of the checklist. These conditions will be checked by Standard Life on behalf of the Trustee.
- Read and acknowledged all of the points that the Trustee wishes to draw to your attention in the table in Section B below.
- Completed and signed the discharge form in Section C below.

Once you have read and understood some of the risks involved you may wish to consider whether you still wish to proceed and whether it is in your best interests to do so. If, after reading the list below you still wish to proceed with the partial transfer, please:

- enter your initials in each box of the table in Section B below;
- sign and return the form of discharge in Section C below; and
- return a copy of both Section B and C to Standard Life who will then be able to process your application.

Note that if you do not wish to proceed, you do not need to take any action.

Yours faithfully,

Telefonica UK Pension Trustee Limited

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Section A – checklist (for information only)

The checklist below sets out the terms and conditions that the Trustee requires to be met before a partial transfer can proceed. These terms and conditions are for your information only and you do not need to complete this section:

Age
Must be old enough to access their pension savings immediately, i.e. currently 55 and above (this will increase with changes to minimum retirement age)

Frequency
*Only one partial transfer allowed in a 12 month period
Only two partial transfers allowed from the Plan in member's lifetime*

Amount
The transfer amount must be equal to or greater than £10,000

Residual Plan account
Must leave at least £10,000 in their Plan account

Receiving account
Must be UK registered pension plan, i.e. cannot transfer overseas

Declaration and discharge
Has signed declaration that they have read and understood key points and risks before proceeding with the transfer – Section B of this letter

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Section B – points of consideration for a partial transfer

<p>The trustee would like to draw the following points and risks to your attention. Please note that this list is not intended to be, nor should it be construed as, an exhaustive list of the risks involved. If you are in any doubt, the Trustee recommends you seek and obtain independent financial advice from a financial adviser authorised by the Financial Conduct Authority before proceeding.</p>	<p>Please enter your initials in the box below to show you have read this</p>
<p>Fees and charges By moving your money out of the Plan, you are likely to be subject to different charges for the ongoing investment and administration of the transferred funds and you may be charged a fee for the transfer. In particular, you may lose the Company discount for all members of the Plan which could lead to higher ongoing charges in respect of the transferred funds. If the transfer involves a change in your investments, you may be subject to transaction costs involved in a switch of investments. You should satisfy yourself that you understand the fees and charges that will apply in your situation</p>	
<p>Investments You should check the underlying assets in which your pension funds would be invested and satisfy yourself that these are appropriate for your situation.</p>	
<p>Financial advice The Trustee strongly recommends that you speak to an independent financial adviser authorised by the Financial Conduct Authority to help you decide whether this transfer is suitable for your situation.</p>	
<p>Pension Regulator guide on pension scams The Trustee recommends that you read (or re-read) the Pensions Regulator's guide on pension scams (a copy of which can be found online).</p>	
<p>Money Purchase Annual Allowance (MPAA) If you start to take money from a defined contribution pension, the amount you can continue to pay in and still get tax relief from will normally reduce. This is known as the MPAA. The MPAA is £4,000 for the 2019/20 tax year, and covers both employee and employer contributions. This is significantly lower than the Annual Allowance that normally applies. If the MPAA does apply to you and your total contributions exceed the MPAA, you will be personally liable to HMRC to both declare and meet the special annual allowance tax charge that will apply on your pension savings. You can find more details on the MPAA on HMRC's website. The Trustee recommends that you understand the conditions in which the MPAA applies and whether this affects your situation. You may need to review your ongoing contributions into the Plan.</p>	
<p>Lifetime Allowance Protections If you have Lifetime Allowance protections then these could be invalidated by a transfer. The Trustee recommends you take financial advice if this applies to your situation.</p>	

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<p>Taxation on pension income Aside from the portion of your pension that can be taken as a tax-free lump sum, income from a pension arrangement is subject to income tax. You may wish to consider if your personal marginal tax rate will be higher while you continue to work and receive a salary.</p>	
<p>Further support and guidance The Government offers free and impartial support and guidance on defined contribution pensions. Please search for Pensions Wise or the Money Advice Service if you wish to read or find out more about pension transfers or the different ways you can access your pension</p>	
<p>Ongoing employer benefits By taking a partial transfer as an active employee, your ongoing contributions and risk benefits (death in service, income protection) would remain unchanged. Should you wish to change these you will need to do so in the normal way via the Telefonica Rewards site.</p>	

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Section B - discharge

If you do not wish to proceed with the Partial Transfer, please take no further action. Your Plan benefits will remain unaffected.

If after reading about some of the risks involved, you still wish to proceed with the Partial Transfer, please complete the declaration, indemnity and discharge in this section. The Trustee will not be able to process the transfer until you have completed, signed and returned this section.

Declaration, Indemnity and Discharge

I confirm that I have read and understood the content of this form and I confirm that I still wish to proceed with a Partial Transfer of my benefits out of the Plan. I confirm the following:

- I have read and I understand the points made in Section A of this letter and I confirm that I wish to continue to make the Partial Transfer.
- I have been advised by the Trustee of the Plan to seek and obtain independent financial advice from a financial adviser authorised by the Financial Conduct Authority (FCA).
- I accept that the Trustee of the Plan shall not be in any way responsible for or required to enquire into the use and application of the Partial Transfer.
- I hold the Trustee of the Plan harmless from and against all actions, claims, demands, liabilities, damages, costs, losses or expenses (including without limitation, consequential losses, loss of profit loss of reputation and all interest, penalties, legal and other professional costs and expenses) resulting from my decision to proceed with the Partial Transfer.

Signed

Member Name

Date

Plan Number

Address
