The ExxonMobil Pension Plan is a valuable benefit. It’s one of just a handful of final salary pension schemes in the UK that still let members build up benefits. So that you can get the most from it, we want you to know how the Plan works and how your pension will be calculated when you retire.

Pensions can seem complicated, so this guide explains the main benefits of the Plan, as well as telling you more about how it’s run and where to get more information. There’s also a jargon buster at the back that explains the pensions terms we sometimes have to use.

Every year we send you a statement that shows your own benefits in the Plan. And there’s an online pensions administration site, ePA, where you get retirement quotes, change your AVCs, tell us who you would like to receive your life assurance lump sum and check your personal details whenever you want.

If you joined the Plan before 6 April 2006...
There’s additional information on page 24 that explains changes we made to the Plan that affect you.

There’s also information for Heritage Mobil employees who were members of the Mobil Plan and transferred into the Plan following the merger between Exxon and Mobil.
## The main benefits

### It doesn’t cost as much as you’d think

**Manageable level of contributions**
Your SMART adjustment or contributions start with a minimum of just 1.5% of annual pensionable salary up to £30,000 and 6.5% thereafter.

### Benefits at retirement

**Choose when to take your benefits**
Normal retirement date is your 65th birthday but you can take your benefits from age 55 (although they would be reduced).

**A pension for life**
When you retire you get a pension that’s paid for the rest of your life. And it usually increases every year.

### Benefits while you’re working

**Your benefits grow every year**
Each year you are a member of the Plan, your pension increases.

**Life assurance**
A lump sum of three times your pensionable salary for your dependants if you die as an employee. They may also get a pension.

**Tax-free lump sum**
You can give up some of your pension for a tax-free lump sum.

**Ill-health pension**
If you can’t work long-term or permanently, because of illness or an accident, your pension may be paid immediately.

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**The Company saves the rest for you**
The Company pays the difference between your SMART adjustment or contributions and what’s needed to cover the cost of your benefits. The SMART adjustment is paid by the Company into the Plan.

**Tax relief and NI savings**
Your SMART adjustment gives you tax relief and it reduces your National Insurance charge. If you do not use SMART pensions but instead make a contribution, tax relief is available but there is no reduction in your National Insurance charge.
Who can be a member?
If you’re an eligible, regular or fixed-term employee of:
• Esso Petroleum Company, Limited*
• ExxonMobil Chemical Limited*
• International Marine Transportation Limited*
you are automatically put into the Plan as part of your contract of employment.
*Referred to as the Company throughout this Guide.
Employees on a formal career break can join the Plan during their periods of temporary service.

Can I opt out?
You can opt out within one (calendar) month of joining and you will receive a refund of any contributions you’ve paid or the SMART pension adjustment. Please consider this decision carefully as you would be giving up valuable benefits, not only for you but for your dependants too.
The Company, Trustee and administrators can’t give you advice about this decision. You must decide whether opting out or rejoining the Plan is right for you.

Can I rejoin?
If you opt out, you cannot rejoin the Plan, other than in exceptional circumstances, until the anniversary of the Company auto-enrolment staging date. If you’re eligible and want to rejoin the Plan after opting out, contact HR Direct.

Please note: if you opt out you can’t ‘buy back’ any missed service.

ePA
As a member of the Plan you have access to the information we hold about you, as well as the ability to produce calculations for future benefits and update your nominations for death benefits online.
As a new joiner, you will be sent a letter explaining how to log on to ePA for the first time. At the first log in you will be asked to accept the site’s terms and conditions and set a new password that is personal to you.

www.exxonmobilpensions.com
Saving in the Plan doesn’t cost as much as you might think, using SMART adjustment means you get tax relief and National Insurance savings automatically.

How much is the SMART adjustment or contribution?

SMART is a way of contributing which allows you to reduce your before-tax salary by the amount of your annual pension contributions. The Company will pay both yours and its contributions and you will pay lower NI on your remaining salary.

All members must adjust pensionable salary, via SMART pensions (SMART adjustment), or contribute equivalently, according to the scale below (subject to a minimum of 1.5% of their pensionable salary):

- 0% on first £3,800 of pensionable salary
- 1.7% on the next £26,200
- 6.5% on everything above £30,000
Here are some examples of how SMART adjustment or contributions are worked out for members on different levels of pensionable salary:

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary</th>
<th>Pensionable Salary</th>
<th>Monthly SMART Adjustment or Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greg</td>
<td>£40,000 per year</td>
<td>£40,000</td>
<td>£91 per month</td>
</tr>
<tr>
<td>Chloe</td>
<td>£32,000 in one year</td>
<td>£30,000</td>
<td>£37 per month</td>
</tr>
<tr>
<td>Satish</td>
<td>£42,000 per year</td>
<td>£34,000</td>
<td>£102 per month</td>
</tr>
<tr>
<td>Bev</td>
<td>£55,000 per year</td>
<td>£55,000</td>
<td>£172 per month</td>
</tr>
</tbody>
</table>

Saving in the Plan won’t cost as much as you think:

- You get tax relief on your SMART adjustment or contributions at your highest rate of tax:
  - if your highest tax rate is 20%, each £1 only costs you 80 pence
  - if your highest tax rate is 40%, each £1 only costs you 60 pence
- If you SMART adjust your pay, your National Insurance is lower than if you are paying contributions from salary.
Working part-time

The pensionable salary bands on which SMART adjustments and contributions are calculated are converted to part-time equivalents. You will pay the same percentage SMART adjustment or contribution, just of a lower amount.

Your benefits are based on your full-time equivalent pay before SMART adjustment but your pensionable service is adjusted to reflect your reduced hours.

Jenny works 35 hours per week and has worked for the company for 20 years, She successfully applies for flexible working and her hours are reduced to 28 hours per week. Each year going forward her pensionable service will increase by 0.8 of a year. If she retires whilst still working part-time after a further 10 years, her pension will be calculated using service of 28 years (20 years full time + 10 x 0.8 part time).

How much does the Company pay?

The Company pays a share of the contributions needed to cover the cost of the benefits, and its contributions will change from time to time, at a rate agreed with the Trustee on the advice of the Plan’s actuary. In recent years, it has contributed around 30% of pay, and made special contributions on top of that.

Boost your benefits

The more you save, the bigger your benefits are likely to be. You can pay up to 25% of your pensionable pay into the Plan as Additional Voluntary Contributions (AVCs). To find out how AVCs work with the Plan benefits, see the Boost your benefits – AVC factsheet.

Can I transfer in benefits from another pension plan?

You can’t automatically transfer in benefits but you can ask the Trustee to consider it by asking the Administrator for a transfer-in quotation. They will tell you how much additional service the transfer will buy in the Plan so you can decide whether to request a transfer.

The Administrator can’t advise you on transferring in benefits from other company or personal pension plans so we recommend that you take independent financial advice. We tell you how to find a local Independent Financial Advisor (IFA) on page 29. The Trustee may require you to take advice before considering a transfer in request.

If you save into another pension plan while contributing to our Plan, these benefits cannot be transferred into our Plan.

Annual Allowance

You can contribute to pension arrangements, as well as to our Plan, but there are some potentially relevant tax restrictions. Read our leaflet about the Annual Allowance to find out what the limits are.
Receive

Retirement benefits

As a member of the Plan, you’re building up valuable benefits for when you retire. These benefits are linked to your earnings and how long you’ve been a member.

When can I take my pension?

The Plan’s normal retirement date is your 65th birthday. But you could take your pension before or after then.

You may also be able to take your pension if you have to retire early because of ill-health or an accident.

Retirement is a big change

To help you prepare for life after work, the Company runs regular pre-retirement courses you can attend when you’re approaching the Plan’s normal retirement date or your chosen retirement date. The course covers making the transition from work to retirement, as well as financial planning support. Details of course dates can be accessed on the UK HR intranet.
Retiring at 65

Let’s look at how your pension is worked out if you want to retire at 65 (or later if you continue working and stay in the Plan):

If you retired at 65 with 19½ years’ service and the last 12 months’ pensionable salary of £35,000, your pension would be:

Step 1  
\[
\text{Accrual Rate} \times \text{Salary} = \text{Step 1 Result}
\]

Step 2  
\[
\text{Service} \times \text{Multiplier} = \text{Step 2 Result}
\]

Step 3  
\[
\text{State Pension Offset} = \text{Step 3 Result}
\]

A - B = Your Pension

* This figure could include additional service, arising from a transfer into the Plan, for example.

† The State Pension deduction is called the ‘State Pension Offset’, the maximum State Pension Offset is the value of the New State Pension.

Some circumstances, such as an exceptional increase in pensionable salary may cause the amount of pension you build up in any one year to be capped due to having reached the HMRC standard Annual Allowance of £40,000 per tax year after taking into account any unused Annual Allowance from the previous 3 years. To find out more see the Annual Allowance factsheet. If your pension benefit is capped when you are ready to take it, the Company will currently make up the difference between the capped and uncapped benefit from its own resources.

**Did you join before 1 January 1989?**

If you are a woman your position was safeguarded when the Plan’s retirement age changed. For men this was not as comprehensive.

**Did you join before 6 April 2016?**

If so the State Pension Offset is calculated as follows:

\[
\frac{1}{49} \times \text{Basic State Pension} \times \text{Years of Pensionable Service up to 5 April 2016}
\]

\[
\frac{1}{35} \times \text{New State Pension} \times \text{Years of Pensionable Service from 6 April 2016}
\]
The Plan gives you and your beneficiaries valuable benefits based on the last 12 months of your pensionable salary, but you may find when you come to retire that you’d like more flexibility in how you receive those benefits.

From April 2015, members of defined contribution pension plans, such as personal pension plans or the AVC scheme, aged over 55 can take all of their defined contribution pension savings as cash. However, unless taken as part of the tax-free cash from the Plan, you would receive 25% tax free and pay tax on the remaining 75% lump sum payment at your marginal rate.

It is possible to take just one AVC cash withdrawal after age 55 and leave the remainder in the Plan until retirement.

After the first cash withdrawal no new AVC savings can be paid into the Plan, although you can continue to make savings outside of the Plan into a personal pension plan.

You do have the option to transfer your benefits, both AVC and Plan benefits, out of the Plan to a personal pension plan or other defined contribution pension plan. However, you must have received independent financial advice from a regulated Independent Financial Adviser (IFA) before you apply to transfer your pension out of the Plan.

Partial Transfer Out at Retirement

At the point of retirement you are able to transfer a portion of your defined benefit pension to a defined contribution plan (Partial Transfer). This will enable you to utilise some defined contribution freedoms in retirement whilst retaining a base regular pension income from the Plan.

Retiring before your State Pension Age

A Temporary Early Retirement Allowance is paid if you retire before your State Pension Age. This allowance is equal to the State Pension Offset applied to your pension as part of the calculation of your benefit.

When you get to your State Pension Age, the Temporary Early Retirement Allowance stops, as you will be eligible to receive your State Pension. The allowance is included when calculating how much of the Annual Allowance and the Lifetime Allowance you have used.

Retiring early

You can retire at any time from your 55th birthday, but your pension will be reduced, depending on your age, because it’s likely to be paid for longer:

Age 60+

You would need to give the Company one month’s written notice of your plans, so that there is time to replace you or to reallocate your work.

Your pension won’t be reduced. It will be based on your last 12 months’ pensionable salary and your actual pensionable service.

Age 55 – 59

You would need to give the Company three months’ written notice of your plans, so that there is time to replace you or to reallocate your work.

Your pension will be based on your last 12 months’ pensionable salary and pensionable service up to when you retire. It is then reduced by a ‘discount’, depending on your age in years and months. Current standard early retirement discounts for members in employment are listed here.

<table>
<thead>
<tr>
<th>Retirement age</th>
<th>Discount</th>
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<tbody>
<tr>
<td>59</td>
<td>-5%</td>
</tr>
<tr>
<td>58</td>
<td>-10%</td>
</tr>
<tr>
<td>57</td>
<td>-15%</td>
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<tr>
<td>56</td>
<td>-20%</td>
</tr>
<tr>
<td>55</td>
<td>-25%</td>
</tr>
</tbody>
</table>

Please note: you could give less than three months’ notice between 55 and 60 but your pension will be reduced by higher discounts. You can find out more from the Administrator, but here is an indication of the kind of discounts you could incur:

- 6% discount at age 59
- 30% discount at age 55

If you leave the Company before 55, your benefits will stay in the Plan as a deferred pension until you retire. However, if you joined the plan before 6 April 2006 you can take your pension, with a reduction for early payment, from age 50.
If I retire early, when will I get my State pension?
You won’t get your State Pension until you reach State Pension Age. But the Plan will pay you a Temporary Early Retirement Allowance until your State Pension can be paid. You can see how the allowance is worked out above.

If I retire early, can I still have a tax free cash lump sum?
Yes, and you can read about how this is worked out below.

Medical retirement
If you can’t work at any age, because of illness or an accident, the Company can ask the Trustee to consider if you are eligible to receive an immediate pension based on total or partial disability. You must have two years’ service to be considered. Further information is available from HR Direct and the Medical retirement factsheet.

How is my pension paid?
Your pension will be paid every month in advance. Income tax will be deducted before it is paid.

Please make sure the Administrator has your bank account details, as well as your home address and email (if you have one), in case they need to contact you about your pension.

If you want your pension paid to an overseas bank account, an administration charge will be deducted from each pension payment to cover costs.

You will also be required to participate in an annual ‘Proof of Life’ exercise if you are paid or live outside the UK, or if the bank account into which your pension is paid is not in your own name.

Will my pension increase?

Pension built up after 6 April 1997
This part of the pension will automatically increase by Limited Price Indexation (LPI) each April after you retire. The increase will be in line with the annual percentage change in the Retail Prices Index (RPI), up to a maximum of 5% for service up until 5 April 2006 and 2.5% for service after that.

Pension built up before 6 April 1997
The way this part of the pension increases is worked out differently. This is because, in general, only a portion of this gets statutory increases. See page 24 for details.

In addition to statutory increases, which are laid down by law, the Company may, at its discretion, pay further increases.

Taking part of your benefits as cash
You can exchange part of your pension at retirement for a tax-free lump sum, subject to HMRC limits. The most you can currently take tax-free is around 25% of the HMRC value of your benefits, so long as you don’t exceed the lifetime limit on the capital value of benefits, called the Lifetime Allowance.

Taking part of your benefits as cash is sometimes called ‘commuting’ your pension or ‘commutation’.

How much pension will I have to give up?
The amount of pension you give up for the lump sum depends on your age, gender, and when you completed your pensionable service. The factors used reference these aspects and are also updated for market conditions monthly. For example with a factor of 18 and a pension of £20,000 pa, if the member chooses to exchange (commute) 25% of their pension then they will receive a pension of £15,000 pa and a cash lump sum of £90,000.

If I pay AVCs, can I take these as a lump sum?
Your AVC fund is a type of defined contribution plan and as such you have the freedom to take your pension savings in one of several ways:

• Use the AVC funds towards your tax-free cash when drawing main Plan benefits.
• Receive one lump sum cash payment, 25% of which would be paid tax-free and the rest at your marginal rate.
• Use the AVC fund to buy an annuity (an income for life).
• Transfer your AVC fund out of the Plan.

To find out more please see our factsheet: Boost your benefits

www.exxonmobilpensions.com
Reinforce
You will get your State pension when you reach State Pension Age. In April 2016 a single-tier pension was introduced replacing the previous two parts making up the State pension.

State Pension Age
This is when you can start to take the Basic State Pension. It is currently 65 for men and increasing to 65 for women by October 2018.

State Pension Age will gradually increase from 65 to 66 towards the end of 2018 onwards to late 2020.

And then between 2026 and 2028, it will gradually increase to 67. In future it will rise in line with improvements in how long people typically live.

You can check your State Pension Age at www.gov.uk/calculate-state-pension

State Pension
You will get this as long as you have paid enough National Insurance contributions. This is paid by government directly to you and is separate from the Plan provision.

Single-tier pension
From April 2016, the State Pension changed to a new single-tier State Pension and the Plan will no longer be contracted out of the State system. If you have pensionable service before 5th April 2016 you will have earned an amount towards the Basic State Pension. This will be taken into account as part of the ‘foundation amount’ of pension from the state calculated as at 5th April 2016. From 6th April 2016 you will build up further State Pension under the single-tier State Pension system.

State Pension statement
The State Pension Forecasting Team can tell you, in today’s money, how much State Pension you’ve earned already and how much you can expect at State Pension Age. You can get a statement online at:
www.gov.uk/check-state-pension

or by contacting the team at:
Future Pension Centre
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU
Tel: 0345 300 0168

Want to know more?
You can find out more about State Pensions at www.gov.uk/new-state-pension
Reflect
Death benefits

As well as providing valuable retirement benefits for you, the Plan also provides financial security for your dependants when you die.

If you die while still working for the Company

Cash lump sum

A lump sum of three times your pensionable salary at the time of your death will be paid if you die in service. It will be paid tax-free as long as it doesn’t exceed the Lifetime Allowance.

The Trustee has discretion to decide who receives your death benefit lump sum. However, if you leave an eligible spouse, civil partner and/or dependant children, they will normally receive your death benefit automatically. If you want the Trustee to consider others it’s really important to let them know your wishes by completing an expression of wish form and returning it to the Administrator.

You can tell us who you would like to receive your death benefit on ePA www.epa.towerswatson.com/doc/XOM/login.htm or download an expression of wish form from the HR intranet, complete it and return it to the Administrator.

Please note: If you pay AVCs, you need to complete a separate AVC expression of wish form to tell the Trustee who you would like your AVCs to be paid to. If you don’t complete an AVC expression of wish form, your AVCs will be paid to your personal representatives. If you die before age 75 your dependants or personal representatives will be able to withdraw the full value of your fund without paying tax.

Spouse’s or civil partner’s pension

If you have an eligible spouse or eligible civil partner, they will get a pension of 50% of your projected pension. This will be based on your pensionable salary when you died and the pensionable service you would have had until normal retirement date. Their pension is paid for life from the date you die, regardless of whether they remarry or register a new civil partnership.

Here’s an example:

Bill dies while working for the Company.
His projected pension would have been £8,760, so his widow would get a pension of £4,380 (50% x £8,760).

He had three eligible children, so they would each get a pension of £876 (10% x £8,760).

Bill’s pensionable pay was £25,000 so his lump sum death benefit would be £75,000 (3 x £25,000).

If you die leaving no spouse/civil partner, children or dependants, a cash lump sum equal to all of your SMART adjustments and own contributions, plus 3% a year interest, will be paid at the Trustee’s discretion to your estate.

Children’s pensions

Each eligible child you have will get a pension of 10% of your projected pension. If a spouse’s or civil partner’s pension is not being paid, your children’s pensions are doubled. The maximum total children’s pension is 50% of your projected pension if a spouse’s or civil partner’s pension is being paid, and 100% if not. Your children and/or spouse cannot receive more than 100% of your pension in total. This restricts the number of child beneficiaries to 5 children. If there are more than 5 children, the children’s pension is divided equally between them.

You can find the eligibility for children’s pension on page 18.
Who’s eligible to get my death benefits?

**Spouse or civil partner**

You must be legally married or have a legally registered civil partnership. A ‘common-law spouse/partner’ won’t qualify automatically. And:

- You must be living together when you die.
- If you marry after leaving the Company (or after normal retirement date, if you left the Company with a deferred pension), your spouse or legally registered civil partner only qualifies for benefits after six months of marriage/civil partnership.
- A spouse or registered civil partner may be eligible for benefits in other circumstances, if they satisfy the contracting-out regulations. You should contact the Administrator for more details.

**Children**

Your child must be:

- born or conceived before you terminate your active membership of the Plan and adopted or stepchildren must also have become yours before this point, and
- either living with or receiving substantial financial support from you when you die, and
- under 18, or under 23 if in full-time education or training when you die.

**Anyone else?**

If you don’t leave a spouse, civil partner or children the Trustee may, at its discretion, award a dependant’s pension. The Plan rules state that the Trustee has to be satisfied that the person being considered was financially dependent on you when you died. For example, this could be if you and your partner are not married and they can’t provide for their own financial security.

If you want to check if someone can be considered a dependant, please contact the Administrator. The Trustee will base its opinion on your current situation but this will not be binding because the final decision will be based on the circumstances when you die.

What if my dependants don’t qualify for a pension?

You may feel responsible for people who do not meet the Plan eligibility or dependency rules and so are not eligible to receive a pension. If you are an employee, you may consider using the expression of wish form to nominate them for a death in service benefit payment, otherwise you should consider alternative provision from your own resources.

If you die after you’ve retired

**Spouse’s or civil partner’s pension**

If you die after you’ve retired, the Plan will still provide financial support for your family (see the eligibility criteria). Your eligible spouse or civil partner will get 50% of your full pension before any discount for early retirement (see page 12) or any pension you gave up for a lump sum (see page 13), but it won’t include any Temporary Early Retirement Allowance.

If your spouse or civil partner is 20 or more years younger than you, the Trustee will reduce their pension.

**Cash lump sum**

In most cases, if you die after normal retirement age and before your 75th birthday, a cash lump sum of two months’ worth of your pension will be paid. This will include the pension you gave up for a cash lump sum at retirement and will be between £600 and £2,500.

However, if you die within five years of retirement and before age 75, a bigger lump sum benefit may be paid:

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<table>
<thead>
<tr>
<th>five years’ pension (at the date you died)</th>
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<td></td>
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<tr>
<td>The total of all pension payments</td>
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<tr>
<td>you received before you died</td>
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<td></td>
</tr>
<tr>
<td>The total due to your spouse/dependant</td>
</tr>
<tr>
<td>until the end of the 5 years*</td>
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*Calculated at the rate of pension immediately after you died.
The lump sum can be paid tax-free, as long as the Trustee has the final say on who gets the money. This would normally be your spouse, civil partner or children. If you have no eligible beneficiary, the Trustee may pay it to someone else. If there is more than one beneficiary, the Trustee will decide who gets the benefit and in what proportions.

**If you paid AVCs**

If you used all of your AVCs to provide a lump sum at retirement or bought an annuity (income for life) then no further AVC benefits would be paid if you die. If you didn’t use all of your AVCs, a check is done to see whether there’s any money left in your AVC account after all payments made to you have been deducted (including the cost of providing a dependant’s pension if you requested this). Any money left would be paid as a lump sum, taking into account your wishes, or to your personal representatives. If you die before age 75 any remaining AVC funds would be paid to your dependants or estate free of tax.

**What if a pension payment is made after I die?**

Your Plan pension stops when you die, although it will be paid for the rest of that month. If we receive notification of your death too late, or if extra pension payments are made for any other reason, the Administrator must recover the overpayment. This is a legal requirement.

**If you die after leaving the Company but before you retire**

No death benefit cash lump sum is paid if you’re under 65 and have a deferred pension, whether you’ve started to take it or not. If you’re over 65 when you die, a lump sum equal to two months’ pension is paid (as explained on page 18).

Your spouse or civil partner will get 50% of your pension. A dependant’s pension or children’s pensions may also be paid. If you die before taking your pension and don’t leave a spouse, civil partner, eligible children or dependants, a cash sum equal to your SMART adjustments and own contributions, plus interest up to the date of your death may be paid to your personal representatives.

**Pension overpayments**

It’s illegal to continue to take the pension of a member who has died. The Trustee has to act in the best interests of all members, protect their benefits and guard against the funds being taken illegally. People can be prosecuted if they defraud the Plan by claiming benefits that are not due to them.

**Proof of life**

It’s important that the Administrator is notified as soon as possible if a Plan pensioner dies, so that any dependants’ benefits can be paid and pension overpayments avoided.

By law, the Trustee has to make sure that payments are only made to eligible beneficiaries. Pensioners may be asked to complete a ‘Proof of Life’ certificate, which needs to be signed by an independent and responsible third party or to comply with other identification requirements.

The request will be sent to your last known address and, if it isn’t returned, pension payments will be suspended. So you must let the Administrator know if you change your address. Pensioners may also be required to register with an overseas agent in person.

If payments are made to overseas bank accounts, or if the pensioner lives overseas, a ‘Proof of Life’ certificate is requested annually.
Leaving the Company or the Plan

Your options on leaving vary depending on your circumstances.

Leaving the Company

If you leave the Company, you will have to leave the Plan. You will be classed as an ‘early leaver’ unless you take your pension immediately.

What happens to my pension?

That depends on how long you’ve been a member of the Plan.

If you opt out of the Plan after being automatically enrolled

You must complete a valid opt-out notice within one month of joining the Plan or receiving the automatic enrolment information. Your SMART adjustment or contribution will be returned and you will be treated as never having been a member.

If you leave with less than three months’ qualifying service

As you won’t have had enough service to build up a Plan pension, you’ll receive a refund of the SMART adjustment or contribution.

If you leave with more than three months’ but less than two years’ qualifying service

You won’t have had enough service to build up a Plan pension, but you will have a choice of either:

• Using the money you’ve contributed to the Plan to buy you back into the State Second Pension for the period of service prior to 6th April 2016. The cost of doing this will usually be more than the amount you’ve paid into the Plan (but you won’t have to pay any more money). For the SMART adjustment or contributions you made for the period of service after 6th April 2016 you’ll receive a refund of the SMART adjustment or contribution.

OR

• Transferring a Cash Equivalent Transfer Value to another pension scheme, for example an insurance company or other organisation that can receive transfers in. The way the transfer value is calculated is legally defined.

You have to notify the Administrator of your choice within three months of leaving the Company. If you don’t, the Trustee will buy you back into the State Second Pension for the pensionable service period before 6th April 2016 and will refund your SMART adjustment or contribution for the service after this date.

If you leave after two or more years’ qualifying service

You will be entitled to a pension at your normal retirement date. It will be based on your last 12 months’ pensionable salary and pensionable service when you leave the Plan, and then increased each year to take account of inflation. This is called a deferred (or preserved) pension. You can take this when you reach 65, or 60 if you left after 23 March 1997, without any reduction. You can take your pension earlier but it may be reduced. You can find out more about early retirement reductions from the Administrator. The reductions vary from time to time, but for leavers after 1 December 2006 it is currently 6% a year for each year of retirement between 55 and 60. The Temporary Early Retirement Allowance will be paid if you take your pension before State Pension Age – this would also be reduced for early payment.

How does a deferred pension increase?

Your deferred pension will be increased each year between the date you leave and when you start taking it. The rules for calculating deferred pension increases have changed a few times, and the prevailing rules at the time apply to pensionable service built up during these previous periods.
If you joined the Plan after 6 April 2009 your deferred pension increases each year between the date you left and your retirement date by the lower of 2.5% or the percentage rise in the Consumer Prices Index (CPI). Different increases apply to any pension earned from other periods of service including the Guaranteed Minimum Pension element of your pension; for more information see page 24.

If you joined before that, you can find more information on page 24.

Can I transfer my benefits into another pension plan?
Yes, as long as the new plan is a registered pension arrangement and willing to accept the transfer payment. Or you can transfer the value of your benefits to a personal pension or another form of insurance policy called a ‘buy-out’ policy. There are risks involved so you should take regulated independent financial advice.

If you are planning to transfer your Plan benefits to a personal pension or other defined contribution arrangement the Trustee will need confirmation that you have received regulated independent financial advice before you will be able to proceed with a transfer.

The amount that would be transferred is the value of your deferred pension; that is, an estimate of how much money the Trustee would have to set aside now to pay your deferred pension when you retire. You can get a transfer value quotation, free of charge, once a year from the Administrator. This would be guaranteed for three months and is called a Cash Equivalent Transfer Value.

Please note: The figure quoted might not buy you the same amount of pension with another pension plan provider. The new provider will tell you what benefits can be bought with the money and it’s then up to you to decide whether to go ahead with the transfer. You have the option to transfer out your benefits up to normal retirement date, or your chosen retirement date if this is earlier or later.

Leaving the Plan

Can I leave the Plan without leaving the Company?
You can leave the Plan at any time, even if you’re still working for the Company. If you’re considering this option, you should take regulated independent financial advice and contact HR Direct before leaving the Plan. You will still be covered for the lump sum death benefit, but not for any other benefits.
Reassure
Periods of absence

Statutory leave (e.g. maternity, adoption, shared parental leave). Please refer to the relevant Guidelines.

If you return to work after your statutory leave, you will have a SMART adjustment or start paying contributions again as normal. Your paid statutory leave will be treated as full pensionable service. Your Smart adjustment is calculated on your total pay received including statutory pay and your family pay is then adjusted downwards. No adjustment is made when you are only receiving statutory pay. If you also want any period of unpaid leave to count as pensionable, you can pay extra contributions; however you must tell us you want to do this within 12 months of returning to work. If not, you won’t be able to pay the extra contributions.

Career breaks

You may be able take a career break, in the expectation that you return to work for periods during the break and return permanently at the end of it.

When you start a career break, you resign from the Company and stop being a member of the Plan. The benefits you have already built up can stay in the Plan and become deferred. If you return for periods of temporary or fixed-term employment, you can re-join the Plan and make contributions during each period of employment to build up additional benefits.

When you come back to work permanently, you can ask for your service to be treated as continuous each time you return to employment during a career break. However, your deferred benefit may be worth more, particularly if the job you’re doing during your career break is paid less than your pay when you started your career break.

Please note: If previous periods of service are not treated as continuous you will have separate tranches of pension from the Plan pre and post career break. Pre career break a deferred benefit based on service and your last 12 months’ pensionable salary up to the time the career break was started this will increase in deferment as for a standard leaver. Post career break a pension based on service from the date you return to work and rejoin the Plan and your last 12 months’ pensionable salary at retirement or subsequently leaving the Plan.

Illness or injury

Your Plan membership will continue and your absence counts as part of your pensionable service. Your SMART adjustment or your pension contributions are deducted from your Company sickness benefit, unless you ask for them not to be.

If you go to zero pay, or choose to stop contributing to the Plan during sickness absence, your service will be counted as ‘days of non-contributory service’. These don’t count as part of your pensionable service.

What if I don’t return to work?

You will be treated as having left the Company when your pay stopped. Find out more on page 20.
**Additional information**

For Members who joined before 6 April 2006

This section describes changes made to the Plan that affect you. If you have any questions, please contact the Administrator.

**Impact of Age Discrimination Regulations from 1 December 2006**

You can continue in employment after normal retirement age and your Plan membership will continue.

**Change in tax and pension law from 6 April 2006**

After 6 April 2006, you can contribute to as many pension plans as you like while contributing to the Plan.

Since 5 April 2010, by law you are no longer able to take your pension before 55. However, if you joined the Plan before 6 April 2006 you keep your right to take your benefits from 50, subject to a reduction.

**Contracting-out of the State Earnings Related Pension Scheme (SERPS) in 1997**

The rules for contracting-out of SERPS changed in April 1997. For each year before that, and going back to 1978 when contracting-out started, you have a Guaranteed Minimum Pension as part of your Plan pension. This Guaranteed Minimum Pension is roughly the same as the pension you would have earned in SERPS during your Plan membership.

At age 65 for men and 60 for women, checks are carried out to make sure that the level of your pension meets the statutory requirements of the Guaranteed Minimum Pension. Once you reach age 65, if you’re a man, or 60 if you’re a woman, the Guaranteed Minimum Pension element of your pension may be increased each year. The Plan pays the increases for the Guaranteed Minimum Pension you have built up after April 1988.

The Company may also pay discretionary increases on any pension above the Guaranteed Minimum Pension. These would be awarded to pensions in payment before you reach age 65 for men or 60 for women and would be applied to your entire pre-April 1997 pension. After State Pension Age, the Guaranteed Minimum Pension will receive statutory increases only.

**Equalisation legislation – 1994**

A number of changes were made to the Plan from 1 August 1994 so that benefits for both men and women were made equal, in line with European law.

For women who joined the Plan before 1 January 1989, one of the major changes was that the normal retirement date is now their 65th birthday, the same as for women who joined on or after 1 January 1989. All benefits built up before August 1994 are protected; one example is that you still have the right to retire from age 50.

The other major impact of equalisation legislation affects you if you take your pension early. The detailed calculations behind this equalisation are included in the early retirement quotes you can run from ePA.

**Additional information for Heritage Mobil employees**

If you’re a Heritage Mobil employee who transferred and joined the Plan, you’re entitled to benefits under the Plan for your Mobil Pension and Dependents’ Benefit Plan (Mobil Plan) pensionable service before your transfer date.

This transferred service includes any past Mobil pensionable service and pensionable service that was transferred into the Mobil Plan before the merger.

Your benefits from the Plan will be calculated as described in this guide and be based on both your Mobil Plan and Plan pensionable service as if your service was continuous.

You will also have protected benefits that relate to your Mobil Plan pensionable service.
General information

This section gives general information about the Plan and how it’s run.

This guide is only a summary of the Plan for active members. If you’re unclear about anything, please get in touch with the Administrator. Although they can explain the Plan, they can’t give you advice. If you need help making decisions about your pension, we recommend that you get independent financial advice.

The information in this Guide and other fact sheets is based on current law and tax regulations, which will be subject to change.

The legal documents that govern the Plan are the Trust Deed and Rules. If there are any differences between the information in this guide and the Trust Deed and Rules, the Trust Deed and Rules will override this guide. If you want a copy of the Trust Deed and Rules, you can ask the Administrator for a copy.

The Trustee

The Plan is run by a trustee company, ExxonMobil Pension Trust Limited. There are six directors; four are appointed by the Company and two are nominated by Plan members. As well as looking after the Plan’s assets, the Trustee must act in the best interests of all members and beneficiaries, in line with the Trust Deed and Rules.
How the Plan is financed
Contributions are paid into the fund managed by the Trustee. This fund is separate from the finances of the Company. The Trustee sets the investment policy and objectives, and produces a Statement of Funding and Investment Principles. The Trustee also appoints external professional investment managers, who are responsible for implementing the investment policy.

The Company Treasurer’s department advises the Trustee and manages the external managers on their behalf. You can find more information about the Plan’s finances in the Annual Report and Accounts, and the valuation reports prepared for the Trustee by the actuary. You can get a copy on ePA or from the Administrator.

Every year, we send members an update on the Plan, including a Summary Funding Statement.

How the Plan is run
The Trustee has a number of Service Agreements for the administrative services needed to operate the Plan. The benefits and payroll administrator keeps all the records, calculates the pension benefits and makes benefit payments. All regular pension payments are made by the Administrator. The Trustee Board, together with the Company Pensions Manager agree how the Plan should be run and checks that the Plan complies with all relevant codes and guidance from the Pensions Regulator. Where a Trustee discretion is to be exercised regarding individual cases, the Trustee Board decides what action to take. In some circumstances, as in medical cases, the Trustee receives professional advice to help this process.

Plan changes
The Company can change or even stop the Plan at any time. However, by law, no changes to the Plan can be made that will reduce the value of the benefits members have already built up. The Pensions Act 2004 requires the Company to consult with members if major changes are proposed. If the Plan ends, the Trustee will use the Plan’s assets to provide members with their accrued benefits, as laid down in the Trust Deed and Rules, in full if possible.

The funding arrangements for the Plan aim to make sure that the value of the assets will be enough to pay pensions currently in payment and the pensions members have built up, when they are due.

Divorce or dissolution of a civil partnership
If you get divorced or dissolve your civil partnership, your pension rights from the Plan may be taken into account in a settlement, along with the rest of your assets. The solicitor dealing with your divorce or dissolution should ask for details of your pension rights, which you can get from the Administrator. Divorce or dissolution of a civil partnership can divide or allocate assets in a number of ways, including:

Pension Sharing Order
This effectively shares your pension entitlement; usually up to the point you divorce or dissolve your civil partnership. The law in Scotland is different but the principle is the same.

Where a pension credit is granted to your ex-spouse or ex-civil partner, the credit must be transferred out of the Plan. They have to notify the Trustee of the pension plan that is accepting the Cash Equivalent Transfer Value before it is implemented.

If you’re going to receive a pension credit from your ex-spouse or ex-civil partner, you will need to make arrangements outside of the Plan because the Plan doesn’t accept transfer values for pension credits.

Please note: If a Pension Sharing Order is implemented when a pension is being paid, in almost all circumstances you will have to repay part of the pension you received between the effective date and the date the Sharing Order was implemented.
Attachment Order (‘earmarking’ pensions)

The couple agrees, or a court can order, that part of your pension is ‘earmarked’, that is set aside to be paid to your ex-spouse or civil partner. When you retire, part of each pension payment would then be paid to your former spouse or civil partner. If the pension is transferred, the court order goes with it. If you die, the pension stops. If your ex-spouse or ex-civil partner remarries, the ‘earmarking’ order is null and void. The law in Scotland is different but the principle is the same.

Following the transfer, the two elements of the pension are treated entirely separately.

Charges

If you ask for a value of your pension benefits, you won’t generally be charged for your initial request. However, you will need to pay for additional administration work relating to Pension Sharing Orders. Please contact the Administrator for details of the current charges. The costs may be paid to the Plan or deducted from benefits.

Anything else?

If the courts make an order it is binding on the Trustee and the Administrator will implement all valid court orders. It’s essential that you take your own legal advice to make sure you understand the implications and effect of the court order’s implementation.

Disputes

The Administrator is your first point of contact for enquiries. If you have any concerns about how long they’ve taken to respond to you, or you don’t understand or agree with the answers you get from them, the Administrator will try to resolve these issues. If they can’t, or you think the matter should be referred to the Company, please contact HR Direct.

Internal Dispute Resolution Procedure

The Trustee has an Internal Dispute Resolution Procedure, which is available to members who have been unsuccessful in resolving their issue through the Administrator or the Company. This is a two-stage process, with a senior manager of the Company dealing with the first stage, followed by a right of appeal to the Trustee Board. The Trustee’s decision will be made in the context of the Plan Trust Deed and Rules and prevailing legislation.

The Procedure is open to all members (active, deferred, and pensioners), potential members, spouses, civil partners, dependants and those who believe they should fall into one of those categories. If you have a dispute or complaint, you should contact the Company Pensions Manager or the Administrator who will send you a form to start the Procedure.
The Pensions Advisory Service

The Pensions Advisory Service helps people with problems they’re experiencing with a pension plan and is an additional source of advice and help to members, independent of the Company and Trustee. The Service has a network of volunteer advisers who can answer questions and try to resolve the problem. They can also help with the Internal Dispute Resolution Procedure and will tell you if they think that someone other than the Pensions Ombudsman should deal with the matter.

The Pensions Ombudsman

If the Pensions Advisory Service recommends that you make a complaint to the Pensions Ombudsman, they will help you. In fact, the Ombudsman will generally expect you to have sought the Service’s help before asking it to investigate a complaint. The services of The Pensions Advisory Service and the Pensions Ombudsman are free.

The Ombudsman investigates and decides on complaints and disputes about the way that pension plans are run. The Ombudsman’s decision is final and binding on all the parties and can be enforced in the Courts. The decision can only be changed by appealing to the appropriate court on a point of law.

Any complaint or dispute should always first be taken up in writing with the people or bodies you believe are at fault, through the formal Internal Dispute Resolution Procedure. If the Trustee has not been given the opportunity to issue its decision, the Pensions Ombudsman cannot deal with the matter. The formal internal dispute resolution requirement doesn’t apply to employers or administrators, but you should always try and resolve issues with them in writing.

Data protection

The Data Protection Act 1998 (the ‘Act’) governs the processing of personal data in both electronic and paper formats. Esso Petroleum Company, Limited (EPCo) and ExxonMobil Pension Trust Limited (EMPTL) will process personal data relating to you in connection with the administration of the Plan, which includes, for example, using your personal data to calculate and pay benefits or for statistical and reference purposes. EPCo and EMPTL may disclose personal data to third parties, such as payroll and pensions administrators, who are contractually obliged to process such data in accordance with EPCo or EMPTL data protection requirements. Your personal data may be disclosed to and processed by other ExxonMobil Group companies, anywhere in the world for any of the above purposes. ExxonMobil Group companies have entered into an agreement so that the processing of your personal information within the ExxonMobil Group will be carried out in accordance with the principles contained in the Act. The personal data held will be retained for as long as is necessary regarding your membership and the administration of the Plan. The Act sets out a number of rights, including:

- your right of access to personal data by application to the administrator - this may involve the payment of a small fee
- your right to prevent processing which is likely to cause damage or distress, and
- your right to have inaccurate data corrected or erased.
The Administrator

Please include your Employee Reference or pension number when you contact the Administrator, as it will help them to trace your record quickly. They will aim to get back to you as soon as they can. Where they can't provide a response on the phone, they will generally respond within 5–10 working days, although it may take longer if additional information is needed. Any information you give to the Administrator is treated confidentially.

ExxonMobil Plan Administrator
Willis Towers Watson Limited
PO Box 545
Redhill Surrey
RH1 1YX
Tel: 01737 788162
Email: exxonmobiluk@willistowerswatson.com

ePA

Check your personal details online and produce quotations of future benefits at:
www.epa.towerswatson.com/doc/XOM/login.htm

Independent Financial Advice

By law, the Trustee and the Company can't offer financial advice about your pension so you should consider speaking to an Independent Financial Adviser (IFA). You can find local IFAs at:
www.unbiased.co.uk

IFAs will charge a fee for any advice given.

The Pensions Ombudsman

If the Pensions Advisory Service fails to resolve your dispute, you can ask the Pensions Ombudsman to investigate.

11 Belgrave Road
London
SW1V 1RB
Tel: 020 7834 9144
Email: enquiries@pensions-ombudsman.org.uk

The Pensions Advisory Service

They give help and advice on all pension matters apart from State pensions. The Service is available to anyone who thinks they have pension rights and covers current and past scheme members, pensioners and dependants. They will also help members and beneficiaries with a pension query or any difficulty that they have failed to resolve with the Trustee. You can contact the Service through your local Citizens Advice Bureau or directly at:

11 Belgrave Road
London
SW1V 1RB
Tel: 0845 601 2923

The Pensions Regulator

The Regulator has powers to protect funds held in pension plans. It aims to identify plans at risk and work with them to get back on track. The Regulator can intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. It also aims to promote high standards and good practice in the pensions industry.

Napier House Trafalgar Place
Brighton
BN1 4DW
Tel: 0870 606 3636
Email: customersupport@thepensionsregulator.gov.uk

Pension Wise

A free and impartial government service that helps you understand your pension options. It provides a guidance guarantee with telephone and face to face guidance.

www.pensionwise.gov.uk

Money Advice Service

You can also get free and impartial advice and information about your finances, including pensions, from the Money Advice Service.

www.moneyadviseservice.org.uk/en
Reference

Pension terms explained

“There are various words and phrases used throughout this guide which you may not be familiar with, or may have different meanings to their usual ones.”

Actuary
A professional who estimates the Plan’s needs for long-term finance. They produce actuarial valuation reports and a certificate about the Plan’s funding every year.

Civil partner
Someone you have registered a civil partnership with under the Civil Partnership Act 2004.

Company
Esso Petroleum Company, Limited, or in some circumstances another UK member company. (ExxonMobil Chemical Limited or International Marine Transportation Limited).

Dependant
Someone who may be eligible for death benefits or pension, generally at the absolute discretion of the Trustee.

Disability conditions
• Total disability
  If you are permanently and totally incapacitated to the extent that you can’t undertake any meaningful employment in the future.
• Partial disability
  If you can’t perform your current role, or any other equivalent role, for any member company for medical reasons, on a long-term basis.

This is after reasonable adjustments have been made and training (taking experience, current location and any other location at which you could contractually be required to work into consideration) has been given.
To find out how a total or partial disability pension is calculated, please read the Medical Retirement Factsheet.

Employer
The company employing you and, if participating in the Plan, a member company.

Member Company
Currently Esso Petroleum Company, Limited is the principal employer. ExxonMobil Chemical Limited and International Marine Transportation Limited are also member companies. Eligible employees of any member company may join the Plan.

Nominated beneficiary
Someone (other than your spouse/civil partner or children under 18) who you have nominated to be considered for your death benefit lump sum or, as a separate nomination, your AVCs.

Normal Retirement Date (NRD)
Your 65th birthday. However, you could retire earlier, as explained on page 12. You can work after NRD and to continue to build up pension, however the Company doesn’t allow you to increase your benefits in the Plan whilst taking your pension.
Pensionable salary
The part of your pay used to work out your contributions and benefits. It is your basic wage or salary determined by the Company. It excludes overtime, bonuses and allowances but includes specified salary sacrifice and shift pay. Shift pay is treated slightly differently from base pay to ensure that you receive value for periods of shift work in the past, even if you’re not on shift now. This is explained in more detail on page 9. Plan benefits are generally based on your last 12 months’ pensionable salary, even if you have been receiving sick pay.

Pensionable service
The number of years and months that are used to calculate your benefits. If you receive no pay for a period, this will count as ‘days of non-contributory service’ and will not count when your benefits are calculated.

Recovery charge
Benefits in excess of the Lifetime Allowance will be subject to an additional tax recovery charge.

Registered pension arrangement
The Finance Act 2004 introduced this term for tax-advantaged pension saving that includes occupational pension plans (such as the Plan), group personal pension plans, self-invested personal pension plans and free-standing AVCs.

SMART adjustment
SMART adjustment is a way of making a contribution to the Plan by reducing your annual salary. The Company then pays this reduction and its own contribution into the Plan. You receive a correspondingly reduced salary and consequently pay less National Insurance.

You can opt out of SMART within one month of joining the Plan. You may also be able to opt out of SMART if your salary decreases and this may mean that you will be at a disadvantage from remaining in SMART.

You can get more information about this from HR Direct.

Spouse
A husband or wife to whom you are legally married (but not a civil partner). This includes your husband or wife who you are legally married to under the Marriage (Same Sex Couples) Act 2014.