

Leaving the Plan

Telefónica



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Please note, you cannot 'suspend' your membership or take any type of 'contribution holiday'. Opting out of the Telefónica Pension Plan has important implications for you and your dependants, both now and in the future. This action means:

1. Telefónica will no longer be contributing any employer contributions towards your Pension.
2. You will no longer be eligible to apply for any Income Protection benefits now or at any time in future, regardless of whether you re-join the Plan.
3. You're likely to have reduced employer funded Life Assurance cover and you're likely to lose your dependant Pension benefit entitlement. This applies not only now but also if you re-join the Pension Plan at a later date.
4. You may have to pay more tax.

For more information about leaving the Telefónica Pension Plan, please visit: www.telefonicapensions.com. We would also recommend you seek independent financial advice before taking any action. If you're unsure which section of the Plan you're in then please visit www.telefonicapensions.com or contact our EPSC support team. Full contacts details are also found on the Telefónica Pensions website.

We've created the below summary tables to show what benefits you will lose by opting out of the Plan. The tables are broken down into the different sections of the Telefónica Pension Plan so you can review the information which is relevant for your membership/ section. Please read this information very carefully before taking any action.

Please note a refund of the deceased members entire retirement account may be made where there is a deferred benefit.

Table 1 - Comparison of death benefits if an employee opts out, Section 1, Defined Contribution (DC), (joined pension post March 13).

Section 1 (post 1 March 2013 Joiner).	Active Member (still contributing)	Life Assurance Only Member (opted out but remained in employment, even if you re-joined the Plan)	Deferred Member (opted out and left employment)
Employer funded Life Assurance - Lump Sum	<p>5x* Plan salary at date of death</p> <p>PLUS the part of the member's retirement account made up of their contributions and related investment return.</p> <p>The employer contributions and related investment returns will go into the Reserve Account.</p> <p>*Individuals can increase their lump sum through Flexible Benefits</p>	<p>2x* Plan salary at date of death</p> <p>*Individuals can increase their lump sum through Flexible Benefits</p> <p>**If a Section 1 employee (post 1 March 2013 joiner) opted out of the Plan they will receive reduced employer funded Life Assurance Cover of 2x. The employee will then pay the additional 3x cover from their salary.</p>	<p>No life Assurance Lump Sum. Automatic entitlement for the total value of individual's retirement account (eligibility of the beneficiary is at the Trustees discretion)</p>
Dependants Pension	None	None	None
Income Protection cover?	Yes	No	No

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Table 2 - Comparison of death benefits if an employee opts out, [Section 1](#) Defined Contribution (DC), (joined pension pre March 13).

Section 1 (pre 1 March 2013 Joiner).	Active Member (still contributing)	Life Assurance Only Member (opted out but remained in employment, even if you re-joined the Plan post 1 March 2013**)	Deferred Member (opted out and left employment)
Employer funded Life Assurance - Lump Sum	<p>3x* Plan Salary at date of death</p> <p>PLUS the part of the member's retirement account made up of their contributions and related investment return.</p> <p>The employer contributions and related investment returns will go into the Reserve Account.</p> <p>*Individuals can increase their lump sum through Flexible Benefits</p> <p>**Amnesty - please note for those members who joined pre 1 March 2013 following at least 12 months company service they would be covered for 5x Plan salary at date of death plus the part of the member's retirement account made up of their contributions and related investment return. This includes those currently active members who were non-pension scheme members and were auto-enrolled in April 2013. 5x cover will also apply to those who did not meet the auto-enrolment eligibility but chose to join the pension Plan at their first opportunity.</p>	<p>2x* Plan salary at date of death</p> <p>*Individuals can increase their lump sum through Flexible Benefits</p> <p>**Please see amnesty in left column.</p> <p>***If a Section 1 employee (pre 1 March 2013 joiner) opted out of the Plan they will receive reduced employer funded Life Assurance Cover of 2x. The employee will then pay the additional 1x cover from their salary.</p>	<p>No life Assurance Lump Sum. Automatic entitlement for the total value of individual's retirement account (eligibility of the beneficiary is at the Trustees discretion)</p>
Dependants Pension	<p>The greater of:</p> <ul style="list-style-type: none"> - A pension provided from a policy purchased from that part of the member's retirement account made up of the employer's contributions & related investment returns; & - 30% of the member's Plan Salary at the date of death <p>Please note there is no Dependants Pension for those who opted out of the Plan at any point regardless of the Life Assurance Amnesty.</p>	None	None
Income Protection cover?	Yes	No	No

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Table 3 - Comparison of death benefits if an employee opts out, Section 1A (had Defined Benefit (DB) pension).

Section 1A (had DB pension then made DC contributions).	Active Member (still contributing)	Life Assurance Only Member (opted out but remained in employment)	Deferred Member (opted out and left employment)
Life Assurance - Lump Sum	<p>4x* Plan salary at date of death</p> <p>PLUS the part of the member's retirement account made up of their contributions and related investment return.</p> <p>The employer contributions and related investment returns will go into the Reserve Account.</p> <p>*Individuals can increase their lump sum through Flexible Benefits</p>	<p>4x* Plan salary at date of death</p> <p>*Individuals can increase their lump sum through Flexible Benefits</p>	<p>No life Assurance Lump Sum. Automatic entitlement for the total value of individual's retirement account (eligibility of the beneficiary is at the Trustees discretion)</p>
Dependants Pension	<p>30% of pensionable pay dependant's pension plus spouse's pension of 50% of your deferred final salary pension</p>	<p>30% of pensionable pay dependant's pension plus spouse's pension of 50% of your deferred final salary pension</p>	<p>Spouse's pension of 50% of your deferred final salary pension</p>
Income Protection cover?	Yes	No	No

Please note if you leave Section 1A of the Plan and re-join at a future point you would re-join as Section 1A member (as opposed to a Section 1 member). By leaving the Plan you would still lose your ability to apply for any future Income Protection cover regardless of whether you re-joined in future.