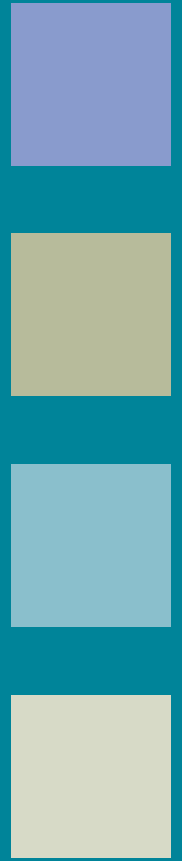




Your guide to the
Coats DC
Pension Scheme



in association with
Standard Life

August 2018



About this booklet

This booklet explains the benefits available to members of the Coats DC Pension Scheme ("the DC Scheme") - a Group Flexible Retirement Plan provided by Standard Life for employees of Coats Limited ("the Company") employed in the UK. The DC Scheme is contract-based, which means that although arranged by the Company, your pension contract is between Standard Life and you.

The DC Scheme was opened to new entrants on 1 May 2014.

Important

This booklet and any supplementary leaflets are intended to explain how the DC Scheme operates and the benefits provided by the DC Scheme in simple terms.

This booklet should be read in conjunction with the Pension Salary Exchange ("PSE") booklet which is available [here](#).

This booklet is based on legislation in place at April 2018 which may be subject to change.

If you were an active member of Coats Pension Plan at its closure date, you should also refer to the additional information issued in July 2016. This is available from the secure [MyCoatsPension](#) site. If you haven't already done so, you can register for this site by clicking [here](#).

If you would like more information on the DC Scheme, you should contact Standard Life using the details below. Standard Life is responsible for the administration of the DC Scheme; you should contact them if you have any questions about investing or accessing your pension pot. Questions about the information held on the Coats Pensions website (including My Coats Pension) should be directed to the Coats Pensions Office.

The value of your pension pot can go up and down. You should consider taking independent financial advice before making any decision which could affect your pension.

Changes to the DC Scheme

The Company reserves the right to make amendments to the DC Scheme. Changes may also be necessary in the event of either an amendment to or the introduction of additional UK legislation.

If your membership of the DC Scheme ends (and it is not because of something you do or fail to do), the Company must by law put you into another scheme that meets Government standards straight away if you meet the criteria for auto-enrolment (see page 3 for further details).

Contract provisions and HMRC rules

Your membership of the DC Scheme is subject to the detailed contract provisions of the DC Scheme and HMRC's rules on registered pension schemes. The contents of this booklet cannot override these documents.

Contact Details

Coats Pensions Office

Cornerstone
107 West Regent Street
Glasgow
G2 2BA
www.coatspensions.co.uk
Tel: 0141 207 6800
(Monday - Friday, 9am - 5pm)

Contact Details

Standard Life

Dundas House
20 Brandon Street
Edinburgh
EH3 5PP
www.standardlifepensions.com/gfrp
Tel: 0800 634 7479
(Monday - Friday, 9am - 5pm)

What's Inside?

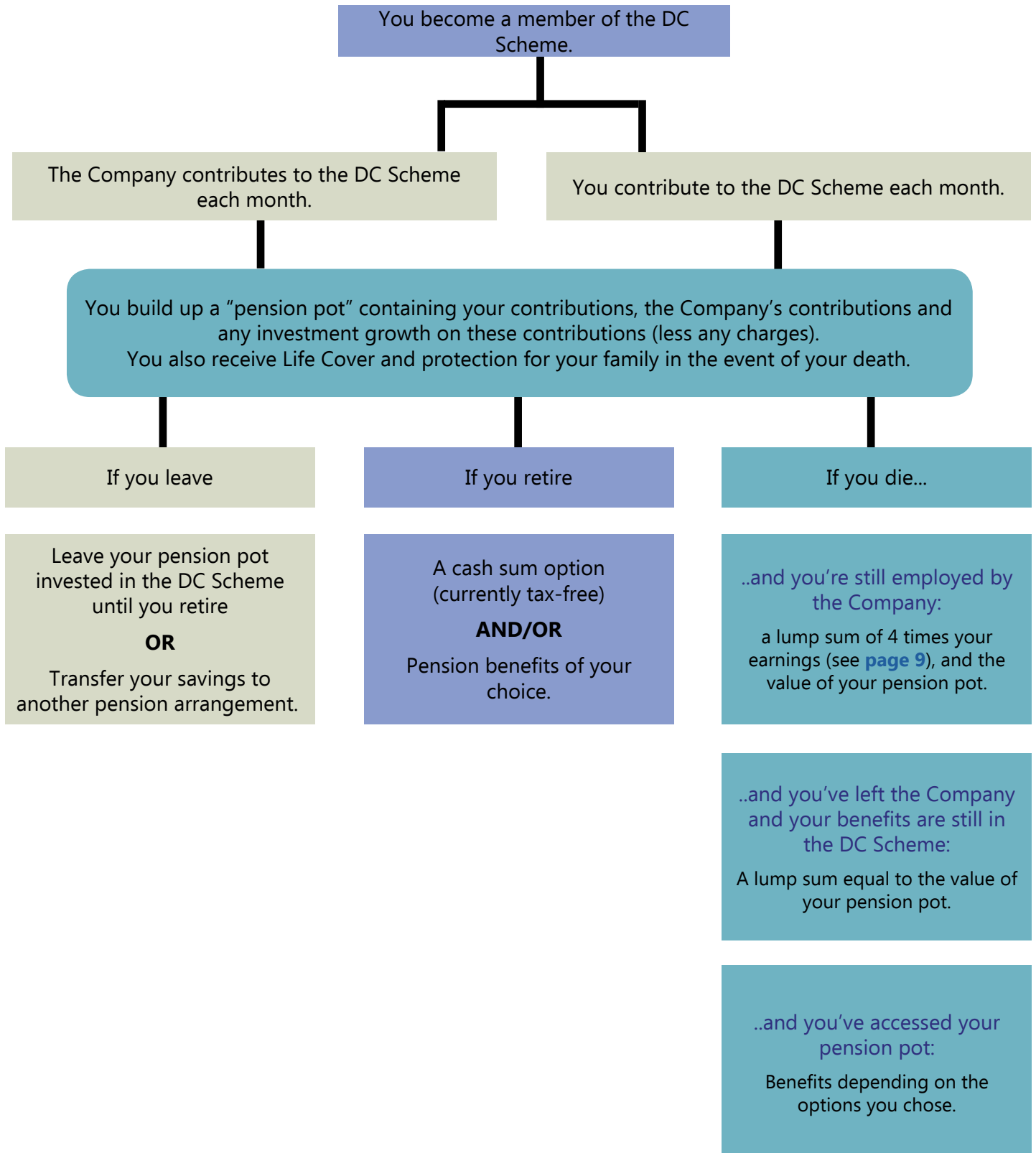


Click on the page numbers below to be taken to the relevant page.
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Throughout the booklet, phrases shown in [this colour](#) mean there is a link you can click on for more information. To get back to your original page, click on the subject header again. Links shown in [this colour](#) take you to an external link which will open in a separate window.

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In Summary..how the DC Scheme works



About the DC Scheme



What is the Coats DC Pension Scheme?

The DC Scheme is a Group Flexible Retirement Plan administered on behalf of the Company by Standard Life.

It is a **Defined Contribution** (DC) personal pension arrangement.

Both you and the Company contribute to your pension savings each month.

You can choose how those savings are invested, and when you retire, you can use your savings to provide pension benefits.

Although the DC Scheme has been arranged by the Company, your pension contract is between Standard Life and you. This means your pension savings can stay with Standard Life even if you leave the Company.

Who runs the DC Scheme?

The DC Scheme is administered on behalf of the Company by Standard Life.

As part of our ongoing governance and monitoring of Standard Life, we will be in regular contact with them to ensure they meet our expectations and continue to comply with various pensions regulations.

Standard Life is authorised and regulated by the Financial Conduct Authority.

Is it worth being in the DC Scheme?

For many people, it is likely to be worthwhile. In addition to the contributions that you make, the Company also pays in and you get **Tax Relief** on your contributions. This means that the value of the benefits you can build up could be far greater than your own contributions alone could secure. Of course, this will depend on your personal circumstances and you may wish to consider taking independent financial advice.

For some people, Annual Allowance issues may make the DC Scheme less suitable. For more information about the Annual Allowance, please see the DC Scheme FAQ, available on the [Pensions website](#).

The DC Scheme is a simple way of building up extra income for your retirement.

Regardless of how near or far away you are from retirement, everyone needs to think about the standard of living they want when they stop working. State pensions provide only a basic level of income and for most of us, it won't be enough to provide the lifestyle we want.

You're never too young to start saving for retirement. By starting as early as possible, you can look forward to a higher pension than if you'd started later.

If you decide that it's not right for you, you can leave the DC Scheme at any time.

Can I leave the DC Scheme while I'm still with the Company?

Yes - you can do so at any time by contacting your HR department. If you do leave the DC Scheme, you will still have **life cover** unless and until you leave the Company.

If you change your mind and want to re-join, you will be able to do so but you may not be able to re-join within 12 months of leaving.

Note that under **Auto-Enrolment** legislation, you may be re-enrolled automatically at a later date.

In Brief...

- The Coats DC Pension Scheme is a defined contribution (DC) pension arrangement.
- The DC Scheme is administered on behalf of the Company by Standard Life.
- Both you and the Company contribute to your pension savings each month. You can choose how those savings are invested, and when you retire, you can use your savings to provide pension benefits.



How do I join the DC Scheme?

To help people save more for their retirement, The Government now requires employers to automatically enrol their workers into a workplace pension scheme (if they are not already in one). This is called [Auto-Enrolment](#).

If you meet the criteria for [Auto-Enrolment](#) (shown below), you won't have to do anything - you will be enrolled in the new DC Scheme.

If you don't meet the criteria, you can still join the DC Scheme at any time by filling in an application form, which you can get from your HR department or on the Coats Pensions [website](#).

What is Automatic Enrolment?

The Government requires employers to enrol their workers into a workplace pension scheme. The pension scheme provided by employers must meet certain minimum standards which are prescribed by law. The DC Scheme exceeds these minimum standards.

Under the legislation, employers must automatically enrol all workers who are not members of a workplace pension scheme, who are ordinarily working in the UK and who:

- earn over £10,000 a year (£833 a month)*;
- are aged 22 or over; and
- are under State Pension age.

If you meet these criteria, the Company will enrol you in the DC Scheme. You don't have to do anything – it will happen automatically.

You can choose to [opt out](#) of the DC Scheme if you want to, but if you stay in:

- you will have your own pension which you get when you retire;
- the Company and you will pay contributions into the DC Scheme;
- the Government will also contribute through tax relief; and
- your pension pot belongs to you, even if you leave the Company in the future.

* for the 2018/19 tax year.

If I don't meet the criteria can I still join the DC Scheme?

Yes, even if you don't meet the criteria, you can join the DC Scheme at any time by filling in an application form, which you can get from your HR department or on the Pensions [website](#).

What documentation will I receive as a member of the DC Scheme?

You will receive:

- A welcome pack from Standard Life confirming your membership.
- An annual statement from Standard Life outlining the benefits you have built up in the DC Scheme.
- Any other documents giving information about the DC Scheme as necessary.

In Brief...

- If you meet the criteria, you'll be automatically enrolled in the DC Scheme.
- You can [opt out](#) if you wish.
- Even if you don't meet the criteria, you can join the DC Scheme by filling in an application form from your HR department.

Contributing to the DC Scheme



How much does it cost?

If you join the DC Scheme, you will automatically pay the minimum contribution level associated with your Grade. The table below summarises the contributions. You can choose to pay more than the minimum level if you wish, however the Company contributions are fixed at the levels shown.

% of Pensionable Salary			
Level	Your Contributions	Company Contributions	Total
Grades 1-14	3.5%	7%	10.5%
Grades 12-14 (Optional)	5%	10%	15%
Grade 15+	0%	15%	15%

Note that for administering and investing your pensions savings, Standard Life deduct charges from your pension savings. Please see [page 6](#) for more information.

If different optional contribution categories are available to you, these will be notified to you as part of the terms of your employment contract.

How much can I contribute?

You can contribute more than the minimum for your grade, as set out in the table above, up to a maximum of 100% of your taxable basic pay. Tax relief only applies to contributions that do not exceed the [Annual Allowance](#). For more information about the Annual Allowance, please see the DC Scheme FAQ, available on the Pensions [website](#).

To change your contributions you should complete the 'Change Pensions Contributions Form' available on the Coats Pensions website, and forward this to your HR department.

Note that the Company cannot give you advice on how much you should contribute to your pension. We recommend that you take independent financial advice if you wish to find out more about this. Please see the Standard Life [website](#) for more information or visit www.unbiased.co.uk

How do I make my contributions?

If you join or are auto-enrolled into the DC Scheme, you will also automatically participate in our [Pension Salary Exchange \(PSE\)](#) arrangement.

PSE means that instead of making a direct employee pension contribution into your pension scheme, you exchange some of your salary for an additional employer pension contribution, equivalent to the salary that you exchange.

As a result:

- You will not pay National Insurance ("NI") Contributions on the amount of salary that you exchange for an additional employer pension contribution.
- Your take-home pay will be more than it would be if you made an employee pension contribution from your net pay.
- The total contribution to your pension scheme will be the same as if you made an employee pension contribution from your net pay.

You can be a member of the DC Scheme without participating in PSE. If you choose not to participate in PSE, you will remain a member of the DC Scheme and make direct employee pension contributions from your net pay. If you do not want to participate in PSE, you must complete and return a withdrawal form, available from your local HR team.

For more information about Pension Salary Exchange, please see the [PSE booklet](#). Please take the time to read this document as although Salary Exchange is beneficial for most people, it is not suitable for everyone.

Some people will not be able to participate in PSE. If you are unable to participate in PSE, you will be contacted directly by HR. Even if you can't participate in PSE you will be able to make direct employee pension contributions to the DC Scheme from your net pay.

In Brief...

- You can contribute as much as you want to your pension savings.
- If you join or are auto-enrolled into the DC Scheme, you will normally participate in the [Pension Salary Exchange \(PSE\)](#) arrangement too, unless you tell us otherwise.

How Your Pension Pot is Invested



How are my pensions savings invested?

You can choose where your pension savings are invested from a range of different investment choices

The aim of investing your pension pot is to preserve the value of your money or to make it grow over time.

The value of your pension pot will depend on how your investments perform over time, after allowing for any charges. However, please note that the value of your pension pot could go up or down depending on the performance of investments you choose. Different types of investment will offer different types of potential reward and also different levels of risk.

When you join, your pot will be invested by default into the **Passive Plus III Universal SLP** lifestyle investment. If you wish to, you can decide to move your money into another investment, but otherwise it will remain invested in the default lifestyle.

There is more information about lifestyle investments in the next section. Investment choices other than lifestyle investing also exist. Investment choices range from low to high risk and you can be as involved or removed from the investment process as you choose.

For more information on the different types of investment funds you can choose from, please visit the Standard Life [website](#). Standard Life also have a very useful questionnaire which may help you to assess your own appetite for investment risk.

More about Lifestyle investments

Lifestyle investing is a method of investing a pension pot which aims to get the 'best outcome' for those who may prefer not to be directly involved in making investment choices for their pension pot.

Typically, the pension pot will be invested in 'riskier' types of asset when a person is younger, the idea being to maximise investment growth with any short term losses hopefully being moderated by the fact that saving and investing will continue over the longer term of their working life.

As the person approaches retirement, the pension pot will then be moved into 'safer' types of asset which may not have much potential for investment growth, but which are less likely to be subject to short term losses at this time when such

losses may be considered particularly detrimental to a person's retirement planning.

The standard retirement age for the DC Scheme is 65 and the lifestyle switch from higher to lower risk funds typically occurs between 5 and 15 years before retirement, so it is important that you notify Standard Life if you wish to choose a different retirement age.

The Passive Plus III Universal SLP investment is a lifestyle investment with a 'medium' risk level. Higher and lower risk lifestyle investments are also available. The Pensions Office can provide additional information to allow you to navigate the Standard Life website, if needed.

What terms such as 'best outcome' and 'risk' mean to the individual is a personal matter. Lifestyle type investments may not be suitable for some people and you should think carefully about what type of investment is right for you. You should also consider taking independent financial advice.

How do I change my investment choices?

You have control over your investments, and you can change your investment choices at any time.

You can change your investment options by visiting the Standard Life website. Details of the number of funds you can invest in, and any associated charges can be found there.

Making your investment choices is a personal decision, and will be different for everyone. Whichever funds you choose, the value of your investments is not guaranteed and can go up and down.

Which funds should I choose?

The Company cannot give you advice about your investments or which investment fund(s) may be best for your circumstances. If you need help making a decision, we recommend you speak to a Financial Adviser. You can find an adviser in your local area at www.unbiased.co.uk. There may be a cost associated with this.

How can I keep track of my investments?

You will receive an annual statement from Standard Life showing the value of your pension savings.

You can also get an up to date valuation of your savings at any time by visiting the Standard Life website and logging into [Employeezone](#).

Charges



Are there any charges?

Standard Life manages and invests your pension savings on your behalf. For doing this, Standard Life will make a charge. This is taken on a monthly basis from the value of your pension pot.

The amount charged depends on the investments you choose.

If you leave your savings in the default investment (Passive Plus III Universal SLP), the charge for this is 1.03% each year of the current value of your savings.

Please note that the Company has negotiated enhanced terms for Coats DC Scheme members. This means that you will receive a rebate which is currently equivalent to 0.45% each year of the value of your savings.

The rebate will be given to you each month as additional investment [units](#). The rebate will continue to apply - even if you decide to leave the DC Scheme - at the level of rebate in place at the time contributions stop.

Example:

If your [pension pot](#) is valued at £10,000 throughout the year and you choose to leave your savings in the default investment, the charges over the year will be:

Value of your pension pot	£10,000
Investment Charge	£103
Less: Rebate	£45
Total charge for the year	£58

Please note that charges and rebates are not guaranteed. They are regularly reviewed and may be changed in the future.

This rebate has been in place since April 2016. If you left the DC Scheme before that date, a different rebate may apply to your investments.

For more information on charges, please see the [Standard Life website](#).

In Brief...

- Standard Life make a charge for managing and investing your savings.
- The amount charged depends on the investments you choose.
- The Company has agreed a rebate for Scheme members, which makes the charges lower than they would otherwise be.
- For the default investment, the annual management charge is 0.58% (after a rebate of 0.45% is applied).
- Charges and the rebates are not guaranteed and may change.

At retirement...



What options do I have at retirement?

There are currently three ways that you can access your pension fund at retirement. These descriptions assume only one option is taken, but it is possible to access more than one option when arranging your retirement plans.

For more information about these options, please visit the Standard Life [website](#).

Standard Life will give you details of all your options in advance of your retirement age (or at any other time you request them).

Options may be available from other providers which are not available from Standard Life. You should look at more than one provider and consider taking independent financial advice before accessing your pension funds.

1 Agreed income (annuity)

When you buy an [annuity](#), you exchange your pension savings for a guaranteed income.

There are many different sorts of annuities, each with different options and features. You can choose to purchase an annuity with Standard Life or with another provider - different companies will offer different rates and different types of annuity.

The amount of money an annuity will pay you is decided by insurance companies such as Standard Life. They take into account things like your age, type of annuity and interest rates.

You will normally have the option to receive 25% of your pension savings as a tax-free cash lump sum at the time you purchase an annuity.

2 Flexible income (drawdown)

Instead of purchasing an annuity, you could choose to draw money from your pension pot at the rate of your choosing. Your savings would remain invested and would be subject to charges and investment risks.

You will normally have the option to receive 25% of your pension fund as a tax-free cash lump sum at the time you go into [drawdown](#).

3 Lump Sums

The other option available is to take your entire pot as a one-off lump sum or series of lump sums. Your pension pot would remain invested and would be subject to charges and investment risks.

The first 25% of each lump sum will normally be paid tax-free.

When can I retire?

At present, you can take your benefits on or after age **55**, even if you continue working. However, Standard Life will base their illustrations on the default retirement age of 65. If you plan to draw your pension benefits at any age other than 65, you must let Standard Life know. You can also take your pension at any age after 65.

Please note that unless there are exceptional circumstances - such as serious illness - you **cannot** retire before age 55. Note that the earlier you retire, the longer your pension savings will have to last.

Can I draw my pension and take another paid job with a different employer?

Yes, although you should note that if you take this option you may end up paying income tax at a higher rate if this takes your income into the higher tax bracket.

How much will I get when I retire?

This depends on a number of factors including your age, the value of your pensions savings, and interest rates. For an up to date estimate of the value of your pensions savings, please log in to [Employeezone](#) on the Standard Life website.

Will I pay tax on my pension?

Other than any tax-free cash you may be entitled to receive (please see the options, opposite), you will pay tax on your pension income on a PAYE basis, as you do with your salary.

Tax may also be payable if the value of your pension savings is above the [Lifetime Allowance \(LTA\)](#).

How much State Pension will I receive?

The amount of your State Pension depends on a number of factors. For more information, please visit www.gov.uk/state-pension

In Brief...

- You can normally take up to 25% of your pension pot as a tax-free cash lump sum.
- At present, you can retire from age 55 onwards but the default retirement age is 65.

Leaving the DC Scheme



Can I stop paying pension contributions?

You can leave the DC Scheme even if you are still working for the Company. Leaving the DC Scheme means both you and the Company will cease paying contributions. If you wish to leave then you should complete a leaver form and forward this to your HR Department.

Both you and the Company will automatically stop paying contributions if you leave the Company.

What happens to my pension pot after contributions stop?

Your pension pot will automatically remain invested with Standard Life for your benefit. You can stay with Standard Life or move your pension pot to a different arrangement, including a new employer's pension scheme if you are leaving the Company.

How do I transfer my pension savings to another pension scheme?

Please visit the Standard Life [website](#) for more information about transferring to another pension scheme.

Please note that, like all legitimate pension providers, Standard Life will scrutinise all transfer requests carefully. This is to ensure that members do not lose some or all of their pension savings to a pension scam.

For more information about pension scams, please go to:

www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx

The Financial Conduct Authority has produced a guide to spotting and avoiding scams – please go to:

www.fca.org.uk/consumers/scams/how-to-avoid-scams

Please note that unless there are exceptional circumstances, anyone under 55 attempting to access their pension early will face a tax charge of at least 55%, with additional fines if they fail to report it to HMRC. Only in rare cases – like serious illness – can pension scheme members take their pension before age 55. For more information, please see the Standard Life [website](#).

Can I rejoin?

Yes, if you stay with the Company and want to start paying into your pension again, you can do this by contacting your HR department for an application form.

Note that as a result of [Auto-Enrolment](#) legislation, it may be necessary for the Company to re-enrol you automatically into the DC Scheme, if you are eligible. You would be able to [opt out](#) if you wish.

What happens to my Life Cover if I leave the DC Scheme?

Your [Life Cover](#) stops when you leave the Company.

If you stay with the Company but stop paying into the DC Scheme, you would still have the same level of life cover.

In Brief...

- If you leave the Company, you can transfer your pension pot to another registered pension scheme, or you can leave it in the DC Scheme until you retire.
- You can stop paying into your pension while you're employed by the Company, but under Auto-Enrolment legislation, you might be re-enrolled at a future date.

Death Benefits



What happens if I die before I retire?

The Company provides life cover to all employees through a separate arrangement from the Coats DC Pension Scheme. This means that if you die while you're still working for the Company, a lump sum of 4 times your pensionable salary will be paid to your dependants.

In addition, your beneficiaries will receive the value of your [pension pot](#) from Standard Life.

These benefits will be paid at the discretion of each arrangement. For more details please contact your HR department.

What happens if I die after I start taking my pension?

The choices you made when you started to draw your pension will determine what your beneficiaries would receive. You can find out more about these choices from the Standard Life website.

If you buy an annuity after retirement with an attaching beneficiaries' pension, you will need to let your chosen annuity provider know your beneficiaries' details.

What if I die and I've stopped paying into my pension?

If you've stopped paying into your pension but you're still with the Company, you will have life cover as shown above. However, if you've left the Company, but you haven't transferred your savings into another Scheme, Standard Life will pay out the value of your [pension pot](#) as a lump sum.

Does the Lifetime Allowance have an impact on payment of death benefits?

Any lump sum payable on your death will be paid free of inheritance tax, provided that the total lump sum payable as a result of your death (including certain death benefits payable from other pension arrangements) does not exceed your remaining [LTA](#). Any excess will be subject to a tax charge.

Any payment of a spouse's/civil partner's/children's/dependant's pension following your death is not tested against the [LTA](#) (and therefore no tax charge will be applied to these benefits), but it will be subject to income tax.

Do I have a say in how my death benefits are payable?

Yes. You need to let the Pensions Office know who you would like to receive any benefits payable upon your death. You should complete an Expression of Wish, available from the Pensions [website](#), and return it to the Pensions Office. This Expression of Wish form is to ensure the Trustee takes your wishes into account when settling any benefits due.

In addition, you should complete an 'Instruction for Payment of Death Benefits' Form, available by logging in to [Employeezone](#) on the Standard Life website, to confirm who you would like to receive the lump sum value of your pension pot.

Your wishes will be considered by, but are not binding on, each arrangement.

N.B. If your circumstances change, for example due to marriage, divorce, birth or death of people you have named or would choose to name on your form, it is vital that you keep both forms up to date. Please let the Pensions Office **and** Standard Life know if your circumstances change.

In Brief...

- If you die while you're an active employee, 4 times your salary and the value of your pension pot will be paid.
- If you die after you leave the Company, the value of your pension pot will be paid as a lump sum.
- If you die in retirement, the benefits paid will depend on the choices you made when you started to draw your pension.
- **Remember to keep your Nomination Forms up to date.**

What If...



...I go on parental leave?

You can stay in the DC Scheme even if you're on maternity, paternity, adoption, shared parental or dependency leave.

If you're on paid leave, your contributions will continue to be paid at the same rate as if you were working normally.

Please see the Pension Salary Exchange [booklet](#) for more information about how this will operate if you are on paternal leave.

You will continue to be covered for death benefits.

...I'm unable to work through ill-health?

If you are employed with the Company and become permanently unable to work through ill-health, you may be able to take your retirement benefits before age 55.

For more information, please see the Standard Life [website](#).

...I'm off work?

If you're off work due to holiday, sickness or other authorised leave, your membership of the DC Scheme will continue. You will only make contributions to the DC Scheme if you're being paid while you're off. If there are any unpaid periods, no contributions will be taken from you or your employer.

Please see the Pension Salary Exchange [booklet](#) for more information about how this will operate if you're off work.

...I want to transfer my other pension to the DC Scheme?

Please visit the Standard Life [website](#) for more information about transferring your other pension benefits. The Company recommends that you seek independent financial advice before transferring your pension benefits, and Standard Life may not be able to permit the transfer unless you have received advice. Standard Life is not required to accept a transfer from another scheme, and there may be cases when this option will be not available.

...I get divorced?

The pension you have built up is generally taken into account when deciding on a divorce settlement or dissolution of a civil partnership.

You should contact Standard Life for more information.

...my personal details change?

If you change your address, you must let Standard Life know. You can update your address on the 'Manage your account' section of [Employeezone](#), or call them on 0800 634 7479.

...I have any questions or a complaint?

More information about the DC scheme is available from the [FAQ](#) on the Pensions website. If you have further questions about your membership of and contributions to the DC scheme, please contact the Pensions Office.

For investment information, [Standard Life](#) will be able to help you with any questions you may have. You should also contact them in the first instance if you wish to make a complaint about their service.

If this doesn't resolve the problem to your satisfaction, you may wish to make a formal complaint. You can do this by telephone or you can put your complaint in writing. For full details of the complaints process you should contact Standard Life.

In Brief...

- If you participate in the DC Scheme under Pension Salary Exchange, you should read the PSE booklet for details on how your participation will be affected if you're off work for parental leave, or if you're on sick leave.
- **Remember to keep your address and other personal details up to date.**

Useful contacts



There are a number of organisations that can help you find out more about workplace pension schemes, and about your State benefits and taxation.

State Benefits	For queries regarding your State benefits, including applications for State Pension forecasts, you can contact the Pension Service of the Department for Work and Pensions.	The Pension Service Tyneview Park, Whitley Road, Newcastle upon Tyne NE98 1BA www.thepensionservice.gov.uk Tel: 0845 60 60 265 (Mon-Fri, 8am-8pm)
Pension Tax	You can view 'The Pension Tax Manual' on the HMRC website. The manual is based on legislation passed by Parliament in the Finance Act 2004 and Finance Act 2005, and includes any subsequent updates to legislation.	HM Revenue & Customs (HMRC) Yorke House, Castle Meadow Road Nottingham NG2 1BG www.hmrc.gov.uk/manuals/ptmanual Tel: 0300 200 3300
The Pensions Advisory Service (TPAS)	TPAS is an independent voluntary organisation that is grant-aided by the Department for Work and Pensions. Their service is free of charge and available at any time to assist members and beneficiaries of the DC Scheme with any pension query, problem or complaint.	The Pensions Advisory Service 11 Belgrave Road London SW1V 1RB www.pensionsadvisoryservice.org.uk Tel: 0845 601 2923
The Pensions Ombudsman	The Pensions Ombudsman acts as an arbitration service to occupational pension schemes and has the right to investigate and determine decisions.	The Office of the Pensions Ombudsman 10 South Colonnade London E14 4PU www.pensions-ombudsman.org.uk Tel: 0800 917 4487
Pension Tracing Service	If you've lost details about a previous pension, the Pension Tracing Service may be able to help by providing the pension scheme's address. You can complete an online pension tracing form to start tracing your lost pension, or you can contact the Pension Tracing Service by phone or post.	The Pension Service 9 Mail Handling Site A Wolverhampton WV98 1LU www.gov.uk/find-pension-contact-details Tel: 0845 6002 537 Textphone: 0845 3000 169 (Mon-Fri, 8am-6pm)
The Pensions Regulator (TPR)	TPR seeks to protect the benefits of members of registered pension schemes and minimise the risk of those schemes failing to provide the promised level of benefits. It provides guidance to Trustees and employers to help ensure schemes are well-run and financially sound and provides information to members about the dangers of Pension Scams.	The Pensions Regulator Napier House, Trafalgar Place Brighton BN1 4DW www.thepensionsregulator.gov.uk Tel: 01273 811 800 email: customersupport@ thepensionsregulator.gov.uk
Pension wise	New pension rules came into effect on 6 April 2015, giving more freedom over how you take money from your pension pot. This free and impartial government service provides guidance on the new flexibilities for those with defined contribution pensions.	www.pensionwise.gov.uk If you'd like to speak to someone about your pension options, you can book an appointment with a Pension wise guidance specialist.
unbiased.co.uk	You may wish to consider taking financial advice before deciding on your pension options. Neither the Company nor Standard Life are allowed to give you financial advice. This website helps you find financial advisers in your area.	To find a financial adviser in your area, go to: www.unbiased.co.uk There is usually a charge for financial advice.
The Citizens Advice Bureau	For free, impartial and confidential advice on a variety of topics, including money and pensions.	To contact your local Citizens Advice, visit the website - www.citizensadvice.org.uk Advice by phone is available from your local Citizens Advice. In addition, they are currently developing a national phone service.
Financial Conduct Authority	The Financial Conduct Authority regulates financial services firms - like Standard Life - and financial markets in the UK. They also provide useful consumer information on scams, including pensions scams.	0800 111 6768 (freephone) from the UK or +44 207 066 1000 from abroad www.fca.org.uk

Glossary of terms



These terms are used throughout the booklet and are shown in this colour. To get back to your original page, click on the glossary heading.

Annual Allowance – set by HMRC, the Annual Allowance is the limit on the total contributions you can pay in a year, or your pension can grow in a year, before being subject to tax. Since 6 April 2014, the standard limit set by the Government is £40,000 a year but there are circumstances where a reduced AA will apply, such as having a high income or accessing pension benefits flexibly.

Annuity – Your pension scheme pays your pension pot to an insurance company to buy an annuity contract. You can buy the annuity contract from Standard Life or you can choose another insurance company. The amount of pension your annuity will pay depends on a number of factors.

Auto-Enrolment - In October 2012, the Government introduced a new law to make it easier for people to save for their retirement. It requires all employers to enrol their workers into a qualifying workplace scheme if they are not already in one. Employees who meet the criteria will be automatically enrolled in the DC Scheme.

Company – Coats Limited, or any other Company in the Coats Group.

Contributions – the payments that are made into your pension pot by both you and the Company.

Defined Contribution (DC) – a type of pension scheme which provides retirement benefits based on the amount of money paid in (by both the employee and the employer) and any investment returns on this money (after any charges are deducted).

Drawdown – Drawdown allows you to take income from your pension savings while these remain invested. You can choose how much pension you want to be paid each year. You can find out more about drawdown on Standard Life's website.

Foundation level - the minimum level of membership of the DC scheme, where the member pays a contribution of 3.5% of their **Pensionable Salary** and the Company pays 7%. Members will be auto-enrolled at the Foundation level.

Higher Level - If your job grade is 12 or higher, you can pay higher level contributions and the Company will also pay more. You could pay 5% of your **pensionable salary** and the Company would contribute an amount equal to 10%.

HMRC – Her Majesty's Revenue & Customs (formerly Inland Revenue). The UK's customs and tax department.

Life Cover - All employees of Coats in the UK are automatically eligible for Life Cover, which means that upon death of the employee, a lump sum is payable - for more information please see [page 8](#).

Lifetime Allowance (LTA) – the overall limit on the pension savings that will qualify for Tax Relief and will apply to all of the pension benefits you build up over your entire working life. Since 6 April 2018, the limit set by the Government has been £1.03 million.

Normal Retirement Date – The default date is your 65th birthday. You should contact Standard Life if you want to choose a different Retirement Date.

Opt Out - if you are automatically enrolled and want to leave the DC Scheme, you can opt out by contacting Standard Life within one month of being enrolled. You will be treated as if you had never joined the DC Scheme and your contributions will be refunded. After the opt out period ends, you can still leave the DC Scheme but the process is different and you should contact your HR department.

Pensionable Salary – Your basic rate of pay.

Pension Pot - the value of your contributions, the Company's contributions and any investment changes (which can go down as well as up).

Pension Salary Exchange (PSE) - The salary exchange arrangement used by the Company for pension contributions. When you are enrolled in the DC Scheme, you automatically participate in PSE unless you choose to withdraw. For more information, please see the **PSE booklet**.

Tax Relief - Where payments are made through PSE, this effectively provides tax relief as your personal payment is replaced by an employer payment. If you elect to make employee pension payments directly from your pay, these will automatically receive tax relief at the Basic Rate (20% across the whole UK in the 2018/19 year). If you pay a higher rate of tax, you will be responsible for reclaiming any tax above the Basic Rate from HMRC.

Units - the share of an investment. Each investment is split in to a series of units. The number of units you hold is your share of the investment.

Uncrystallised Funds Pension Lump Sum (UFPLS) - a lump sum taken from a pension pot, leaving the rest invested. 25% is paid tax-free and the remainder is subject to income tax.



**For more information about
the Coats DC Pension Scheme, please go to:**

www.standardlifepensions.com/gfrp

