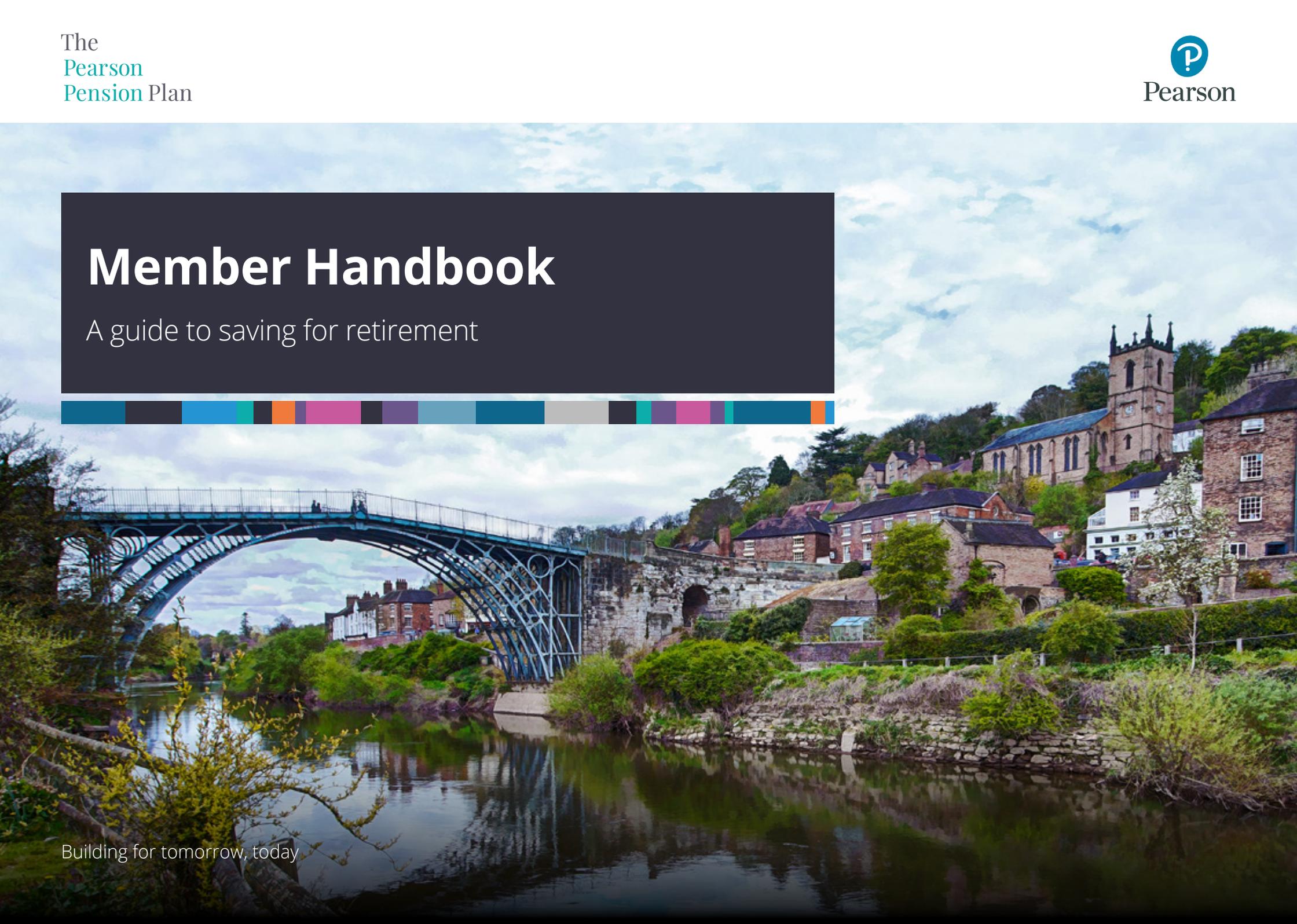


Member Handbook

A guide to saving for retirement



Building for tomorrow, today



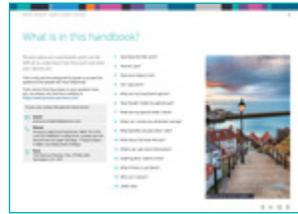
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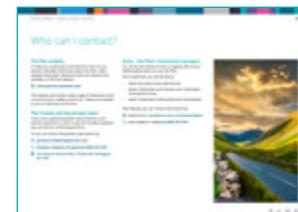
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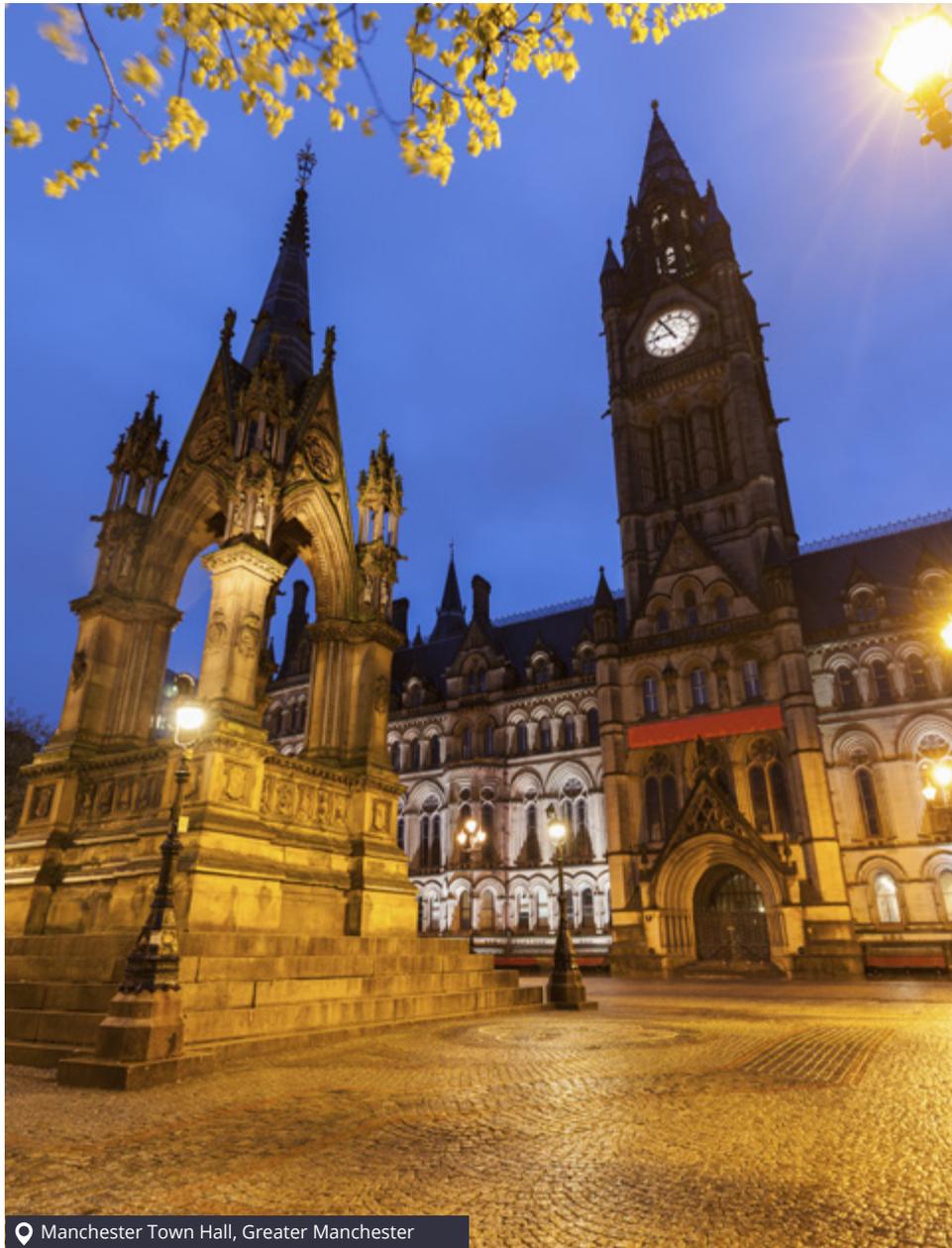
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Manchester Town Hall, Greater Manchester

Introduction

The earlier you sign up to a pension plan, the more likely it will be that you will be able to afford the lifestyle you want.

At Pearson, we have made saving for your future as simple and easy as we can.

Just like this handbook – which gives you an overview of the benefit options you have under The Pearson Pension Plan, along with detailed information about the different sections.



If you read nothing else, take a look through the Overview section.

It will give you a heads up on the key headlines you should know.



[READ OVERVIEW SECTION](#) →

Overview

There are two sections in the Plan currently open to new joiners. In both sections contributions are deducted on a monthly basis.

Pearson also pay into your pension pot. The amount depends on which section you join and how much you contribute.



Imperial War Museum, Salford Quays, Greater Manchester

| | Money Purchase 2003 (MP03) Section | Auto Enrolment (AE) Section |
|--|------------------------------------|-----------------------------|
|--|------------------------------------|-----------------------------|

Contributions

| | | |
|-------------------|---|------------------------------|
| What you pay* | Between 3% and 8% of Pensionable Salary**. The maximum depends on your age | 5% of Qualifying Earnings*** |
| What Pearson pays | Double what you pay in – between 6% and 16% of Pensionable Salary**, depending on your contribution | 3% of Qualifying Earnings*** |

*You can choose to pay your pension contribution through Salary Exchange. For more information, please read the [Salary Exchange Guide](#).

Death in service benefits

| | | |
|--|---------------------------------|---------------------------------|
| Life cover (lump sum) | Yes 4 x Pensionable Salary** | Yes 3 x Pensionable Salary** |
| Pension for your spouse/civil partner or nominated dependant | ✓ | ✗ |
| Pension for your child/ren | ✓ | ✗ |

Additional benefits

| | | |
|--------------------|---|---|
| Ill-health pension | ✓ | ✗ |
|--------------------|---|---|

** Pensionable Salary is your basic salary at 1 April each year, restricted in accordance with the Plan Earnings cap (£223,800 a year for the 2024/25 tax year).

*** Qualifying earnings are earnings between a minimum (£6,240 a year for the 2024/25 tax year) and a maximum (£50,270 a year for the 2024/25 tax year).

Investment options

You can choose from either lifecycle or self-select investment options.

Lifecycle options – there are three lifecycle options: drawdown, annuity and cash which invest in set ranges of funds. You can choose one of the lifecycle options if you do not wish to manage your own investments. The drawdown lifecycle is the default option.

Self-select option – there are a range of funds you can self-select if you want to manage your own investments.

MyWorkplace

You have access to Aviva's secure online portal, MyWorkplace, where you can:

- check the value of your pension pot
- obtain information and monitor your investment funds' performance
- switch investment funds quickly and conveniently.

You can download the Aviva MyWorkplace app on your tablet or mobile or you can access their website at: <https://workplace.aviva.co.uk/myworkplace/>

What is in this handbook?

Pension plans are complicated, and it can be difficult to understand how they work and what your options are.

That is why we have designed this guide to answer the questions that people ask most frequently!

If you cannot find the answer to your question here, you can always visit the Plan's website at: www.pearson-pensions.com/

Or you can contact the pension team direct:

 **Email:**
pensions.helpline@pearson.com

 **Phone:**
Pensions Helpline (Freephone): 0800 7811378
(+44 203 7888562 if calling from outside the UK)
Phone lines are open Monday – Friday 8.30am – 5.30pm, excluding bank holidays

 **Post:**
The Pearson Pension Plan, PO Box 645,
Darlington, DL1 9HP

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2. How do I join?
3. How much does it cost?
4. Can I pay extra?
5. What are my investment options?
6. How should I invest my pension pot?
7. What are my options when I retire?
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Whitby, North Yorkshire, England

How does the Plan work?

The Plan is split into Defined Benefit (DB) and Defined Contribution (DC) sections. The DB sections are closed to new members, but for more information on these sections, or to check if you are a member, at: www.pearson-pensions.com/find-out-which-section-you-are-in/

There are two sections in the Plan currently open to new joiners for employees aged between 16 and 74. Both sections are DC pension arrangements.



The Gherkin Building, London

The Money Purchase 2003 (MP03) Section

The benefits of this section are:

- Pearson will pay double the amount you pay every month. So, the more you pay, the more Pearson does.
- you can choose the amount you pay in each month from 3% – 8% of your Pensionable Salary depending on your age
- your pension contributions can be paid through Salary Exchange.
- the flexibility to change the amount you pay, between the minimum and the maximum, as often as you would like. Changes can be made through Pearson Benefits.
- Life Assurance of four times pensionable salary plus a pension for your spouse/civil partner or nominated dependant, and up to four children, should you die whilst working for Pearson
- ill health benefits for you and your family at no extra cost to you.

To join the MP03 Section, go to the benefits selection section of Pearson Benefits.

You can find links to the Salary Exchange guide and Pearson Benefits on the Useful links page at the end of the booklet.

The Auto Enrolment (AE) Section

The benefits of this section are:

- you pay 5% and Pearson pays 3% of your Qualifying Earnings (For the tax year 2024/25 these are earnings between £6,240 and £50,270).
- Your pension contributions can be paid through salary exchange.
- Life Assurance made up of:
 - 3 x your Pensionable Salary
 - The value of your pension pot
 - The value of any AVCs you may have paid.

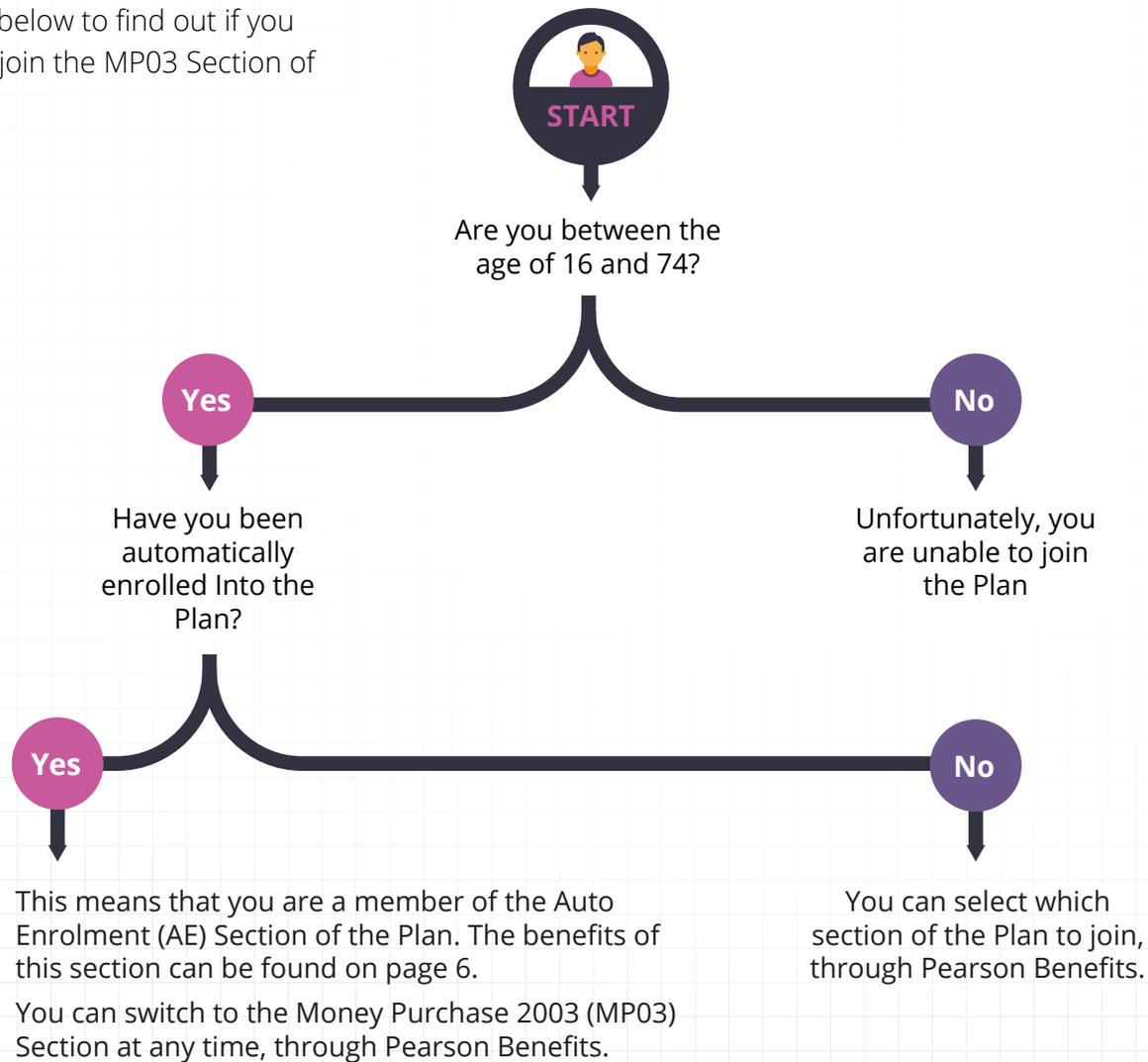
You will be automatically enrolled into the AE Section, if you:

- are aged 22 years of age or over
- are under State Pension age
- earn over £10,000 a year (around £833 a month).
- You can switch into the MP03 Section at any time. To switch, just go to Pearson Benefits and select the MP03 Section.

You do have the option to opt out, however, we are required to re-enrol you every three years.

How do I join?

See the chart below to find out if you are eligible to join the MP03 Section of the Plan.



How to apply through Pearson Benefits

Visit Pearson Benefits and select the section of the Plan you wish to join under 'Wealth'.

You will be asked to select if you would like to make your pension contributions using Salary Exchange, which is a mechanism that allows you to save both National Insurance and income tax on your pension contributions. The Salary Exchange Guide has more information and can help you decide if this option is right for you.

Your membership will start on the first day of the next month after making the application.

The Plan invests pension contributions with Aviva, so you will receive a letter from them which will include an invitation to register on MyWorkplace, Aviva's secure online portal. MyWorkplace gives you quick and easy access to what you need to know.

Your pension pot will be invested in the drawdown lifecycle option. You can select alternative funds by logging onto MyWorkplace or completing the online Fund Switch form.

The normal retirement age of the Plan is 62. This is used to both provide retirement illustrations and as the basis of the automatic fund switching process if you are in any of the lifecycle options. You can choose a retirement age between 55 and 74 by completing a Selected Retirement Age form.

You can find useful links to all this information at the end of this booklet.

HM Revenue & Customs (HMRC) protection

If you have applied to HMRC for protection in respect of your pension benefits you should contact the pension team to discuss the options available to you, as joining the Plan may prejudice your protection.

Your other pension arrangements

If you have benefits in a previous pension arrangement you may be able to transfer the value of them to the Plan. However, the Trustee can refuse to accept a transfer payment. You should seek independent financial advice as part of your retirement planning. You can find an independent adviser in your area on the MoneyHelper website. You will have to pay for the advice or services that you receive from the adviser.



Lindisfarne Castle at Holy Island England

How much does it cost?

The amount you contribute to the Plan depends on which section you are in but, in either case, the cost to you works out less than you might think.

This is because your contributions are taken out of your salary before tax, which means you pay no tax on the money you pay into your pension pot.

If you choose to make your pension contributions through Salary Exchange, then you could also pay lower National Insurance (NI) contributions. As a result, your net pay could increase, while the amount of money invested in your pension pot remains the same. To check if this option is right for you, please read the [Salary Exchange Guide](#).

Save more, pay less

The contribution rates for the MP03 and AE Sections are different.

The contribution for AE Section members is 5% of qualifying earnings, with Pearson contributing 3%. In the MP03 Section the minimum contribution is 3% of pensionable pay, with Pearson paying 6%.

This means that MP03 Section members can pay lower contributions and still save more for their retirement with extra help from Pearson.

Take a look at the examples in this section of the guide.

MP03 Section

You choose how much you want to contribute between a minimum and maximum limit. Pearson pays in double what you pay.

The minimum amount is 3% of your pensionable salary. The maximum limit depends on your age.

You can also make your contributions in increments of 0.5%.

Within these limits, Pearson will pay in double the amount you contribute. So, the more you pay in the more Pearson will pay.

Example 1

Lucy is a member of the MP03 Section and earns £25,000 a year. She pays 3% of her pensionable pay into her pension pot.

| | Monthly | Yearly |
|---|----------------|---------------|
| 3% of pensionable salary | £62.50 | £750 |
| Actual cost to Lucy after tax relief | £50 | £600 |
| Pearson contributes 6% of pensionable pay | £125 | £1,500 |
| Total contribution | £187.50 | £2,250 |

Example 2

If Lucy paid 6% of her pensionable pay into her pension pot, Pearson will still pay double.

| | Monthly | Yearly |
|--|-------------|---------------|
| 6% of pensionable salary | £125 | £1,500 |
| Actual cost to Lucy after tax relief | £100 | £1,200 |
| Pearson contributes 12% of pensionable pay | £250 | £3,000 |
| Total contribution | £375 | £4,500 |

How much does it cost?

AE Section

You will contribute 5% of your Qualifying Earnings and Pearson will contribute 3% of your Qualifying Earnings. If your earnings are below the Qualifying Earnings limit in any month, no contributions will be paid by you or Pearson for that month.

Example 1

Tom is an AE Section member of the Plan and earns £25,000 a year. He pays 5% of his Qualifying Earnings into his pension pot.

| | Monthly | Yearly |
|---|-------------|---------------|
| 5% of Qualifying Earnings | £78 | £938 |
| Actual cost to Tom after tax relief | £62 | £750 |
| Pearson contributes 3% of Qualifying Earnings | £47 | £563 |
| Total contribution | £125 | £1,501 |

Save more, pay less

Based on these examples, the total amount going into Tom's pension pot is £1,501 a year, at a cost to him of £750 after tax relief.

Lucy will be getting £2,250 paid into her pension pot, at a cost to her of £600.

If either of them chooses to pay their contributions through Salary Exchange, they may also have reduced their National Insurance contributions, resulting in a higher take home pay.

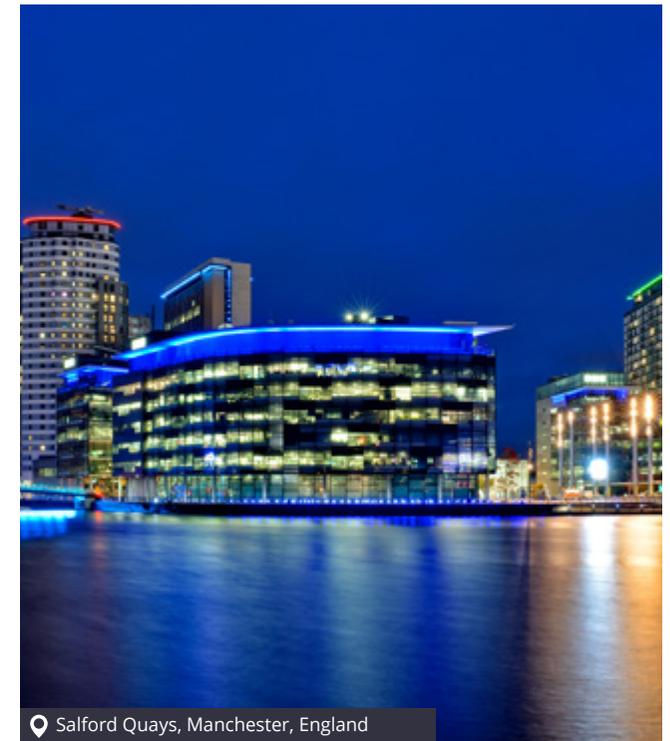
Annual Allowance (AA) and Money Purchase Annual Allowance (MPAA)

You are not generally taxed on the value of Pearson's contributions and your tax relief is worked out automatically by payroll, so you do not need to do anything. However, if your total contributions exceed the Annual Allowance (AA), you may have to pay a tax charge.

The AA is the limit on pension contributions you and your employer can make tax-free in any tax year. The AA for the 2024/25 tax year is £60,000. For higher earners, the AA may be reduced, down to a minimum of £10,000. [Click here](#) to find out more.

The Plan will be contacting members who we think may exceed the AA, but as the allowance applies to all your pension savings over the year, you will have to monitor it if you have other pensions.

If you take some of your benefits flexibly (for example by doing drawdown or taking them as cash), then you will only be able to make future pension contributions up to the value of the Money Purchase Annual Allowance (MPAA). The MPAA is currently £10,000. Taking a small pot lump sum does not trigger the MPAA.



Salford Quays, Manchester, England

Can I pay extra?

If you want to boost your pension pot, you can increase your monthly contributions or pay in a one-off lump sum.

Additional Voluntary Contributions (AVCs) are a great way to pay more into your pension pot if you are already paying the maximum amount of normal pension contributions.

As long as you are a member of the Plan, you can change, stop or start your AVCs at any time by amending your selection in Pearson Benefits.

You can also pay AVCs through Salary Exchange, which could also reduce your National Insurance contributions.

AVCs are invested separately from your and Pearson's regular contributions and are automatically invested in the drawdown lifecycle option. If you would like to change your investment option, just visit Aviva's MyWorkplace to choose from a range of funds.

If you make AVCs, you may use the money that builds up in your AVCs pension pot to:

- take a tax-free cash sum or buy a pension at retirement
- alternatively, you could transfer the full value of your total AVCs to an external pension arrangement, which may offer more options than those available in the Plan.

AVCs qualify for income tax relief in the same way as your normal Plan contributions, so long as you do not exceed the AA, which means they are a tax-efficient way of saving for your retirement.

However, unlike your contributions to the Plan, Pearson will not pay in to your AVCs pension pot.

You can read more about AVCs on our website at: www.pearson-pensions.com/ways-you-can-save-more/

Other pension arrangements

You have the opportunity of paying into other pension arrangements, at the same time as contributing to the Plan. You will receive tax relief on contributions in total up to 100% of your annual earnings (or £3,600 if greater), subject to the AA limit.



Central Birmingham, England

What are my investment options?

What are investments?

Whenever you and Pearson put money into your pension pot, it gets invested in either a default fund, or funds you choose. Over the long-term, the returns on your investments should increase the value of your pension pot, although this is not guaranteed, and the value of your pension pot can fall as well as rise.

Your investment options

You have two main investment options to choose from:

1. You can invest using one of the three lifecycle fund options
2. Or you can invest by self-selecting your funds.

The lifecycle options

If you do not feel comfortable managing your own investments, or you want to get involved in the regular management of your investments, you can choose to invest your pension pot in one of the Plan's three lifecycle options.

The three lifecycle options are identical up to five years before retirement and then invest in different ranges of funds, depending on what you intend to do at retirement.

The lifecycle options are tailored to meet different retirement needs depending on what you want your pension pot to provide. Click on the lifecycle option names to find out more.

- **Drawdown:** a flexi-access drawdown facility (by transferring out of the Plan), which allows you to take income from your pension pot whilst it continues to remain invested
- **Annuity:** a pension (also called an annuity) at retirement
- **Cash:** a cash lump sum at retirement.

The drawdown lifecycle is the default investment option for the MP03 and AE Sections.

If you do not want to retire at 62 you can choose a selected retirement age (SRA). It is important to let the Plan know what this is by completing an SRA form so that your funds are switched at the right time.

Please be aware that the value of investments cannot be guaranteed and can go down as well as up.

The self-select option

If you feel confident in managing your own investments, then you have the option to select your own funds to invest in from the range available within the Plan. You can split your contributions between different listed investment funds of different proportions or you may choose to put all your contributions into one fund. If you select one of the lifecycle options, then 100% of your contributions must be invested in this option.

You may want to take independent financial advice about your options. You can find an independent adviser in your area on the MoneyHelper website at: www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser. You will have to pay for the advice or services that you receive from the adviser.

You can read more about your investment options on our website at: www.pearson-pensions.com/making-your-money-grow/

Switching your funds

You may change your investment options, switch your investment funds or redirect future contributions at any time, currently at no extra charge.

If you decide that you want to switch the money that you have already invested, or pay future contributions into a different fund, please log into MyWorkplace, Aviva's secure online portal.

When deciding where to invest, you should bear in mind that the value of funds can go down as well as up and is not guaranteed. You may not receive back the full value of contributions.

How should I invest my pension pot?

Understanding investment risk

How you decide to invest your pension pot may be determined by your personal circumstances and your attitude to risk. By risk we mean how much your investments can potentially go up or down in value.

Higher-risk investments are more likely to be volatile meaning the fund can go up and down in value more frequently and by larger amounts. Investments that are seen as lower-risk are steadier but may give you less money back in the long-term.

Things to consider

To help you decide how you invest your pension pot and the appropriate level of investment risk, you can start by considering the points below:

- when you want to retire or take your benefits
- whether you have any other savings
- whether you want long-term or short-term growth
- your financial commitments and any other income you expect to get
- how you plan to use your pension pot at retirement
You can read more about your pension options on our website at: www.pearson-pensions.com/your-pension-options/
- your attitude to risk.

You should weigh up all these things before deciding how to invest your pension pot.

You should consider taking advice from an independent financial adviser as neither Pearson, the pension team, Aviva nor the Trustee can give you any advice.

Keeping an eye on your investments

Your attitude to risk is likely to change over time, so it is important that you review your investment choices regularly. This will ensure that your investments remain appropriate to your personal circumstances.

While you are still a long way from your target retirement age, you may be willing to accept higher risk investment funds, because even if the value of your pension pot falls for a while, you would have longer for it to build up again.

However, as you get closer to your retirement age, there will be less time for your pension pot value to recover from any decline. This means that you may prefer to invest in funds with potentially lower volatility in later years.

MyWorkplace

You can check on the current value of your pension pot by logging in or registering on MyWorkplace, Aviva's secure online portal.

MyWorkplace will:

- give you information about your investment options
- allow you to check the value of your pension pot
- allow you to switch investment funds quickly and conveniently.

You can download the Aviva MyWorkplace app on your tablet or mobile or you can access their website at: workplace.aviva.co.uk/myworkplace/

Your annual benefit statement

You will receive an annual benefit statement showing the contributions paid into your pension pot (both your contributions and the contributions paid in by Pearson) the balance of your pension pot and the fund(s) in which you are invested in at the statement date.

The statement also includes an estimate of the pension your pension pot could provide when you retire.

Calculate your future pension pot

To help you calculate your future pension pot you can access the pension calculator on the MoneyHelper website at: www.moneyhelper.org.uk/en/pensions-and-retirement/pensions-basics/pension-calculator. With a few easy steps their calculator will allow you to find out how much you might get as an income when you retire.

MyWorkplace also includes a tool, eValueate, which allows you to measure your attitude to risk.

Getting financial advice

There is no general rule on how you should invest your pension pot throughout your working life, since you will need to take into account your personal circumstances and attitude to risk.

It is strongly recommended that you seek financial advice if you are unsure of how you wish to invest your pension pot.

You can find an independent adviser in your area on the MoneyHelper website at: www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser. You will have to pay for the advice or services that you receive from the adviser.

What are my options when I retire?

As a member of the Plan, you have a variety of options for what you can do with your pension pot at retirement.

Around six months before your retirement age, we will send you a pension statement providing details of your benefits and options.

You can request a pension statement at any time by contacting the pensions team.

Option 1 – regular income

Receive a monthly pension from the Plan (unless you are a member of the AE Section).

If you are a member of the AE Section, you can use your pension pot (and any additional voluntary contributions) to buy an individual pension (known as an annuity) from an insurance company.

Option 2 – cash lump sum

You can give up some of your pension in exchange for a tax-free lump sum, subject to the Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA). This means your monthly pension would be reduced.

- However, if you were a member of the MP03 Section prior to 6 April 2016, you were contracted out of the State Second Pension up to that date.
- This means that the Plan has to provide you with a minimum level of pension. If your pension pot at retirement provides less than the minimum level, the Plan will pay a top-up to ensure the correct level of pension is paid. In this case, you will not be eligible to take early retirement from the Plan before age 62 and your Plan retirement options from age 62 would not include the tax-free cash option.

Option 3

If the total value of all your pension benefits (not just from the Plan) is under £30,000, subject to you having available LSA and LSDBA, you may be entitled to take it as a lump sum, 25% of which is tax-free.

Option 4

If the total value of all your benefits in the Plan is under £10,000 you may be able to take it as a small pots lump sum, 25% of which is tax-free.

Option 5

To take advantage of the flexibilities available for DC pension arrangements, you would need to transfer your benefits to another provider.

If your total pension value is more than £30,000, we may need to see evidence that you have taken independent financial advice before a transfer is made.

How much will I get?

The amount of your pension/annuity or cash lump sum will depend on the size of your pension pot at when you access your savings which will vary according to several factors including:

- how much money has been invested and how long
- the investment performance of your fund
- the age you access your benefits

Tax implications at retirement

The income that you receive from your pension will be taxed at your marginal rate

Any tax-free lump sum that you take is checked against the Lump Sum Allowance (LSA) and Lump Sum and Death Benefits Allowance (LSDBA). The LSA is the maximum amount that can be taken tax-free from all pension arrangements. The standard LSA is £268,275 but may differ where a member has a relevant tax protection.

The LSDBA limits the total amount of tax-free lump sums paid to or in respect of an individual across all pension arrangements. The standard LSDBA is £1,073,100 but may differ where a member has a relevant tax protection. If the value of your tax-free lump sum exceeds your available LSA then the value of the lump sum in excess of the LSA will be taxed at your marginal rate.

Financial guidance and advice

Pension Wise is a free and impartial guidance service set up by the government, which aims to help you understand your choices and how they work. [Click here](#) to find out more. When you apply to take retirement benefits from the Plan, the Trustee is required by law to refer you to the Pension Wise service for guidance. You can opt out of receiving this guidance, but you will need to tell the Trustee about your decision. You can read more about these additional checks and complete the Guidance confirmation form on our website at: www.pearson-pensions.com/additional-checks-benefits-transfer-plan You can find an independent adviser in your area on the MoneyHelper website at: www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser. You will have to pay for the advice or services that you receive from the adviser.

When can I access my retirement savings?

It is important to think about the age at which you plan to retire when choosing how your pension pot should be invested.

The Plan's normal retirement age is 62, however, you can choose a different retirement date between the ages of 55 and 74. This can be done by completing a selected retirement age (SRA) form.

It is a good idea to let us know when you are thinking of retiring because if you are invested in any of the lifecycle options, your SRA will determine when your funds are switched as you get closer to retirement. [Click here](#) to find out more.

Aviva's Shape My Future tool can help you work out how much you might need in later life and the difference saving a little extra now could make. You can access Aviva's toll at: <https://www.retirementtools.aviva.co.uk/myfuture/ShapeMyFuture/LandingPage>

Early retirement

If you do choose to retire at an earlier age, your retirement savings are likely to be less than if you retired at the Plan's normal retirement age of 62. This is simply because less money will have been paid in and your pension pot will have had less of the benefits from any investment growth.

Late retirement

If you plan to continue working after the age of 62, you have three options open to you:

- You may remain a contributing member of the Plan and continue to build up your pension pot and death in service benefit in the same way as you have been doing.
- You may take your benefits on or after the Plan's normal retirement age whilst continuing to work, in which case you and Pearson will no longer pay contributions to build up your pension pot. Your death in service benefit will also reduce to a lump sum of two times your pensionable salary.
- You may stop paying in contributions but keep your pension pot and benefits in the Plan until you decide to draw on them. In which case deferred pension benefits will apply, with the option to take a transfer, and the only death in service benefit to be provided will be a lump sum of twice your pensionable salary.

Providing your benefits

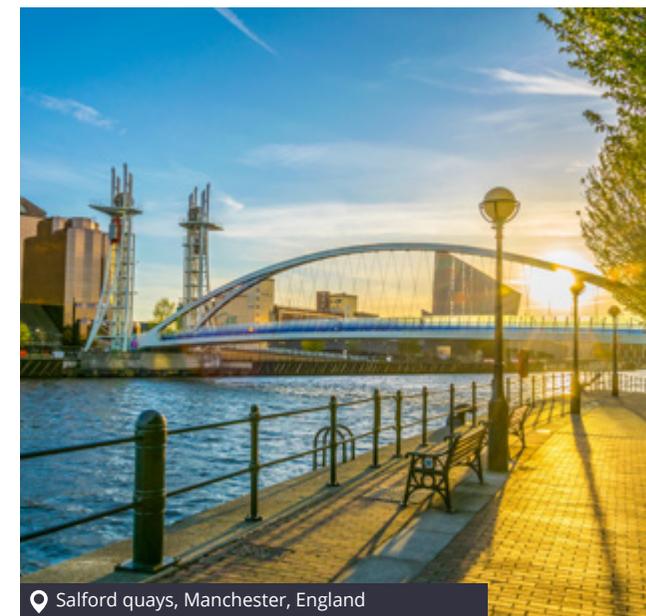
The pension team will send you a statement showing full details of your options when you get near to retirement. You may want to obtain independent financial advice about your options at this time.

Current tax position of pension payments

The pension you receive is taxable as earned income and there is a maximum 25% tax-free cash sum, subject to the Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA).

HMRC limits at retirement

When you take your benefits from the Plan, any tax-free lump sum that you take is checked against the LSA and LSDBA. If the value of your tax-free lump sum exceeds your available LSA then the value of the lump sum in excess of the LSA will be taxed at your marginal rate.



📍 Salford quays, Manchester, England

What benefits are paid when I die?

This depends on when you die, and which section of the Plan you are in.

Death whilst working for Pearson

The precise benefits payable depends on which section of the Plan you are in.

| MP03 Section | AE Section | Opted-out |
|--|--|---|
| <p>Death in Service:</p> <ul style="list-style-type: none"> Lump sum of 4x pensionable salary Pension of 33% of pensionable salary to spouse/ civil partner, or nominated dependant Dependent children's pensions (maximum four) | <p>Death in Service:</p> <ul style="list-style-type: none"> Lump sum of 3x pensionable salary The value of your pension pot | <p>Death in Service:</p> <ul style="list-style-type: none"> Lump sum of 2x pensionable salary |

Lump sum

The lump sum is paid by the Trustee of the Plan. This means that there is currently no tax liability.

It is important that you tell the Trustee who you would like to receive the benefit. You can nominate one or more beneficiaries by completing our online Expression of wish form. Although the form is not legally binding, the Trustee will take your wishes into consideration.

You should remember to keep your 'Expression of wish' form up to date and consider whether you need to complete a new form if your personal circumstances change.

Pension for your spouse/civil partner or nominated dependant

If you are married, a pension of 33% of your pensionable salary at date of death will be payable to your spouse/ civil partner. If you are not married, this pension can be paid to your nominated dependant, or another dependant, however it may be reduced by the Trustee if your nominated dependant is more than 10 years younger than you.

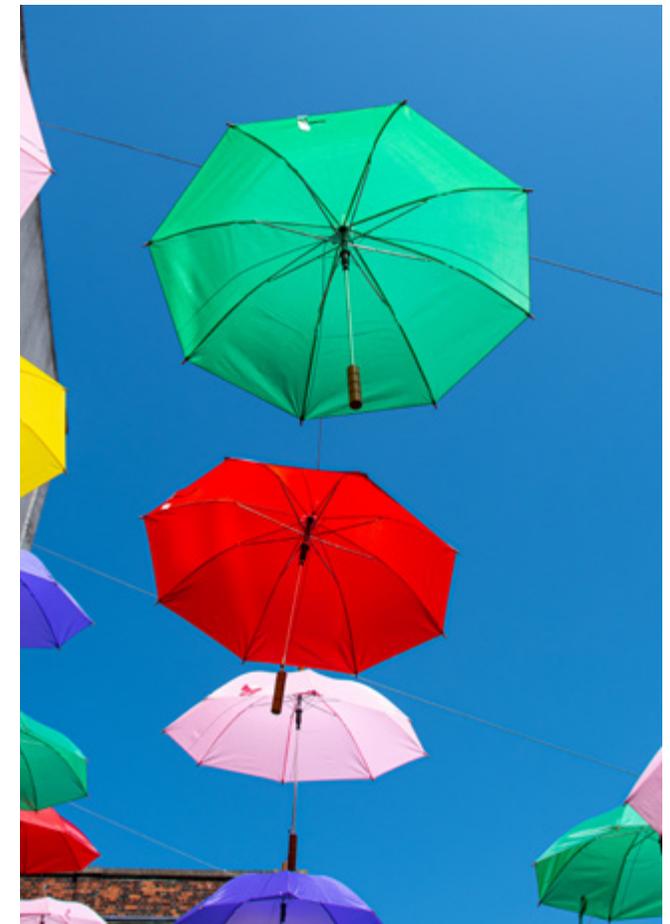
You should make your nomination in writing on a 'Nominated dependant form.' Please note that this nomination may automatically be revoked if you marry or remarry.

Pensions for your dependent children

Your dependent children will receive a pension. The amount of the pension is calculated as 8.5% of your pensionable salary at date of death for each dependent child, up to a maximum of four. If no pensions are payable to your spouse/ civil partner, nominated dependant or another dependant, the pensions will be doubled. The Trustee decides how this is shared out between your dependent children. The pension is normally paid until the child reaches age 18. However, if the Trustee agrees, it may continue until age 23 if the child is in full-time education or vocational training, or longer if the child is disabled.

Death after accessing your retirement savings

If you die after retirement, the benefits payable will depend on the options you chose when you retired.



What about the State Pension?

In addition to your Plan benefits, you will also receive State Pension benefits.

The current State Pension is £221.20 a week for the 2024/25 tax year (for those with at least 35 years of National Insurance contributions).

However, if you have been contracted-out of the State Pension at any time e.g. as a contracted-out member of the MP03 Section of the Plan, or any other pension scheme, the amount of State Pension you receive may be reduced in certain circumstances.

If you want an estimate of your State Pension, you can complete an online forecast form at: <https://www.gov.uk/check-state-pension>.

You can ask the Department for Work and Pensions for a forecast by:



Website: www.gov.uk/future-pension-centre



Telephone: 0345 3000 168



Post: Future Pension Centre, The Pension Service, 9 Mail Handling Site A, Wolverhampton, WV98 1LU



Where can I get more information?

| Information | What is it? | Where do I find it? |
|--|---|--|
|  The Plan website | A website containing up to date information about the Plan as well as interactive tools and resources to help you make the most out of your pension, Q&As and the latest news items | The Plan website address is www.pearson-pensions.com |
|  Pearson Benefits | Your Pearson Benefits platform allows you to view and manage your benefits package. | Visit Pearson Benefits through MyCloud or the Hub. |
|  MyWorkplace | Aviva's safe and secure online portal. MyWorkplace gives you quick access to what you need to know. Keep track of your employer-provided Aviva benefits as often as you like. | MyWorkplace address is workplace.aviva.co.uk/myworkplace |
|  Annual benefit statement | Shows the value of your pension pot and an estimate of the pension you might receive at retirement | You will be sent a benefit statement each year |
|  Trustee's Report and Accounts | A full report of the Plan's finances and operations | The full report is available in the library section of the Plan website at: www.pearson-pensions.com/library/ |
|  The Rules | The legal document governing the Plan and the benefits it provides | You can obtain a copy of the Rules from the pension team |

Anything else I need to know?

Plan management

The Plan is managed by Pearson Pension Trustee Limited ('the Trustee'). This Company currently has nine directors. Collectively, they are responsible for managing the Plan in accordance with the Plan Rules, and in the best interests of the members. To carry out these duties effectively the Trustee uses the services of various professional advisers.

Tax approval

The Plan is a registered pension scheme under the Finance Act 2004. This means that within certain limits, you receive tax relief on your contributions, and you do not have to pay tax on Pearson's contributions to the Plan. In addition, certain Plan benefits and some investment returns are tax-free.

The tax regime for pension schemes includes the concept of authorised and unauthorised payments. Unauthorised payments can trigger tax charges for members and other beneficiaries and schemes. In view of this, no benefits which would constitute unauthorised payments will be paid from the Plan unless Pearson and Trustee agree. You will be notified if you are affected by this restriction.

Data protection

The Trustee, as the controller under the applicable data protection legislation in the UK, uses certain personal information about you to (amongst other reasons) communicate with you and administer your benefits in the Plan. Your information is shared with the Plan's

administrators, other providers of services to us, and public bodies such as His Majesty's Revenue and Customs. For more detailed information on how we use and disclose your information, the protections we apply, the legal bases we rely on, and your data protection rights, please see our privacy notice at www.pearson-pensions.com/privacy-notice. If you would like a copy of our privacy notice to be sent to you, please contact the pensions helpline.

Assigning your benefits

Your Plan benefits are strictly personal and, with the exception of pension sharing orders, cannot be assigned to anyone else or used as security for a loan.

Changes to the Plan

Pearson aims to maintain the Plan in the form described in this booklet. However, it has the right to amend or discontinue the Plan at any time, subject to the provisions of the Rules and, where required, the consent of the Trustee. You will be kept fully informed of any changes that are introduced.

Plan Rules

A full description of the benefits payable from the Plan is included in the Rules. If there are any inconsistencies or conflict between the information in the summary and the Rules, **the Rules will override the summary in this handbook.**

The benefits which are payable from the Plan need to be in line with the tax rules and legal requirements for pension schemes as they apply from time to time to ensure that you are not affected by unexpected tax charges. The summary in the handbook reflects the current pensions tax regime and legal framework.



Shell Mex House, London

What if there is a problem?

Disputes Resolution Procedure

From time to time problems or misunderstandings may arise in connection with membership of, or benefits under, The Pearson Pension Plan (the Plan). To ensure you have a means to discuss those problems or misunderstandings and have them resolved, Pearson Pension Trustee Limited (the Trustee) has set up a one stage internal dispute resolution procedure (the IDR) for you to follow. This should not preclude any informal discussions you may wish to hold with the pensions team without raising a formal complaint via the IDR (see the section entitled “Preliminary stage”).

This procedure applies to:

- active, deferred and pensioner members
- the dependants and beneficiaries of all members
- prospective members
- anyone who has been in any of the above categories in the six months before making an application under the procedure
- anyone who claims to fulfill one of the above criteria and your complaint relates to this claim.

The procedure is not available if:

- any proceedings have already begun in a court or tribunal, or
- the Pensions Ombudsman has started an investigation into a complaint made or a dispute referred to him.

You may ask someone else not necessarily connected with the Plan to represent you. If the dispute is one with your employer, this is not something that the Trustee can help you with and you will need to raise a ticket on MyHelp.

Preliminary stage

If you have a problem relating to the Plan you should, at the earliest opportunity, contact the pensions team by:

Email: pensions.helpline@pearson.com

Phone: 0800 7811378 (+44 203 7888562 if calling from outside the UK)

Writing to: The Pearson Pension Plan, PO Box 645, Darlington, DL1 9HP

Unless you confirm at the outset that you would like your complaint to be treated as a formal IDR (in which case, please proceed to the section “Having your complaint reviewed under the IDR”), in the first instance the pensions team will have an informal discussion with you regarding your complaint.

If the initial discussion does not resolve the issue, the pensions team will fully investigate your complaint and the Operations Director will provide a written response to you within 15 working days of having received your complaint. If a response cannot be provided within 15 working days, you will be given an explanation for the delay and an expected date for the response.

If, following receipt of the response from the Operations Director, you wish to take your complaint further, then your complaint will be considered under the IDR process, as outlined below.

Please note that at any time during this Preliminary stage you may ask for your complaint to be treated as an IDR.

Having your complaint reviewed under the IDR

You should contact the Trustee setting out your complaint by completing the online form: www.pearson-pensions.com/internal-dispute-resolution-procedure-form

You will need to provide:

- Your full name, address, date of birth and National Insurance number.
- Full details of your complaint.
- A statement as to why you disagree with the preliminary stage decision.
- A statement as to how you would like to see your complaint resolved.
- Any supporting documents.
- If you are the dependant of a member who has died, your relationship to the member and the member’s full name, address, date of birth and National Insurance number.

If you are being represented, your representative's full name, address and profession. Please also confirm whether you would like correspondence about the matter to be sent to your address or your representative's address.

The Trustee's IDRPs committee will consider your complaint on behalf of the Trustee and will write to you telling you of its decision within four months of receiving your complaint or within 21 days of reaching a decision. If a response cannot be sent within these timeframes, you will be given an explanation for the delay and an expected date for the Trustee's decision.

When informing you of the Trustee's decision, details of how the outcome has been reached will be provided. This may include:

- reference to any legislation which has been relied on;
- reference to any part of the Plan Rules relied on when making the decision; and
- where a discretion has been exercised, a reference to the parts of the Plan Rules by which that discretion is conferred.

External resolution

If you are still unhappy with the decision which has been reached by the Trustee, you have the right to refer your complaint to The Pensions Ombudsman free of charge.

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. The Pension Ombudsman operates an Early Resolution Service as well as a formal adjudication service. This means, wherever possible, they try to resolve complaints informally at an early stage. You should be aware that if you are seeking formal adjudication by the Pensions Ombudsman then you must

first have received a response from the Trustee under the internal procedure above.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended by The Pensions Ombudsman.

The Pensions Ombudsman can be contacted by calling them on **0800 917 4487** or **+44 207 630 2200** from overseas.

You can also email them at: enquiries@pensions-ombudsman.org.uk

If you wish The Pension Ombudsman to investigate your complaint, please complete their online form at <https://www.pensions-ombudsman.org.uk/submit-complaint>

If you have general requests for information or guidance concerning your pension arrangements you can contact MoneyHelper by calling them on **0800 011 3797** or by using their online web form at: <https://www.moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form>

Future changes

The above procedure complies sections 50, 50A and 50B of the Pensions Act 1995 and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008. The Trustee reserves the right to make alterations to reflect experience and changes of circumstance or law.



Arundel Castle, England

Who can I contact?

The Plan website

To help you understand and make the most of your pension, detailed information about the Plan, news updates along with interactive tools and resource are available on the Plan website

 www.pearson-pensions.com

The website also holds a wide range of interactive tools and animations, leaflets and forms. These are available to you on demand, all the time.

The Trustee and the pension team

If you have a general question about the Plan, your pension payments or want to ask the Trustee a question you can use our online enquiry form.

Or you can contact the pension team direct by:

 pensions.helpline@pearson.com

 **Pensions Helpline (Freephone): 0800 7811378**

 **The Pearson Pension Plan, PO Box 645, Darlington, DL1 9HP**

Aviva – the Plan’s investment managers

You will be sent details of how to register with Aviva’s MyWorkplace when you join the Plan.

Once registered, you will be able to:

- check the value of your pension pot
- obtain information and monitor your investment funds performance
- switch investment funds quickly and conveniently.

Alternatively, you can contact Aviva direct by:

 MyWorkplace: workplace.aviva.co.uk/myworkplace

 Aviva helpline: Freephone **0800 7811378**



 Lake District, England

Useful links

Information about the Plan

- You can find lots of useful information about the Plan on our website at: www.pearson-pensions.com/

Online forms

- You can find all the online forms at: www.pearson-pensions.com/library/#forms

Find out which section you are in

- You can check which section you are in at: www.pearson-pensions.com/find-out-which-section-you-are-in/

Your investment choices

- You can read more about your investment choices at: www.pearson-pensions.com/making-your-money-grow/

Tips on how to save more

- Find out how to save more at: www.pearson-pensions.com/ways-you-can-save-more/

Your retirement options

- You can find out more about your options at retirement at: www.pearson-pensions.com/your-pension-options/

Accessing your secure online account

- DC members can log on to Aviva's MyWorkplace at: workplace.aviva.co.uk/myworkplace/
- DB members can log on at: www.pearson-pensions-portal.com/

If you are a current employee

- You can access Pearson Benefits at: account.activedirectory.windowsazure.com/applications/signin/88cb9b2d-3c3b-427e-b590-b6babf464b4a?tenantId=8cc434d7-97d0-47d3-b5c5-14fe0e33e34b
- You can read the Salary Exchange guide at: pearson.service-now.com/myhr?id=myhr_kb_article&sys_id=1be2c03b1b02d990d6ccb8c8dc4bcbbf

Please note that you will need to be logged in to your Pearson account to access these links.

Financial advice

- You can find a local independent financial adviser on the MoneyHelper website at: www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser



📍 Avebury stone circle, England