

BT Retirement Plan

Retirement Options

The options the Plan offers you

You use your Retirement Account to buy benefits from the insurance company that you choose. You must at least buy a pension for yourself, but you are also able to choose:

- a pension which continues for another person after your death;
- regular increases to the pension (you choose the level);
- a cash sum of up to 25% of the value of your Retirement Account, along with a lower pension.

You may also have options for when you give up work and start to receive your benefits.

- you can choose to retire at the normal pension age, which is 60;
- if the company agrees you can start to receive all or part of your pension before age 60 and stay working for the company; or
- you can continue working for the company after age 60, and start to receive all or part of your pension.

Each of these choices affects the amount of your starting pension.

When you can receive your benefits

Under the rules, you can claim your benefits at age 60, the Plan's normal pension age. If you want to receive your Plan benefits early, you will need the company's permission. (If you have already left the company, you will need the trustees' permission.)

Until 6 April 2010, you can ask to receive all or part of your benefits at any time after you reach age 50. From 6 April 2010, a change to the law means that you cannot start to receive your benefits before age 55.

You can also continue working for the company past the Plan's normal pension age of 60. In this case, you can choose to:

- retire completely from the Plan while you continue working; or
- take part of your benefits and build up more benefits while you continue working; or
- take no benefits and continue to build up more until you finally retire from the company and the Plan.

If you have left the company, you cannot put off taking your Plan benefits past age 60.

Retiring from the Plan while you continue working

With the company's permission, it may be possible for you to retire from the Plan and start to receive your benefits while you continue to work for the company. In this case both you and the company will stop making any contributions to the Plan. Your extra life cover and dependant's pension from the plan stops and your life cover will be twice your annual pensionable salary.

Taking part of your benefits

Another option is for you to take only part of your benefits from the Plan while you continue to work for the company and continue contributing to the Plan. In this case, the trustees use the part of your Retirement Account that comes from your own contributions and any Smart Pension contributions. The company's matching contributions stay in your Retirement Account.

You can receive 25% of the value of your Retirement Account that you have taken as a tax-free cash sum. You continue contributions and the company continues to make matching contributions. Your extra life cover and dependant's pension from the Plan continues as normal.

Your pension

The insurance product that pays your pension is called an annuity. A regular pension just for you is called a 'single-life' annuity. If the pension continues to someone else after you die it is called a 'joint-life' annuity. Joint-life annuities cost more than single-life annuities.

You can choose whether the pension continues at the same rate or increases each year. A pension that increases costs more than one that stays the same (a "level" pension). You may choose to move the total value of your fund to another pension provider. This is sometimes called an 'Open Market Option'. If you are still employed, this counts as opting out of the Plan and the company will not continue to contribute to your fund.

Further information

You can obtain more information about the Plan from the BTRP pages of the BT intranet, which includes a copy of the new member booklet. This should answer all of your general questions. However, if you need personalised information about your own benefits, you will need to contact Peopleline.

The Pensions Regulator publishes a useful leaflet about the types of pension annuities available. The leaflet is currently called 'Your retirement choices' and it can be downloaded at:

<http://www.thepensionsregulator.gov.uk/onlinePublications/member.aspx>

The Financial Services Authority's website also has helpful information about pension annuities, including a comprehensive pricing tool:

<http://www.fsa.gov.uk/tables/bespoke/Annuities>

As always, you should consider seeking financial advice if you are in any doubt about the right options for you.

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