PROTECT PRIVATE

Pensions Agreement Review

FAQ: Changes to EDF Pension Benefits – myRetirement Plan Choices

Published: 28 May 2021 [new questions can be identified in blue font]

The first section of this FAQ focuses on the choices phase. Relevant questions previously published as part of the consultation outcome FAQ document have still been included in this document for ease of reference.

Pensions Choices

1. **Will receiving the transition payments as cash impact my Student Loan repayments?**
   If received as cash, the transition payment will increase your earning from EDF and consequently any Student Loan repayment will increase accordingly.

2. **If I am on an unpaid career break when my Defined Benefit scheme closes, will I qualify for a transition payment?**
   Yes, as long as you return to work for EDF. An impacted employee who is away from work on an unpaid career break is entitled to receive a transition payment on their return to work. Once they return to work for EDF, they will be contacted to make arrangements for payment of their transition payment.

3. **Who is eligible for a transition payment? What happens if I leave EDF before my transition payment is made?**
   To be eligible for a transition payment you need to be a member of one of EDF Pensions schemes and accruing DB benefits (including CARE) on 31 December 2020 and still accruing DB benefits at the date you transition to myRetirement Plan. You need to be in employment on 1 July 2021 or 1 January 2022 to have transition on 30 June 2021 or 31 December 2022 respectively. If you left EDF employment before the transition payment was paid then this would be made as a post leaver payment or paid into your myRetirement plan. If you opt for a 31 December 2021 transition and leave before transitioning, you would not receive a transition payment.

4. **When will I get access to my account at Legal & General and when can I set up my preferred investment strategy?**
   You will be set up as a member of myRetirement Plan when you first month's contributions are invested which is likely to be at the end of July 2021. This will allow you to access your Legal & General account.
   Your first month contributions will be invested in the default fund. At this point you will then have access to your Legal & General account and through that can amend your investment strategy to your preferred option. The investment option s are set out in the "Guide to investing" which is available in the document library on the EDF microsite www.legalandgeneral.com/edf . There are hyperlinks that take you to the underlying fact sheets.

5. **Following my transition to myRetirement Plan I will become a deferred member of the Defined Benefit schemes. When am I able to request a Cash Equivalent Transfer Value (CETV)?**

You can request a CETV at anytime however it is strongly recommended to wait to put a request after you have received your Deferred Pension Statement following you exit from the defined benefit scheme. The reason for this is that any CETV provided from this point forward can be issued as a guaranteed quote valid for 3 months whereas quotations prior to this will only be indicative amounts.

6. **If I wish to consider a transfer of pension benefits out of my EDF defined benefit scheme, is there a time limit in which I have do this by after having exited the scheme?**
   No – you can request a CETV at any time up to the point you decide to put your pension benefits into payment. Please note however that legislation states that the pension scheme only has to provide one CETV quote in any 12-month period and further quotations may incur a fee payable by the scheme member.

7. **Do I have to complete a transfer out prior to 1 year before my Normal Pension Age?**
   No, this used to be the requirement however legislation has changed this so that you can elect to transfer out your pension benefits at any time prior to putting your pension into payment.

8. **How does Rule 29 operate and is there a different round up depending on when you choose to transition (30 June 2021 or 31 December 2021)?**
   Rule 29 applies to BEGG pre-1 May 2007 members and EEGS members who are either legacy EEGS or who transferred across from BEGG, having been a BEGG pre-1 May 2007 member.
   Whilst pensionable service is calculated in years and days of service, Rule 29 allows pensionable service at the date you leave the scheme to be 'rounded up' to whole years, based upon your Rule 29 anniversary date. To secure the additional service, both you and EDF will make additional contributions to BEGG/EEGS, for this period of service based on your pensionable salary at the date of leaving. You can work out your Rule 29 anniversary date by looking at your **2019** benefits statement available on OneView. From this you will be able to see the number of days granted by Rule 29 at 31 March. Count forward those days from 31 March and that will give you the date - for example if it was 30 days, your Rule 29 anniversary date would be 30 April. This will tell you the date to which you will round up to depending on your date of leaving. You will not round up a full year, just up to the next Rule 29 anniversary date. If your Rule 29 anniversary date will fall between 1 January 2022 and 30 June 2022 this means your deferred DB pension shown in the modeller at both dates will be the same.

9. **How do I opt to benefit from Rule 29 and do I have to make a choice about how I pay my Rule 29 contributions?**
   The process was set out in Q50. Rule 29 is automatically applied for eligible legacy EEGS members but is optional for eligible legacy BEGG members. Some two months or so after you have left the Scheme, Mercer will write to all eligible EEGS and BEGG members asking, where appropriate, whether you would like to opt for Rule 29 round up and, if so, which payment option you would like.

10. **I seem to be having issues accessing the modeller?**
    If you're having difficulties accessing the modeller, please clear your browsing history and go back in to the modeller. If you're accessing using Chrome please try with Microsoft Edge. We're aware of a very small number of employees having issues with access when using Safari on an Apple product.

11. **When looking at the modeller, I think you've underestimated my deferred DB benefits as you've not taken into account my recent pay increase?**
    As explained in the assumptions set out in the modeller and also explained in the video guide to the modeller, we have calculated your deferred DB benefits by rolling forward the benefits you had built-up at 31 March 2020 to 30 June 2021 and then again to reflect the potential additional service from 30 June 2021 and 31 December 2021. The figures in the modeller will not reflect recent pay increases, changes in working hours since 31 March 2020 and additional Added Years or life events since 31 March 2020.
    We are unable to update the modeller on an individual basis for any changes but the information provided should help you make an informed decision.
    To better understand how your deferred benefits will ultimately be calculated by Mercer and the definition of final pensionable salary (for Final Salary members), please watch the relevant video on eNZO.

12. **Why does the modeller not allow me to estimate my DC income at different retirement dates?**
    The modeller is provided as a comparison tool to allow employees to assess the difference between joining myRetirement Plan on either 1 July 2021 or 1 January 2022. The modeller is not intended to be a broader retirement planning tool for forecasting DC pension income and assessing when you may be able to retire. Other tools are available on the internet that support this and Legal & General have made their own planning tool, available on the EDF microsite.
    The modeller does however include the ability for you to select your own target retirement age (TRA) in myRetirement plan, which will be passed to Legal & General when you join myRetirement Plan. Your TRA impacts how your funds

are invested over time and so it is important that you tell Legal & General when you are planning on retiring from myRetirement Plan. The modeller video guide explains this in more detail. (For SZC watch the video here)
Your TRA can be changed at any time in the future via your Legal & General account, which will be set up once L&G have received your first month's contributions and have issued you with a myRetirement Plan member.

13. Why is my pensionable salary on my benefit statement different from my current pensionable salary (as shown in modeller)?

Your DB pensionable pay has been used in the modeller for two different purposes and an explanation of these and their purpose is shown below:

- **Annual Pension Benefit Statement as at 31 March 2020**: This was a calculation of your DB pension if you were to leave your DB scheme on 31 March 2020 and the DB pensionable pay used in this calculation has also been used to calculate an estimate of your additional DB pension built-up from 1 April 2020 to both 30 June 2021 and 31 December 2021.
  This calculation was based upon the full definition of 'pensionable salary' within your DB scheme's rules. For some BEGG and EEGS members, this includes looking back up to 10 years and, including adjustments for inflation, calculating the best pensionable salary for you, using a combination of different methods. This is referred to as dynamisation and more information may be found within the FAQs (no. 48) and the BEGG member guide, available on myPension. Dynamisation can mean that your final pensionable salary on leaving the scheme may be higher than your current DB pensionable pay.
- **DB Pensionable Pay as at 1 April 2021**: This is your current annual rate of DB pensionable pay as 1 April 2021 and has been used in the modeller to calculate your transition payment. Your actual transition payment will be calculated based upon the annual rate of your DB pensionable pay as at 30 June 2021.

14. Can I choose not to join myRetirement Plan?

Yes, whilst we would recommend thinking carefully before considering not to join myRetirement Plan – you do not have to become a member.
However, if you choose contribution tier 3, being a member of myRetirement Plan can cost less than 3% of salary when you take into account Tax and National Insurance savings (if contributions are paid via the company's salary sacrifice arrangement) in return for a 6% contribution into your myRetirement Plan account from the company.
Being a member of myRetirement Plan also means (subject to any medical underwriting requirements) the company will also pay for death in service insurance of 8 x salary and provide Group Income Protection if you become too poorly to work.
If you do not wish to join myRetirement plan on either 1 July 2021 or 1 January 2022 – you can advise the company of this decision by emailing pensionsmanagement@edfenergy.com. If at any time after becoming a member, you decide you wish to opt out of myRetirement plan you can do so by completing the relevant form on myBenefits.
All current impacted employees who are currently members of the DB Schemes will be enrolled into myRetirement Plan on either 1 July 2021 or 1 January 2022, depending on the choices they make.
All current members of the DC only sections of the existing DB Schemes will automatically join myRetirement Plan on 1 July 2021.
Current non-members will not be enrolled until the next Auto Enrolment date which is 1 June 2022.

15. I am a CARE member with short service. Why does the modeller not let me submit my decision; either a refund of my contributions or a transfer to myRetirement Plan?

This short service members video (SZC access here) explains the key issues for employees with less than 2 years pensionable service in either BEGG CARE or EEPS CARE.
As explained in the video, Mercer will contact short service members some 2 months or so after you have left your DB scheme, setting out details of the refund of contributions option and the value of the transfer of the notional benefits that may be transferred to myRetirement Plan or another register pension scheme. You'll then be able to make your choice.

16. On the 'Explore your choices' page, the modeller includes the current fund value of my legacy London Electricity Retirement Plan (LERP) savings – what will happen to these funds and can I transfer them to myRetirement Plan?

Prior to the launch of EEPS in March 2004, some employee members had built-up DC funds in the London Electricity 1994 Retirement Plan (LERP), which was a DC arrangement with a minimum Defined Benefit pension guarantee, upon retirement from age 60 onwards (or earlier, if due to ill-health). These DC funds remain invested in EEPS and the estimated pension on retirement has been included in the modeller, as part your overall estimated pension from EEPS.
Upon retirement from EEPS, the LERP DC funds will become available and assuming you retire after age 60 (or earlier for reasons of ill-health), the amount of pension provided by these monies will be subject to your minimum pension guarantee. If your DC funds are not enough to provide this minimum level of pension, the Scheme will make-up the shortfall. Your guaranteed minimum level of pension is based upon how long you were a member of LERP and your

earnings over that time.
Whilst it would be possible to transfer these LERP monies to myRetirement plan, once you have become a member but you should be aware that in transferring your LERP funds to myRetirement Plan, you would forfeit the minimum pension guarantee. In addition, if the value of your LERP funds exceeds £30k, you will be required to obtain Independent Financial Advice before any transfer can proceed.

17. How will I know which choices are right for me?
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. The modeller can be found on myBenefits > myMoney and select Choices Modeller.

18. Should I seek Independent Financial Advice?
You may wish to consult an Independent Financial Adviser 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.

19. What happens if I don't make a choice?
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 in the choices guide.

20. Can I change my choices?
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.

21. Can I change my mind after 15 June 2021?
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.

22. Will I receive confirmation of my choices?
You'll receive an email with confirmation of your choices every time they're submitted on the modeller.

23. What happens to my transition payment if I leave EDF?
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 if you are accruing DB benefits at the time you join myRetirement Plan on 1 July 2021 and you're still employed on 1 July 2021 or are still accruing DB benefits at the time you join myRetirement Plan on 1 January 2022 and you're still employed on 1 January 2022, you'll receive your transition payment.

24. Can I opt to take transition payment in part cash, part contribution to the new DC scheme?
No. You must choose between taking all of the transition payment as a contribution to myRetirement Plan (with a 10% uplift from the Company) tax and NI free, or all of it as cash, subject to tax and NI deductions. Employees can however choose to take their transition payment as cash and also choose to make Additional Contributions for an alternative, smaller amount i.e. not 100% of their transition payment. Employees should note however they will not receive the 10% uplift from the company if they choose this option.

25. When will the transition payments be made?
The Company is intending to pay transition payments in the second month of myRetirement Plan membership so for those employees transitioning to myRetirement Plan from the Defined Benefit Schemes on 1 July 2021, the Company intends to pay the transition payments in the August 2021 payroll. For those transitioning on 1 January 2022 and thereby receiving a lower transition payment, the Company intends to pay the transition payments in the February 2022 payroll.

26. Will the transition payment impact Tax Credits or other benefits?
EDF is unable to advise you on the impact on transition payments on Tax Credits or benefits. If the transition payment is taken as cash then this will treated as employment income from EDF and included on your P60. If you elect to have your transition payment paid into your myRetirement Plan account as a pension contribution this would not be

included in your employment income from EDF on your P60.

27. **Does the modeller work for those working part-time?**
The modeller pro-rates the pension accrued since 31 March 2020, based upon FTE pensionable salary adjusted for part-time hours at that date. The employee's part-time hours and FTE pensionable salary at 1 April 2021 are then used to calculate the transition payment and also calculate the DC contributions into myRetirement Plan. If an employee joined after 31 March 2020, then the hours worked at 1 April 2021 have been used to estimate the DB pension accrued. The modeller therefore does its best to project the outcome for staff working part-time but unfortunately does not pick up recent changes in working hours. If you do fall into the latter category the modeller will still let you see to comparative difference between the two options.

28. **I think my data is incorrect in the modeller, who do I contact?**
As set out in the modeller please email pensionsmanagement@edfenergy.com with your details.

29. **Do I have to make choices about investment strategy?**
At this stage no decisions on investment strategy are needed. In the first month of joining myRetirement Plan everyone will be invested in the default investment strategy. Thereafter employees can, if they desire, amend their investment strategy by logging into your L&G account. Details of the investment options are available in the investment guide on the EDF L&G microsite.

30. **Does the modeller show impact on take-home pay?**
This is not built into the modeller but there are many online tools that do this for you e.g. The Salary Calculator or MoneySavingExpert website.

31. **What happens for employees with less than 2 years' service?**
If at the date of your transition to myRetirement Plan you have less than 2 years' service, then under the Scheme Rules you'll have the option of a refund of your contributions to the CARE section of BEGG or EEPS (but not the Company contributions) or a transfer of your notional pension benefits to myRetirement Plan (or another registered pension arrangement you may have). For more details we have prepared a video guide covering this point which is available on eNZO or the 2021 choices hub for off network access.

32. **Do all employees have access to the modeller?**
All employees who are eligible to receive a transition payment will have access to the modeller via myBenefits. Those currently out of the business will receive a hard copy of the choices launch communication, by post, and be invited to log on to myBenefits from home. The modeller will not be accessible to Protected Persons and those with "no-detriment" protection under the Scheme rules as the changes do not impact that population. DC only members, employees who joined the DB schemes after 1 January 2021 and non-members of EDF Pension Schemes will also not have access to the modeller. DC only members and employees who were employed before 31 December 2020 and who joined the DB schemes after 1 January 2021 will be invited to join myRetirement Plan from 1 July 2021 and they will be asked to make their choice of contribution tier (any of tiers 1 - 5) through an alternative manner. Any new starter from 1 January 2021 will have joined myRetirement Plan on the default tier (tier 3) and from 1 July 2021 they will have flexibility to choose tiers 3-5, and will only have access to tiers 1 and 2 after 2 years' service in EDF.

33. **Do Protected Persons or those with 'no detriment' protection have choices to make?**
There are no decisions to make for these individuals. They will continue to build up benefits in BEGG and EEGS as before. Later in the Summer we'll be sending a reminder that the cash supplement available to this Group of members whose DB benefits equal or exceed the Lifetime Allowance will be withdrawn on 31 December 2021. Please see Para 28 a) of the 2021 Pension Benefit Reform Package document on eNZO or the 2021 choices hub for off network access.

The reforms, consultation outcome and myRetirement Plan

1. **Who is affected by the changes?**
All employees who are members of the Schemes are affected, with the exception of individuals who have protected rights. Those who are eligible to join the Schemes but who are not currently members are also affected. The changes do not affect:
    - Members who have left EDF employment or have chosen to opt out of the existing Schemes with benefits that are not yet in payment (deferred members), or
    - Members who are already receiving their pension (pensioner members).

    Additionally, you are not be affected by the changes if you retire or leave employment before the date upon which you choose for your Defined Benefit accrual to cease.

2. **What will be the name of the new Defined Contribution arrangement?**
The new arrangement will be called myRetirement Plan, administered by Legal & General.

3. **Are employer contributions in myRetirement Plan based on pensionable salary that has been capped at the salary threshold (linked to NJC Spine Point 35 and £75,050), that applies in the legacy Defined Benefit Schemes?**
No, employer contributions in the new Defined Contribution arrangement will be based on pensionable salary that is not restricted by the salary threshold. The annual pensionable earnings cap, currently £170,400, will no longer apply in the new Defined Contribution arrangement.

4. **Is my transition payment pro-rated if I work part time?**
FTE salary is pro-rated to calculate the transition payment, however there is a minimum amount of £5,000 or £2,500 depending on choice of contribution tier that will be applied in all cases (ie the minimum is not pro - rated). An example is as follows:
A part time employee has a FTE salary of £35,000 and works three days a week giving them a part time salary of £21,000.The individual's transition payment would be £3,150 (£21,000 x 15%) subject to a minimum of £5,000 if you choose tiers 3-5 or £2,500 if you choose tier 1 or 2. In this example, an employee who chooses tier 4 would receive £5,000; an employee choosing tier 1 would receive £3,150.

5. **If I do not join myRetirement Plan, will you make a 'cash payment' into my salary or personal pension instead?**
There is no cash alternative for employees who opt out of myRetirement Plan and contributions will not be paid to personal pensions.

6. **Do I have the option to opt out of myRetirement Plan or is it compulsory to join?**
It's not compulsory to join myRetirement Plan. If you choose not to join myRetirement Plan and were building Defined Benefits, you'll still receive the transition payment but this can only be in cash and subject to Income Tax and National Insurance. Current Defined Benefit members who don't opt out of myRetirement Plan or don't choose a contribution level will automatically join myRetirement Plan at the default contribution rate with effect from 1 July 2021. Any current non-members will be auto-enrolled into myRetirement Plan at the next auto-enrolment date, and you'll have the option to opt out again. It is also possible to opt out of myRetirement Plan at any time.

7. **Which elements of pay will be pensionable under myRetirement Plan?**
An employees' Pensionable pay in myRetirement Plan will include:
    - Basic salary with no pensionable salary threshold
    - All additional pensionable pay elements as applies under any of the existing Defined Benefit Schemes
    - With no upper earnings cap – currently £170,400 in the Defined Benefit Schemes.

    Pension contributions are based on gross pay before any deductions are made for any other benefit provided through salary sacrifice arrangements. Other elements of pay that are currently not treated as pensionable in the Defined Benefit Schemes, e.g. most overtime and bonus payments, will also not be pensionable in the new Defined Contribution arrangement.

8. **Will there be a transition payment for Defined Contribution members in the legacy schemes?**
No, any transition payment is only available to those employees whose Defined Benefit accrual ceases as a result of these changes and is based on the salary on which Defined Benefit contributions are paid.

9. **For someone who has recently moved to part time working would the transition payment be**

reduced compared to if they had remained working full time?
Yes, transition payments will be pro-rated for part-time employees based on their part-time hours on 30 June 2021. As a minimum, employees eligible to receive a transition payment will receive either £5,000 or £2,500 dependent on choice of contribution tier, even if working part time.

10. **What are you doing to protect employees that cannot afford the new default Defined Contribution rate?**
There are different tiers of contribution levels for employees to choose which may be aligned with their targeted pension outcome or the affordability of pension savings. The vast majority of employees in the legacy Defined Benefit Schemes paid either 5% or 6% pension contribution and myRetirement Plan has a default contribution tier of 5% employee contribution with a matching employer contribution of 10%, so the myRetirement Plan design has affordability in mind. For those employees who may really be struggling financially and cannot afford the lowest tier of employee contributions of 3%, it is possible to opt out of myRetirement Plan. However, this would mean building no pensions savings and is not something the Company would encourage. There is also the ability to change contribution rates flexibly at any time within the restrictions set out in the outcome leaflet (also available on myPension > myLibrary). If employees are struggling financially there are options for support available from our financial wellbeing partner, Neyber, on myBenefits.

11. **What are the death benefits from 1 July 2021 (or 1 January 2022 for transition members)?**
The death benefits are 8 x salary lump sum enhanced from the 4 x salary lump sum provided under the legacy Defined Benefit Schemes to reflect the loss of the extra dependant's pension payable under the Defined Benefit arrangements. In addition, dependants will receive the value of DC benefits in myRetirement benefits as well any dependant's pension from EDF deferred DB benefits. Death in service benefits will be insured and therefore subject to any terms applied by the insurer. Restrictions usually only apply to people who have not joined the scheme at their first opportunity, or who were not actively at work when they first became a member or who were very high earners. Should any restrictions be applied, the impacted employees will be notified.

12. **What are the ill-health benefits from 1 July 2021 (or 1 January 2022 for transition members)?**
Group Income Protection offers income protection for a five-year period at half pay. At the end of that period if the individual is unable to return to work then they receive a year's salary as a lump sum as well as, subject to the scheme's rules, immediate access to their Defined Contribution pot. In addition, there would also be the possibility that an ill-health pension could be paid from the Defined Benefit Schemes as a deferred member.

13. **I understand that HPC and SZC don't have any employees yet. If I were to transfer to one of these entities in due course could I remain in myRetirement Plan?**
The HPC and SZC entities do not yet directly employ staff (employees are employed by EDF Energy Limited or EDF Nuclear Generation Limited - both are participants in myRetirement Plan). If, and when, HPC and SZC become direct employers in future they could become participating members in myRetirement Plan. This is a relatively straightforward process but providing myRetirement Plan benefits would be an HR policy matter for HPC and SZC. If this happens then you could remain a participating member in myRetirement Plan.

14. **What happens if I leave EDF – will I be able to keep paying into myRetirement Plan (without EDF contribution) or will it be frozen unless transferred out to an alternative?**
You wouldn't be able to make further contributions to myRetirement Plan but will still be able to manage your investments. You could instead start paying into a different arrangement with Legal & General or another pension provider, who also may accept a transfer of your myRetirement Plan Defined Contribution savings.

15. **What happens to my myRetirement Plan pension savings if I die and am not working for EDF anymore?**
The Trustees of the Legal & General Mastertrust would make a payment of your residual myRetirement Plan savings to your beneficiaries in accordance with and subject to the rules of the Mastertrust.

16. **Why have you selected Legal & General to operate myRetirement Plan? Could this be subject to change in the future?**
A thorough review of the competitive market for Defined Contribution providers was undertaken by EDF with support from an independent third-party consulting firm with expertise in this area. This review concluded that Legal & General would meet all the requirements for myRetirement Plan and provide a cost-effective offering. But we think that it is best for all of us if there is scope to change in the future. Going forward a Supervisory Board (with member representation) will be established, and this Board will provide oversight of Legal & General's performance, consider developments in the market and, if there is a case for change, make recommendations to EDF to consider changes to the Defined Contribution provider.

17. **Certain members of BEGG and EEGS had the right to an unreduced pension from age 50 if made**

redundant (or the date of redundancy if later). What will happen to this right when these members transfer to myRetirement Plan?
This right only applies to employees who are active Defined Benefit members of BEGG and EEGS at the time of redundancy and so would have ceased when employees transfer to the new Defined Contribution arrangement. The Company is working with the Pension Scheme Trustees to make rule changes to preserve this right for employees who were building up Defined Benefit benefits in the Schemes at the date of transfer to myRetirement Plan and while they remain an EDF employee.

18. **Some members have chosen to opt out of one of the existing schemes because they have reached the Lifetime Allowance for pension benefits or because they have Fixed Protection and currently receive a cash allowance of 12% of their salary from the Company instead, will they be impacted by the proposed changes?**
If you are one of these employees, your current agreement provides you with a cash supplement for as long as you do not join an EDF sponsored occupational pension scheme. If you joined myRetirement Plan you would be joining an EDF sponsored occupational pension scheme and the allowance would cease.

19. **Will myRetirement Plan offer the facility for in-scheme drawdown (i.e. will I be able to draw down my savings in retirement and will it be possible to transfer my existing Defined Benefit pension into this arrangement if available?)**
Yes, there is the ability to drawdown within myRetirement Plan and more information is available in the plan guide available on the EDF microsite.

20. **How can I keep track of what my pension savings may provide me in retirement and assist me in deciding levels of contributions or additional contributions to make in future?**
Legal & General make available a number of tools including a modeller to support you in this type of decision. Other tools are available on the EDF microsite. Other DC modelling tools are freely available online.

21. **What options are available to members and their families in respect of the 8 x pensionable salary lump sum payable in the event of death? Can it be paid into a spouse or dependant's pension scheme or solely as a cash amount?**
Any death in service lump sum will be paid at the Mastertrust Trustees' discretion to the potential beneficiaries of the deceased member. An up to date Statement of Wishes form would provide helpful guidance for the Mastertrust Trustees when considering to whom the payment should be made. The payment cannot normally be made direct to another person's pension fund.

22. **How is the Group Income Protection policy paid for?**
The insurance premiums to insure Group Income Protection benefits and to provide death in service lump sum benefits will be paid by the Company, in addition to the contributions set out in the outcome leaflet (also available on myPension > myLibrary).

23. **Will there be any restrictions under the Group Income Policy for pre-existing medical conditions?**
Group Income Protection benefits will be insured and therefore subject to any terms applied by the insurer. Restrictions usually only apply to people who have not joined the scheme at their first opportunity, or who were not actively at work when they first became a member or who were very high earners. Should any restrictions be applied, the impacted employees will be notified.

24. **Will employer contributions continue during periods of long-term absence**?
Where employees participate in the company's salary sacrifice arrangements, contributions to myRetirement Plan will continue during Maternity Leave, Paternity Leave, Adoption Leave, Sickness Absence and furlough, at the rates being paid immediately prior to absence. What this means is that the company will continue to pay employer and employee contributions that were previously paid into myRetirement Plan at the rate which these were being paid immediately prior to when the employee went on leave. Where employees do not participate in the salary sacrifice arrangements, employee contributions will continue to be deducted from salary based upon actual pay received during absence, subject to any statutory minimum pay requirements. During any unpaid career break or unpaid parental leave employer and employee contributions would cease.

25. **How will the Pension changes impact my Annual Allowance for 2021/22?**
There is an annual limit on the amount of pensions savings you can make, tax free, each year – this is called your Annual Allowance and is generally £40,000 p.a. unless you are a high-earner in which case your Annual Allowance may be reduced or tapered.

- For members of a Defined Benefit (DB) scheme, in order to understand the amount of Annual Allowance used each year, the increase in the value of your DB savings is calculated and this is called your Pension Input Amount (PIA).
- For members of a Defined Contribution (DC) scheme, the value of both employee and employer contributions are your PIA.

During the 2021/22 tax year most employees will participate in both their legacy EDF DB scheme and myRetirement Plan and will therefore have a PIA in respect of both arrangements. If you are an eligible member of BEGG and EEGS and entitled to round up your service under Rule 29, this additional service at the point of becoming a deferred member could result in a significantly higher PIA than previous years - the impact depending on the timing of joining myRetirement Plan and your DB Scheme anniversary date.

In addition, should you opt to have your transition payment paid into myRetirement plan, that will also count towards your PIA (don't forget the 10% enhancement) as well as all employee and employer contributions paid into myRetirement Plan in the period to 31 March 2022.

If the PIA from both Schemes added together exceeds your Annual Allowance of £40,000 (subject to tapering) and you have no unused allowance from the three previous years, then you may be subject to a tax charge. If this is the case there is potential to use the "Scheme Pays" facilities for your legacy DB scheme and myRetirement Plan, to meet this tax liability.

For full details of this see the myTaxation area within myPension and also the Scheme Pays section on the L&G EDF microsite.

26. How will employees be able to see all their EDF pension information going forward i.e. legacy DB pension, and new myRetirement Plan pension. Will there be one place to get all this information?

No – not at this stage. Your legacy DB and new DC pension arrangements are held in different pension arrangements and managed separately by Mercer and Legal & General respectively. To make it easier for you to see all your EDF pension benefits, we will be facilitating access to Mercer OneView for DB benefits and Legal & General for myRetirement Plan via Single Sign On through myBenefits.

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Questions about myRetirement Plan contributions

27. Will I be able to vary the level of my myRetirement Plan contributions?

Yes, employees will be allowed to vary their contributions flexibly during the year, subject to the transition payment and new joiner restrictions. Any changes would be applied in line with payroll cut-off.

28. What is the maximum percentage of my pensionable salary that I will be able to pay into myRetirement Plan with Company matching?

The maximum contribution is 7.5% employee / 15% Company contribution. Employees will be able to contribute more to myRetirement Plan, but they should be mindful of Annual Allowance implications. The modeller will allow you to see the impact of this. Please remember that selecting a higher contribution tier will attract higher contributions from EDF. Employees should also be aware that any Transition, Defined Contribution Acceleration Scheme and offset payments explained in the outcome leaflet, will also count towards your Annual Allowance.

29. Can I pay additional contributions into myRetirement Plan?

Yes, additional monthly and one-off contributions can be made but there would be no matching contribution from EDF. If arranged through the myBenefits platform these would be made through salary sacrifice (unless you have opted out of the salary sacrifice arrangement) and tax relief granted through payroll. This will mean you do not have to claim additional tax relief through your tax return. Employees will also need to mindful of the Annual Allowance issues.

30. Will there be the option of paying any bonuses or part of bonuses directly into myRetirement Plan?

Yes, this would be possible. Employees will need to be mindful of the Annual Allowance issues.

31. Will EDF look to change its Defined Contribution structure in the future?

Contribution rates in myRetirement Plan were set in line with the market and also at a level that was considered to be sustainable. The Company is not expecting to need to change these rates going forward but if there is further significant change in the Company's fortunes this may need to be reconsidered and we expect to enter dialogue with the recognised Trade Unions if that were the case. EDF will also continue to review contribution rates in the future to ensure that they are market competitive.

32. **Has it been considered to directly link employer contributions to staff performance from the previous calendar/CFP year?**
No, personal performance is taken into account for calculation of bonus for those eligible to join the Company Incentive Scheme (CIP) or Manager Incentive Plan (MIP). It isn't part of the Company's reward strategy to link performance with pension contributions; employer contributions are determined by what the Company can afford and is linked with employee contributions – i.e. employer contribution is double that of the employee contribution.

33. **Will there be a minimum time for participation in myRetirement Plan to allow us to take our contributions (and those of EDF)?**
Unlike the legacy Defined Benefit Schemes there is no minimum period of participation in myRetirement Plan.

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Questions about myRetirement Plan investments

34. **What funds will be available in myRetirement Plan to invest in and how have they performed (return %) in the past?**
The EDF microsite gives you access to an investment guide and investment fact sheets for all the options available together with their historic performance and fees levied. The default fund is intended to be a suitable, quality option for most employees if they feel unsure about making a choice.

35. **Are the investment options for myRetirement Plan limited to Legal & General funds only?**
No. Legal & General Mastertrust Trustees have established, after taking investment advice, a range of investment options. Some of these funds will have been developed using other underlying fund managers with details available in the fund fact sheet for each investment option.

36. **The default investment strategy will take a responsible environmental, social and governance (ESG) focused investment approach aligned to EDF's mission to help Britain achieve Net Zero. Has investment performance been considered as part of the strategy, as that is fundamentally key to providing a high benefit pension arrangement?**
The Trustees of the Mastertrust have a duty to ensure good member outcomes and there is a general consensus that an ESG focus does not have a detrimental impact on performance and some research shows it has a positive effect. The investment guide available on the EDF microsite will provide details and will explain risk and other investment issues. The EDF microsite also contains more information about the Mastertrust Trustees's approach to ESG.

37. **Are management fees under myRetirement Plan paid by employees?**
Yes, from their pension accounts, not as a separate fee. This in line with the standard Defined Contribution model where members pay fees based on the size of their Defined Contribution pots. This covers the running costs of the Mastertrust and the investment fees. EDF has secured extremely attractive rates for employees and the amount of fees will vary according to an employee's investment choice. The total fees for the default fund will be 0.22% per annum. Fees for other investment options can be found in the fund fact sheets available on the EDF microsite.

38. **Will the performance of the Defined Contribution investments and daily value be visible through an app or similar platform?**
Yes, members will have access to their individual fund performance by accessing My Account on the Legal & General Mastertrust website or through a Legal & General app on their smartphones.

39. **Will EDF provide an underpin to the investment performance of the funds available in myRetirement Plan? If not, has there been any thought of an insurance policy to cover the pension scheme? If EDF is unwilling/unable to cover the insurance, then is it feasible to add on a small fee to pensions for that cost?**
No, a guarantee of this type will not be provided. An insurance policy to guarantee a minimum level of income from a Defined Contribution arrangement is not feasible. Such insurance products do not exist as they would be prohibitively expensive effectively buying a Defined Benefit underpin at risk-free rates for a Defined Contribution scheme. The new Defined Contribution arrangement will be run by Legal & General Mastertrust Trustees who are independently appointed. They have the responsibility to run the Mastertrust in the best interests of its members and having taken financial advice, have put together a suite of investment choices, including the default fund. The investment choices offered by Legal & General are designed to allow diversification and target growth over the longer term, but it is important to be aware that investment values can go down as well as up.

40. In the new Defined Contribution scheme, would your final benefits be based on what contributions you have built up over time even if the investments didn't perform well?
Your final benefits will be based on the size of your Defined Contribution account in myRetirement Plan, which in turn will depend on the contributions you have paid into your fund, how these contributions have been invested and how the investment funds have performed and the length of time your contributions have been invested for.

41. Will the new 'socially and environmentally responsible scheme' investments administered by Legal & General be biased towards those organisations aligned to EDF intentions for future investment or totally independent of EDF influence?
The ESG focus of the default investment strategy is aligned to EDF's values and ambition to help Britain achieve Net Zero and this was a major consideration for the selection of Legal & General as the provider of myRetirement Plan. Other funds are also available to members which include funds that incorporate ESG into their portfolio construction. The Company will be setting up a Supervisory Board to ensure that there are channels for EDF and its employees to feedback to Legal & General on ESG matters amongst other issues. However, the default investment strategy and other investment options is solely at the discretion of the Legal & General Mastertrust Trustees after taking independent financial advice.

42. Will the new Defined Contribution arrangement give options for various investment strategies, e.g. very high, high, medium, low risk?
Employees joining myRetirement Plan will join on the default investment strategy but will have the opportunity to select from a range of alternative funds with differing risk and return profiles. Fund factsheets for each option will be available on the EDF microsite and employees will be able to select these alternative funds once they have joined myRetirement Plan.

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Questions about deferred pension benefits

43. When will my DB scheme 31 March 21 pension benefit statement be available?
It is expected that the 2021 annual statements, showing the amount of pension built-up in the scheme to 31 March 2021, will be made available in late August 2021 / early September 2021.

44. Will these changes affect my accrued benefits?
No. The changes are to future benefit arrangements. All defined benefit pension benefits which will be built up to the date you become a deferred member of the DB Schemes (either 1 July 2021 or 1 January 2022) are unaffected by these changes. Your deferred pension will then increase in line with inflation (subject to caps) in line with the Scheme Rules until you draw it at normal retirement age.

45. What happens if my annual pay increase is only agreed once I have moved into the new Defined Contribution Scheme?
If you are awarded an increase to your pensionable pay which is effective from before accrual in the Defined Benefit Schemes ceases, your pensionable salary used to calculate your Defined Benefit Scheme benefits will be increased accordingly and your Defined Benefit deferred pension will be calculated using this higher pensionable salary. If you have signed a Non-Pensionability Agreement (NPA) because your salary is over the Defined Benefit salary threshold (pegged at NJC Spine point 35 and £75,050 from 1 April 2021), then any additional Defined Contribution contributions due from you or the Company will be paid into your myRetirement Plan account.

46. I work part-time and have done for over 20 years, but I was planning on moving to full-time soon. I was under the impression that the calculation for final salary is based using the average of your best consecutive 3 years of your last ten years of service. Does this mean that once the Defined Benefit pension scheme has ended, I do not have the opportunity to benefit from full-time work?
The Company and Schemes use an established practice of calculating pensions for part-time service that is fair to all employees and used by many pension schemes. This involves using full-time equivalent pay and a proportionate reduction to pensionable service for part-time working. This means that changes in your hours do not affect your full-time equivalent pay or the calculation of final salary. A Defined Contribution pension is much more straightforward and these adjustments for part-time working are not needed.

47. How will my deferred benefits be calculated?
Your deferred pension would be calculated as if you left the pension scheme at the effective date of the changes – either 30 June 2021 or 31 December 2021. This will take into account your pensionable pay and

service (including any Added Years). Put simply, pensionable salary and pensionable service is used to calculate a member's pension benefit at the point the defined benefit accrual stops, after which (provided you have more than two years' service) your pension entitlement becomes a deferred pension and that is increased broadly in line with inflation (see below) until it becomes payable as a pension. Employees would then have a pension from the existing Defined Benefit schemes and separate pension savings to draw flexibly from the Legal & General Master Trust. Both pensions (and any other pensions assets you have) would be assessed against the HMRC Lifetime Allowance limit.

48. What is pensionable salary dynamisation?
For eligible BEGG/EEGS members there is a "dynamisation assessment" – whereby an RPI revaluation calculation is applied to the pensionable salary received over a number of years, prior to the date of pensionable service ceasing. The dynamisation calculation differs between BEGG and EEGS and also between sections and is explained within the member guides available on myPension.

49. How would my deferred pension increase?
Deferred pensions increase each year in April, broadly in line with inflation for the year to the previous September, as set out in the Scheme rules until it is put into payment at Normal Retirement Age. Please see the member guides available in myPension for more details. In summary:

- Members with BEGG type ESPS benefits - the increase in both deferment and in retirement is the annual increase in Retail Prices Index (RPI), may be limited at 10% for pre-2001 members and capped at 5% for post 2001 members.
- For EEGS type ESPS benefits - the increase in both deferment and in retirement is the annual increase in RPI and the Company has the ability to cap this at 5% subject to the EEGS Independent Trustee's agreement.
- For those with EEPS type Final Salary benefits (including those in BEGG) –
  - in deferment the increase is the annual increase in the Consumer Prices Index (CPI), capped at 5% for benefits built up to 6/4/09 and CPI capped at 2.5% for benefits built up after this date
  - in payment the increase is RPI capped at 5% for benefits built up to 6/4/06 and RPI capped at 2.5% for benefits built up after this date.
- For those with CARE benefits –
  - the increase is CPI capped at 2.5% in deferment
  - in payment the increase is RPI capped at 2.5%

Both RPI and CPI are standard measures of inflation as published by the Office for National Statistics (ONS). Available on eNZO (and myPension) are a series of short videos to help you understand various topics, including how pensionable salary is calculated.

50. How does Rule 29 apply when I become a deferred member of EEGS / BEGG?
Rule 29 enables a qualifying member's pensionable service to be rounded up to the next full year when Defined Benefit pensionable service ceases, in return for additional employee and employer contributions. Rule 29 is available to legacy EEGS members and pre-1 May 2007 BEGG members, including those who are now in EEGS. Additional employee contributions are usually paid through a reduction to an individual's pension when put into payment. The amount of the Rule 29 contributions will be increased in line with increases applied to your deferred pension. However, pre-1 May 2007 BEGG members and equivalent now in EEGS also have the option of the Rule 29 contributions being settled through salary sacrifice from their EDF salary and Mercer will automatically contact these members when their accrual in BEGG or EEGS ceases, to make them aware of this option.
In most cases the period over which the additional Rule 29 contributions will be collected from individuals is the same time period as the additional service round up i.e. if the Rule 29 service being credited is nine months, this is the number of months the additional contributions will be spread over.
And lastly, whilst Rule 29 contributions themselves do not impact a person's Annual Allowance, the increase in an individual's pensionable service will have an impact. This is because for DB schemes, the Pension Input Amount (PIA) used to calculate an individual's used Annual Allowance, is calculated on the value of the annual increase in pension benefits (see myPension > myTaxation for more information) which will be larger because of the Rule 29 round-up.

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Questions about current Added Years and Additional Voluntary Contributions (AVCs) options

51. Can pension savings built up in myRetirement Plan be transferred and used to fund the tax-free lump sum in the legacy Defined Benefit Schemes?
No. It will not be possible to transfer any additional pension assets into the existing Defined Benefit schemes. These will be treated under tax laws for accessing pensions as two separate pension arrangements. Tax laws may change

between now and your intended retirement date.

52. **What will happen to my Additional Voluntary Contributions (AVCs) and Defined Contribution benefits in the Defined Benefit Schemes?**
The legacy Defined Benefit Schemes allow a number of different AVC and Defined Contribution options. Under the proposed changes, the ability to pay into these arrangements within the existing Schemes will stop from 1 July 2021 (or 31 December 2021 if you choose to extend your transition date) and the benefits built up to date will remain within the Schemes. Following the move to myRetirement Plan, you will be able to transfer across your existing AVCs and Defined Contribution savings from the current Schemes, as well as make additional contributions to myRetirement Plan for future retirement savings, if you wish.
We are discussing with Legal & General the scope for AVCs and Defined Contribution benefits to be transferred, in November 2021, efficiently to myRetirement Plan, to minimise or eliminate any transaction costs. Employees considering this option should ensure they understand any implications to their Defined Benefits i.e. losing the ability to use existing AVC/DC funds to fund or part-fund their tax-free cash lump sum from their Defined Benefit scheme.

53. **Just as Rule 29 can be applied to our main Defined Benefit pension to allow us to round up to a whole number of years, will it be possible for us to do this with our Added Years contracts as well?**
No, the rules of the Schemes do not permit the round up any Added Years' service to the next whole number of years. Defined Benefits will be based on both your number of years and days pensionable service, rounded up for those in BEGG or EEGS and eligible for Rule 29, plus any Added Years purchased.

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Questions about transferring benefits (including AVCs)

54. **The Annual Allowance for savings into a pension pot before having to pay tax is £40,000. Will Additional Voluntary Contributions (AVCs) transferred from the existing Defined Benefit schemes to the new Defined Contribution arrangement count towards this limit on the new pension?**
No. It will be possible to transfer AVCs to the new scheme but only new AVC contributions paid in the same scheme year will count against the Annual Allowance. Please note that any amount transferred from the existing schemes to myRetirement Plan would not be able to be used to fund any tax-free lump sum entitlement in the Defined Benefit Schemes. Note that while most employees have an Annual Allowance of £40,000 HMRC rules mean that some employees may have a lower Annual Allowance and some may be able to carry forward unused allowances.

55. **Can I transfer other Defined Contribution pension benefits into myRetirement Plan?**
Yes, if you have other Defined Contribution pensions from previous employments, it will usually be possible to transfer these funds into myRetirement Plan once you have joined. Once you are a member you can transfer in other pension rights from other schemes up until you retire, subject to the rules of both schemes and complying with any legal requirements.

56. **Can I transfer my EDF Defined Benefit pension benefits into the new Defined Contributions arrangement?**
Yes. However, EDF is not asking members to do so and will continue to support the Defined Benefit Schemes. Any employee thinking of transferring their Defined Benefit pension should take independent financial advice. If the cash equivalent transfer value of your existing Defined Benefit pension benefits exceeds £30,000, it is a legal requirement for you to obtain and receive independent financial advice from a Regulated Adviser. Legal & General will only accept a transfer from the EDF Defined Benefit Schemes if the independent financial advice demonstrates that it would be in the best interests of the employee to do so.

57. **Can I transfer my deferred EDF Defined Benefit pension benefits out to another Defined Contribution arrangement?**
Yes. However, EDF is not asking members to do so and will continue to support the Defined Benefit Schemes. Any employee thinking of transferring their Defined Benefit pension should take independent financial advice. If the cash equivalent transfer value of your existing Defined Benefit pension benefits exceeds £30,000, it is a legal requirement for you to obtain and receive independent financial advice from a Regulated Adviser.

58. **Would members with protected rights have the option to transfer existing AVCs to myRetirement Plan?**

Protected members could transfer existing AVCs into the new Defined Contribution arrangement if they opted out of BEGG or EEGS and joined myRetirement Plan instead. Any decision to do so would need to be very seriously considered.

59. I will become a deferred member of the EEPS Defined Benefit scheme and have a LERP legacy pension. Will I be able to transfer the LERP value into the new Defined Contribution arrangement to prevent me having three pensions?
You are able to transfer your LERP benefits into the new Defined Contribution arrangement but because LERP has a Defined Benefit underpin in its design (guaranteeing members a minimum level of benefits at age 60), independent financial advice would need to be taken. Legal & General have confirmed that they will only accept transfers into their arrangements where that financial advice has been supportive of the transfer.

60. In myRetirement Plan, if I add or transfer additional top-up AVCs/Defined Contributions that exceed the 25% cash lump sum when I choose to start taking the pension, will the additional monies simply add towards the pension payable if choosing the maximum lump sum option?
The new pension arrangement is a Defined Contribution arrangement, meaning that over time you would build a pot of investments. The value of your investments will depend on your contributions, the Company contributions and the investment growth over time. At retirement, you can choose to purchase an annuity or choose to receive your investments as a one-off or series of lump sums with 25% of these payments received tax free. The reality is that the 25% lump sum will, when you draw your pension, be easy to determine, but your annual pension will be harder to estimate as it will depend on financial conditions at that time and the period over which you expect it to last.

61. I appreciate there are multiple factors considered in the calculation of the transfer value. Will the transfer value change as a direct result of the Defined Benefit pension accrual stopping?
No, the calculation of a "Cash Equivalent Transfer Value" or "CETV" is determined by the Trustees of the Defined Benefit Schemes. As far as we are aware, this basis will be unchanged as a result of cessation of building Defined Benefit benefits.

62. Will there be a transfer fee to move benefits into the new Defined Contribution arrangement? Has EDF negotiated a preferential fee?
Pension benefits can be transferred to myRetirement Plan in two ways – transfer of Defined Benefits or transfer of Defined Contribution benefits. We are working with Legal & General to facilitate the transfer of any Defined Contribution benefits to myRetirement Plan in a cost-effective manner. It is likely that the window for this will be available in November 2021 for interested employees. There will not be a specific transfer fee to transfer benefits into myRetirement Plan but there may be transaction costs in selling and buying units where we are exploring opportunities to minimise or eliminate these. Members considering transferring Defined Benefits to a Defined Contribution arrangement with a transfer value of £30,000 or more are required by law to take independent financial advice before doing so and Legal & General will only accept transfers from Defined Benefit Schemes, where that independent financial advice supports the transfer. The value of the Defined Benefits that may be transferred is calculated by the Defined Benefit Scheme and often referred to as "Cash Equivalent Transfer Value" or "CETV". If a CETV is transferred into myRetirement Plan it will be invested in the same way as any other contribution into myRetirement Plan.

63. When the pension changes happen will the Company provide any sort of financial advice service to transfer the Cash Equivalent Transfer Value of the Defined Benefits to a new pension scheme if they desire?
The Company has partnered with Origen Financial Services to give employees access to financial advice at a reduced cost to the employee. Visit the IFA page on myBenefits for more information.

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Questions about taking benefits at retirement

64. When I retire, can I take tax-free cash from both the Defined Benefit Schemes and myRetirement Plan?
Yes, under current legislation, you could take separate tax-free cash amounts from both arrangements. Any tax-free cash (and for EEGS members any tax-free cash beyond the scheme standard tax-free cash sum entitlement) that you choose to take from your accrued Defined Benefit Scheme benefits (if any), would reduce the amount of annual Defined Benefit pension you will receive.

65. Once I'm a member of myRetirement Plan and my Defined Benefit pension is deferred can I still draw

my pension before my Normal Retirement Age?
Yes, you can draw your Defined Benefit pension early from deferred status with the usual actuarial reduction reflecting the period until your Normal Retirement Age. Details can be found in the deferred member guide on myPension.

66. What will be the Normal Retirement Ages (NRA) under myRetirement Plan?
The retirement age under myRetirement Plan is by default 65 but will initially be aligned with your existing Defined Benefit retirement date. As part of the choices exercise which began on 10 May 2021, the modeller will be prepopulated with your Defined Benefit NRA and, as part of the choices exercise, you'll be able to select a different NRA for myRetirement Plan. This can then be amended at any time as a myRetirement Plan member should your plans change. One of the features of a Defined Contribution arrangement is flexibility around targeted retirement age and this can be changed by you as you see fit. Importantly, you can draw it flexibly at any time from the age of 55 without the need to buy an annuity.

67. When I decide to retire, would I have to take all my benefits at once (both Defined Benefit and Defined Contribution Schemes) or could I draw down on Defined Contribution and leave Defined Benefit until later in life?
These can be drawn separately, and this introduces significant flexibility in the new arrangements. When an employee comes to take their benefits, it may be appropriate to take independent financial advice and consider the tax consequences.

68. Will I be able to take my Defined Benefit and myRetirement Plan pensions after 6 April 2021 without independent financial advice, and will it be the value as stated on the Mercer OneView pension calculator?
Employees will be able to draw their deferred Defined Benefit pension (with early payment reduction) and myRetirement Plan pension from the age of 55 without the need for independent financial advice. It is also possible to take a cash equivalent transfer value (CETV) of your deferred Defined Benefit pension but if you plan to transfer this to a Defined Contribution arrangement, this is likely to require you to take independent financial advice if the value exceeds £30,000. Please note that transfer values on OneView are indicative and you would need to ask for a guaranteed quote to proceed with a transfer of your deferred Defined Benefit pension.

69. I am over age 55 – can I take my Defined Benefit pension early and still join myRetirement Plan?
Yes. The rules of each scheme are different, and you may need Company agreement to draw your pension early and your pension would be subject to early payment reduction, to reflect it would be paid over a longer time. Your salary and pension would be taxable, meaning you may pay a higher rate tax on your total income. This option is also open to Protected Persons and those with "no detriment" protection.

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Terms and Conditions of employment

1. **What will be the interaction of the redundancy terms with the new pension arrangement?** There is no direct link between EDF's redundancy terms and the new Defined Contribution arrangement. In some specific circumstances, as defined by the scheme rules, there is a link with the existing Defined Benefit Schemes and redundancy (an example being pre-2001 joiners in the BEGG Scheme) and early payment of pension on redundancy. We are working with the Trustees to ensure the link to payment of deferred Defined Benefit pension and redundancy is maintained where these rules currently apply.

2. **Will EDF adopt a single set of redundancy terms as a result in this change?**
Harmonisation and protection of redundancy terms is one of the items considered as part of the dialogue with the Trade Unions in parallel with the discussions on pensions. The new agreed approach to redundancy terms forms part of the package of measures communicated to employees on 24 February 2021 and outlined in the employee outcome leaflet (also available on myPension > myLibrary).

3. **My business area is going through a voluntary selective redundancy process using notes of interest (NOI). What impact will the pension reform have on this process?**
If you are due to leave the business prior to the proposed pension changes taking effect on 30 June 2021 then there would be no impact on pension benefits but you may benefit from transitional arrangements being applied to your redundancy payment – you will be informed by your local HR team if that is the case. If you are due to leave the business after that date and are impacted by the pension changes then the proposals will affect you. If you were a BEGG pre-2001 member or equivalent within EEGS or a legacy EEGS ESPS member who is transferring, EDF is working with the Defined Benefit Trustees to change the rules of the current schemes so that you would be

able to draw your pension from the date of your severance (or 50 if later). This pension will be on an unreduced basis but this would now be based on your deferred pension. For other employees leaving the business after 30 June 2021 and impacted by the proposed changes, their deferred pension reflecting service to 30 June 2021 would be put into payment at normal retirement age, as well as the ability to draw on whatever Defined Contribution savings have been accumulated in myRetirement Plan. However, these members will also have an option to receive their pension early, at any age after age 55, on a reduced basis. The 30 June 2021 date will be extended by six months where employees choose to continue building Defined Benefit benefits until 31 December 2021.

4. **What guarantee can be given on future protection of our other terms and conditions?**
If changes are contemplated to terms and conditions of employment in future, they will be the subject of discussion with employees and Trade Unions, using our existing mechanisms to consult and negotiate on change. EDF in the UK and its predecessors has a very strong record of reaching agreement on changes in the interests of the business and employees, which has included making many positive changes to improve terms and conditions as well as modernising in order to remain competitive.

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Pension definitions

1. **What is the difference between a Defined Benefit scheme and a Defined Contribution scheme?**
A defined benefit is a pension based on your pensionable salary and how long you've worked for your employer. A defined contribution is a pension delivered from a pensions saving pot, determined by how much is paid in and how your investments have performed.

2. **How does a Defined Contribution scheme work?**
Money paid in by you and your employer is put into investments (such as shares or bonds) by the pension provider. The value of your pension pot can go up or down depending on how the investments perform. At retirement you then choose how you wish to use your pot to provide you with an income in retirement.

3. **What does 'Protected Persons' mean?**
It means individuals who have certain pensions rights protected additionally by law. Broadly speaking a Protected Person is someone who was working in the electricity industry and in the ESPS industry wide pension scheme at the time of privatisation in 1990. There are also a number of employees with 'no detriment' protections under the BEGG and EEGS scheme rules, again based on when they joined the employer.

4. **How do I know if I'm a Protected Person?**
To be a Protected Person, as an employee of EDF, you need to meet **all** the following criteria:
    - Be an active member of either BEGG or EEGS
    - Have joined either the industry wide Electricity Supply Pension Scheme (of which both BEGG and EEGS are part) or the South of Scotland Electricity Board's Superannuation Scheme or Hydroboard Superannuation Fund before 31 March 1990
    - Have had continuous employment in the electricity industry since 31 March 1990

5. **How do I know if I am covered by the 'no detriment' provision in the BEGG/EEGS rules?**
If you are a Protected Person you will not impacted by any proposed changes. In addition, the following employees who are members of either BEGG or EEGS but who are not Protected Persons will also not be impacted:
BEGG
    - Former members of the Magnox Electric ESPS Group who transferred to BEGG in October 1996 and whose membership of the Magnox Electric ESPS Group had commenced on or before 1 April 1993.
    - Former members of the Scottish Nuclear Pension Scheme who transferred to BEGG in October 1999 and whose membership of the Scottish Nuclear Pension Scheme had commenced on or before 1 April 1993

EEGS
EEGS member employees who;
    - joined the legacy London Electricity Group of the ESPS before 1 January 1992 or
    - were previously members of the SWEB, PowerGen, Eastern (TXU) or Seeboard Groups of the ESPS.

The individual consultation communications issued in November 2020 clarified whether your benefits will remain unchanged because you are a Protected Person or because you fall into one of the above groups.

6. **What is the difference between statutory protection and scheme protection?**

Statutory protection refers to the electricity regulations (see The Electricity (Protected Persons) (England and Wales) Pension Regulations 1990 and The Electricity (Protected Persons) (Scotland) Pension Regulations 1990), which came into force on 31 March 1990 when the industry was privatised. Whereas the scheme protections are for members who are covered by the non-detriment clauses that exist within the pension scheme rules. Both statutory and scheme protection are legally enforceable restrictions on the company which mean that we do not have the power to change pension benefits for future service.

7. **Where can I find out which Defined Benefit scheme I'm in currently?**
   Log in to myPension using your username and passcode and click on the 'myPension Benefits' icon at the top of the page. You will find all the information relating to your current Defined Benefit pension scheme here.

8. **Where can I see my current Defined Benefit pension benefits?**
   Log in to myPension using your username and passcode and click on the 'myPension Benefits' icon at the top of the page before choosing any of the green 'Access Mercer OneView' buttons. This will take you to OneView where you'll be able to view your latest Defined Benefit pension benefit statement.

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