The Royal National Lifeboat Institution

Group Personal Pension Plan Employee Handbook

Created March 2025

Valid from 6 April 2025 until 5 April 2026

TAKE A LOOK INSIDE

This guide, which is valid until 5 April 2026 or until further changes are made by your employer, the pension provider or legislation, has been approved by Aon UK Limited whose registered office is The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN.

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At-a-glance summary

This summary alone does not provide sufficient information to make an informed decision about joining the pension plan. For full details you must read the handbook contents and pension provider literature. Please remember the value of your pension fund can go down as well as up and is not guaranteed. You could get back less than you paid in.

Plan name	The Royal National Lifeboat Institution ("the RNLI") Group Personal Pension Plan ('the Plan')
Pension provider	Aviva
Contribution structure	See table below and note
Pensionable salary	Pensionable salary is basic monthly salary plus any pensionable allowances.
Enrolment contribution level	When you are **automatically enrolled** into the Plan your employer will deduct an amount equivalent to 2% of your pensionable pay and pay this to the Plan along with a 6% contribution from the RNLI, resulting in an 8% contribution being paid. Your contribution of 2% will be deducted from your net pay and receive tax relief (see tax relief section here). In the second month of Plan membership, you will have the option to increase your contributions which could result in a higher contribution from the RNLI. If you wish to change the level of contribution, please contact the People Administration team.

Contribution structure:

Employee contribution*	Employer contribution	Total contribution
2%	6%	8%
3%	11%	14%
4%	12%	16%
5%	13%	18%
6%	14%	20%
7%	15%	22%
8% or more	16%	24% or more

* **Please note:** if you are a member of the **Pre-May 22 Crew Pension Group**, an alternative pension contribution range is available to you. Members of this Group have an employment start date before 1 May 2022 and have remained in an employed lifeboat crew or Station Manager role (Chiswick, Gravesend, Tower). Please contact the People Administration Team by email People_Admin@rnli.org.uk or by calling **01202 663301**. This team can send you the right pension forms to complete if you are a member of this group.

Permitted frequency of Pension Salary Sacrifice changes	If you elect to pay an increased contribution your contribution method will automatically be altered to a Salary Sacrifice basis, unless you are an employee paid via the completion of a timesheet, are over State Pension Age or are on maternity, adoption or extended paternity leave, or unless you opt out of Salary Sacrifice. You can change the level of salary you sacrifice at any time – and to do this you should complete a 'Salary Exchange - DC changes form' which is available on the RNLI's pension's website (accessed via Compass).
Default Selected Retirement Age	65
Pension provider website	www.aviva.co.uk/retirement
Pension provider telephone number	**0800 068 1431** Monday to Friday: 8:30am to 6:00pm
Company contact details	Please contact People_Admin@rnli.org.uk or telephone **01202 663 301** or write to People Administration team, RNLI, People Department, West Quay Road, Poole, Dorset, BH15 1HZ.

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At-a-glance summary

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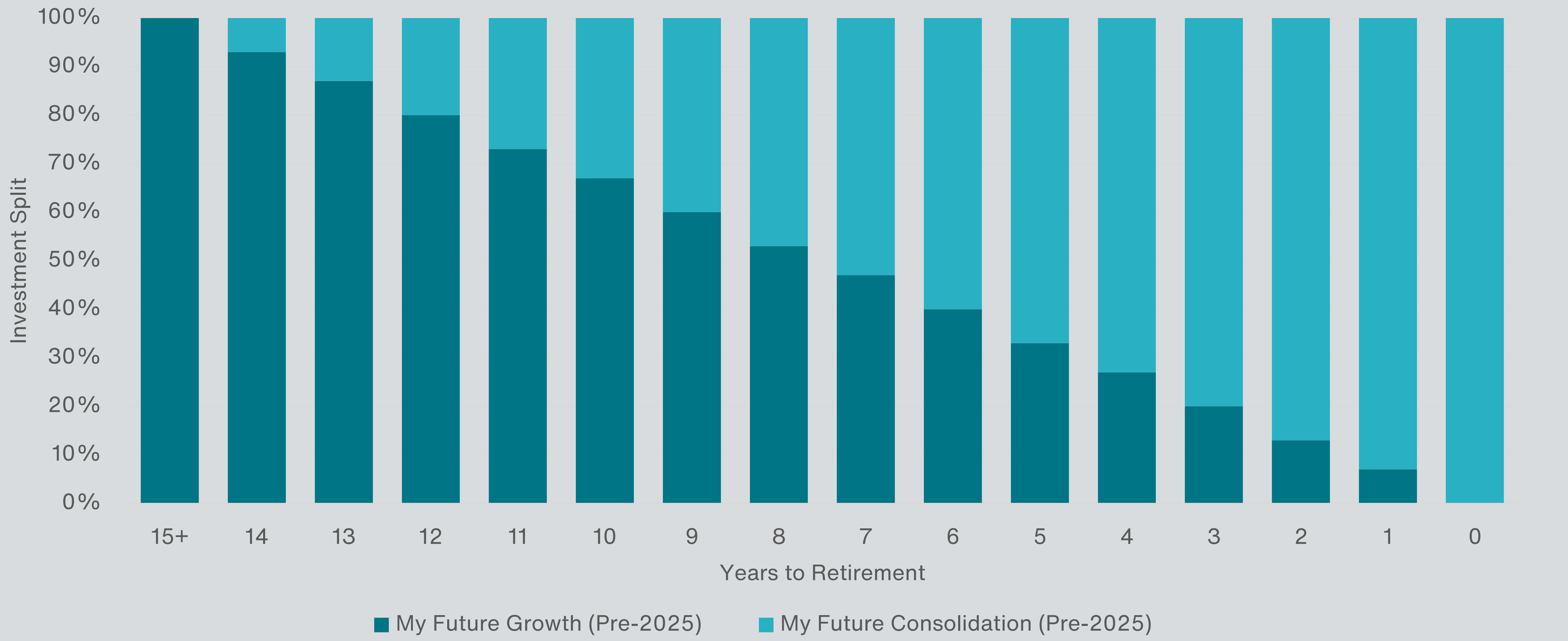
Default Investment Option (DIO)	**Aviva My Future Lifestyle Strategy (Pre-2025)**  Source: Aon, based on information from the pension provider as at the date of this booklet – DIO design subject to change by the pension provider.
Member charges for DIO	There is a single ‘Annual Management Charge’ (AMC) and for the funds making up the DIO and a core range of other funds this will be 0.26% of your policy value - that is 26 pence for each £100 in your pension plan. **Some other funds may have a higher AMC - see the pension provider information.**

Introduction

The Plan is a ‘defined contribution’ pension scheme, which means contributions are regularly paid in to it and, over time, these build into a pot of money which can be used to provide you with an income and/or lump sums in retirement.

As a member, you will have a personal pension policy, and you will receive a yearly benefit statement from the pension provider. You receive contributions into the policy from your employer on top of any contributions you make (if required).

These contributions will, initially, be paid into a ‘Default Investment Option’ (unless you select an alternative fund(s)). The pension provider offers a wide range of investment options. The choices you make about investing are important as they will affect the value of your pension fund when you retire.

You should read the full contents of this booklet alongside any information the pension provider sends you.

If you are unsure whether any of the benefits in this booklet are suitable for you, please consider seeing a financial adviser. The Government-backed MoneyHelper website has information about choosing a financial adviser at: www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

We have appointed Aon UK Limited (‘Aon’) to advise us about arranging the pension scheme. As we pay Aon a fee for their advice to us, you will not pay any extra charges if you join the Plan other than those explained in this booklet and on the pension provider website.

Use the contact details in the at-a-glance summary if you have any questions or need further details or you do not have use of a computer and need printed copies of any documents.

Please contact People_Admin@rnli.org.uk or telephone **01202 663 301** or write to People Administration team, RNLI, People Department, West Quay Road, Poole, Dorset, BH15 1HZ if:

- you have any questions or need further details; or
- you do not have use of a computer and need printed copies of any documents.

Yours faithfully,

Pensions Administration Manager
Email to: Pensions@rnli.org.uk

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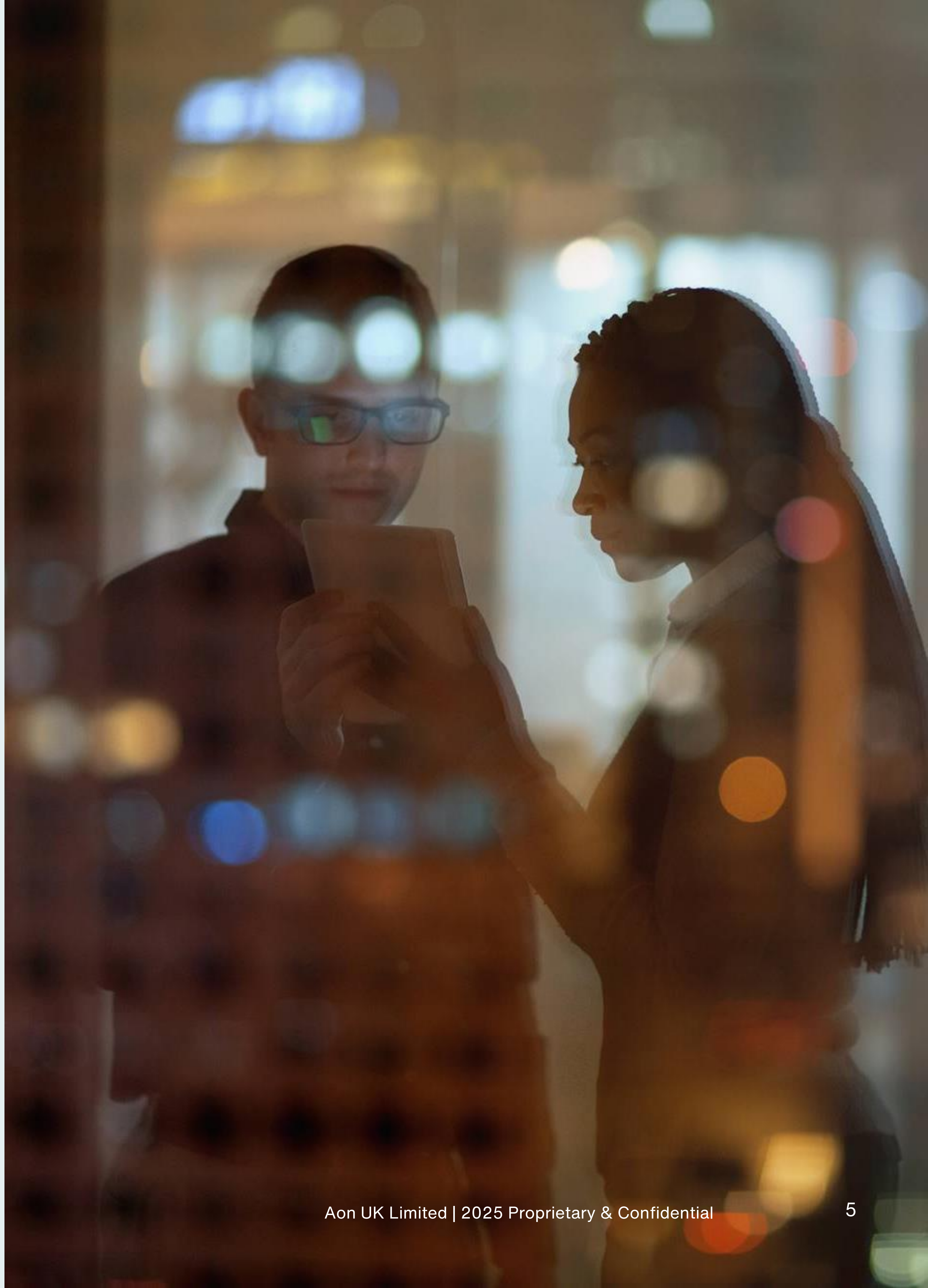

Joining – Start making plans

Automatic Enrolment

Legislation requires most employees to be automatically enrolled into a workplace pension scheme. You will be automatically enrolled into the Plan if you meet certain conditions. You will receive an enrolment notice if you meet these conditions.

You have an option to 'opt in' to the Plan if you are not automatically enrolled (see 'Opting in').

If you already have a personal pension, you can still be a member of the Plan and you can contribute to more than one pension at the same time, subject to certain limits.

Age 22

If you are under 22 years of age when you join the RNLI and if you have not opted in to or joined the pension scheme before your 22nd birthday, if your earnings are above the relevant threshold, you will be automatically enrolled into the Plan on the 1st of the month following the month that you reach your 22nd birthday.

Opting out

If your employer enrols you into the Plan automatically but you do not want to be a member of the Plan, you can 'opt out' by following the instructions which will be sent to you. You will have one month from the date in the instructions to opt out. If you opt out, you will be treated as if you had never joined the Plan. You and your employer stop contributing to the Plan, and you will receive a refund of any contributions you paid from your salary to the Plan in the next available payroll run. If you opt out, you will lose your employer's contributions and will not be building up a retirement fund in the Plan.

If you decide that you want to leave the Plan any time after the one-month opt out period, please tell your employer (payroll@rnli.org.uk). Your benefits will be treated as if you had left employment – please see the section 'What happens if?' later in this booklet.

Re-enrolment every three years

If you opt out or stop contributions to the Plan and do not re-join the Plan while in this employment, your employer must automatically enrol you again every three years if you are an eligible employee. Your employer will tell you if this happens. If you are automatically enrolled again, you can opt out if you still do not want to be a member of the Plan. The re-enrolment timing is at employer level so is not aligned to your own enrolment date.

Opting in

If your employer does not automatically enrol you (or if you want to join the pension before that happens) you can 'opt in'.

To opt in to the Plan, you need to contact your employer, and the opt-in process will be explained.

If you elect to opt in to the Plan, you still have the right to change your mind. The pension provider will provide you with details of those rights when you opt in to the Plan. **You will receive either cancellation rights or opt out rights from the pension provider, as detailed below.**

Cancellation rights

You will be provided with a cancellation form with your membership confirmation letter. You then have 30 days from the date you receive the letter to cancel. You should only return the form if you want to cancel your membership of the Plan. **Please note that if you do cancel during the 30-day period, you may get back less than you paid in.** You will then receive this amount as salary (and pay Income Tax and National Insurance on it in the normal way).

Opt out rights

You can 'opt out' by following the instructions the pension provider will send you. You will have one month from the date in the instructions to opt out and you will receive a refund of any contributions you paid from your salary to the Plan. The refund will be paid as salary (and subject to Income Tax and National Insurance in the normal way). ***Please contact the pension provider if you require more information regarding which option would apply to you.***

Pension protection

Those with high levels of pension benefits may have put in place HM Revenue & Customs (HMRC) 'protection' arrangements against the Lifetime Allowance.

In relation to these protections the consequences of joining the pension scheme and/ or life assurance scheme should be carefully reviewed and understood. Full details of these protections can be found using this web address: www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

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Contributing – What it costs to join (1/4)

Refer to the at-a-glance summary for the Plan's contribution structure, pensionable salary and default contribution level.

Please note your employer has the right to make changes to your benefits package, including reducing employer contributions (where applicable), within current law. If this were to happen, you would receive full details of the changes.

If you want to change the level of contribution, please contact your the People Administration team.

Please also refer to the People Administration team for information on how parental leave, or sickness absence may affect your contributions to the Plan.

When you pay contributions into a pension plan, you need to bear in mind some tax rules and limits, please see here for further details.

There are two methods available for making contributions to the Plan, which are:

1. **Contributory basis; and**
2. **Pension Salary Sacrifice.**

Contributing – What it costs to join (2/4)

Contributing from pay

This is the traditional way of making personal pension contributions. You receive salary in full each month and you pay your pension contribution from it.

Under this method, your contribution is taken directly from your pay and paid into the Plan each month along with your employer's contribution. The pension provider will then add basic rate Income Tax relief to your contribution, as explained below.

Tax relief

To encourage savings the Government allows tax relief on pension contributions. Under current tax rules if you pay basic rate Income Tax every £1 you contribute costs you 80p. Contributions are taken from your take-home (net) pay but increased (grossed up) by the basic rate Income Tax relief before they go into your pension, as shown in the example below.

Monthly contribution – Breakdown to show benefit of tax relief	
Your contribution	£100
Income Tax relief at 20%*	£20
Cost to you deducted from take-home pay	£80
Employer contribution**	£100
Total amount paid into your policy	£200

*Based on tax rates for the UK (excluding Scotland) for year starting 6 April 2025.
**Assuming you and your employer contribute the same percentage of your salary.

If you are a higher rate (or additional rate) tax payer, you are able to claim further tax relief at a rate equivalent to the highest level of tax you pay via the Income Tax self-assessment process. **If you don't complete a self-assessment tax return you should contact HMRC to claim the additional relief via your tax coding.**

What tax relief will I receive on my contributions?

If you don't pay Income Tax	If you pay Income Tax at 19% or at 20%	If you pay Income Tax at more than 20%
You will still automatically get tax relief of 20% on contributions up to £3,600 or 100% of your relevant UK earnings, if greater. This is because your pension provider claims tax relief for you at the basic rate of 20% and adds this to your policy.	You will automatically receive tax relief on your personal pension contributions up to 100% of your relevant UK earnings. The tax relief will be at a rate of 20% because your pension provider claims tax relief for you at the basic rate of 20% and adds this to your policy.	You will receive basic rate tax relief of 20% automatically, with the ability to claim an extra amount equal to the difference between the rate of tax you pay and the basic rate of 20%. For example, if you pay tax at 45%, you would be able to claim an additional 25% tax relief (45% minus 20%). This additional tax relief would be claimed via your Self-Assessment tax return.

Is there a limit on how much I can pay in each year?

No, but you will only receive tax relief on contributions up to 100% of your relevant UK earnings. You may also be subject to a tax charge if contributions (including your employer's contributions and any tax relief) exceed the Annual Allowance (see the 'What if I pay too much in?' section later in this booklet for details).

Please remember that tax treatment depends on your personal circumstances. Your circumstances and the tax rules may change in the future.

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Contributing – What it costs to join (3/4)

Salary Sacrifice

If you elect to pay an increased contribution your contribution method will automatically be altered to a Salary Sacrifice basis, unless you are an employee paid via the completion of a timesheet, are over State Pension Age or are on maternity, adoption or extended paternity leave, or unless you opt out of Salary Sacrifice.

Under Salary Sacrifice you choose a level of salary you want to “sacrifice” or “exchange” for a pension contribution. Your salary reduces by this amount and your employer pays an equivalent amount into the Plan on your behalf, on top of their employer contribution. As a result, the amount you give up never becomes part of your salary.

The total amount paid into your pension policy is the same as it would be if you did not take part in Salary Sacrifice. However, as you do not pay National Insurance on the salary you give up through Salary Sacrifice, your take-home pay will be slightly higher than if you made contributions from net pay.

Please see later in this booklet for an example comparing Salary Sacrifice with contributing from pay without Salary Sacrifice. The example shows how National Insurance is worked out depending on whether you are taking part in Salary Sacrifice or not.

If you participate in Salary Sacrifice, because your taxable pay is reduced, you automatically save tax on the amount sacrificed in full, regardless of whether you are a basic rate, higher rate or additional rate taxpayer. Therefore, you would not need to reclaim any tax relief via HMRC.

Pre-sacrifice salary known as your ‘Reference Salary’

Your higher salary figure, before the reduction in "exchange" for a pension contribution, is called your ‘reference salary’. This is kept on record and used for pay reviews, working out pension contributions and the salary upon which other salary-based benefits (such as Life Assurance) are calculated.

Changing how much you sacrifice

You can change the level of salary you sacrifice subject to the permitted frequency stated in the at-a-glance summary. To request a change, you should contact your employer.

You need to bear in mind some tax rules and limits – see the section ‘What else do I need to know?’

Opting out of Salary Sacrifice

You can choose to opt out of the Salary Sacrifice arrangement and contribute from your pay instead without Salary Sacrifice. Contact People Administration Team if you want to do this.

Important note

Salary Sacrifice reduces your earnings which, in turn, can reduce the maximum level of contributions you can make to any other pension arrangements. It may also affect your entitlement to some State benefits, which are based on your income or the National Insurance you pay.

If you are unsure how Salary Sacrifice might affect your State benefits, you should contact HMRC.

You can find out more about Salary Sacrifice using the following link:

www.moneyhelper.org.uk/en/pensions-and-retirement/building-your-retirement-pot/salary-sacrifice-and-your-pension.

Is there a limit on how much I can sacrifice each year?

Your employer is required to ensure they pay you an amount equal to or greater than the National Living Wage (for employees aged 21 and over) or the National Minimum Wage (for employees under age 21) and therefore you can only sacrifice salary above these levels. Further details regarding these limits can be found using this web address: www.gov.uk/national-minimum-wage-rates

If (**after** deducting any Salary Sacrifice amount) you earn less than the current personal allowance of £12,570, the use of Salary Sacrifice to make your pension contributions might not be suitable for you. This is because, as you might not actually pay Income Tax, you would not receive tax relief on such contributions, whereas basic rate relief is granted automatically (even to non-taxpayers) when paying via the contributory method. However, depending upon your personal circumstances, Salary Sacrifice could result in National Insurance savings (if you pay National Insurance) and therefore you should carefully consider whether the Salary Sacrifice option is appropriate for you (taking into account your personal situation and the structure of pension plan contributions). If you are in any doubt as to which method would be best for you, you should consider taking advice on this point.

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Contributing – What it costs to join (4/4)

Comparing Salary Sacrifice and contributing from pay

These examples show how Income Tax and National Insurance is worked out, depending on whether you are taking part in Salary Sacrifice or contributing from pay. The examples use an annual salary figure of £40,000 and assume contributions of 8% from you and 16% from your employer.

	Salary Sacrifice Member (not based in Scotland)	Contributory Method Member
Salary	£40,000	£40,000
Salary amount given up	£3,200	None
Income Tax and National Insurance (NI) based on salary amount of	£36,800	£40,000
You pay Income Tax and National Insurance of	£6,784	£7,680
Contribution from your pay	None	£2,560 (£3,200 less £640 tax relief)
Take-home pay	£30,016	£29,760
Your employer contributes	£9,600 (includes the salary you have given up)	£6,400
Total payment into pension	£9,600	£9,600

	Salary Sacrifice Member (based in Scotland)	Contributory Method Member
Salary	£40,000	£40,000
Salary amount given up	£3,200	None
Income Tax and National Insurance (NI) based on salary amount of	£36,800	£40,000
You pay Income Tax and National Insurance of	£6,849	£7,777
Contribution from your pay	None	£2,560 (£3,200 less £640 tax relief)
Take-home pay	£29,951	£29,663
Additional tax relief claimed via self-assessment	N/A	£32*
Your employer contributes	£9,600 (includes the salary you have given up)	£6,400
Total payment into pension	£9,600	£9,600

Please note: The figures in the examples above are based on a yearly personal allowance of £12,570 (2025/26 tax year) **and are estimates only**. They may not reflect the Plan's actual contribution rates.

* Scottish Rate taxpayers will also be able to reclaim an additional 1% tax relief via self-assessment (see previous page "[What tax relief will I receive on my contributions?](#)")

Temporary withdrawal from Salary Sacrifice

Salary Sacrifice membership

The RNLI operates a system of temporary Salary Sacrifice withdrawal if at any time you take maternity, adoption, paternity (more than 2 weeks), or shared parental leave, or where your absence triggers payments of Statutory Sick Pay. Where the leave is planned, your withdrawal from Salary Sacrifice will take place on the 1st of the month that the leave occurs. During this period, you will become a contributory member and make pension contributions from net salary. The contributions you make will be based upon your selected Salary Sacrifice levels and calculated using your actual remuneration received. When you return to work, the RNLI will move you to the Salary Sacrifice section of the Plan, on the next available 1st of the month.

Maternity/adoption absence

Providing that you have been in employment long enough to meet the criteria for Statutory Maternity Pay (SMP) or Statutory Adoption Pay (SAP), you will remain a member of the Plan whilst you are a RNLI employee.

The RNLI contributions to the Plan will continue to be calculated based upon your pre-maternity/adoption pay or Pensionable Salary, at the level applicable based upon the contributions you have elected to make. The contributions you make will be based upon your selected contribution level and calculated upon your actual remuneration received.

The RNLI contributions described above will be paid for a maximum of 39 weeks (26 weeks during ordinary maternity/adoption leave and for 13 weeks during additional maternity/adoption leave). For the remainder of your additional maternity/adoption leave, no further contributions will be made, but you will still be eligible for group life assurance benefits. The benefits will be based upon your pre-maternity/adoption leave Pensionable Salary.

Shared Parental Leave

If you take Shared Parental Leave (SPL), your withdrawal from Salary Sacrifice will occur on the 1st of the month that the SPL occurs (if you have not had maternity/adoption or extended paternity leave immediately prior to SPL). Contributions will be on the same basis as maternity/adoption absence, and you will continue to be a member of the Plan and have group life assurance benefits while you remain a RNLI employee.

Investing – Helping your savings grow (1/2)

There is a range of funds available in which you can invest your contributions.

Fund range information is available on the pension providers website, including lists of the funds available with further details such as the charges they carry.

You must think carefully about how to invest your fund and whether your choices are suitable for your personal situation – including how you feel about investment risk. If you are unsure, you should seek financial advice.

‘Default Investment Option’ (DIO)

This is where your contributions will be invested at the outset or if you do not make a choice yourself.

Initially, contributions will be automatically invested in the DIO (see the at-a-glance summary for details). Once your contract is instigated and the first contribution is paid you will be able to change your fund choices should you wish to do so.

You should note the DIO may not be suitable for everyone. For more details of the DIO and other funds, you should refer to the pension provider’s fund information.

Many DIOs follow a ‘lifestyle’ approach, which aims to automatically move your investments gradually from higher risk funds into lower risk funds as you approach your ‘selected retirement age’ (SRA).

Full details of each fund making up the DIO are in the pension provider’s fund information, along with further details on choosing your own funds and/or options without a lifestyle approach.

Please note a lifestyle approach may not be suitable if the final target of the strategy does not correspond with how you intend to take benefits at retirement – for example, if you intend to purchase an annuity (a guaranteed income for life) but the lifestyle strategy is geared towards an individual looking to draw income directly from the pension fund itself (see the section ‘Taking your benefits’ for more information on these options).

Your Selected Retirement Age (SRA)

It is important you review your SRA from time to time and tell the pension provider as soon as possible if you want to change it. This is because the SRA impacts when the pension provider will start communicating with you regarding your retirement options. Additionally, if you are investing in a lifestyle approach, the SRA has a bearing on where your funds are invested as you approach retirement. If your SRA is not in line with your retirement plans, the fund switching may start at the wrong time - too late, and you could end up being exposed to unnecessary risk or too early, and your investments may miss out on potential higher returns.

Fund switches

Please note the investment decisions you make at the start are not final – you can switch existing funds, redirect future contributions to other funds – or both – at any time. You should contact the pension provider if you want to make any fund switches.

Charges

Aon has negotiated the Plan charges with the pension provider on your employer’s behalf and, for the funds making up the DIO, the charge is explained in the at-a-glance summary. **Other funds may have a higher charge - see the pension provider information.**

The pension provider reserves the right to increase or decrease charges without notice.

Investing – Helping your savings grow (2/2)

Types of funds

Unit-linked funds

The funds available in the Plan are 'unit-linked' funds, which means they are divided into units of equal value. The contributions from your account buy a number of these units, depending on how much the units are worth at the time.

Units in unit-linked funds can go up and down in value, which in turn will make the value of your plan rise and fall accordingly. If unit prices fall, your plan may be worth less than the amount invested.

With Profits Fund (if available under the Plan - please check with the pension provider)

With Profits Funds work differently to unit-linked funds, so it is important that you thoroughly read the fund information (and details of the fund charges) from the pension provider.

If you decide to invest in with-profits and then withdraw your money before the Plan matures, the pension provider may reserve the right to:

- reduce the selling price of your units; or
- withdraw part of the bonus (if the provider adds returns to the fund in this way).

This is often called a 'market value reduction' (MVR). The pension provider can decide how much to take away from the unit price or bonus, but it will normally reflect market conditions at the time.

Important information

Some funds invest in a particular market, with the investment manager for that fund choosing the assets. You may only want to choose 'specialist' funds like this if you are familiar with investing (and the risks it involves), or if you are familiar with that market or how the funds might behave.

If you invest in overseas funds, changes in currency exchange rates are more likely to affect the value of your investments. Some funds in regions where markets are still developing (often called 'emerging markets') may be especially volatile – that is, they may rise and fall dramatically in value.

Property funds can carry extra risk because of the time it takes to buy and sell property – this may make the funds more volatile and you may find there are delays with moving money you have 'tied up' in property to another type of investment.

Some cash or deposit funds are actually 'money market' funds, investing in different types of assets. As a result, although expected to be less volatile than other funds, it is important to note these funds can still rise and fall in value. This means the value of your capital – the original amount you invested – is not guaranteed.

Taking your benefits

When you choose to take your pension benefits, you can use the value of your policy to provide an income, cash sums, or both. You can take your benefits once you reach the 'Minimum Pension Age' (currently age 55 but rising to 57 in 2028) and you do not need to stop working to draw your benefits.

When taking the pension, your options are:

1 – Draw money from your fund when you need it, taking 25% of each payment as a tax-free cash sum. The rest of the payment will be taxed as income (known as 'Uncrystallised Funds Pension Lump Sum').

2 – Take up to 25% of your pension pot (subject to a maximum amount – see the 'What else do I need to know?' section) as a tax-free cash sum and use the rest to:

- Take further lump sums (which will be taxed as income);
- Buy an annuity which pays you a guaranteed taxable income either for life or a fixed term (you have lots of options for how the annuity works and you can shop around to get the best deal for your circumstances), or;
- Leave it invested in a pension in your own name and take regular and/or occasional amounts that will be taxed as income (this is known as 'Flexi Access Drawdown'). Whilst your pension scheme provider may offer this option, either within the scheme or as a stand-alone pension, you do not have to keep your fund with them to access your pension benefits. Each drawdown provider will apply different charges, offer different investment options and have different criteria; therefore it is important that you shop around to determine the best drawdown provider to meet your needs and objectives.

You can use some or all of your fund for one or a mix of the above options.

Although it is great to have these choices, you must make sure you understand all your options and, in particular, the tax you might have to pay. It is important to think about taking financial advice at the right time.

Please note you can take some or all of your benefits and continue to contribute to the Plan. However, in certain circumstances taking retirement benefits can trigger the 'Money Purchase Annual Allowance' (see here for more details).

The pension provider will contact you as you approach your SRA with details of your fund value and more information on the above options.

MoneyHelper and Pension Wise

MoneyHelper is a free government-backed financial guidance service and can be used to access Pension Wise – a free guidance service to help people with defined contribution pension funds understand what their choices are and how they work. This guidance is available online at Pension Wise (moneyhelper.org.uk) or over the phone and can help you to find out about:

- the options for taking your pension money
- how each option is taxed
- questions to ask your provider

Please note Pension Wise will not give you personal advice about which option is the most suitable for you. You have to be age 50 or over and have a defined contribution pension to use this service.

You should seek financial advice before you make decisions on how you will take your benefits.

What happens if?

What happens when I leave this employment?

If you leave employment you keep the fund you have built up under your policy within the Plan.

You may:

- Leave your benefits in your policy, where they will stay invested
- Pay contributions directly to the pension provider (although your employer's contributions will stop)
- Transfer your fund to another pension arrangement
- Start taking benefits from your fund if you are over the Minimum Pension Age

The most suitable option will depend on your situation at the time you leave. You may want to seek financial advice before deciding what route to take.

What happens if I die?

If you die **before** taking your benefits the fund you have built up to the date of your death will usually be paid as a cash lump sum and is currently usually free of any tax liability. Alternatively, it is possible that, rather than receive a lump sum payment, your beneficiaries can request the value of the pension built up is retained as a pension to provide ongoing benefits. As with the lump sum, this is currently usually free of any tax liability. These benefits will be paid to your nominated beneficiaries or next of kin if you have not made a nomination. To make a nomination you need to complete an 'Expression of Wish' or 'Nomination' form (see below).

If you die **after** accessing benefits the treatment of the fund you have built up depends on how you chose to receive those benefits and how old you are when you die.

If you have accessed your benefits by using **Flexi-Access Drawdown,** the benefits will typically go to your nominated beneficiaries, either as a cash lump sum or ongoing income. However, if your death occurs after age 75, these benefits would be taxable as income when your beneficiaries receive them.

The government has announced plans for pension death benefits to be subject to Inheritance Tax from April 2027. The details on this are currently under consultation.

If you have purchased an **annuity** with the pension benefits you had, the benefits payable will depend upon how the annuity was set up when it was bought. For example, it may have a spouse's or dependants pension included which will come into payment upon your death. Or, if no survivor options were selected, payments will cease upon your death.

Your wishes

RNLI employees should complete a Nomination form outlining who you would like to receive any accumulated benefits following your death. Equally, if your personal situation changes, for example, you marry, divorce or become a parent, you may wish to fill in another Nomination form. You can obtain a Nomination form here - https://library.aviva.com/tridion/documents/view/mpen19j.pdf and it should be returned directly to Aviva after you have filled it in.

As mentioned above, if you die after taking benefits from the Plan, the amounts payable to your beneficiaries will depend on how you chose to receive your benefits. **This is an important situation to plan for and should be part of the financial advice you seek when you start to draw your benefits.**

Working beyond retirement age

If you decide to defer your retirement age, you should contact Aviva to change this to an age at which you are aiming to retire. Aviva will update their records with your new retirement age, and if you are in the default investment option, how your pension is invested will be recalculated to align with your new retirement age.

If you do not advise Aviva of a new retirement age, they will update your retirement age to 74 by default. Any further contributions received will be invested as at the last point when you reached your recorded retirement age. You can of course, at any point after this, advise Aviva of a new selected retirement age, or ask for a switch and/or redirection of the funds held.

What else do I need to know? (1/3)

Changing your details

Once you have joined the Plan, if you wish to change your investment choice or 'selected retirement age' (SRA), contact the pension provider.

When you join the Plan, your SRA is set to the default SRA stated in the at-a-glance summary. However, it can be any age from 55 onwards and you can change it at a later date to the age you plan to draw benefits. The SRA is important because it can affect how your pension contributions are invested – please see the sections 'Investing – Helping your savings grow' and 'Taking your benefits' for more details.

State Pension

State Pension Ages have been under ongoing review by the Government, and your own State Pension Age depends on both your sex and date of birth. You can use the State Pension Age calculator on the Government's website: www.gov.uk/state-pension-age, based on the current rules.

To find out more about State pensions in general, you can visit the Government's website: www.gov.uk/new-state-pension or call: **0800 731 0469**.

Although joining the Plan is usually beneficial due to tax relief on contributions and your employer contributing too, there may be circumstances where joining might not be the best choice, for example if making contributions impacts on potential State benefits you may receive (either currently or in the future) or if you are currently repaying a large level of debt. **If you have any concerns about this, you should seek financial advice to ascertain the best course of action for you.**

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What else do I need to know? (2/3)

What if I pay too much in?

Annual Allowance	Tapered Annual Allowance
The Annual Allowance applies to all contributions, from you or any employer, paid into all of your pension arrangements during a tax year (6 April to 5 April). If the contributions going into your policy during the tax year go over £60,000 (the Annual Allowance for the 2025/26 tax year) then the amount you have contributed above the Annual Allowance will be added to your taxable income, unless you have any unused Annual Allowance from the previous three tax years to cover the excess. If you still have an excess, you may pay tax on this at a rate equivalent to your highest rate of Income Tax. **If you are unsure, you should seek financial advice.**	Those with earnings **plus** pension contributions exceeding £260,000 per year may be subject to a, lower, 'Tapered' Annual Allowance. Further details are available here: www.moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions/tapered-annual-allowance **If the total payments into the Plan made by you and your employer, plus contributions made to any other pension arrangements, are likely to be close to £60,000 in any tax year, or your taxable income is likely to exceed £200,000, please seek financial advice before making any decisions.**
Money Purchase Annual Allowance	**Lifetime Allowance**
You may also have a lower annual allowance – called the Money Purchase Annual Allowance (MPAA) - if certain 'trigger events' occur. Information about trigger events can be found using this web link: www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm056520. Trigger events are linked to the ways in which you choose to draw income from your pension. Because this usually cannot happen before age 55, the MPAA is unlikely to affect you if you are below that age. The MPAA for 2025/26 is £10,000 meaning, if applicable to you, this is the maximum amount you can pay into pensions without incurring a tax charge. **Please seek financial advice before you proceed with a trigger event if your total pension contributions are close to the MPAA (or may become close to it in the future).**	The Lifetime Allowance was a limit on the value of tax-efficient pension that an individual could build up over their lifetime. On 6 April 2024, the Lifetime Allowance was abolished meaning an individual can now, potentially, build up an unlimited amount within their pension fund. However, due to the introduction of two new allowances (see next page), whilst the amount of pension that can be built up is unlimited, the amount that can be taken free of tax has been limited, both when accessing retirement benefits and upon death. **If you have any HMRC Lifetime Allowance 'protections' in place, you may have an entitlement to a greater level of Lump Sum from your pension but this is a complex matter and, if you think you may be affected by this issue, you should seek financial advice.**

Neither your employer nor the pension provider is responsible for any tax charge or loss of tax relief you incur through joining or being automatically enrolled into any pension or life assurance arrangements.

Life Cover

The RNLI has a life assurance scheme for employees up to age 75. Active members of an RNLI pension scheme have a higher level of life cover than those employees that are not actively contributing to the RNLI pension scheme.

For more details on the RNLI's life assurance arrangement, please check Compass for 'life cover'.

What else do I need to know? (3/3)

Lump Sum Allowance (LSA)	Lump Sum and Death Benefit Allowance (LSDBA)
The Lump Sum Allowance (LSA) governs the amount of lump sums anyone can take across all their pensions without income tax being applicable to the lump sums taken. The LSA has been set at an amount of **£268,275**. You are able to take tax-free lump sums from your pension of up to the lower of 25% of the fund or the LSA. Any excess over this amount will be taxed as income with the rate applicable dependent upon other income you have in that tax year. HMRC Protection If you have valid HMRC Lifetime Allowance protection in place, you may be entitled to a higher amount of tax-free lump sum. The amount you have will depend upon the type of protection held. Further information in relation to HMRC protections can be found using this link: www.gov.uk/guidance/taking-higher-tax-free-lump-sums-with-lifetime-allowance-protection#individual-protections (www.gov.uk) Transitional Arrangements If you have accessed pension benefits prior to April 2024, the amount of LSA available to you is reduced by an amount equivalent to the benefits already taken. The amount already taken is calculated by reference to the amount of Lifetime Allowance previously utilised.	The Lump Sum & Death Benefit Allowance (LSDBA) limits how much can be paid to you from all your pensions as a tax-free lump sum, both during lifetime and on death. This allowance for the 2025/26 tax year is **£1,073,100**. This represents a combined allowance for both lifetime tax-free lump sums and tax-free death benefits. This means, in the event of the death of an individual, the amount their beneficiaries will be able to receive free of taxation will be £1,073,100 less any tax-free lump sums taken during their lifetime. Any excess over this amount will be subject to Income Tax for the recipient.

Important information & contacts (1/2)

About this guide

This Guide aims to give you an accurate summary of how the benefits work. However, it cannot cover everything. If you need more information, please contact the People Administration team in the first instance.

People Administration Team
RNLI
West Quay Road
Poole
BH15 1HZ

Tel: **01202 663 301**
E-mail: **People_Admin@rnli.org.uk**

Additionally, the RNLI has a pension's website: https://rnlipensions.org.uk/

The Aviva information and policy documents will always over-rule this Guide if any differences between them come to light.

The RNLI has the right to make changes to your benefits package, including reducing or withdrawing employer contributions (where applicable), within current law. If this were to happen, you would receive full details of the changes.

About Aon

Aon's advice is to your employer - so you will not receive any advice or a recommendation from Aon. If you feel you need advice regarding the Plan, you should speak to a financial adviser. If you do not have one, you can get assistance with finding an adviser from the MoneyHelper website – see the 'Introduction' page at the start of this booklet for the relevant website link.

Please note where this booklet includes a link to a third-party website, Aon has no control over and is not responsible for the third-party website content. Including these links does not imply endorsement in any way of the sites they link to.

Problems and complaints

If you have a complaint about Aon, please write to:

Aon UK Limited
Central Complaints Team
Briarcliff House
Kingsmead
Farnborough
GU14 7TE

Tel: **01252 768662**
E-mail: central.complaints@aon.co.uk

If you cannot settle your complaint with Aon you may be entitled to refer it to the Financial Ombudsman Service (FOS) depending on who you are, what capacity you are acting in and the circumstances of your complaint.

The FOS website is available at www.financial-ombudsman.org.uk or call **0800 023 4567** for further information.

GOV.UK

The Government website contains a State Pensions Guide, details about the Pension Tracing Service (if you have lost track of a pension) and a Pension Scheme Administration Guide.

www.gov.uk/find-pension-contact-details

Taking advice

If you are unsure whether any of the other benefits covered in this booklet are suitable for you, please consider seeing a financial adviser. Please note that if you take financial advice, it will be at your own cost.

The MoneyHelper website provides information in relation to choosing a financial adviser at: www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

Important information & contacts (2/2)

MyWorkplace app

You can manage your pension online by either downloading the MyWorkplace app on your phone or tablet, or by accessing the site directly. Visiting - www.aviva.co.uk/myworkplace

Register for MyWorkplace to:

- Change your details such as address, retirement age or your beneficiaries
- Check your pension value
- Access your pension documents
- Switch funds
- Check your transaction history
- Add a single payment into your policy

Or call Aviva for help setting up your account on **0800 404 6539**, Monday to Friday, 8.00am to 5.30pm.

MoneyHelper

MoneyHelper is a free resource provided by the Money and Pensions Service. MoneyHelper joins up impartial money and pensions guidance to make it quicker and easier to find the right help to make your money and pension choices clearer.

Tel: 0800 011 3797
www.moneyhelper.org.uk

You can also find more information about the Automatic Enrolment rules on the MoneyHelper website at: www.moneyhelper.org.uk/en/pensions-and-retirement/auto-enrolment/automatic-enrolment-an-introduction

The Financial Services Compensation Scheme (FSCS)

The FSCS is the compensation scheme for customers of UK authorised financial services firms and can compensate customers if a firm has stopped trading or does not have enough assets to pay claims made against it.

Your pension provider may be covered by the FSCS. You may be entitled to compensation from the FSCS if it cannot meet its obligations. This depends on the type of business and the circumstances of the claim. If you require more information about your pension policy and your circumstances, please speak to the pension provider. Details of the compensation limits for each type of business can be found using the following web address - www.fscs.org.uk/what-we-cover/

For further information about compensation scheme arrangements please contact:

Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY

Tel: 0800 678 1100
www.fscs.org.uk

AON

Jargon buster (1/2)

Annual Management Charge (AMC)

The charge to cover set up and management costs, administration and day-to-day fund management.

Annuity

An annuity is a financial product that, in exchange for a single lump sum payment, will provide you with an income for the rest of your life. You can use all or part of your pension fund to buy an annuity from an insurance company.

Beneficiary(ies)

A person (or persons) to whom a pension member would like their benefits to be paid in the event of the member's death.

Defined Contribution Pension

A pension arrangement into which the member and/or their employer pay agreed amounts of money, which is invested to provide a value at retirement from which an income can be taken. The future value of the fund (and hence income) is not known in advance.

Department of Work and Pensions (DWP)

The Government department that has responsibility for overseeing pension policy in the UK.

Financial Conduct Authority (FCA)

The UK regulator for financial services markets and providers.

Flexi-Access Drawdown

Flexi-Access Drawdown is an option when taking your pension benefits. In short, the pension fund is left invested and regular and / or occasional amounts can be taken directly from the fund. These will be taxed as income if appropriate.

GPP (Group Personal Pension)/GSHP (Group Stakeholder Pension)

An arrangement made by an employer for employees of that company to participate in a personal pension scheme on a group basis.

His Majesty's Revenue and Customs (HMRC)

A department of the UK Government responsible for the collection of taxes.

Lifestyling

An investment strategy used in Defined Contribution (DC) schemes. Under lifestyling, your investments move automatically based on the length of time until you are due to retire. As you approach retirement, your savings are moved into funds with less risk that are less likely to change dramatically in value.

Pension Commencement Lump Sum

A lump sum available to members when they take their pension benefits, normally up to 25% of the value of their pension pot. Taking a lump sum means that the amount left to buy an annuity or use for drawdown will reduce. The lump sum is paid free of tax.

Personal Pension

A long-term savings plan that is designed to provide benefits for an individual in their retirement. It is owned and controlled by the individual and enjoys favourable tax treatment in return for complying with certain rules.

Qualifying Workplace Pension (QWP)

A pension arrangement, set up by an employer for its staff, which meets certain standards laid down by Government legislation.

Salary Sacrifice

An arrangement where you sacrifice an amount of salary in return for a pension contribution from your employer.

State Pension Age (SPA)

The age at which an individual becomes entitled to receive their State Pension. This can vary depending on the individual's age and/or gender.

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Jargon buster

Jargon buster (2/2)

Tax relief

A tax concession given in respect of employee payments into a pension scheme. The effect of this relief is that the actual amount paid to the pension provider will be increased when applied to the individual's pension contract.

Threshold income

Threshold income is broadly defined as taxable income for the tax year, less pension contributions and certain other reliefs. Taxable income includes earned income (e.g. salary, bonuses, etc.) and unearned income (e.g. dividends, interest on savings etc.) but does not include employer pension contributions, nor employee pension contributions made by Salary Sacrifice to a pension plan set up before 9 July 2015. If threshold income does not exceed £200,000, the tapered Annual Allowance rules do not apply.

Unit

A unit is a share of an investment fund. Each investment fund is split into units. The number of units you hold is your share of the investment fund.

Uncrystallised Funds Pension Lump Sums (UFPLS)

A method of drawing money from your pension plan. UFPLS allows pension holders to withdraw some or all of their fund as a lump sum. Within the limitations of the Lifetime Allowance, 25% of the UFPLS will be paid tax free, with the balance being taxed as income at the point of withdrawal.

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