BorgWarner
Pension plan

Benefits summary - Bradford Section

Important - this is an overview. For all the detail contact XPS.

When can I take my pension?

You can take your pension from age 65. You may be able to take it earlier provided you have reached age 55, or (due to recent Government changes) from 6 April 2028, age 57.

If you take your pension before 65 it may be reduced for early payment. Different reductions apply depending on your service dates. Further details of how your pension would be reduced for early payment are available from XPS.

If you retire after age 65, then your pension will be increased to reflect late payment.

Ill health retirement

If your health is so poor that you are prevented from performing your normal employment or your earnings capacity is severely impacted you may be entitled to take your benefits early.

The Trustee will review your situation and **may** remove any early retirement deduction.

If you have a life expectancy of less than 12 months, then you may be able to swap your pension in full for a lump sum payment.

Medical evidence will be needed for any ill health retirement application.

Can I take a cash lump sum?

You can swap some of your pension for a tax free lump sum, which is paid at the same time as your pension.

The maximum lump sum is usually 25% of the value of your benefits.

This is just a summary, the benefits are those as set out in the Plan's Trust Deed and Rules, if there is any dispute or benefits are not clear, the Trust Deed and Rules will be used to decide what is paid out.

How does my pension increase, before retirement?

From the date that you stopped building up your pension to when you retire, increases are applied. This helps to maintain the value of your pension.

Your pension is made up of different parts and the rate of increase varies.

The increases on the part of your pension known as your Guaranteed Minimum Pension (**GMP**) depend on your date of leaving the scheme – this doesn't include any GMP built up before 6 April 1988 which does not increase.

Pension built up before 1 January 1985 does not increase.The rest of your pension increases in line with the Cconsumer Prices Index (**CPI**) subject to a cap. For pension built up before 6 April 2009 the maximum is 5%. After that date the increase is CPI with a maximum increase of 2.5%.

How does my pension increase, in retirement?

Your pension is made up of different parts and the rate of increase varies.

GMP built up before 6 April 1988 does not increase

GMP built up after 6 April 1988 increases in line with CPI up to a maximum of 3%.

Pension built up before 6 April 1997 no increase.

Pension built up after 5 April 1997 Retail Prices Index **(RPI)** up to a maximum of 5%.

Pension built up after 31 March 2006 RPI up to a maximum of 2.5%.

How does my pension pass on?

Before retirement
A pension would be paid to a spouse or civil partner which is usually 37.5% of the value of the members pension if they passed away before age 65. This is uplifted to 50% if the member is aged over 65.

If you don't have a spouse or civil partner then a pension may be paid to a financial dependent at the trustee's discretion.

After Retirement
You are guaranteed to receive at least 5 years worth of pension payments when you retire. For example if you retire at age 65 and die at age 68, a further two years worth of payments would be made to one or more of your beneficiaries as a lump sum.

On death in retirement a pension will be paid to a spouse or civil partner, if you have one.

The pension paid will be calculated as if you had retired immediately before death. This allows for the full value of your pension, even if was reduced to pay a cash lump sum – 50% of this value is usually paid. The pension is also increased for each year after 65.

If you don't have a spouse or civil partner the Trustee may pay a pension to anyone financially dependent on you (at their discretion) including a child if they qualify under the rules.