



# The Aon MasterTrust

Your Guide to Saving

July 2018

**AON**



# Introduction

We all need to plan ahead to make sure that we enjoy a comfortable and financially secure retirement. This means putting aside some money while we are working, to provide an income when we retire. Pensions are a great way of saving, as you get tax relief on the contributions that you make. That's how The Aon MasterTrust can help you prepare for the future.

This guide explains the main features of The Aon MasterTrust. It applies to members—like you—who are employed by an employer who has established a section of The Aon MasterTrust. The full details of the contributions payable by you and your employer are set out in your *Plan Summary*.

You should keep this guide in a safe place so you can refer to it later if you have questions.



We aim to explain your benefits as simply as possible in this guide, but some technical terms are unavoidable. Those we had to include are *highlighted*, with a list of definitions starting on page 20.



# Overview

Let's start with an overview of what *The Aon MasterTrust* is, and then we'll provide more details in the following sections of this guide, in *The Aon MasterTrust: Your Guide to Investing (Investment Guide)*, and in the *Plan Summary*.

The Aon MasterTrust is a *defined contribution* (DC) occupational pension scheme, also known as a money purchase pension plan.

When you join, an *account* is opened in your name. You build up your savings by making *contributions* to your account through your employer's payroll. The contributions payable by you and your *employer* are set out in your *Plan Summary*.

Your contributions will be invested in your choice of the available funds, with the aim of boosting your savings. There are a number of options available to you to choose from, whether you want to be hands-off or very involved in managing your account. You don't need to be an investment expert, but we do recommend that you periodically monitor your contributions, *Target Retirement Age* and investments to make sure that they are still in line with your personal circumstances, time horizon and tolerance for risk.

You have three options available to you when it comes to how to access your benefit at retirement—*annuity*, cash and *income drawdown*. When you retire, you can use the money in your account to provide a flexible income through income drawdown or to buy an annuity which will give you a regular income. In line with current legislation, you can also take up to 25% of your fund as a *tax-free cash* sum. Other options are available at retirement (for example, *taxable cash*), and you may wish to seek financial advice to determine the most suitable option for you at that time.

The amount of income you will receive will depend on several factors, including how much you save, how well your investments perform, any charges payable, the age at which you access the benefits, and how you choose to spend your retirement savings.

You can manage your account online, which means you can check how much is being paid in, see the current balance of your account, keep a close eye on how your investments are performing, and see how much income you might receive at retirement.

The Aon MasterTrust is run by the *Trustees*. In a later section of this guide, you can find out more about their responsibilities and who else is involved in managing your benefits.



# Why Use The Aon MasterTrust to Save for Your Retirement?

## ✓ A little more saving now could make a big difference later!

The sooner you start the better, and since you are enrolled in The Aon MasterTrust, you've made a good start on your retirement journey. But remember that people live longer these days, so your savings might need to last longer than you expect. Give your savings the best chance to grow and meet your long-term goals by saving what you can today.

## ✓ Your employer pays too

The amount that your employer will pay is set out in your *Plan Summary*. These employer contributions mean that you have more money working for you towards retirement.

## ✓ Tax savings

These days it feels that our money is pulled in many different directions. With all of the routine expenses, you may feel that saving for retirement isn't a priority. But saving through The Aon MasterTrust is easy and it doesn't cost you that much. The minimum *contributions* you need to pay are set out in your *Plan Summary*. And remember that the real cost to you of saving for your retirement may be less than the headline figure in the *Plan Summary*, because you may receive tax relief on your pension contributions.

## ✓ You don't need to be an investment expert

One of the great features of The Aon MasterTrust is that it uses the best investment thinking, packaged into a range of funds suitable for our different members, and then managed by experts on your behalf. Whether you are a 'Do it for me' investor or you want to be more hands-on with investments, there are options to suit you. See the *Investment Guide*.

## ✓ You're not on your own

The Aon MasterTrust is backed up by a huge amount of online support and guidance, with tools that help you decide how much to save and how much retirement income you can expect—not just from your pension savings but from your broader savings and other wealth. And there are other guides to help you understand key spending and saving decisions throughout your career and help you to make the right choices for you. The 'Helping You All the Way' section of this guide explains how to access all of these powerful resources.



### ANSWERING YOUR QUESTIONS

If you have any questions about your pension or need any further information, please contact the administrators of The Aon MasterTrust. The contact details are in the *Plan Summary*.

One of the best ways to find information at your own pace is to log on to the member website at **[www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk)**. The member section of the site will guide you to the login screen. Your login user ID is in the welcome letter that you received with your Welcome Pack, and your password will follow. Please call the website support team on **0330 123 2045** if you need help with logging in.

# Saving for Your Retirement

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## Joining

Your *Plan Summary* will say whether your employer enrolls employees into this arrangement:

- using the government's *automatic enrolment* requirements ('automatic enrolment'); or
- as part of your employment conditions ('contractual enrolment'); or
- only if employees ask to join ('voluntary enrolment').

If your employer uses automatic enrolment, then the way this works is described in the next column. Some categories of employees automatically become members—but employees in different categories may still be allowed to opt to join.

Your employer may allow you to join The Aon MasterTrust so that you can pay Additional Voluntary Contributions (AVCs) to top up the benefits that you get from your membership of another pension scheme that they run.

You may also join The Aon MasterTrust as part of a group transfer from another registered pension scheme that you had already built up benefits in. For some group transfers the trustees of your previous arrangement may be able to arrange the transfer for all members, but for other transfers you may be asked to complete a form.

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## Automatic enrolment

Automatic enrolment works differently for different types of *jobholder*.

If you qualify through automatic enrolment assessment (as an 'eligible jobholder'), you do not need to do anything—you will be automatically enrolled.<sup>1</sup>

If you do not qualify through automatic enrolment assessment and you are an 'entitled worker', you should call the auto-enrolment team to join (see 'Useful Contacts').

If you do not qualify through automatic enrolment assessment and you are a 'non-eligible jobholder', you should request an opt-in form from the auto-enrolment team (see 'Useful Contacts').

## Leaving the plan during the opt-out period

If you have been automatically enrolled but do not wish to remain a member of the plan, you are able to opt out during the opt-out period. The opt-out period is one month for members auto-enrolled using the government's rules. You will receive a refund of the contributions you paid into the plan and you will be treated as if you had never joined.

If you are a *salary sacrifice* (also known as salary exchange) member and choose to opt out during the opt-out period, your employer may, at its discretion, refund the value of your salary sacrifice contributions to you. However, not all employers refund salary sacrifice contributions, so if you opt out, you may (depending on your employer's policy) lose salary sacrifice contributions that you have already made.

<sup>1</sup> Some employers have chosen to use a waiting period or postponement period. If this applies, you will be told. If you are an eligible jobholder and wish to join before the end of any postponement period, you should request an opt-in form from the auto-enrolment team.

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## Contributions

The Aon MasterTrust accepts contributions made through your employer's payroll. Full details of the contributions payable by you and/or your employer can be found in your *Plan Summary*.

The *Plan Summary* will also say whether your own member contributions are taken from your gross pay, or whether your employer operates a salary exchange or salary sacrifice arrangement.

### Can I pay more?

You can save more by paying Additional Voluntary Contributions (AVCs). In the first instance, please contact The Aon MasterTrust Contact Centre if you wish to consider paying AVCs (contact details are in your *Plan Summary*).

You are currently able to make total contributions (both employee and employer) of up to 100% of your taxable earnings, subject to the [annual allowance](#), and will automatically receive tax relief at your highest marginal rate because contributions are either deducted from your gross salary before tax is calculated and deducted or, if applicable, your taxable salary is reduced (under a salary sacrifice arrangement).

Any contributions that you make after age 75 will not benefit from tax relief. However, please remember that tax relief may change in the future.

Some employers allow members to change their contributions at any time, but others have set times when changes can be made. Contact your HR team or look in your *Plan Summary* to find out when your employer allows changes to contributions.

At this time, The Aon MasterTrust cannot accept contributions paid from your own bank account. If you are no longer employed by an employer who is using The Aon MasterTrust, then you will not be able to make contributions to The Aon MasterTrust. You can add to your account by transferring money from another pension scheme.

### Do I receive tax relief on the contributions?

Yes. If you pay tax, then making contributions to The Aon MasterTrust is a tax-efficient way to save for your retirement.

A member contribution of £50 would cost you:

- £50 if you do not pay tax on your earnings<sup>2</sup>
- £40 if you are a basic rate taxpayer<sup>2</sup>
- £30 if you are a higher rate taxpayer<sup>2</sup>
- £27.50 if you are an additional rate taxpayer<sup>2</sup>

If your employer operates a salary sacrifice arrangement, the cost to you may be even less because you could be saving on your [National Insurance Contributions](#).

<sup>2</sup> These examples are based on tax arrangements that are current in England and Wales at the time of writing and assume that contributions are taken from gross pay and that the annual allowance is not exceeded. However, please remember that tax relief may change in the future and different rates apply in Scotland.



## What are the tax allowances?

Registered pension schemes such as The Aon MasterTrust have valuable tax advantages, but there are also limits to the amount you can save.

Allowable contributions cannot be more than taxable earnings in any year (less some deductions and subject to the annual allowance, but carry-forward may be available). Any contributions you make that are more than the annual allowance will be subject to the annual allowance charge, which effectively takes back the tax relief that you would have enjoyed on these contributions. Additional tax will also be payable on retirement if the value of your pension funds is more than the *lifetime allowance*. We suggest that you seek financial advice if you have substantial funds available for investment.

### Annual allowance

The total amount by which your benefits can increase (including any contributions payable by you and your employer into The Aon MasterTrust) in any one tax year without incurring a tax charge is limited to the annual allowance.

### Lifetime allowance

The maximum value of your benefits across all your pension arrangements at retirement cannot be more than the lifetime allowance without you incurring an additional tax charge.

More information about these allowances, including the current amounts, is in the Glossary.

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## Bringing your savings together

The Aon MasterTrust allows you to think about all your retirement savings together. You can collect information about all of your pensions and other savings in the **Money** area of the member website so that you can look at everything in one place.

You can also transfer funds that you have built up in other registered pension arrangements into The Aon MasterTrust.

If accepted, your *transfer value* will be applied to your account and invested in the funds chosen by you.

You can find out more in the **Transfers** area of The Aon MasterTrust member website at [www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk) or by contacting The Aon MasterTrust Contact Centre (see your *Plan Summary* for contact details).

Transferring benefits from previous pension arrangements may not always be in your best financial interests, so the Trustees recommend that you receive financial advice before making any final decisions. For benefits in some previous schemes—such as defined benefit pension schemes or schemes with guarantees—the Trustees may require evidence that you have taken advice before you can transfer those benefits.

Neither *Aegon*, the employer, nor the Trustees are allowed to give you financial advice. You can contact Aon Member Services on **0330 123 2047** and they can provide advice (for a fee). Alternatively, you can find details of a financial adviser local to you by going to [www.fca.org.uk](http://www.fca.org.uk) and searching for ‘finding an adviser’. Please remember that a financial adviser will charge you for providing advice, but they will discuss the cost of this with you before you use their services.



# Investing Your Savings

The Trustees of The Aon MasterTrust are pleased to offer a range of carefully chosen investments that have been designed specifically for pension members.

The *Investment Guide* is designed to help you make fund choices that are right for your personal circumstances, no matter what kind of investor you may be:



The *Investment Guide* explains the range of investments offered by the Trustees of The Aon MasterTrust to suit members' different attitudes to risk, and for those at different stages of their career. You will usually be able to choose from a range of funds that are designed to help manage investments to and through retirement—the Retirement Pathway Funds—as well as from a range of other managed funds with differing objectives. The *Plan Summary* will show which of the investments are available to you.

The Aon MasterTrust invests in a *Policy*, which is provided by Aegon. Under the Policy, investments are made into a number of investment funds, including the Aon Managed Funds. Your contributions and the employer's will be allocated to units in one or more of these funds. You do not have any direct interest in the units, the investment funds or the assets of the investment funds.



## FINDING OUT HOW MUCH IS IN YOUR ACCOUNT

You can check your contributions and your account balance by logging on to The Aon MasterTrust member website at [www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk) and going to **My Pension**.

## Retirement Pathway Funds

The objective of the Retirement Pathway Funds is to offer the potential for growth when you are further away from your selected retirement age, and then, as you approach retirement, to automatically adjust the investments to suit the way that you intend to take your benefits in retirement.

If you do not make an investment selection, then the Trustees of The Aon MasterTrust will invest your contributions into a 'default' investment fund which is likely to be a Retirement Pathway Fund. See your *Plan Summary* for details.

## Other funds

If you prefer to choose your own funds, you can do so from the range of other funds offered through The Aon MasterTrust.

You can find details of all your investment choices and the 'default' fund in your *Plan Summary* and the *Investment Guide*.

Factsheets for all the funds are available in the **My Pension** area of The Aon MasterTrust member website at **[www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk)**.

The Trustees strongly recommend that you read the *Investment Guide* and visit the website to research your options.

## Charges

In return for setting up and administering The Aon MasterTrust, an Annual Management Charge (AMC) is deducted from your invested funds. Additional fund expenses are also payable on some funds. These charges vary depending on your choice of investment fund(s), as shown in the *Plan Summary*. You can find more information about charges in the *Investment Guide* and on The Aon MasterTrust member website at **[www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk)**.

## Investment risk warning

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount invested.

## Updates

The information about funds and charges in your *Plan Summary* as well as the *Investment Guide* are correct at the time of printing, but will change from time to time. Updated versions of your *Plan Summary*, the *Investment Guide* and the fund factsheets are provided in the **My Pension** area of The Aon MasterTrust member website at **[www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk)**.

# Spending Your Savings

The Aon MasterTrust is designed to be flexible, and you'll see some of that flexibility when it comes to the options available to you around how you spend your savings in retirement. Depending on your own unique circumstances, you can choose when and how you access the money in your account. This will allow you to create a retirement spend-down strategy that fits your needs and lifestyle. The Aon MasterTrust will remind you when it's time to start thinking about these decisions, but the following section provides an overview of the choices.

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## Taking your benefits

The *Plan Retirement Age* is shown in your *Plan Summary*, but you can take your benefits earlier or later than this. In line with current legislation, you can take your benefits at any time after *Normal Minimum Pension Age* (currently age 55 but expected to become 57 from 2028), subject to any conditions in your *Plan Summary*. If you have a retirement age in mind, you can set your own *Target Retirement Age* in the **My Pension** area of The Aon MasterTrust member website.

If you choose to work after Plan Retirement Age, your employer may allow you to continue to contribute to The Aon MasterTrust. Or, you may be able to continue to work and draw your pension or leave your money invested in your account after Plan Retirement Age.

You can also take your benefits in stages. There are some restrictions and these will be explained to you as you approach your Target Retirement Age. Please contact The Aon MasterTrust Contact Centre if you would like more information about taking your benefits in stages.






## Benefits when you retire

When you retire, you can use the money in your account to provide a choice of benefits—to suit you and your family. When you are close to your Target Retirement Age, The Aon MasterTrust will provide you with information on the options available to you to help you with your decision. You can also ask for information earlier by contacting The Aon MasterTrust Contact Centre.

The amount of income you will receive will depend on several factors, including how much you save, how well your investments perform, any charges payable, the age at which you access the benefits, and how you choose to spend your retirement savings. If you choose an annuity, your income will depend on the cost of buying an annuity when you retire.

The types of benefits available are described briefly below:

 Cash	 Income Drawdown	 An Annuity
<p>You can take some or all of your fund as cash.</p> <p>You are currently able to take up to 25% of your account as tax-free cash.</p> <p>You can also choose to take one or more taxable cash sums. The Aon MasterTrust allows up to two taxable cash sums each year from your accumulation section account.</p>	<p>You continue to keep your fund invested and take an income each year, and you are able to vary the level of income.</p> <p>To use income drawdown, you need to ‘designate’ (an <i>HMRC</i> term) some or all of your funds to a drawdown arrangement at retirement. The ‘Retirement Income’ section of The Aon MasterTrust is set up exactly for this purpose, and allows members to take flexible income and up to 12 one-off payments each year. To use the ‘Retirement Income’ section of The Aon MasterTrust, you will need to have an account of at least £30,000, after taking any tax-free cash.</p>	<p>An annuity is a pension income from an insurance company that is guaranteed to pay out as long as you live, and the options you finally choose will depend on your own personal circumstances. In addition to a pension for yourself, you may be able to select one or more of the following:</p> <ul style="list-style-type: none"> <li>• A level pension or a pension with annual increases;</li> <li>• A pension for your spouse, civil partner or other <i>dependant</i> in the event of your death; or</li> <li>• A guarantee period, where your spouse, civil partner or dependant would be paid the balance of any pension payments if you die within the guarantee period.</li> </ul>
<p><b>Or, you can do a combination of all three options. You also have the option of transferring your benefits to another pension provider.</b></p>		

If you are using The Aon MasterTrust for AVCs connected to your membership of another scheme, then you may be able to transfer your balance to the other scheme at retirement and take tax-free cash from that scheme. This depends on the rules of your other scheme, so please contact your other scheme to ask about this.

## Aon Retirement Service

Through the **Model My Future** area of The Aon MasterTrust member website, you have access to the Aon Retirement Service. The system helps you decide the shape and type of annuity that might be right for you and whether you could qualify for enhanced rates because of any medical conditions or smoking, for example. It also includes access to a personalised retirement options report and to annuity quotes directly from insurance company pricing systems and enables you to choose and apply for an annuity. A one-off commission payment will be made to Aon by the annuity provider if you buy an annuity using this service, and the amount will be shown on your quotation documentation so that you can check it before you make your final decision.

### How do I choose?

We will send you information about choosing your retirement benefits as you approach your Target Retirement Age, or you can find out more on The Aon MasterTrust member website.

Please remember that all options (apart from tax-free cash) will be subject to Income Tax.

Charges may be made when you take your benefits. Any charges that apply will be explained in your retirement options information.

### Making contributions after taking pension benefits

Take care if you want to carry on paying contributions into a pension arrangement after you have started to take benefits. Sometimes extra tax charges can apply, or you may find that you don't get tax relief on all of your contributions. More information will be given to you as you approach your Target Retirement Age, or you can find out more on The Aon MasterTrust member website.

As you approach retirement, you may want to speak to a financial adviser. You can contact Aon Member Services on **0330 123 2047** and they can provide advice (for a fee). For details of local financial advisers, see [www.fca.org.uk](http://www.fca.org.uk) and search for 'finding an adviser'. There is also a government guidance (not advice) service available called Pension Wise ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)).

## State Pensions

The New State Pension will combine and replace the Basic State Pension and Additional State Pension for people who reach *State Pension Age* from 6 April 2016. The amount payable is based on the number of years of National Insurance Contributions that have been paid or credited over the individual's working life. Both men and women must have paid National Insurance Contributions for 35 years to qualify for the full rate (£159.55 a week for 2017/18). For people who have built up an Additional State Pension entitlement before 6 April 2016, this will be taken into account and paid through the New State Pension. For people who were contracted out of the Additional State Pension before 6 April 2016, the New State Pension will be reduced to allow for that. It will be possible for individuals to delay payment of the New State Pension, if they choose.

To find out how much State Pension you are likely to receive, you can request a pensions forecast by contacting the State Pension Forecasting Team at the address shown in the 'Useful Contacts' section of this guide.

# Leaving and Absence

## Leaving The Aon MasterTrust before retirement

If you have been a member for 30 days or more, you will have two choices:

1. You can leave the fund you have built up within your account and use it to buy benefits at retirement. Your account will continue to benefit from investment returns from the date you leave the plan until you spend your retirement savings. No extra charges apply when you leave, but the standard charges continue to apply.
2. You can transfer your account, at any time after leaving, to a new employer's scheme, or to a personal or stakeholder pension. If you want to transfer your account to another scheme or insurance policy, please contact The Aon MasterTrust Contact Centre.

If you have been a member for less than 30 days, you will automatically receive a refund of your own contributions, which will be subject to tax at a rate set by HMRC.

**Important note:** If contributions are made under a salary sacrifice arrangement, then your employer makes pension contributions on your behalf. If you leave the plan after less than 30 days, your employer will receive a refund of the contributions they have paid on your behalf. They may refund to you the amount you have sacrificed, but they are not obliged to do so. Any refund they do make may be subject to tax and National Insurance Contributions.

## Leaving The Aon MasterTrust while still employed

Membership is voluntary and you can leave The Aon MasterTrust at any time. All of the options explained previously will apply. If you subsequently wish to rejoin The Aon MasterTrust, this will be dependent on any conditions set out in the *Plan Summary*.

### Illness or disability

If you are unable to continue to work due to long-term, serious ill health or disability, and this is confirmed by medical evidence, you may be able to retire before age 55, subject to satisfying the Trustees of your condition. In some circumstances, if you are seriously ill, you may be able to take all your pension pot as a one-off lump-sum payment. This would be subject to satisfying certain HMRC conditions.

### Temporary absence from work

As long as you continue to be paid by the employer, your contributions will continue and will be based on the level of *pensionable pay* you are receiving. So, if your pensionable pay is reduced for any reason, your contributions will be reduced proportionately. You will be notified if your employer agrees to any special terms for your pension contributions.

### Maternity leave, paternity leave or other parental leave

If you take maternity leave, paternity leave or any other type of parental leave, your HR team can provide you with information about how your contributions will be affected.

# Death or Divorce

## Death before taking your benefits from the plan

The value of your account will be used to provide a lump-sum benefit or to provide a pension for one or more of your *nominated beneficiaries*. Any lump sum will normally be tax-free.

If the total benefits payable are more than the lifetime allowance, your benefits may be restricted or additional tax may be payable.

When you join the plan, you should complete a nomination form, indicating who you would like to receive this benefit in order to protect the payment from taxation. The Trustees are not bound by your wishes but will take them into account when directing the payment of benefits. Please make sure you keep your nominations up to date if your circumstances change—for example, if you get married, get divorced or have children.

You can download a nomination form at any time from the **My Pension** area of The Aon MasterTrust member website.

Some employers also provide an extra lump sum through The Aon MasterTrust. If your employer provides this type of extra lump sum, then it will be shown in your *Plan Summary*.

## Death in retirement

If you die while receiving your pension, the benefit payable will depend upon either:

- the type of annuity you chose on your retirement and whether it included provision for any spouse's or dependants' benefits; or
- the balance of funds still invested under any income drawdown arrangement, less a tax charge in some circumstances.

Your annuity provider or income drawdown arrangement will be able to provide you with full details when you apply. When you retire, you should take care to choose an annuity or income drawdown arrangement that will be able to pay the type of death benefits that you want to provide.

## Divorce

If you are divorcing or dissolving your civil partnership, then your pension scheme assets will need to be taken into account. General information is available from the Pensions Advisory Service website at **[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)**.

If you need a pension statement or further information about what happens to your pension in this situation, please contact The Aon MasterTrust Contact Centre.

# Helping You All the Way

The Aon MasterTrust provides you with comprehensive support, information, education and guidance to help you get the most out of your retirement savings—as you start saving, as your career progresses, and as you come to spend your retirement savings. The Aon MasterTrust member website is a powerful resource that you can use 24/7 to get your questions answered. Here are just a few ways to use the website:

## If you want...

### Information about your account balance, contributions and investment choices

**My Pension** gives you immediate, direct access to your current pension summaries and statements. You can see which funds your account is invested in, and if you want to make any changes, you can do that online too.

### To bring your retirement savings together in one place

The **Transfers** area of the member website has features on transferring any previous pensions, things to consider to determine if that is the right choice for you, and where you can find help and support.

### To see what your retirement income could be

Use **Model My Future** on the member website—an interactive retirement planning tool that lets you see how your savings will translate into an income after you retire. You can use this powerful yet simple tool to model different retirement and saving scenarios by varying retirement ages, contributions and target tax-free cash to get the full picture of your financial future.

### To plan your own retirement income

When you are ready to make your retirement plans, you can use three areas of the website:

- **Retirement Options** takes you through the different stages of planning.
- **Model My Retirement** in the **My Pension** area of the site helps you to see how the different ways of taking retirement income would work for your account balance.
- **Access My Pension** in the **My Pension** area of the site is where you can make your final choices and let us know how you want to receive your income!



## HOW DO I FIND THE MEMBER WEBSITE?

The member website address is **[www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk)**. Your login user ID is in the welcome letter that you received with this pack, and your password will follow. Please call the website support team on **0330 123 2045** if you need help with logging in.





## Help with broader financial needs

Use **Money**—our market-leading financial aggregation software that lets you get a handle on all your assets and debts. **Money** allows you to get a true picture of your net worth by linking together bank accounts, savings, investments, shares, property, credit cards, loans, mortgages, pensions, even physical assets such as antiques and family heirlooms. Get a better idea of where the money is going, both now and in the future.

# Useful Contacts

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## Your administration team

Contact details for The Aon MasterTrust Contact Centre, your benefits and transactions administration team, are in your *Plan Summary*.

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## The auto-enrolment team

If your employer automatically enrolls employees in The Aon MasterTrust, then you should receive a letter from our auto-enrolment team. The team can be contacted on **0345 266 0016**.

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## Website help number

Please call the website support team on **0330 123 2045** or email them at **theaonmt.admin@aon.co.uk** if you need help with logging in to or finding your way around the member website at **www.theaonmastertrust.co.uk**.

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## Aon Retirement Service

You have access to the Aon Retirement Service through the member website. The system helps you decide the shape and type of annuity that might be right for you and whether you could qualify for enhanced rates because of any medical conditions or smoking, for example. It also includes access to a personalised retirement options report and to annuity quotes directly from insurance company pricing systems and enables you to choose and apply for an annuity. A one-off commission payment will be made to Aon by the annuity provider if you buy an annuity using this service, and the amount will be shown on your quotation documentation so that you can check it before you make your final decision.

You can contact the Aon Retirement Service on **0330 123 2046** or at **myannuity.support@aon.co.uk**.

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## Aon Member Services (advice)

Aon Member Services on **0330 123 2047** or at **myadvice.service@aon.co.uk** can provide advice (for a fee).

For details of local financial advisers, see **www.fca.org.uk** and search for 'finding an adviser'. There is also a government guidance (not advice) service available called Pension Wise (**www.pensionwise.gov.uk**).

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## Internal dispute resolution procedure

The Pensions Act 1995 requires the Trustees to have a written procedure for the resolution of disagreements and complaints. A copy of the procedure is available from the **Plan Information & Documents** section of the member website.

If you have a complaint that the benefits and transactions administration team has not been able to resolve, you can use the internal disputes resolution procedure by contacting:

The Trustee Executive  
The Aon MasterTrust  
The Leadenhall Building  
122 Leadenhall Street  
London  
EC3V 4AN

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## Pension Wise

Pension Wise is a free and impartial government service about defined contribution pension options. The service is available to people who are aged 50 or over with a defined contribution pension.

You can find out more or book an appointment to talk about your pension options at **www.pensionwise.gov.uk**.

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## State Pension Forecasting Team

State Pension Forecasting Team  
Future Pension Centre  
The Pension Service 9  
Mail Handling Site A  
Wolverhampton  
WV98 1LU

You can also fill in an online application at **www.gov.uk/future-pension-centre**.

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## The Pension Tracing Service

With certain limited exceptions, all occupational and personal pension schemes must register with the Pensions Regulator. Information from the Pensions Regulator's register is passed to the Pension Tracing Service, whose main function is to provide a free service to members of the public to help them trace their occupational and personal pension entitlements.

If you lose touch with the administrators of a pension arrangement, you may contact the Pension Tracing Service in writing to get a tracing request form at:

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

**0345 6002 537**

You can also fill in a tracing request form online at **[www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension)**.

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## The Pensions Advisory Service (TPAS)

TPAS is an independent voluntary organisation which provides advice and information about occupational and personal pension schemes.

TPAS may be contacted at:

11 Belgrave Road  
London  
SW1V 1RB

**0300 123 1047**

**[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)**

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## The Pensions Ombudsman

The Pensions Ombudsman investigates and determines complaints of misadministration against occupational and personal pension schemes, and disputes of fact or law arising in relation to such schemes.

The Pensions Ombudsman can be contacted at:

10 South Colonnade  
Canary Wharf  
London  
EP14 4PU

**0800 917 4487**

**[enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)**

**[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)**

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## The Pensions Regulator

The Pensions Regulator is responsible for supervising and enforcing the laws governing occupational pension schemes. The Pensions Regulator has wide-ranging powers, including the authority to intervene in the running of schemes where Trustees, employers or professional advisers have failed in their duties.

If you have a concern about how your scheme is being run, the Pensions Regulator can be contacted at:

The Information Team  
Napier House  
Trafalgar Place  
Brighton

**0345 600 7060**

**[wb@tpr.gov.uk](mailto:wb@tpr.gov.uk)**

# Technical Information

## Approval under legislation

The Aon MasterTrust is a registered pension scheme under chapter 2 of Part 4 of the Finance Act 2004, as amended by subsequent legislation. Our HMRC registration number is 00826147RA. Details of the investment managers and professional advisers are contained in the Trustee Annual Report and Financial Statements, a copy of which will be available from The Aon MasterTrust Contact Centre.

## Assignment of benefits

You will lose your benefits if you attempt to assign them or to use them as security for a loan.

## Data Protection

Your information will be collected and processed by the *Trustees, Aon Hewitt Limited* (an Aon Group Company) and third party providers, for the purposes outlined below. For these purposes we may also collect and process information about your dependants; you are responsible for informing your dependants that these parties have received their personal information and the reason why.

Your information will be used for purposes including:

- To process your auto-enrolment in the pension plan (if your employer is using this pension plan for auto-enrolment);
- To provide or administer the pension plan and make it available to you;
- To make The Aon MasterTrust member website available to you;
- To set up an account on the Aon Retirement Service and contact you to let you know it is available to use;
- To develop and improve our products and services;

- To conduct assessments and analysis (including benchmarking, product and market analysis);
- To provide you with information on products and services that may be of interest to you, in line with your marketing preferences; and
- To prevent and detect crime and comply with legal and regulatory obligations, or establish, exercise or defend our legal rights.

Please note that we may also record your telephone calls to us for specific purposes (such as training, customer service or dispute resolution).

Your information may be shared with other members of the Aon Group, your employer, auditors, administrators, benefit providers, or such other third parties as may be necessary for the operation and delivery of The Aon MasterTrust and related services, in which case such third parties may also contact you directly. Such third parties may be located in countries outside of the European Economic Area.

You can find out more about how your personal information is used and your rights regarding your personal information at

**<https://aonmt.tbs.aon.com/legal/privacy-statement>**

If you have questions about the privacy and security of your information, please contact the website support team in the first instance (contact details can be found in your *Plan Summary*).

## Amendment or termination

The employer has the power to discontinue its participation in The Aon MasterTrust without replacing it, or to amend it at any time in the future. If your employer ceased to participate for this or any other reason, you would be told and your benefits would be paid according to the Trust Deed and Rules.

The Founder (Aon Hewitt Limited) has the power to terminate The Aon MasterTrust, in which case your employer would no longer be able to participate in it. If this happened, you would be given notice, together with full details of the options available to you.

The Aon MasterTrust is not formally sectionalised so does not hold assets and benefits separately for each employer or named section.

## Who's involved in managing your benefits in The Aon MasterTrust?

The Trustees are responsible for the proper running of The Aon MasterTrust. The Trustees are experienced pensions professionals, and they will:

- act in line with the Trust Deed and Rules;
- act in the best interests of the scheme beneficiaries;
- act impartially; and
- act prudently, responsibly and honestly.

The Trustees of The Aon MasterTrust have chosen Aon Hewitt Limited to provide administration services. In turn, Aon Hewitt Limited has appointed Aegon to carry out day-to-day administration on their behalf. The Trustees of the Aon MasterTrust have appointed HRMSL as investment manager and HRMSL has chosen to invest in the Policy on the Trustees' behalf. Aegon has appointed HRMSL to act as investment manager in respect of the Aon Managed Funds, which are made available under the Policy. The Trustees will periodically review Aon Hewitt Limited's performance.

Everyone works together to manage your benefits and answer any questions that you may have, and the Trustees are responsible for overseeing this.

## Annual report and accounts and Chair's statement

Each year the Trustees produce an annual report that reviews how the scheme has developed during the year. The report includes the scheme's audited accounts for the year, a report on the investments, and a statement by the auditor. It also includes a statement from the Chair of the Trustees explaining how the Trustees check the extent to which charges and transaction costs borne by members of The Aon MasterTrust represent good value for members. A copy of the latest full report will be available from the member website or The Aon MasterTrust Contact Centre.



# Glossary

Certain key words and phrases with technical meanings appear throughout this guide. These and other technical terms are explained here. More words and phrases that are used in pensions are available on the member website.

**Account** The individual account set up by Aegon into which contributions are paid.

**Aegon/ Scottish Equitable plc** has been chosen by Aon Hewitt Limited to administer The Aon MasterTrust on a day-to-day basis, and to make a number of investment funds, available under the Policy.

**Annual allowance** The annual allowance is a limit on tax relieved pension contributions each year. It is based on earnings for the year and is capped at £40,000. In some circumstances, the annual allowance may be restricted to the Money Purchase Annual Allowance (MPAA) of £4,000 a year. A reduced annual allowance also applies for the highest earners (broadly those whose taxable earnings are above £150,000 a year).

If you pay contributions or accrue benefits in any other pension arrangements, you will need to include these when considering your overall position.

It may be possible to carry forward unused allowances from the previous three tax years to reduce the amount of tax due for the current year.

See the HMRC website at [www.gov.uk/tax-on-your-private-pension](http://www.gov.uk/tax-on-your-private-pension) for more details. Anyone who believes they might be affected by the annual allowance should seek financial advice.

**Annuity** An annuity is a product offered by insurance companies. In return for a sum of money from a person's pension pot, an insurance company will pay them an income for the rest of their life (and potentially also a pension to their spouse or partner after death, depending on the type of annuity that is selected). This is called a 'pension annuity'. There are also other types of annuity (see the definitions for 'Fixed term annuity' and 'Purchased life annuity').

**Aon Hewitt Limited** Aon Hewitt Limited is the Founder of The Aon MasterTrust.

Aon Hewitt Limited has been chosen by the Trustees to administer The Aon MasterTrust.

Aon Hewitt Limited is authorised and regulated by the Financial Conduct Authority.

**Aon Managed Funds** The Aon Managed Funds are a range of funds designed by HRMSL and provided by Scottish Equitable plc under the Policy. The Trustees have made some of the Aon Managed Funds available to members of The Aon MasterTrust. More information about these funds can be found in the *Investment Guide*.

**Automatic enrolment** Automatic enrolment (also called ‘AE’ or ‘workplace savings’) is an approach to pension saving that was introduced in October 2012.

Starting with the largest, but eventually being rolled out to cover any employer of any size, the Government now requires every employer to enrol their employees into a workplace pension scheme that meets new legal standards—known as a ‘qualifying’ scheme. Employees who meet certain conditions will automatically be enrolled into a qualifying workplace pension.

The Aon MasterTrust can be used as a qualifying workplace pension scheme.

For further information on this process and the criteria used, please refer to [www.gov.uk/workplace-pensions](http://www.gov.uk/workplace-pensions).

**Contributions** The amount you pay, and/or your employer pays on your behalf, as a member of your employer’s section of The Aon MasterTrust (see your *Plan Summary*).

Under automatic enrolment, minimum contributions are payable by both you and your employer. Your contributions and the amount that your employer will pay may also have to increase over time in line with the automatic enrolment requirements.

**Defined contribution scheme** These schemes are often called ‘money purchase’ plans. Money is usually paid into the plan by both an individual and their employer. At the point of retirement, the pot of money an individual has will be based on how much has been paid in, plus any growth on the money (less the costs of running the scheme). At retirement the pot may be paid in various ways—for instance, as income drawdown, as a cash sum or as an annuity. Each option has an associated risk linked to the level of secure income received. For example, some annuities provide a guaranteed level of income, whereas income drawdown can provide a flexible income.

**Dependant** A dependant can be the member’s spouse or civil partner at the time of his or her death (or when the member first became entitled to a pension), a child (including any legally adopted children) who is under age 23 or who, due to disability, was dependent on the member at the time of his death, or any other individual who the Trustees consider was financially dependent on, or mutually dependent with, the member at the time of his or her death (including due to disability).

**Employer** Means your employer and associated and subsidiary companies who are participating employers in The Aon MasterTrust.

**Fixed term annuity** These products are not strictly annuities. They pay an income, but only for a limited number of years—usually 5 or 10 years—rather than for life. At the end of the fixed period, an amount of money is payable (called the ‘maturity value’) that can be used to buy an annuity for life or, alternatively, to buy another fixed term annuity or, depending on an individual’s circumstances, designated for drawdown.

**HMRC (Her Majesty's Revenue & Customs)** HMRC is responsible, among other things, for the collection of taxes (previously known as the Inland Revenue).

**HRMSL** Hewitt Risk Management Services Limited (HRMSL) has been chosen by the Trustees as Investment Manager of The Aon MasterTrust. HRMSL has chosen to invest in the Policy on the Trustees' behalf, which is provided by Aegon. Aegon has appointed HRMSL to act as investment manager in respect of the Aon Managed Funds.

**Income drawdown** Income drawdown, also known as drawdown or flexi-access drawdown, is a retirement option that allows someone to draw an income from their pension fund in stages, while continuing to invest the remainder. A drawdown arrangement provides more flexibility than buying an annuity. For example, the amount and frequency of the income can normally be varied according to a person's needs. Income does not have to be drawn on a regular basis, so a pension fund can usually be left untouched for as long as a person wants.

By continuing to invest the remainder of their pension fund, an individual can benefit from any future investment growth, although there is no guarantee that the investments will rise in value, and poor investment performance would affect the value of the remaining pension pot. Investment management charges in the income drawdown phase should also be considered, as these can be high. The effect of these pressures could mean that a person's pension fund eventually runs out of money before they die.

**Jobholder** Your category of jobholder determines whether or not you are eligible for automatic enrolment, have a right to opt in, or have a right to join.

There are three categories:

- **Eligible jobholder:** an employee who is at least age 22, has not reached State Pension Age, is in receipt of earnings above an 'earnings trigger' amount set by the Government, and is working or ordinarily works in the UK under the worker's contract
- **Non-eligible jobholder:** an employee who is at least age 16 and under 75, is in receipt of earnings above the lower qualifying earnings threshold (also set by the government), and is working or ordinarily works in the UK under the worker's contract but who is not an eligible jobholder
- **Entitled worker:** an employee who is at least age 16 and under 75, is in receipt of earnings below the lower qualifying earnings threshold, and is working or ordinarily works in the UK under the worker's contract

For further information on this process and the criteria used, please refer to [www.gov.uk/workplace-pensions](http://www.gov.uk/workplace-pensions).



**Lifetime allowance** There is a limit on the amount of money an individual can build up in pension funds before tax penalties apply. That limit is called the lifetime allowance. For tax year 2018/19, this limit is £1,030,000.

For the purposes of calculating the value of your benefits for comparison with the lifetime allowance:

- if you have a defined contribution arrangement, you look at your total fund value.
- if you have a defined benefit arrangement, you look at your accrued annual pension multiplied by 20, and add in any separate tax-free cash entitlement accrued.

If your benefits are more than the lifetime allowance at retirement (or at age 75 if you have chosen to delay retirement beyond age 75), there will be a tax charge on the excess amount at the time you take your benefits.

**National Insurance Contributions** National Insurance Contributions are paid on earnings above a certain level. A person's contributions build up their entitlement to benefits, including the State Pension. How much an individual will pay depends on how much they earn and whether they are employed or self-employed. Once a person reaches State Pension Age, they stop paying National Insurance Contributions.

**Nominated beneficiaries** These are the persons you nominate to receive the benefits under The Aon MasterTrust in the event of your death. The Trustees are not bound by your wishes, but they will consider them and are likely to follow them but for unusual circumstances.

**Normal Minimum Pension Age** The normal minimum pension age is the earliest age at which pensions and lump sums may be drawn from a registered pension scheme without a tax penalty, except for ill-health cases.

- Since 6 April 2010 this has been age 55.
- The government intends to increase this to age 57 from 2028, alongside the increase in State Pension age to 67.
- From then on, the normal minimum pension age would remain ten years below State Pension age.

Before 6 April 2006, some pension schemes gave members a right to take pensions and lump sums before the normal minimum pension age. This right was protected after April 2006, but benefits with these rights should be handled very carefully to avoid losing the "protected" minimum pension age.

**Pension input period** Related to the annual allowance (as described earlier in the Glossary), this is the period over which the maximum permitted annual contributions are calculated. The pension input period for The Aon MasterTrust is 6 April to 5 April.

**Pensionable pay** As defined by your employer (see your *Plan Summary*).

**Plan Retirement Age** As defined by your employer (see your *Plan Summary*).

**Plan Summary** The document that sets out the specific details of your employer's section of The Aon MasterTrust. A copy of the *Plan Summary* is available on the **Plan Information & Documents** area of The Aon MasterTrust member website.

**Policy** This is the unit-linked life policy provided by Aegon and under which investments into the investment funds are made, including into the Aon Managed Funds. HRMSL invests in the Policy on behalf of the Trustees of The Aon MasterTrust.

**Purchased life annuity** This is an annuity bought from non-pension savings. The tax treatment differs from that of a pension annuity and it can be a very tax-efficient product. Each income payment is assumed to represent partly the return of the original capital (the amount paid for the annuity) and partly the growth the insurance company make by investing the money. Only the latter is taxable.

**Qualifying earnings** If you are automatically enrolled or opt in under automatic enrolment legislation, these are the total earnings as determined by the employer and may include the following: salary, wages, commission, bonuses, overtime, statutory sick pay, statutory maternity pay, ordinary or additional statutory paternity pay, and statutory adoption pay.

If applicable, both your contributions and those from your employer will be based on qualifying earnings. Refer to your *Plan Summary* for details of the earnings on which your and the employer's contributions are based.

**Salary exchange or salary sacrifice** A way of making pension contributions that is used by some employers in order to reduce their (and their employees') National Insurance costs. Under this type of arrangement, the employer pays pension contributions on behalf of the employee, and the employee's salary is reduced by an equivalent amount.

**State Pension Age** This is the age at which people begin to receive the State Pension. The current State Pension Age is 65 for men born before 6 December 1953 and is between 60 and 65 for women born after 5 April 1950 and before 6 December 1953. State Pension Age will increase to 66 between March 2019 and October 2020, 67 between 2026 and 2028 and 68 between 2044 and 2046. The full details of State Pension Age can be found on the [www.gov.uk](http://www.gov.uk) website by searching for 'State Pension Age'.

**Target Retirement Age** Your Target Retirement Age is the age at which you are planning to draw your benefits from The Aon MasterTrust. The lowest Target Retirement Age allowed for most members is currently 55 and there is no upper limit. If you do not make an active choice, then your Target Retirement Age will be the same as the Plan Retirement Age. If you have a retirement age in mind, then, subject to any conditions in your *Plan Summary*, you can set your Target Retirement Age in the **My Pension** area of The Aon MasterTrust member website.

**Taxable cash** Technically referred to as an Uncrystallised Funds Pension Lump Sum (UFPLS), a taxable cash sum that can be paid from a pension fund. Generally, people over 55 years who hold a defined contribution fund can elect to take all of their defined contribution pension fund savings, or part of the fund, in this way. Those under 75 years will need to have sufficient lifetime allowance remaining to cover the whole amount of the UFPLS they wish to take. The lump sum is subject to tax, though 25% can be paid tax-free and the remainder will be subject to a person's individual tax rate for earned income. Taking a UFPLS triggers the reduced Money Purchase Annual Allowance of £4,000.

**Tax-free cash** Technically known as a Pension Commencement Lump Sum. A proportion of a person's pension fund can be taken as a tax-free lump sum when they use part or all of their pension pot to buy an annuity or designate this for income drawdown. Tax-free cash is usually limited to 25% of the funds being accessed (though it may be less than this if the value of the individual's benefits exceeds the lifetime allowance). Tax-free cash from defined benefit pension schemes is calculated differently.

**The Aon MasterTrust** The Master Trust under which your employer's pension arrangement is set up.

**Transfer value** If someone wants to move their pension savings from one pension scheme to another, the scheme they are leaving will quote a transfer value. This represents the value of the benefits built up under the scheme.

**Trustees** The Trustees are responsible for the proper running of The Aon MasterTrust. The Trustees of The Aon MasterTrust are independent from the employer, and from Aon Hewitt Limited as the Founder of The Aon MasterTrust.

The Trustees are the 'scheme administrator' appointed under section 270 of the Finance Act 2004.



## Want to know more?

For more information, please log on to your member website at [www.theaonmastertrust.co.uk](http://www.theaonmastertrust.co.uk).

For the protection of everybody concerned, we normally record phone calls.

Tax relief is subject to government legislation and so may change.

The Aon MasterTrust is provided by Aon Hewitt Limited. The Aon Retirement Service and Aon Member Services are provided by Aon Consulting Limited. Aon Hewitt Limited and Aon Consulting Limited are authorised and regulated by the Financial Conduct Authority. Aon Hewitt Limited Registered in England & Wales. Registered No: 4396810. Hewitt Risk Management Services Limited is authorised and regulated by the Financial Conduct Authority. Registered in England & Wales. Registered No: 5913159. Registered Office for Aon Hewitt Limited and Hewitt Risk Management Services Limited: The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN. Aon Consulting Limited Registered in England & Wales. Registered No: 03127195. Registered Office: Briarcliff House, Kingsmead, Farnborough GU14 7TE

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