

**Pension
Fund**

Your pension benefits

Leaving with more than 2 years' service

What you need to know

January 2017



Introduction

This guide tells you what happens to your pension benefits if you leave Abbott and:

- You have more than 2 years' service as an active member of the fund; and
- You leave before reaching the minimum retirement age.

Additional options apply if you are immediately eligible for an early retirement pension. You'll find more about this in the Pension Retirement Guide available from the website www.abbotpensionfund.co.uk.

This guide is intended to be an easy to read summary of the benefits available. Full information is available within the Trust Deed & Rules, the legal document which sets out what the benefits will be. Nothing in this guide can override the Rules.

To help you find the right information easily, we have divided the guide into the following sections:

1. Leaving the pension where it is

page 3

2. Pension transfer options

page 5

3. Taking benefits in the future

page 6



1. Leaving the pension in the Abbott Laboratories Pension Fund (1966) – “The Fund”

By doing this you will become a deferred member

What you need to know

Your pension

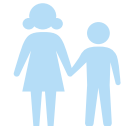
Because there is no individual pot of money, there is no investment risk involved if you leave the pension in the Fund. Your pension is calculated in line with a formula linked to your level of salary and pensionable service when you leave. It will then receive increases, on the basis decided by the government, currently in line with the Consumer Prices Index (CPI) and up to a maximum increase of 2.5% every year. These statutory increases will be applied to your pension each year on the anniversary of your leaving service date.

There are trustees who diligently monitor the funding level, the employer’s ability to support the Fund and the investments continually, to maximise the safety of your benefits.

They have a legal duty to act in the interests of the Fund’s members.

The amount of your pension will change in line with the inflationary increases given to it. Your pension will be completely unaffected by investment returns from the Fund from which all pensions are paid.

You will then be able to take your pension benefits when you reach Normal Retirement Age. If you leave a legal Spouse when you die, they will receive a Spouse’s pension.



The Fund does not issue yearly benefit statements for deferred members. You can request a current valuation at any time from the Administrator. Retirement estimates can also be provided.

Your death benefits (having left the Fund)

If you joined the Fund before 1 June 2012 and there is a Spouse's pension payable, the lump sum will be equal to the higher of:

- The sum of your Voluntary Account (Additional Voluntary Contributions Fund) PLUS an amount equal to the sum of pension payments which would have been paid over a five year period as you had retired and died one day later: or
- The sum of your contributions (either paid as Ordinary contributions or by Salary Exchange) with interest and the Member's Voluntary Account (Additional Voluntary Contributions Fund)

If you joined the pension before 1 June 2012 and there is no Spouse's pension payable, the lump sum benefit will be the greater of:

- The sum of your Voluntary Account (Additional Voluntary Contributions Fund) PLUS an amount equal to the sum of pension payments which would have been paid over a five year period as if you had retired and died one day later; or
- The sum of the member's contributions (either paid as Ordinary contributions or by Salary Exchange) with interest and the Member's Voluntary Account (Additional Voluntary Contributions Fund); or
- An amount equal to the actuarial value of a notional Spouse's pension

What you need to do

Initially, nothing. When you leave, the Pensions Department will notify the Fund Administrator, Mercer Ltd, who will write to you with details of your pension benefits. These benefits will be preserved (held for you) in the scheme and will automatically become payable when you reach age 65. Mercer will send you a leaving service statement which will set out how much pension you have built up in the Fund, and what the options are in relation to transferring. You should keep this statement safe and notify Mercer of any future change of address or marital status.

2. Pension transfer options

You can do this at any time before you are expected to start taking the pension

What you need to know

As an alternative to leaving the pension in the Fund, you can transfer your benefits to another pension scheme. If transferring to a defined contribution scheme you are required to take regulated financial advice before the transfer can proceed, if the value of the benefits exceed £30,000.

You should consider each of the two schemes on their own merits and understand what each of those schemes will provide before making a decision. There are risks involved in transferring a pension that promises to provide an inflation proofed income for life and, beyond that, a possible future income to a spouse. This may not be a straightforward decision. There are a number of other different factors that need to be considered. Some examples are life expectancy, flexibility, death benefits, family circumstances, debt position and other financial resources to rely on in retirement. We would always recommend that you seek regulated Financial Advice.

What you need to do

You can start the process by telling your new scheme administrator or financial adviser that you are interested in transferring your Abbott Laboratories pension.

The first step is to find out your Cash Equivalent Transfer Value (CETV), also known as the transfer value. This can be requested once you have received your leaving service statement from Mercer Ltd.

If the proposed transfer is to an occupational pension scheme the CETV request to Mercer Ltd can come from the new pension provider or scheme administrator. If the request relates to transferring your pension into a SIPP or a personal pension, then the request should be made by the appointed financial adviser.

CETV information must be provided within three months of the date of the original request.

3. Taking benefits in the future

You can do this at any time from Normal Minimum Retirement Age

What you need to know

If you draw your pension before Normal Minimum Retirement Age the pension that has built up will be reduced to take into account that it will be payable for a longer period of time.

Different rates of early retirement reduction apply for service pre and post 1 June 2008. Your pension, after reduction, must be enough to cover any guaranteed minimum pension (the contracted-out liability for any pension benefits built up before 6th April 1997) that the scheme must pay to you at State Pension Age. This requirement may limit how early you can draw your pension.

If you are thinking about taking your pension benefits early, make sure you allow plenty of time to consider your options. If you have a date in mind as to when you want to start taking your benefits, we would recommend that you request a retirement quotation 12 weeks before this date. This will allow sufficient time for your retirement pack to be prepared, and for you to then consider and/or take advice on the various options.

What you need to do

Contact the Fund Administrator. You should retain a copy of the statement that confirms what percentage of the Lifetime Allowance your pension has used up as this information may be needed by other pension providers before any other pensions you have can be paid.

Your Retirement Pack

Included in your pack:

- Personalised pension options, including important tax information
- Paperwork to complete if you go ahead
- Confirmation of the certificates needed before your pension can be paid

4. Glossary

Spouse

The person to whom you are married or who is your Civil Partner at the date of your death.

Ordinary contributions

A Member's contributions to the Fund.

Salary Sacrifice contributions

An alternative method of paying ordinary contributions. The Member receives a reduction in salary equal to the level of the pension contribution from the employer who then pays that reduction into the Fund.

Self Invested Pension Plan (SIPP)

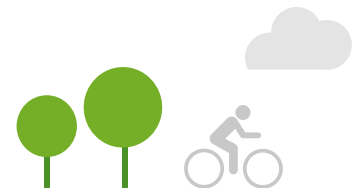
A UK government approved Personal Pension Scheme (PPS), which allows individuals to make their own investment decisions from a range of investments approved by HMRC.

Personal Pension Scheme (PPS)

Sometimes called a Personal Pension Plan (PPP), this is a UK tax privileged individual pension arrangement with the primary aim of building a pot of money that can be used to provide income in retirement although it will usually also provide death benefits.

Normal Minimum Pension Age

Currently, this is age 55. This is likely to increase in the future and is set to rise to age 57 by 2028.



5. Need help?

More information is available from the Pensions Officer by contacting:

01795 512921 ukpensions@abbott.com

Outside of Abbott, there are a range of services which look to support you in making the right decision:

www.gov.uk

For information about pensions and pensioner benefits, including planning for the future, whether you're about to retire or have already retired.

The site also covers State Pension information and advice.

www.moneywise.co.uk

Moneywise covers all the financial matters that impact on your money and lifestyle.

www.pensionsadvisoryservice.org.uk

The Pensions Advisory Service (TPAS) has launched a web-based tool aimed at helping people with their choices and decisions when they come to retire.

www.moneyadvice.service.org.uk

The Money Advice Service website contains a wealth of information and downloadable booklets on retirement and retirement options; you can also find comparison tables on products to help you compare annuities, savings and investments.

How to find out more information about your Fund

You will find information about the Fund in a number of different places, for example on **Abbott Life** and **MyHR**. All of the information can be found in one place on the Fund website **www.abbottpensionfund.co.uk**.

Here you can download a copy of the Members' Guide, see information about how the Fund is run, refer to articles about Fund investments, how AVCs work and much more.

If you joined the Fund before 1 March 2005 you should also refer to the Members' Guide supplement which is specific to you.