Your guide to retirement savings and fund choices

The Global Connections Group Personal Pension Plan

Contents

What is The Global Connections Group Personal Pension Plan (the plan)?

It is a retirement savings plan set up for employees of the agencies of Global Connections (the company). The provider is Zurich Assurance Ltd which is part of Zurich.

A company retirement savings plan is a way of saving for your retirement so that you still have an income when you stop working.

To help achieve this, you can choose from a number of different investment options available. Please note that depending on the investments you choose, the level of risk and potential investment performance differ. What you get back is not guaranteed, the value of your plan can go down, which will reduce the pension you get in the future.

The value of your retirement savings plan will depend on a number of factors including:

- when you start saving;
- how long you save for;
- how much you save;
- the charges taken; and
- the return on your savings.

The government offers incentives to save for retirement.

If you make payments from your salary you will get tax relief. For every £80 you save, the government will, in the form of tax relief, contribute another £20 – and if you are a higher or additional rate tax payer you may be able to claim back more tax.

If you make payments through a 'salary sacrifice' arrangement, you will give up part of your pay in return for payments by your employer. This means that you will only pay income tax and National Insurance on your reduced salary.

Generally you won't pay tax on any growth made by your retirement savings. Currently, when you take your benefits you can take up to 25% of the value as a tax-free cash sum. The rest of your savings are used to provide a taxable income.

On 19 March 2014, the government announced proposals for greater flexibility to retirement benefit options, many of which we expect to take effect from April 2015. Please see the section, 'What will I receive at retirement?' for more details.

Please bear in mind that tax treatment depends on your individual circumstances and may change in the future.

This guide gives you information about the plan. You should also read the Key Features document and Terms and Conditions. You can find a copy on the 'Library' page at **zurich.co.uk/save/globalconnections**.

Can I rely on the State alone?

State Pensions

There are two types of State Pension that you could receive:

- the basic State Pension, and
- the State Second Pension (formerly known as SERPS).

The maximum basic State Pension is currently just over £110 each week for a single person.

You could receive less if you don't meet the full National Insurance contribution requirements.

To build up entitlement to the State Second Pension you must be employed and earn more than the current National Insurance lower earnings limit. How much you'll receive will depend on your earnings and how long you've been paying National Insurance contributions.

The New State Pension

The current state pensions will be replaced by a new State Pension for people reaching state pension age after April 2016. The maximum amount of the new State Pension will be just over £144 each week. To receive the full amount, you must have paid National Insurance contributions for at least 35 years. You will receive less if you don't meet the full National Insurance contributions requirements.

The New State Pension is designed to ensure that you won't be worse off if you had built up a right to receive more under the current system.

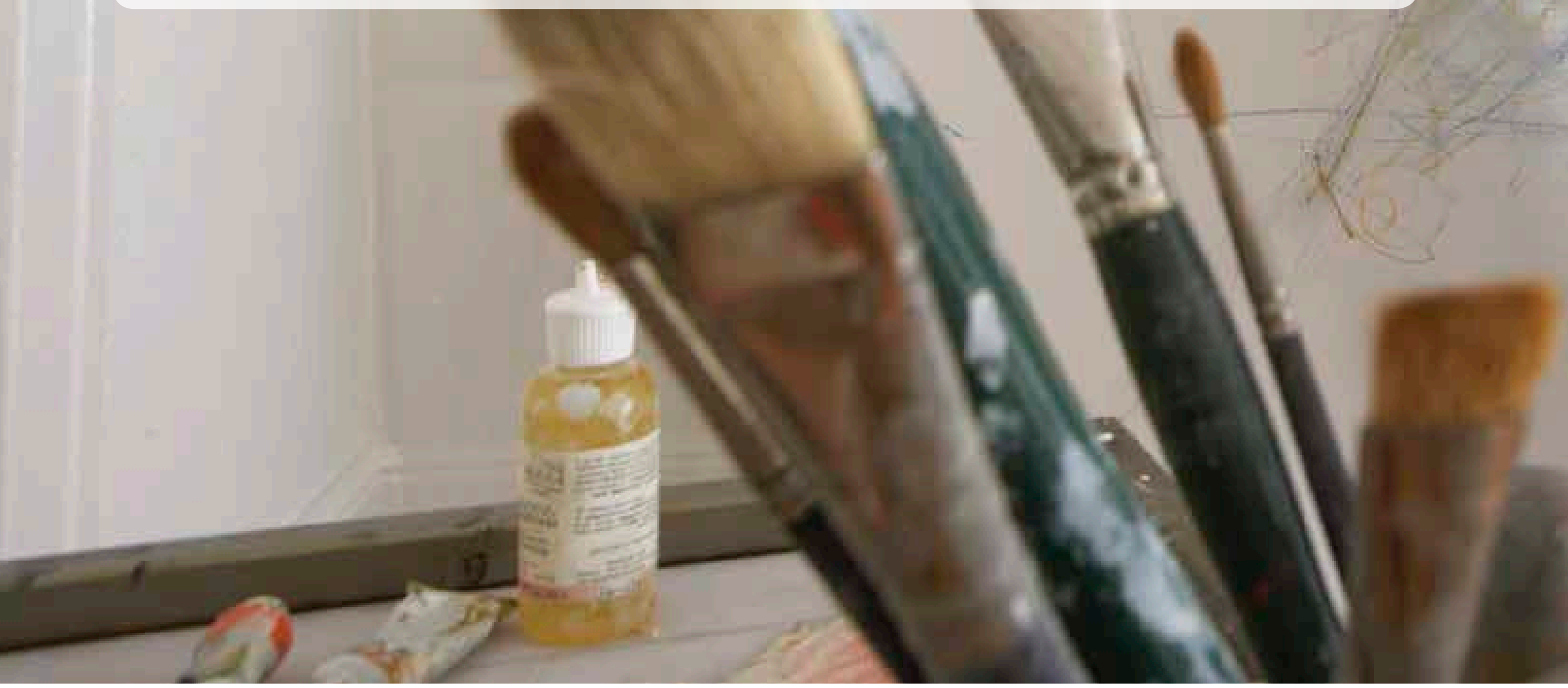
Increasing State Pension age

The State Pension normally starts when you reach the State Pension age – currently 65 for men. Women's State Pension age is being gradually increased from 60 to 65 by 6 December 2018.

The State Pension age for both men and women will then start to increase to reach age 66 by 6 October 2020.

The government has also announced that the State Pension age will increase to age 67 between 6 April 2026 and 6 April 2028.

If you want to find out more about your State Pension, visit the 'Working, jobs and pensions' area at **gov.uk**.



What are my alternatives?

Carry on working
This might not always be possible. If you're healthy and can carry on working then fine, but what if things change?

Use the value in your property
This can be risky. What if the value of your property drops? Consider the value of your home, the cost of an alternative and the cost of moving – how much would you have left?

Rely on an inheritance from your family
What guarantee is there that you'll receive an inheritance? It is possible that funding the long-term care needs of a family member may reduce any potential inheritance.

Save when you're older
Every month you put off saving means one less opportunity to put aside some money for your retirement and could mean you'll need to save more later.

Start saving in your next job – you're not planning on staying long
Your retirement savings are portable, which means they could go with you if you change jobs.

For most people the only real alternative is to save for their retirement.

How do I join?

You can join the plan immediately.

To join the plan you need to complete the joining form and return it to your employer.

The earlier you start saving, the longer your money is invested and the greater chance it has to grow.

If you are thinking of delaying joining your company retirement savings plan, this is likely to reduce the retirement income you get in the future. The online pension planner can show you the potential impact of this decision on your retirement income. It can also help you decide how much to start saving now to give you a chance of getting the taxable income you want in retirement. You can find this at **zurich.co.uk/save/globalconnections** by accessing 'What income might I get?' on the 'Retirement tools' page.

What are the payments?

To join the plan you may have to save a minimum amount. The company may also pay into your plan. For details of the minimum payment or reduction of your pensionable salary that you have to make to the plan, please refer to your employer communication.

For the purpose of the plan, pensionable salary is defined in your employer communication.

If you make regular payments from your salary, the amount of tax relief you are entitled to is limited. You may also be subject to a tax charge if all payments to your pension arrangements exceed HM Revenue & Customs (HMRC) limits. If you pay into the plan, the annual allowance limits the amount that can be paid into your plan without suffering a tax charge. For more information please read **A guide to pension tax**. You can find a copy on the 'Library' page at **zurich.co.uk/save/globalconnections**. Please bear in mind that tax treatment depends on your individual circumstances and may change in the future.

What if I want to change how much I save?

You can change the amount you wish to reduce your pensionable salary by or your regular amount by contacting your employer.

Can I transfer the value of other retirement savings plans into this plan?

Yes, usually. You can call Zurich to check if the plan will accept the transfer or for more information. You should speak to a financial adviser to find out the risks and potential benefits of transferring. Please bear in mind you will be charged for any financial advice you receive.

When considering a transfer you'll need to compare and review the benefits and features you're likely to get from your existing plan and what you might get if you moved into the plan. Your existing plan administrators will be able to give you an illustration of your benefits at retirement and a current transfer value.

In most cases you're likely to be worse off if you transfer out of a defined benefit scheme (also known as a final salary scheme), even if your employer gives you an incentive to leave. Therefore, Zurich does not accept transfers from this type of plan.

What will I receive at retirement?

When you decide to take your benefits there are various ways you can take an income. Zurich will inform you of the options available to you as you approach retirement. Alternatively, you can find more information on the 'Coming up to retirement?' page at **zurich.co.uk/save/globalconnections**. You can't normally get hold of your retirement savings until you are at least age 55. However, in certain circumstances you may be able to take your pension before age 55, for example, if you are unable to work due to ill-health. For more information, please refer to the **Terms and Conditions** which can be found on the website in the 'Library' page.

Many people use the money from their retirement savings plan to buy an annuity. An annuity is a product that converts the money you've saved up in your retirement savings plan into a regular taxable income for the rest of your life.

The amount of income you'll receive from an annuity will depend on a number of things, including:

- the value of your plan;
- the amount of tax-free cash you decide to take (see the explanation in the following paragraphs);
- the annuity rates available;
- the type of annuity you choose (for example, just for you, or for you and your partner);
- your age; and
- your health. If your life expectancy is likely to be shorter due to illness, such as high blood pressure or if you smoke which can damage your health, you could get a higher income through what's called an enhanced annuity. That's because you may not be expected to live as long as someone who is healthy.

An annuity provides a taxable income when you retire (your pension).

You currently have the option to take some of your retirement savings as a cash sum when you take your benefits, which is free from tax. The current maximum tax-free cash sum available is 25% of the value of your retirement savings.

There is no general rule setting out what the best use of the cash sum is. Before making a decision, you may want to take financial advice to help you decide on an approach that suits your own personal circumstances. Please bear in mind you will be charged for any financial advice you receive.

However, you'll need to bear in mind that if you take a tax-free cash sum, your regular taxable income will reduce as you'll have less money to buy an income with. This income is subject to tax depending on your personal circumstances.

Fundamental changes to the way retirement benefits can be taken from a retirement savings plan were announced in the Budget on 19 March 2014.

The government is proposing to provide more choice and flexibility from April 2015 and this could affect how, and when, you choose to take your benefits. One of the government proposals is to allow individuals who are aged 55 or over to take more of their pension as a lump sum - normally 25% of each retirement savings plan will be tax free and any remaining fund which is taken as a lump sum will be taxed as income. This increased flexibility won't suit everyone and for many people buying an annuity remains an option to provide the security of an income in retirement.

Before making a decision you may want to speak to a financial adviser. You will usually have to pay for any advice you receive.

What steps should I take to help keep my retirement savings on track?

While you're saving towards retirement you'll need regular reviews to make sure your plan stays on course to meet your retirement goals. You need to keep on top of the amount you put in and which investment options you take.

Zurich will send you a statement each year showing the value of your plan and your fund selection. You can also check how your investment is performing for yourself at any time by logging in to the website at **zurich.co.uk/save/globalconnections** and selecting the 'Investment values and switches' page.

What happens if I leave the company?

On leaving service, the company will stop paying into your plan.

The following options are available:

- you may continue to pay single payments into your plan directly with Zurich, and/or
- keep your plan invested in the fund(s) selected by you, Zurich will continue to take the charges shown in the **Your full range of funds and charges** document. You can find a copy on the 'Library' page at **zurich.co.uk/save/globalconnections**, or
- the full value of your plan can be transferred to another pension plan, such as a personal pension, stakeholder pension or a future employer's pension scheme, if allowable.

Zurich will notify you of all your options on leaving.

What happens if I die before taking my benefits?

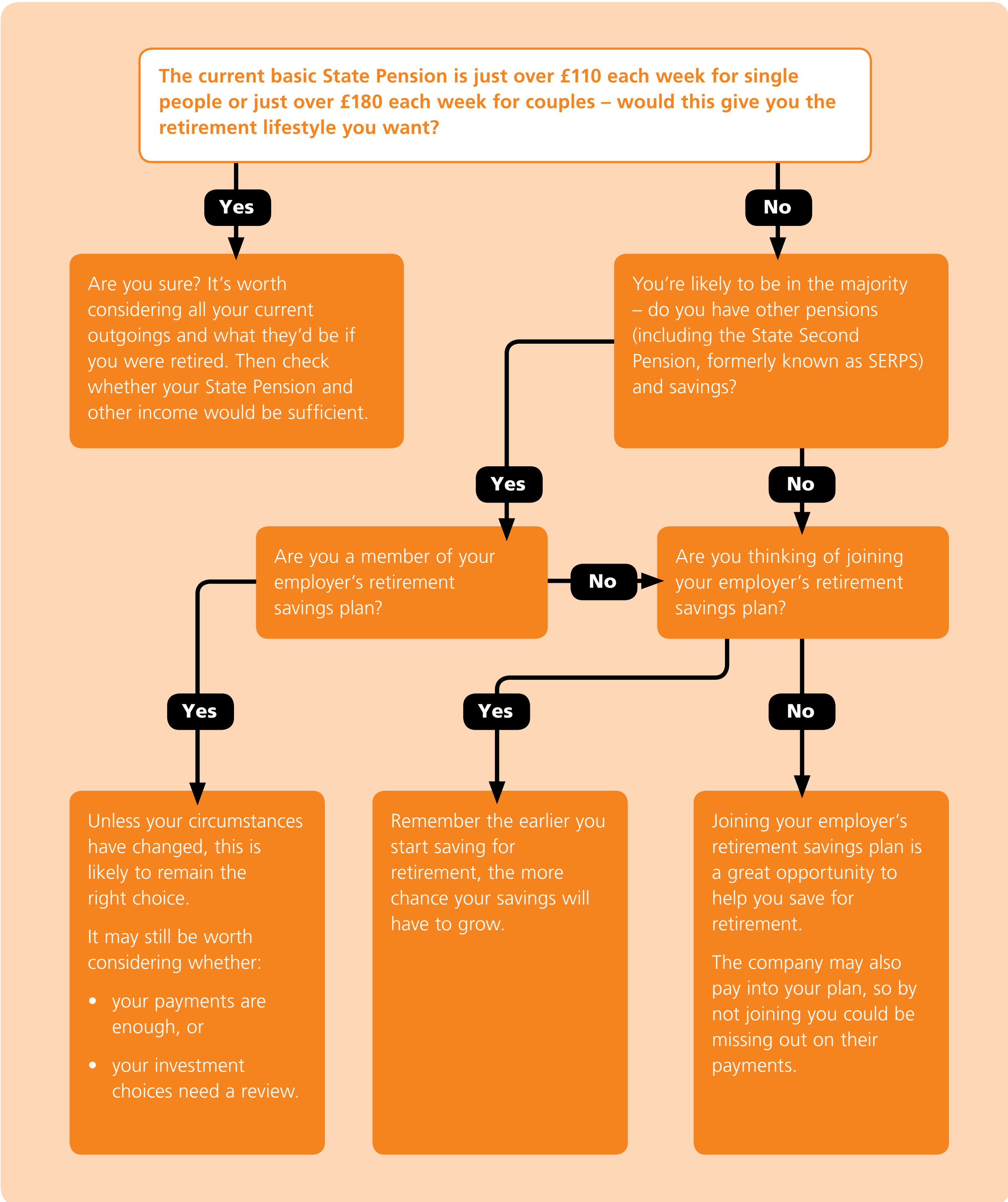
If you die before you take your benefits, Zurich will use the value of your retirement savings plan to provide a cash sum or pension for your beneficiaries. By completing and returning a Nomination of beneficiaries form, you can ask Zurich to pay any cash sum death benefits from your plan in accordance with your wishes. Although Zurich is not bound by your request, they will usually respect your wishes. You can obtain a Nomination of beneficiaries form from the 'Library' page at **zurich.co.uk/save/globalconnections** or you can ask us to send you a copy. You can change or revoke your nomination at any time by contacting Zurich (please refer to the 'How to contact Zurich' section).

Can I leave the plan?

Yes, you can choose to stop making payments to the plan at any time by giving at least one month's written notice to your employer. You may only rejoin with the consent of your employer.

If you are thinking of leaving the plan, this is likely to reduce the retirement income you get in the future. The online pension planner can show you the potential impact of this decision on your retirement income. You can find this at **zurich.co.uk/save/globalconnections** by accessing the 'What income might I get' tool on the 'Retirement tools' page.

So, is a company retirement savings plan right for me? Here are some questions to help you decide:



How are my payments invested?

Introduction

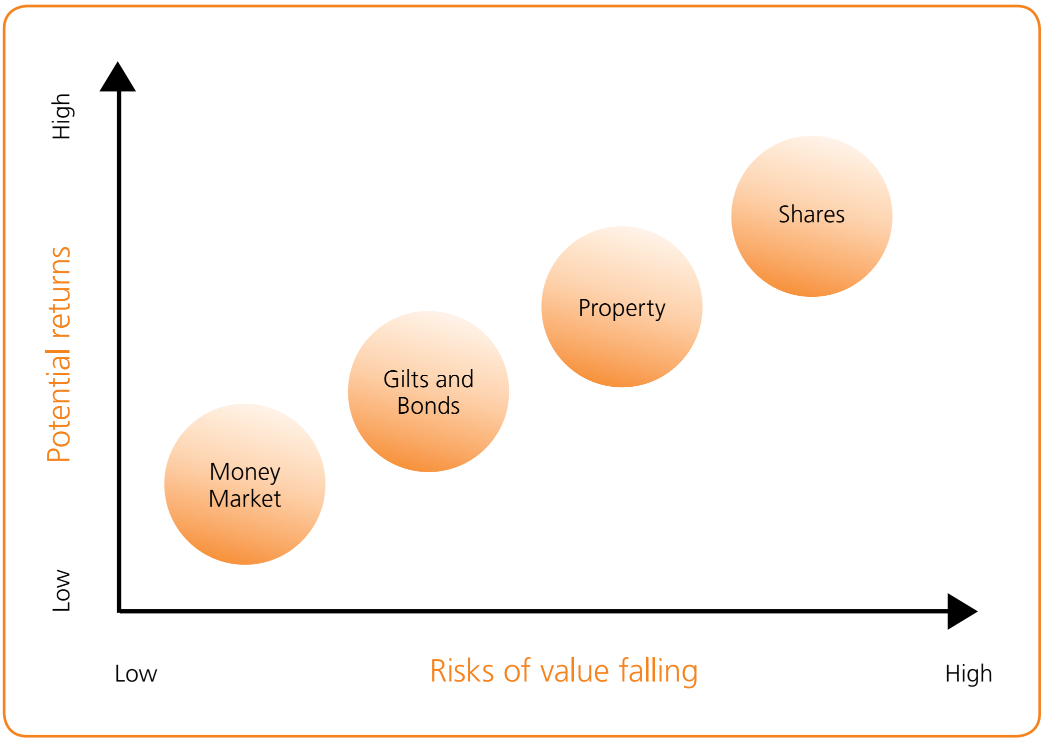
Once you are a member of the plan, if you have access, you can log in at **zurich.co.uk/save/globalconnections** to see how and where your money is invested at any time. If you don't have access, you can find this information in your yearly statement. Alternatively you can call Zurich to get information about your plan (see 'How to contact Zurich' on page 19).

It's important to understand a little more about the types of investment you can make.

There are four main types of investment, which are often called asset classes. Each one works in a different way and carries its own particular investment risks. You need to understand how each one works and the risks involved before making any investment decisions.

- **Money market investments:** money on deposit (e.g. cash in a bank or building society) and short term loans to raise cash.
- **Gilts and bonds:** loans to the UK government or companies.
- **Property:** physical buildings, usually commercial properties.
- **Shares:** stakes in a company (also called equities).

Fund managers buy and sell these assets on your behalf, with the aim of increasing their value over a period of time. The following diagram shows how different assets have higher or lower risks attached to them, and could potentially give you higher or lower returns on your initial investment. While the diagram shows the general long term (over ten years) relative performance of the asset classes, it's important to note that the way an asset class has performed in the past isn't necessarily how it will perform in the future.



The risks of investing

The **Introduction to investing** guide describes the different asset classes such as shares, property and money markets in more detail. It is designed to help you understand the relationship between risk and reward. You can find this document on the 'Library' page at **zurich.co.uk/save/globalconnections**.

It's very important to understand the risks associated with investing, and also how you feel about risk before you decide where to invest your payments. Depending on the funds you choose, the levels of risk and potential investment performance differ. There's always the risk that your money could be worth less than when it was originally invested which would result in a reduced pension in the future.

The higher the risk, the more likely it is to fluctuate in value over time. Choosing a lower risk investment usually means that your money is likely to fluctuate by smaller amounts, but you are less likely to see higher growth. The general rule is that the greater potential for growth, the more risks you take.

A volatile fund tends to see frequent and/or sharp rises and falls in value while a less volatile fund is likely to both rise and fall in value less quickly.

If your plan grows less than the rate of inflation, this could reduce the pension you get in the future.

The actions and decisions of the underlying fund management are the responsibility of the fund managers or fund management companies. However, Zurich does monitor the fund managers offered through the plan through its fund governance process.

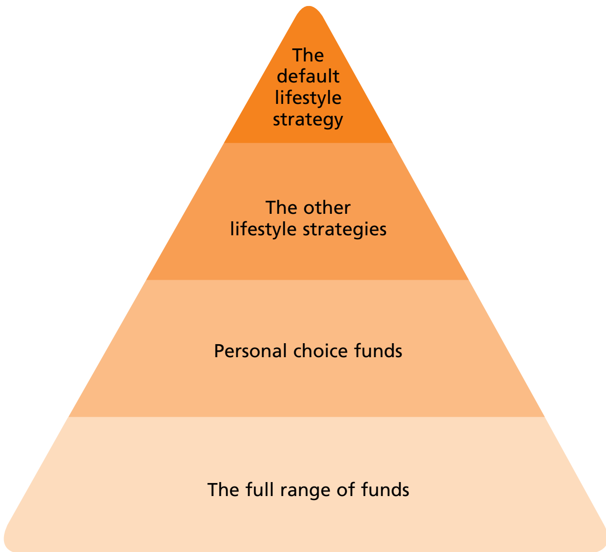
Your investment choices

You may or may not be comfortable with making or reviewing your own investment decisions on a day to day basis. There are different options available depending on how much involvement you want and they are described in the following sections. The triangle reflects the different levels of day to day involvement, less at the top through to more hands-on at the bottom. If you're not comfortable with making investment decisions you should seek help from a financial adviser. You will be charged for any financial advice you receive.

Your payments will automatically be invested in the Cautious Lifestyle Strategy chosen by Zurich, after taking into account recommendations made by Global Connections and its specialist advisers Prosperitas. For more information about the Cautious Lifestyle Strategy, please see the 'Lifestyle' section on page 12.

Once you are a member you can choose from the following investment options:

- stay in the Cautious Lifestyle Strategy, (the default)
- one of the other lifestyle strategies,
- personal choice funds, or
- the full range of funds available under the plan.



The triangle is only a way of illustrating the investment options available to you – it is not an indication of the advantages of one investment option over another or the suitability of any of the available options and you should not base any investment decision on this.

If you choose to invest in a lifestyle strategy, you cannot invest in any other funds at the same time.

Depending on the investments you choose, the levels of risk and potential investment performance differ. The value is not guaranteed and can go down, which will affect the retirement income you get in the future.

Lifestyle

A lifestyle strategy means that your money is automatically moved into less volatile funds as you approach your selected retirement age. This can be useful to help defend against unexpected falls in fund prices as you reach retirement but could also mean you miss out on future investment growth as you approach retirement.

While this could be a good way to invest for many people, you need to bear in mind that it may not be right for you as it does not take your individual circumstances into account. You should think carefully about how closely a lifestyle strategy meets your investment needs.

There is no guarantee this strategy will prove beneficial to your plan and the retirement income you get in the future.

You can move your money in or out of a lifestyle strategy at any time. There are currently no fees or penalties for doing this.

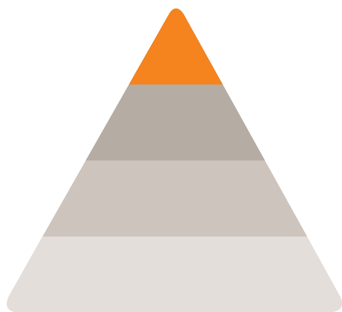
You can only invest in one lifestyle strategy at a time.

The Cautious Lifestyle Strategy (the default)

The Cautious Lifestyle Strategy contains the following funds:

- Aquila Corporate Bond Over 15 Year Index ZP
- Aquila 60/40 Global Equity Index ZP
- Deutsche Managed Sterling ZP
- Aquila Over 15 Years UK Gilt Index ZP

The table below shows the asset class, objective and charge for the funds that make up the Cautious Lifestyle Strategy.



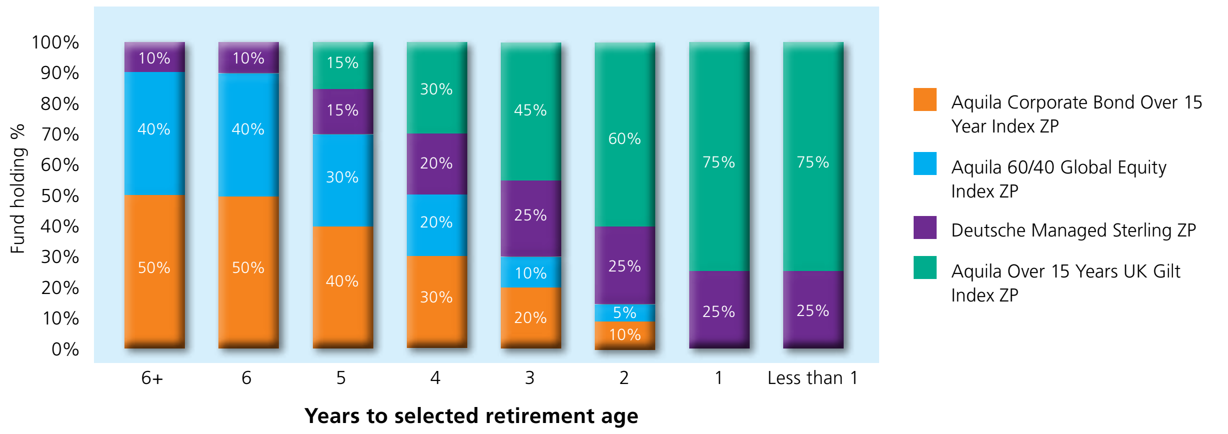
Fund name	Asset class	Objectives	Total charge*
Aquila Corporate Bond Over 15 Year Index ZP	Bonds	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Over 15 Years Index. This index consists of bonds with maturity periods of 15 years or longer.	0.56%
Aquila 60/40 Global Equity Index ZP	Equity	The fund invests in equities of the UK and overseas markets, with approximately 60% in the UK and 40% overseas. The fund aims to provide returns broadly consistent with the markets in which it invests.	0.55%
Deutsche Managed Sterling ZP	Money market**	The fund aims to achieve growth while preserving capital values by investing in a diversified portfolio of Sterling denominated short-term debt and debt related instruments.	0.62%
Aquila Over 15 Years UK Gilt Index ZP	Bonds	This fund invests in UK government fixed-income securities (gilts) that have a maturity period of 15 years or longer. The fund aims to achieve a return consistent with the FTSE UK Gilts Over 15 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK gilt market.	0.55%

* For more details on the fund charges, please refer to the 'Other investment information' section.

** In some circumstances, where the interest rates are low, the returns on money market funds may be less than the charges, which will reduce the value of the fund and the pension you receive in the future.

The following graph shows how the plan value and any regular payments are invested up to your selected retirement age.

Cautious Lifestyle Strategy

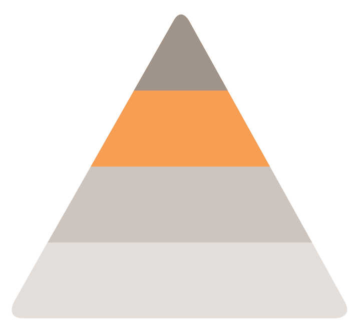


The other lifestyle strategies

The other lifestyle strategies you can choose to invest in are the Defensive Lifestyle Strategy, Balanced Lifestyle Strategy, and the Moderately Adventurous Lifestyle Strategy.

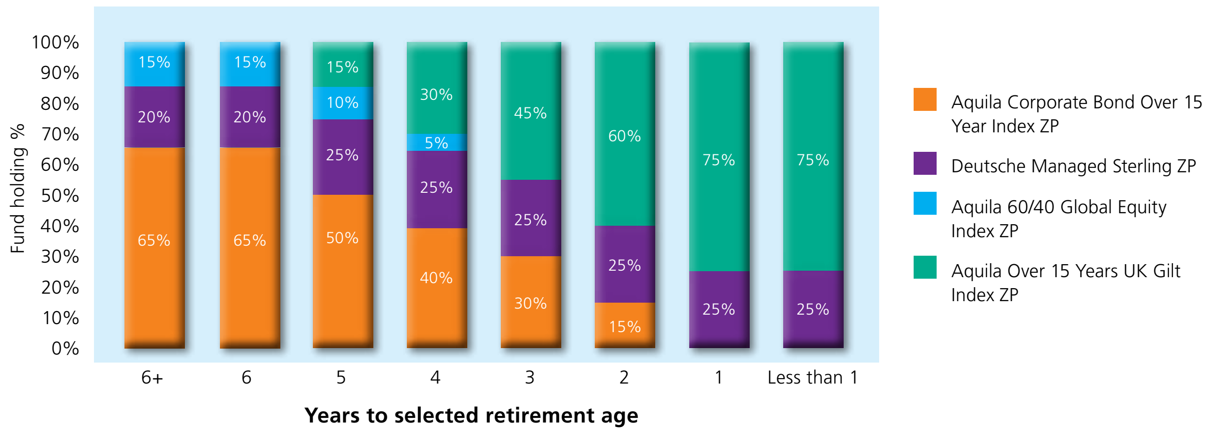
The Defensive Lifestyle Strategy contains the following funds:

- Aquila Corporate Bond Over 15 Year Index ZP
- Deutsche Managed Sterling ZP
- Aquila 60/40 Global Equity Index ZP
- Aquila Over 15 Years UK Gilt Index ZP



The following graph shows how the plan value and any regular payments are invested up to your selected retirement age.

Defensive Lifestyle Strategy

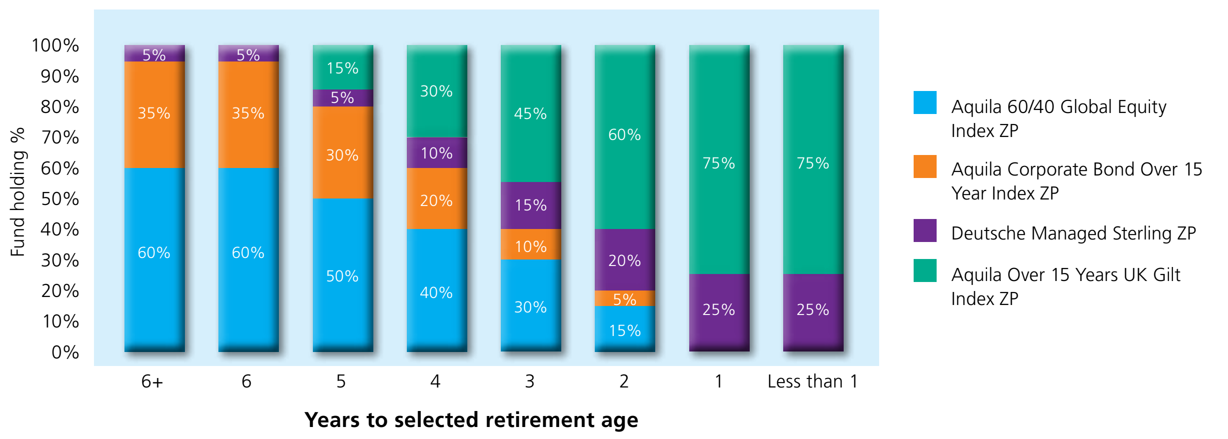


The Balanced Lifestyle Strategy contains the following funds:

- Aquila 60/40 Global Equity Index ZP
- Aquila Corporate Bond Over 15 Year Index ZP
- Deutsche Managed Sterling ZP
- Aquila Over 15 Years UK Gilt Index ZP

The following graph shows how the plan value and any regular payments are invested up to your selected retirement age.

Balanced Lifestyle Strategy

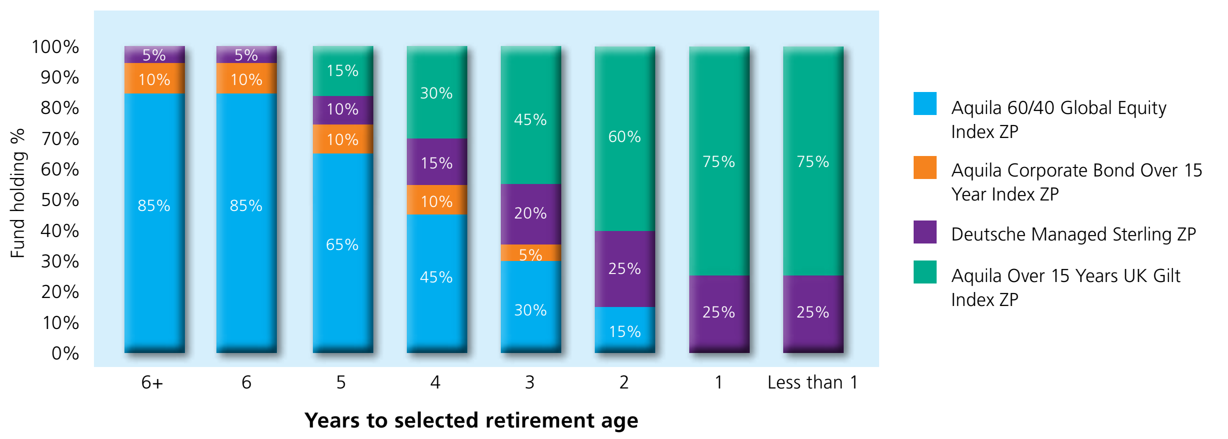


The Moderately Adventurous Lifestyle Strategy contains the following funds:

- Aquila 60/40 Global Equity Index ZP
- Aquila Corporate Bond Over 15 Year Index ZP
- Deutsche Managed Sterling ZP
- Aquila Over 15 Years UK Gilt Index ZP

The following graph shows how the plan value and any regular payments are invested up to your selected retirement age.

Moderately Adventurous Lifestyle



Lifestyle strategy and your selected retirement age

If you are invested in a lifestyle strategy and you decide to change your selected retirement age, you will need to let Zurich know so they can adjust your investment strategy. You can do this online by logging in to the website at **zurich.co.uk/save/globalconnections** and selecting 'Membership details' then 'Change selected retirement age'. If legislation changes, Zurich will update your selected retirement age for you and will write to you to inform you of the change, and the effect this will have on your investment strategy.

If you reach your selected retirement age and choose not to take your benefits at that time, or Zurich do not hear from you, they will set a new retirement age for you. This will be five years after your current selected retirement age, or your 75th birthday, whichever is earlier.

If you choose not to take your benefits, the value of your plan and future payments will be invested in the funds applicable for someone five years from their retirement. You should note this change will mean that initially your plan value and future payments will be invested in funds with a greater growth potential, but which can fluctuate more in value. This will mean there is a greater risk of a sharper fall in the value of your retirement savings, which would reduce the pension you get in the future. However, as you approach retirement, Zurich will move your money into less volatile funds, as shown in the lifestyle graph. This can be useful to help defend against unexpected falls in fund prices as you reach retirement, but could also mean you miss out on future investment growth as you approach retirement. For more information please read the **Zurich Pensions fund guide** which you can find on the 'Library' page at **zurich.co.uk/save/globalconnections**.

Personal choice funds

If you have certain ethical or religious beliefs these funds may suit your investment preference.

Following consultation with Global Connections and its specialist advisers Prosperitas, Zurich has made available ethical funds that you can choose. These funds do not have any lifestyling built in – the mix of investments does not change as you approach your selected retirement age. The following table contains the names of these funds, their objectives, the asset class and the total charge that applies to each of them.

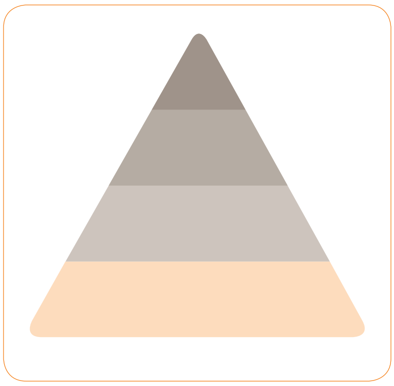
It is not guaranteed that these funds will outperform any of the other available funds.

Please remember, depending on the investments you choose, the levels of risk and potential investment performance differ. The value can go down as it's not guaranteed, which will affect the retirement income you get in the future.

Fund name	Asset class	Objectives	Total charge*
Legal & General Ethical Global Equity Index 1 ZP	Equity	The fund aims to track the total return of the FTSE4Good Global Equity Index to within +/- 0.5% a year for two years in three.	0.74%
Henderson Global Care Growth ZP	Equity	The fund aims to provide long-term capital growth by investing in a worldwide spread of equities, convertibles and fixed-interest stock. The fund will only invest in companies whose products and practises are considered by the Authorised Corporate Director to enhance the environment and the life of the community.	1.48%

* For more details on the fund charges, please refer to the 'Other investment information' section.

The full range of funds



You also have the option to choose from the full range of funds. You can find out about these on the 'Investment choices' page of the website at **zurich.co.uk/save/globalconnections**.

Please remember, depending on the investments you choose, the levels of risk and potential investment performance differ. The value can go down as it's not guaranteed, which will affect the retirement income you get in the future.

Other investment information

Fund charges and expenses are not fixed and can change on a daily basis depending on what the fund has bought or sold on a particular day. We recommend you read the **Zurich Pensions fund guide, Introduction to investing** and **Your full range of funds and charges** for more information about the different charges that make up the total charge. You can access these documents in the 'Library' page. There is also a fund fact sheet for each individual fund available on the 'Investment choices' page of the website.

The underlying funds that the lifestyle strategies and personal choice funds invest in may change in the future. The design of the lifestyle strategies may also change. Decisions about future changes to the underlying funds and the lifestyle strategies will be made by Zurich, following consultation with your employer and their advisers, and in line with Zurich's fund governance process and the terms and conditions. If these changes don't change the name, investment risk, objective or increase the cost, you won't be told about them. However, the changes will be updated in this guide and in the fund fact sheets. If in the future there are any changes to any of the funds, such as a change in the name, level of investment risk, objective or increase in the cost, then Zurich will let you know what the changes are as soon as possible. You can find the most up to date version of this guide on the 'Library' page at **zurich.co.uk/save/globalconnections**.

There is also a small risk that a fund manager or company responsible for the funds your payments are invested in become unable to meet their financial obligations. In the unlikely situation that this occurs you would not be covered by the Financial Services Compensation Scheme (FSCS). In this event, Zurich Assurance Ltd would make a claim against the fund manager or company in an attempt to recover the money. However, you could still lose all or some of your retirement fund.

What should I do now?

You should read the **Key Features** document (included with this pack) and the **Terms and Conditions** to find out more information about the plan.

You can find these and other documents you may find useful on the 'Library' page at **zurich.co.uk/save/globalconnections**. You can also call Zurich for a paper copy of the information.

If you're unsure about joining the plan or making an investment decision, you should take financial advice. For details on how to find a financial adviser near you, go to **unbiased.co.uk.** You will usually have to pay for any financial advice you receive.

How to contact Zurich

You can:

- call **0800 030 4428** or
- send an email to **supportcentredc@uk.zurich.com**.

Zurich may record or monitor calls to improve its service.

Zurich cannot give you advice but can give you more information to help you.

Data protection

Your employer has chosen Zurich Assurance Ltd as its pension scheme provider. Zurich Assurance Ltd is part of the Zurich Group and will be your data controller as provider and for administration purposes. Zurich Assurance Ltd will only act after receiving instructions from your employer to enrol you into or join your employer's workplace pension scheme.

Zurich Assurance Ltd takes your privacy very seriously and is committed to ensuring the way we collect, hold, use and share information about you complies fully with the Data Protection Act 1998. Full details of how your data will be used can be found in Appendix A of your product **Terms and Conditions** which will be sent to you after you have been enrolled or joined. You can get a copy of the terms and conditions before this from the 'Library' page at **zurich.co.uk/save/globalconnections**.

Please let Zurich know if you would like a copy of this in large print or Braille, or on audiotape or CD

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