

myRetirement Plan

Choices guide

For members* of the Defined Benefit (DB) sections of:

- EDF Energy Generation and Supply Group of the ESPS (EEGS),
- British Energy Generation Group of the ESPS (BEGG), and
- EDF Energy Pension Scheme (EEPS).

MAY 2021



* This excludes members with a protected right to future final salary benefit accrual and Defined Contribution (DC) Only members.

Welcome to your myRetirement Plan choices

You're invited to join a Defined Contribution (DC) retirement savings plan called 'myRetirement Plan'.

Before you join, there are some important decisions for you to make using the modeller before **17:00 on 15 June 2021**, including:

- when you'll join myRetirement Plan,
- how much you'd like to contribute, and
- how you'd like to receive your transition payment.

This guide provides important information about myRetirement Plan, the options available to you during the choices window, and the resources available to support you as you make these choices. You may want to talk to family members about the choices you plan to make so please don't leave it too late to start looking at the modeller.

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What do I need to do?

- ✓ **Read** this guide and access further support on [eNZO](#) (or the '[2021 choices hub](#)' off the EDF network)
- ✓ **Log on** to [myBenefits](#), using your usual login and password – your username is your EDF employee number or your EDF email address
- ✓ **Click** on 'myMoney' then click '2021 Pension Choices Modeller'
- ✓ **Explore** your choices
- ✓ **Submit** your choices no later than **17:00 on 15 June 2021**

About myRetirement Plan

myRetirement Plan is a Defined Contribution (DC) Mastertrust savings plan (run by Legal & General (L&G)) that's designed to help you build up a pension pot which you can use flexibly at retirement.

How will it work?

On joining myRetirement Plan, a pension pot will be set up for you. Your pension savings will build up over time with employee and employer contributions that are based on a percentage of your pensionable pay. You can choose how to invest those contributions, and the value of the pot changes to reflect any investment returns. Retirement savings are a long-term investment, and investment performance can go down as well as up over time.



At retirement, the total savings in your pot are used to provide your retirement benefits, which could include:

- ✓ simply taking money out of the pot as and when it's needed, leaving the rest invested,
- ✓ taking part or all of it as a cash lump sum, some of which is (currently) tax-free, or
- ✓ buying an annuity from an insurer to give a guaranteed monthly income for the rest of your life.

What are the contribution choices?

You can choose from a range of employee and employer matching contribution tiers, as follows:

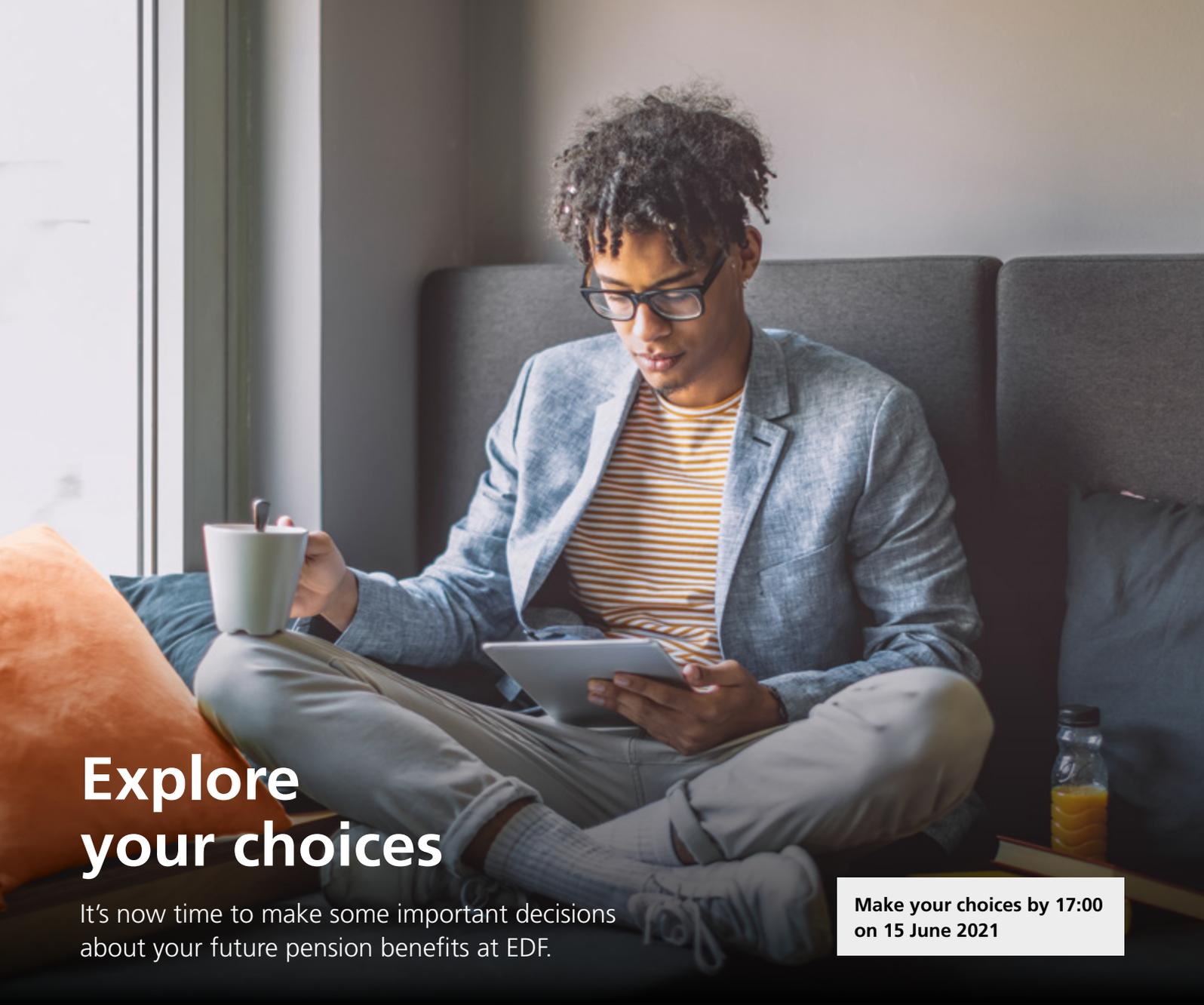
Tier	Employee contribution	Employer contribution	Total contribution
1	7.5%	15%	22.5%
2	6%	12%	18%
3 (default)	5%	10%	15%
4	4%	8%	12%
5	3%	6%	9%

Your contributions will be paid tax efficiently via Salary Sacrifice, unless you specify otherwise.

How will my savings be invested?

The default is that your pension savings will be invested in the Legal & General Target Date Fund, with the mix of investments chosen for you based on your target retirement age (TRA). The fund has been chosen by the Mastertrust Trustees as it aims to provide investment growth over the long term and is judged to be suitable for most members.

Once you join myRetirement Plan, you can choose another Target Date Fund or your own mix of investments from the full range of funds available, instead of the default. You can find more information about the investment choices available to you in the [Investment Guide on the L&G EDF microsite](#).



Explore your choices

It's now time to make some important decisions about your future pension benefits at EDF.

Make your choices by 17:00 on 15 June 2021

What are my choices?



Joining

When to join myRetirement Plan



Saving

The **contributions** you'd like to make and when you plan to retire



Boosting

How you'd like to receive your **transition payment**



Joining

When to join myRetirement Plan

- Choose to join on either 1 July 2021 or 1 January 2022.
- You'll continue building benefits in your current Defined Benefit (DB) Scheme until the day before you join myRetirement Plan.
- The date you choose to join will determine the amount of your transition payment.

If you don't make a choice, you'll join myRetirement Plan on 1 July 2021.



If you choose to join myRetirement Plan on 1 July 2021

Your transition payment will be 15% of your DB pensionable pay at 30 June 2021 (note that the modeller will illustrate this figure based on your salary as at 1 April 2021), subject to a maximum of £15,000. Transition payments will be pro-rated for employees working part time, however the minimum transition payment amounts (£2,500 or £5,000) apply to all employees.

- If you choose Tier 1 or 2 contributions, you'll receive a minimum transition payment of £2,500.
- If you choose Tier 3, 4 or 5 contributions, you'll receive a minimum transition payment of £5,000.*

* If £5,000 is higher than 15% of your DB pensionable pay, your next opportunity to choose Tier 1 or Tier 2 contributions will be 1 July 2023.



If you choose to join myRetirement Plan on 1 January 2022

If you choose to extend your time in your current DB Scheme to 31 December 2021, you'll receive a fixed transition payment of £2,500.

Employees with less than two years' service

If you've been a member of your DB Scheme for less than two years when you join myRetirement Plan, either on 1 July 2021 or 1 January 2022, you can choose to:

- Receive a refund of your contributions that you've paid into your DB Scheme (this amount won't be included in the modeller graph), or
- Transfer the value of your accrued notional benefits to a registered retirement benefit scheme.

To help show the impact of taking a transfer, the modeller will assume that you choose to transfer the value to myRetirement Plan. This information is provided to help you make choices about when to join myRetirement Plan, which contribution level to choose and how to take your transition payment. You won't need to decide whether to receive a refund of your DB Scheme contributions or transfer your notional DB Scheme benefits until after you leave the DB Scheme. At that time, Mercer will provide full details of your options and explain the choices you need to make.

If you've been a member of your DB Scheme for less than two years on 30 June 2021 but more than two years on 31 December 2021, you can still model the impact of each option if you choose to join myRetirement Plan on 1 July 2021. However, because you will have been a member of your DB Scheme for more than two years by 31 December 2021, your estimated pension from the DB Scheme will show in the 1 January 2022 column and you will not be able to model the impact of choosing a refund or transfer for this later joining date.



Saving

Your contributions to myRetirement Plan and when you plan to retire

- You have a choice of contribution tiers – which will also determine how much EDF contributes.
- You can choose to contribute more than this, but it won't attract employer matching contributions.
- You also need to tell us your target retirement age, as this will determine how your savings are invested on your journey to retirement.

If you don't make a choice, you'll join myRetirement Plan with 5% employee and 10% employer contributions. Your target retirement age will be the same as your DB Scheme's normal pension age, unless you're in CARE in which case it will default to age 65. If you're above your DB Scheme's normal pension age, myRetirement Plan will automatically default your target retirement age to your birthday after you join myRetirement Plan, plus one year.



Choosing your contribution rate

As explained on page 3, you can choose from five contribution tiers with a range of employer matching rates:

Tier	Employee contribution	Employer contribution	Total contribution
1	7.5%	15%	22.5%
2	6%	12%	18%
3 (default)	5%	10%	15%
4	4%	8%	12%
5	3%	6%	9%

You'll be able to change your contribution tier at any time after you join myRetirement Plan, subject to certain restrictions as set out in the 'If you choose to join myRetirement Plan on 1 July 2021' section on page 5.



Choosing your target retirement age (TRA)

When you choose your contribution rate you'll also be able to confirm the age at which you plan to retire – your target retirement age (TRA). The way your savings are invested will depend on how close you are to your target date, so it's important to actively choose your TRA and review it regularly.

On joining myRetirement Plan, your TRA will default to your DB Scheme's normal pension age unless you're in CARE, in which case it will default to age 65. If you're above your DB Scheme's normal pension age, myRetirement Plan will automatically default your TRA to your birthday after you join myRetirement Plan, plus one year. You can change this when you make your choices in the modeller.



Boosting

How you'll receive your transition payment

- You have the choice to receive your transition payment as a contribution free of Income Tax and National Insurance Contributions to boost your myRetirement Plan savings. If you choose this, EDF will enhance your transition payment by 10%.
- Alternatively, you can choose to take your transition payment as cash (subject to Income Tax and National Insurance Contributions).

If you don't make a choice, you'll receive your transition payment as cash.



If you choose to take your transition payment as a pension contribution

If you choose to have your transition payment paid directly into your myRetirement Plan pension pot to boost your retirement savings, it would attract a 10% employer enhancement to your transition payment (e.g., a £5,000 payment becomes £5,500) and would be made without Income Tax or National Insurance deductions. If you're a high earner or you also contribute to other pension arrangements, you'll need to be aware of how close you are to reaching the Annual Allowance as this could affect any tax relief you receive on your pension savings (for more information, visit [myPension](#)). You'd receive the payment into your pension pot the month following you joining myRetirement Plan – August 2021 or February 2022.



If you choose to take your transition payment as cash

If you choose to receive your transition payment as cash, it will be paid to you via payroll in August 2021 or February 2022, depending on the date you chose to join myRetirement Plan and will be subject to Income Tax and National Insurance Contributions at your marginal rate and may impact your eligibility for state means tested benefits.

You should also consider whether taking the transition payment as cash will take you into a higher tax band in the 2021/22 tax year. In 2021/22 you would pay tax at 20% on any earnings above £12,500, 40% on any earnings above £50,270 and 45% on earnings above £150,000 (different rates apply in Scotland). Please also be mindful of the Personal Allowance taper, if your gross taxable earnings are more than £100,000.



Make your choices

Use the modeller to help guide you through the financial impact of your choices and to tell us your decisions. You can access the modeller on [myBenefits](#).

In the modeller you can:



Compare your potential retirement savings if you join myRetirement Plan on 1 July 2021 or 1 January 2022.



Explore different scenarios based on contribution tiers and transition payment choices.

The screenshot shows the 'Explore your choices' page with the following sections:

- Compare your choices:** A bar chart comparing 'Annual pension at retirement' for two dates: 1 July 2021 (£41,000) and 1 January 2022 (£39,000). The chart is broken down into 'Additional pension from transfer payment (including 10% uplift)', 'Future pension from myRetirement Plan', and 'Estimated pension from DB Scheme'.
- What do I need to do?:** A section with a bar chart and text explaining the impact of choices on pension and transition payments.
- Your retirement savings options:** A table of contribution rates for 1 July 2021 and 1 January 2022.

	1 July 2021	1 January 2022
Your contribution	5.0%	5.0%
EDP's contribution	10.0%	10.0%
Optional additional contribution	0.0%	0.0%
Total contributions	15.0%	15.0%
- Transition payment:** Fields for 'Transition payment amount' (£0,000 and £2,500) and 'Choosing how to receive your transition payment' (Boost myRetirement Plan).
- Future salary increases:** A section with a dropdown for 'Future salary increases above inflation' set to 0.0%.
- Investment strategy:** A section with a slider for 'Investment return' ranging from Lower to Higher, currently set to Default.

The graph at the top of the page illustrates the impact that the selected options could have on your potential annual pension at retirement. Note that if you have less than two years' service, the refund of contribution value does not show in this graph.

You can choose your regular myRetirement Plan contributions from the rates shown on page 6 of this guide. You can also see the effect of topping up your savings with additional contributions.

The modeller will make some assumptions about future salary increases and investment returns. You don't need to vary these, but you can do if you wish for modelling purposes.

If you think your future salary increases might be higher or lower than inflation, you can adjust this here.

Here you can see the amount of transition payment you'd receive under each of the options. The graph above will change based on whether you take it as cash or a myRetirement Plan contribution.

The modeller assumes your savings would be invested in the default investment strategy. If you'd like to assume higher or lower projected investment returns, you can do so here.

If you've been a member of your DB Scheme for less than two years, you'll see an option for choosing how you'd like to receive your short service benefit (as explained on page 5).

Please note that if you are already over your DB Scheme's normal pension age or will reach this age before 31 December 2021, unfortunately it's not possible to provide you with a future projection of benefits in the modeller. You can however still make your choices using the tool.

A small number of employees have legacy Additional Voluntary Contributions (AVCs) with Aviva and Prudential and these AVCs are not included in the modeller. If this applies to you please refer to your last statement.



This page will already be populated with the selections you made on the 'Explore your choices' tab. You now have the opportunity to review these choices and make any final changes before you click on 'Submit your choices'.

The screenshot shows the 'Make your choices' page with the following sections and callouts:

- Join myRetirement Plan:** A date selector with radio buttons for '1 July 2021' (selected) and '1 January 2022'.
- myRetirement Plan choices:**
 - Your retirement savings options:**
 - Your contribution: 5.0%
 - EDF's contribution: 10.0%
 - Optional additional contribution: 2.5%
 - Total contributions: 17.5%
 - Target retirement age:** A dropdown menu set to '67'.
- Transition payment:**
 - Transition payment amount: £00000
 - Transition payment choice: 'Take as cash'
- Submit your choices:** A red button at the bottom right.

Confirm your preferred contribution rate that will attract EDF matching contributions. You can also select optional additional contributions here.

Confirm the date you'd like to join myRetirement Plan. Remember, this choice determines the amount of your transition payment.

Confirm how you'd like to receive your transition payment. The amount shown will be determined by your choices above.

Choose your target retirement age for the purpose of determining how your savings will be invested. You can change this at any time after you join if your plans change.

If you've been a member of your DB Scheme for less than two years, you'll see an option for choosing how you'd like to receive your short service benefit (as explained on page 5).

Review your choices and make any final changes before you click on 'Submit your choices'.

Remember: What happens if I don't make a choice?

Please use the coming weeks to carefully consider your choices and submit your choices no later than **17:00 on 15 June 2021**.

If you don't make a choice, you'll:

- no longer build up pension in your current DB pension scheme after 30 June 2021 and you'll join myRetirement Plan on **1 July 2021**,
- pay a **5% contribution** to myRetirement Plan and EDF will pay 10% (Tier 3), with a target retirement age the same as your DB Scheme's normal pension age*, unless you're in CARE in which case it will default to age 65, and
- receive your transition payment as **cash** (subject to Income Tax and National Insurance Contributions) in your August 2021 pay.



In the future, if you want to make changes to your contributions, investments and TRA you can do so by visiting [myBenefits](#).

* If you're above your DB Scheme's normal pension age, myRetirement Plan will automatically default your target retirement age to your birthday after you join myRetirement Plan, plus one year.



Frequently asked questions

Q How will I know which choices are right for me?

A We recognise there's a lot to consider and these are important decisions about saving for your future. That's why we've provided a modeller to help you understand the financial impact of your various choices and choose what's right for you. By law, EDF, the Trustees and the scheme administrators cannot give you financial advice. The information provided in the modeller is not financial advice.

Q Should I seek Independent Financial Advice?

A You may wish to consult an Independent Financial Adviser (IFA) to help you in considering your choices. This would need to be done at your own cost. EDF has partnered with Origen Financial Services, a nationwide independent financial advisory company, to give you access to a range of their services at a reduced cost. They've been briefed on the pension benefits provided by the EDF schemes and so are able to support you in relation to your choices. If you're interested in getting advice from Origen Financial Services, please visit the [IFA page on myBenefits](#) for more details. Other Independent Financial Advisers are also available. Trade Union members can also access IFA support via their Trade Union.

Q What happens if I don't make a choice?

A We encourage you to use the modeller to make an informed choice. If you don't make a choice using the modeller, you'll be placed in the default options. These have been laid out on pages 5 to 7.

Q Can I change my choices?

A Yes, you can re-submit your choices until 17:00 on 15 June 2021. We'll use your most recent submission as your final choice.

Q Can I change my mind after 15 June 2021?

A No. However, in the future as a member of myRetirement Plan, you'll be able to make contribution rate, target retirement age and investment fund changes via [myBenefits](#).

Q Will I receive confirmation of my choices?

A You'll receive an email with confirmation of your choices every time they're submitted on the modeller.

Q What happens to my transition payment if I leave EDF?

A If you leave EDF before you join myRetirement Plan you'll not receive a transition payment, as you'll have remained in your DB Scheme up to your date of leaving and will not be impacted by the pension change.

This means you'll receive your transition payment if:

- you choose to join myRetirement Plan on 1 July 2021, you're still employed on this date and contributing to your DB Scheme, or
- you choose to join myRetirement Plan on 1 January 2022, you're still employed on this date and contributing to your DB Scheme.

If you leave EDF after your transition to myRetirement Plan and after you've received your transition payment, there's no impact on the payment that has been made to you.

Glossary

Below we explain some of the terms used in this guide and in the modeller.

Annuity

An arrangement which pays you a guaranteed regular pension income during retirement.

Default investment strategy

The default investment strategy is the mix of investments, dependent on your TRA, that your pension pot will be invested in when you join myRetirement Plan. You can make changes to your strategy and your TRA on the L&G microsite.

Defined Benefit (DB) Schemes

The EDF Energy Generation and Supply Group of the ESPS (EEGS), the British Energy Generation Group of the ESPS (BEGG) and the EDF Energy Pension Scheme (EEPS).

Defined Contribution (DC)

Pension arrangements in which a 'pot' of savings is built up from employee and employer contributions and investment returns. In retirement, the pot of savings is used to provide benefits. This approach can offer increased flexibility for members, but with less certainty over the benefit outcome.

DC – LERP/PIP/DC/AVC

These acronyms refer to legacy DC arrangements in which you may have been a member and any additional contributions which you may have paid. These stand for:

- LERP – London Electric Retirement Plan
 - PIP – Seeboard Pension Investment Plan
 - DC – Defined Contribution
 - AVC – Additional Voluntary Contribution
-

Employer

Each of EDF Energy Limited, EDF Energy Nuclear Generation Limited, EDF Energy Customers Limited, EDF Energy Renewables Limited and EDF EN Services UK Limited.

myRetirement Plan

The new EDF Defined Contribution Mastertrust savings plan run by Legal & General. A Mastertrust is a defined contribution pension scheme in which a number of non-linked employers participate. It's managed by a board of Trustees who are legally bound to look after your money and put your best interests first.

Normal pension age (NPA)

This is the date you can begin to take unreduced benefits from your DB Scheme. See your Scheme Member Guide.

Pensionable salary/pay

Your pensionable basic salary plus any additional pensionable allowances you may receive.

Salary Sacrifice

Salary Sacrifice is a tax-efficient way of making contributions to a pension plan. You can give up part of your salary (your sacrifice), which your employer then pays into your pension, along with their contribution to the scheme. As you're effectively earning a lower salary, both you and your employer pay lower National Insurance (NI) Contributions. Salary sacrifice can only be offered while UK tax laws allow.

Target retirement age (TRA)

This is the age at which you plan to access your savings in myRetirement Plan. This can be an age of your choosing from age 55. The way your savings are invested will depend on how close you are to your target date, so it's important to actively choose your TRA and review it regularly. Your TRA will default to the same as your DB Scheme's normal pension age, unless you are in CARE in which case it will default to age 65. If you're above your DB Scheme's normal retirement age, myRetirement Plan will automatically default your TRA to your birthday after you join myRetirement Plan, plus one year.

What you need to do next

- Log on** to **myBenefits**, using your usual login and password – your username is your EDF employee number or your EDF email address
- Click** on 'myMoney' then click '2021 Pension Choices Modeller'
- Explore** your choices
- Submit** your choices no later than **17:00 on 15 June 2021**