

Member Booklet



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Introduction

The Defined Contribution (DC) Section of the Prudential Staff Pension Scheme (the Scheme)

Membership of the Scheme provides you with a number of valuable benefits, which are set out briefly below and are explained in more detail throughout the booklet.

SUMMARY OF BENEFITS

- › Contributions from the Company, known as Employer Credits, of 6% of your Pensionable Pay
- › Additional contributions from the Company in the form of Matching Employer Credits of up to 6% of your Pensionable Pay
- › A choice of three Lifestyle Profiles or individual Self-Select funds to invest in
- › A lump sum payment if you die whilst employed by the Company
- › Income protection if, as a result of illness, you are unable to work. This is provided via the Company's Long Term Sick Pay Scheme
- › Guidance to help you save for retirement.

This booklet is intended to provide a summary of the main benefits that membership of the DC Section of the Scheme offers. Every effort has been made to ensure the accuracy of this booklet, however, it is not a legal document. All your benefits are payable in accordance with the Trust Deed and Rules, which is the legal document that governs the Scheme. In the event of any discrepancy between any information provided to you and the Trust Deed and Rules, the Trust Deed and Rules will prevail.

If you wish to see a copy of the Trust Deed and Rules or have any queries then please contact:

Pensions Manager
Prudential
3 Sheldon Square
Paddington
London
W2 6PR

You can also find out more information by visiting www.prudentialstaffps.co.uk.



Scheme information

Prudential Staff Pensions Limited (a limited company) is the Trustee of the Scheme, who is responsible for ensuring the Scheme is administered in accordance with the Trust Deed and Rules as well as ensuring the Scheme assets are invested for the benefit of members and their beneficiaries.

The Company is responsible for appointing the Trustee and individual Trustee Directors are selected under agreed arrangements in line with current legislation. There are up to 10 individual Trustee Directors - four of whom are Member Nominated Trustee Directors (MNTDs). The remaining six are appointed by the Company.

Information on the Trustee is provided each year in the in-house publication of Pension Overview. Copies of past and present publications can be obtained from the Document library section of the website www.prudentialstaffps.co.uk.

WHAT DOES DEFINED CONTRIBUTION MEAN?

As a member of the DC Section of the Scheme, when you retire your retirement benefits are determined by the accumulated value of your Personal Account (sometimes referred to as your pension pot).

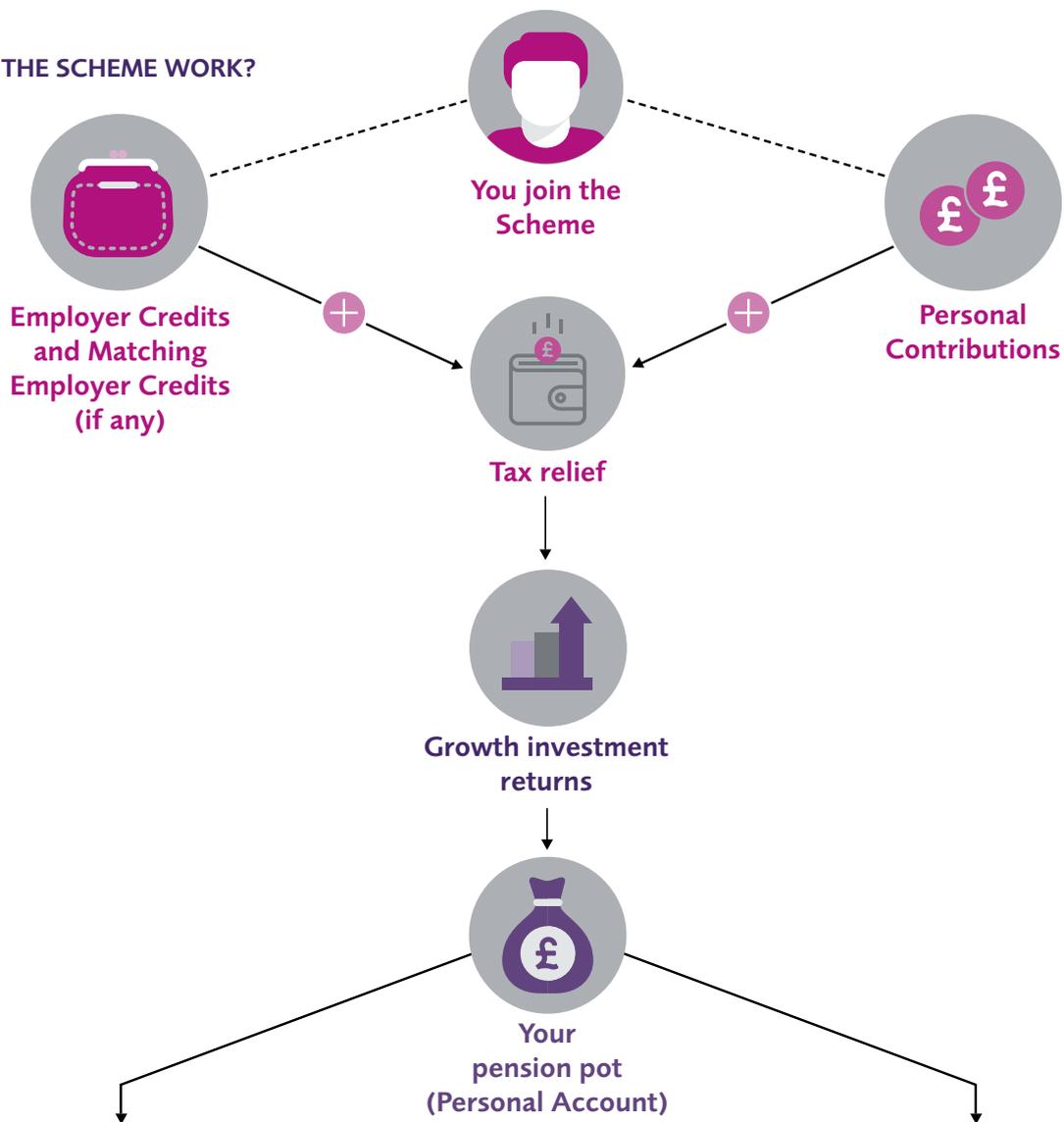
The value of your Personal Account is determined by several key factors:

- › Contributions paid by the Company (Employer Credits)
- › Your personal contributions
- › Additional Matching Employer Credits, paid by the Company on your behalf
- › The investment performance of your Personal Account.

Each month the contributions received are invested in your chosen fund(s) and it is the accumulated value of these investments that determine the value of your Personal Account.



HOW DOES THE SCHEME WORK?



Your options at retirement - choose one or a combination of options

- ① Up to 25% tax-free cash lump sum
- ② A guaranteed income for life (Annuity)
- ③ Take it all as cash in one go (after the tax-free cash lump sum, the remainder is subject to income tax).

These options are explained in more detail later in the booklet.

Benefits on death whilst employed by the Company

- ① A lump sum death benefit of four times Pensionable Pay
- ② Return of the value of your Personal Account that represents your own personal contributions or Pensions Plus contributions
- ③ In addition to the lump sum an equivalent value will be used by the Trustee to purchase a pension for your Spouse, Civil Partner/same sex spouse or Dependant(s).

These options are explained in more detail later in the booklet.

ANNUAL BENEFIT STATEMENTS

Each year you will be able to view online your Annual Benefit Statement. This is a very important document and gives you current information on the amount contributed by you or on your behalf in the preceding 12 months together with the current and estimated value of your Personal Account, as well as the benefits it could provide you on retirement.

If you regularly review your investment choices and your retirement planning strategy, either by yourself or with a financial adviser, you may find that your Annual Benefit Statement will assist you in doing so.



Joining and Scheme membership

You will automatically become a member of the DC Section of the Scheme when you join the Company provided that you are aged at least 16 and are under age 74.

You will join on a non-contributory basis and will be given the opportunity of paying contributions yourself. If you pay contributions the Company may pay additional contributions (known as Matching Employer Credits) of up to 6% of your Pensionable Pay. You can choose to pay higher contributions than this but they will not be matched by the Company. You can use the Contribution Calculator to understand the impact of you paying personal contributions.

HOW MUCH CAN I AFFORD TO CONTRIBUTE?

The Contribution Calculator on the Scheme website, www.prudentialstaffps.co.uk will help you decide what is the right level of contribution for you to pay.

The screenshot shows the Prudential Staff Pension Scheme website interface. At the top left is the Prudential logo with the text 'PRUDENTIAL Staff Pension Scheme'. On the right, it says 'The Defined Contribution Section' and 'Your journey'. A navigation bar contains links: 'Journey to retirement', 'Document library', 'News', 'FAQs', 'Glossary', 'Contacts', 'Links', and a status selector for 'Active' and 'Deferred'. The main heading is 'Contribution Calculator'. Below it, a paragraph explains the calculator's purpose. To the left of the calculator are links for 'Tax savings', 'Contribution matching', 'Your guide to Pension Plus', and 'Assumptions'. The calculator itself is a dark purple box with a white input field for 'What is your annual basic salary? (rounded to nearest £)' set to '£40000'. Below that is a slider for 'What % of salary would you like to contribute? (click and drag to calculate)' set to '6%', with '0%' and '12%' markers. A summary box shows 'You pay (each month) £160' and 'Amount invested (each month) £600'. An 'ACT NOW' button is at the bottom right of the calculator. Below the calculator is a link for 'Your annual contribution breakdown'.



Scheme information



My account



Fund performance



Pension bites



Interactive tools

WHERE DO I INVEST?

Where your Personal Account is invested can have a significant impact on the value of your Personal Account you have available at retirement. Please refer to the Investments section of this booklet for more information.

COMPLETION OF AN EXPRESSION OF WISH FORM

The Scheme provides a level of financial security for your loved ones. Any death benefit payment would not normally form part of your estate and therefore is not usually liable to inheritance tax. Although it is for the Trustee to decide who such benefits are paid to, the Trustee will consider your wishes when deciding to whom the payment should be made. Please take the time to complete an Expression of Wish Form, which can be downloaded from www.prudentialstaffps.co.uk.

It is also very important that you update your Expression of Wish Form when your circumstances change – for example if you get married or have children.

AUTOMATIC ENROLMENT

To encourage people to save for their retirement the Government requires employers to automatically enrol their UK workers into a workplace pension scheme. Legislation requires employers to operate a pension scheme that meets specific minimum requirements (a Qualifying Scheme).

Under the terms of your employment contract, you were enrolled into the DC Section of the Scheme from your first day of employment and you will not be required to do anything.

If you do not meet the eligibility conditions for Automatic Enrolment and are not automatically enrolled, it may be possible for you to still join the DC Section of the Scheme but you will need to contact your HR department.

OPTING OUT

If you join the DC Section of the Scheme and then decide it is not the right choice for you, you can leave at any time.

Please be aware that if you choose to opt out, because of Automatic Enrolment requirements the Company may be required to re-enrol you later (although you will be able to opt out again if you want).

Choosing to opt out

You can choose to opt out of the Scheme by downloading and completing the Opt Out Form available at www.prudentialstaffps.co.uk and returning it to the Trustee. Please be aware that:

› If you opt out within one month of joining:

You will be treated as if you had never joined the Scheme. Any contributions paid by you will be refunded.

› If you opt out more than one month after joining:

You must give the Trustee one month's notice of your decision to opt out. You will be treated as having left the Scheme on the last day of the calendar month in which your notice expires, and will become a deferred member. Different rules apply to members who joined the Scheme on or after 1 October 2015 (For more information please refer to the Leaving service section of this booklet).

Once you have opted out you can only ask to re-join the Scheme once in any 12 month period, unless you are automatically re-enrolled under the Automatic Enrolment legislation.

WHAT HAPPENS IF I SHOULD DIE AFTER CHOOSING TO OPT OUT?

The following benefits will become payable:

- › The return of the value of any Personal Account you may have (if any); plus
- › A lump sum death benefit of four times your Pensionable Pay at the date of death will be paid (unless you have elected not to be treated as a death benefit member of the DC Section of the Scheme).

Please be aware that no additional benefits will be secured for your Spouse, Civil Partner / same sex spouse or Dependant(s).

Temporary absence

Most absences from work are normally for a relatively short period and do not affect your membership.

If you are absent due to illness or injury you could be entitled to receive benefits from the Company's Long Term Sick Pay Scheme. Should your absence not be illness or injury related, or relate to authorised leave, for example, maternity, parental or adoption leave, your membership of the DC Section of the Scheme can continue with the consent of the Company.

Details of your membership and benefits under the DC Section of the Scheme during time off can be obtained from your local HR contact or your dedicated Administration Team.

Should you die while absent from work but membership has been assumed to continue, you will continue to be covered for the death in Service benefits in full.

MATERNITY LEAVE

Whilst you are on maternity leave your membership and death benefits under the DC Section of the Scheme will continue.

The Company will continue to pay Employer Credits equal to 6% of your Pensionable Pay, based on the earnings you would have received had you been working normally.

Your contributions and any Matching Employer Credits throughout your maternity leave may be paid as follows:

Period of Maternity	Your contributions	Matching Employer Credits
Ordinary Maternity Leave (Full pay / reduced pay)	If you participate in Pensions Plus, the Company will pay an amount equal to what your personal contributions would have been, if you had been working normally and receiving normal pay for doing so. The percentage reduction in your pay will be based on the percentage of your pay which you sacrificed immediately before your maternity leave. If you choose not to participate in Pensions Plus, you may continue to make personal contributions, based on the pay you receive.	The Company will pay Matching Employer Credits calculated as a percentage of the pay you would have received had you been working normally.
Additional Maternity Leave (No pay)	None.	None.

When you return to work, you will be allowed time to make up the difference between the contributions you would have paid had you been working normally (and contributing 6% of your Pensionable Pay) and the contributions you actually paid during maternity leave. The time allowed is equal to twice the length of your absence. So, for example, if you are away for 52 weeks the time allowed to make up the difference in contributions is 104 weeks, starting from the date of your return to work.

If you choose to do this, the Company will match your contributions. However, the total Matching Employer Credits made by the Company will not be more than the amount that would have been paid had you been working normally.

If you do not return to work, your date of leaving the Scheme is taken as the date when any maternity pay stops or, if later, when your unpaid statutory maternity leave ends.

PARENTAL OR OTHER LEAVE

There may be circumstances where you need to take time off for other reasons, for example parental leave or for an emergency involving your family.

Details of your membership and benefits under the DC Section of the Scheme during time off can be obtained from your local HR contact or your dedicated Administration Team.

LONG TERM SICK PAY SCHEME

This is a Company benefit and is not a benefit through membership of the DC Section of the Scheme.

If you become eligible to benefits from the Company's Long Term Sick Pay Scheme your membership of the DC Section of the Scheme will continue under most circumstances.

For more information regarding eligibility and benefits please refer to the Company's Long-term ill-health benefits booklet. A copy is available to download in the Document library of the Scheme website www.prudentialstaffps.co.uk.



Marriage, Civil Partnership, divorce and dissolution

It is important that any changes in personal circumstances are notified to the Trustee particularly if these changes could have an impact on the payment of your benefits.

MARRIAGE AND CIVIL PARTNERSHIP

A change in your marital status can often lead to a change in your beneficiary (or beneficiaries). To communicate this change to the Trustee please arrange for an updated Expression of Wish Form which can be downloaded from www.prudentialstaffps.co.uk, to be completed and passed, via the Administration Team, to the Trustee for safekeeping.

DIVORCE OR DISSOLUTION OF A CIVIL PARTNERSHIP

Divorce or a dissolution of a Civil Partnership is another event when you may wish to update the Trustee with regards to a change in beneficiary (or beneficiaries).

Please be aware that as part of the process for divorce or dissolution the Courts consider pension benefits in the calculation of the value of joint assets. This can sometimes lead to the Court issuing a pension sharing order and awarding a share of your Personal Account to your ex-Spouse or ex-registered Civil Partner / same sex spouse.



Contributions

Membership of the DC Section of the Scheme is non-contributory. The Company will make pension contributions, known as Employer Credits, of 6% of your Pensionable Pay on your behalf.

You can also choose to contribute to the Scheme. If you contribute the Company may pay additional contributions on top of the Employer Credits.

Use our Contribution Calculator to see what effect a change to your contribution level would have on your take home pay and the overall amount that is invested in your Personal Account, once tax savings and the effect of contribution matching are taken into account.

PERSONAL CONTRIBUTIONS

How much do I pay?

You can choose to pay personal contributions up to 100% of your Pensionable Pay.

Tax Relief

Personal contributions are normally deducted from your earnings before the calculation of income tax. This means that the actual cost to you will be less, as you will receive tax relief at your highest rate of tax on any contributions you choose to pay. You can use our Contribution Calculator on the Scheme website, www.prudentialstaffps.co.uk to see the impact of different levels of personal contributions on your take home pay.

PENSIONS PLUS CONTRIBUTIONS

If you participate in Pensions Plus, your salary will be reduced by the amount of your Pensions Plus contributions. You and the Company may pay less in National Insurance contributions if you elect for Pensions Plus.

If you choose not to participate in Pensions Plus, your personal contributions will be deducted from your salary.

For more information on Pensions Plus please visit www.pensionsplusatpru.co.uk.

HOW DO I PAY CONTRIBUTIONS?

If you choose to make personal contributions or Pensions Plus contributions, you can do this via PruSelect or GHOSelect. If you do not have access to either of these applications you can complete a Decision Form. The form should be requested and returned to your local HR team. Contributions will usually be deducted from your Pensionable Pay.

At any stage in the future you can increase, reduce or stop your personal contributions or Pensions Plus contributions by completing a Contribution Change Form via PruSelect or GHOSelect. If you do not have access to either of these applications, you can download the form from the Scheme website www.prudentialstaffps.co.uk.

Important Note: Contributions you choose to make may be matched by the Company up to a maximum contribution of 6% of your Pensionable Pay.

See Matching Employer Credits for more information.

EMPLOYER CREDITS

The Company will make pension contributions, known as Employer Credits, of 6% of your Pensionable Pay monthly on your behalf.

This contribution will be paid regardless of whether you choose to pay any contributions or not.

MATCHING EMPLOYER CREDITS

If you choose to pay contributions, the Company may pay additional contributions that match the value of any contributions you choose to make. This is subject to a maximum matching contribution of 6% of your Pensionable Pay.

These additional Company contributions are called Matching Employer Credits.

The table below shows the total contribution that could be paid into your Personal Account if you choose to pay contributions.

Employer Credits	Your Contributions	Matching Employer Credits	Total paid into your Personal Account
6%	7% (or above)	6%	19% (or above)
6%	6%	6%	18%
6%	5%	5%	16%
6%	4%	4%	14%
6%	3%	3%	12%
6%	2%	2%	10%
6%	1%	1%	8%
6%	0%	0%	6%

Limits and taxation

The Scheme is a registered scheme for HM Revenue & Customs (HMRC) purposes. As a registered scheme, it enjoys several tax advantages. Consequently, HMRC impose limits on the amount of pension savings you can make each year and build up over your working life.

It is your responsibility to ensure you monitor and understand how your pension savings may be affected by the allowances imposed by the HMRC.

ANNUAL ALLOWANCE

The Annual Allowance is a limit on the amount of pension savings that you can build up that may qualify for tax relief. The period over which this is measured is known as the Pension Input Period (PIP) and runs from 6 April to 5 April.

From 2016/17 the Annual Allowance is £40,000. You can carry forward unused allowances from up to three previous years.

Please note your Annual Allowance may be reduced if one or more of the following statements are applicable to you:

- › Your total annual taxable income in the relevant PIP plus any pension savings you make during the PIP exceeds £150,000
- › You have chosen to take benefits from an authorised pension scheme as a taxed lump sum; or
- › You take income drawdown or a short-term annuity (or an annuity capable of reducing).

If contributions made by you or on your behalf into your Personal Account during a PIP exceed the Annual Allowance you may be liable to an additional tax charge.



LIFETIME ALLOWANCE

The Lifetime Allowance is a limit on the total value of the pension savings you build up during your working life. This limit is currently set at £1 million.

You may be subject to a tax charge if the value of all your pension benefits exceeds the Lifetime Allowance.

Further information on either the Annual Allowance or Lifetime Allowance can be found by visiting www.pensionsadvisoryservice.org.uk or www.hmrc.gov.uk.

FIXED PROTECTION AND AUTOMATIC ENROLMENT

Please be aware that if you have registered for fixed or enhanced protection from the Lifetime Allowance charge, joining the Scheme may invalidate your protection.

As you will be automatically enrolled into the Scheme when you join the Company, if you want to retain any protection you have previously applied for, you may need to opt out of the Scheme. If you opt out within one month of being enrolled, HMRC will treat you as if you had never joined the Scheme. For more details see the Joining and Scheme membership section of this booklet for further information on opting out.

If you think you are affected by this, you may wish to obtain independent financial advice before taking any action. If you do not have a financial adviser details of those near to you can be found at www.unbiased.co.uk.

TAX RELIEF ON YOUR CONTRIBUTIONS

Normally your contributions to the Scheme are made before the deduction of income tax. If you participate in Pensions Plus, your salary is reduced by the amount of your Pensions Plus contributions. As a result, you and the Company may pay less in National Insurance contributions.

More information relating to these matters can be found by visiting www.hmrc.gov.uk or www.pensionsadvisoryservice.org.uk.



Transfers from other registered pension schemes

If you have built up benefits in another pension scheme you may be able to transfer these into your Personal Account.

Currently, the maximum amount you can transfer in under the Rules of the Scheme must not exceed £150,000 and must be received from other registered pension schemes.

Transfers from defined benefit (DB) arrangements are not allowed.

If you wish to proceed with a transfer you will need to complete a Transfer In Request Form which is available in the Document library of the Scheme website www.prudentialstaffps.co.uk.

You should seek independent financial advice if you are unsure that transferring other benefits is in your best interests. If you do not have a financial adviser, details of those near to you can be found at www.unbiased.co.uk.



Investments

Selecting the right investment strategy is a very important decision. You should also refer to the Investment Guide which can be found in the Document library of the Scheme website www.prudentialstaffps.co.uk.

Before making any financial decisions, including which funds are right for you, you may wish to seek appropriate independent financial advice. If you do not have a financial adviser details of those near to you can be found at www.unbiased.co.uk.

 Our i-Investor tool, available via the Scheme website, is also available to help you understand the risk involved in different investment options.



1 of 10

Question one
Please choose one of the answers:
How much involvement would you like to have in choosing which funds you invest in?

- Minimal involvement.
- Some involvement.
- A moderate amount of involvement.
- I want full control of my investments.

Next question >

LIFESTYLE PROFILES

A Lifestyle Profile is a good option to choose if:

- › You do not want to make your own decisions on your fund selection; or
- › You do not feel comfortable managing your own investments on a day to day basis.

The Lifestyle Profiles provide you with a ready-made investment strategy. Initially it will invest in higher risk funds, expecting to achieve a higher return. Then gradually, as you get nearer to your Selected Retirement Age, your investments are switched to lower risk funds to protect the capital value of the fund from large fluctuations in value.

You are not required to actively manage your funds, however the Trustee still recommends that you do review the matter regularly to ensure that the Lifestyle Profile remains the most suitable choice for your circumstances. There are three Lifestyle Profiles available to choose from, each carefully designed to match different retirement strategies.

INVESTMENT CHOICE

You have a number different funds you can choose to invest in, which are explained in the Investment Guide. Below is a summary of the choices available to you.

IMPORTANT NOTE

The Lifestyle Profiles use your Selected Retirement Age to determine when funds switches should take effect. It is therefore important to regularly consider the appropriateness of the date you have specified as your Selected Retirement Age.

SELF-SELECT FUNDS

Choosing Self-Select funds is a good option:

- › If you want to make your own decisions on your fund selection; and
- › If you are comfortable managing your own investments on a day to day basis.

There is a variety of Self-Select funds available to you, covering a range of asset classes and management styles.

Further information on each fund can also be found in the Scheme's Fund Factsheets which are available in the Document library of the Scheme website

www.prudentialstaffps.co.uk.

Transfers

To give you more flexibility with your pension savings the Trustee and Company will allow you to withdraw some or all of your Personal Account from the DC Section of the Scheme and transfer this to another registered pension scheme. This is being offered to support members of the DC Section of the Scheme who have a keener interest and understanding of the financial markets and wish to have other options at their disposal.

HOW DOES IT WORK?

There are some conditions that must be met for a partial transfer:

- › You must have at least £20,000 in your Personal Account, obtain Company consent and withdraw at least £10,000 or 10% of your Personal Account
- › Transfers can only be made to another registered pension scheme
- › The Trustee will not allow any unauthorised payments to be made from the Scheme
- › You may make only one partial transfer in any 12 month period.

Should you exercise your right to a partial transfer you will remain a member of the DC Section of the Scheme and your Service will be treated as continuous for State benefits and employment purposes.

You will not be charged for making a partial transfer and you will retain all the standard options on retirement.

This process is irreversible once the transfer payment has been made.

It is important that you consider all factors before deciding. You may wish to seek independent financial advice. If you do not have a financial adviser details of those near to you can be found at www.unbiased.co.uk.

HOW DO I MAKE A PARTIAL TRANSFER?

Partial transfers are conditional and must be made with Company consent. If you have decided, after taking the appropriate advice, to proceed then in the first instance you will need to ask for Company consent by contacting the Administration Team.



Benefits

This section of this booklet covers the benefits available from the DC Section of the Scheme should you retire, leave the Scheme before retirement or on your death.

The final value of the benefits payable to you, and if you wish, your Spouse, Civil Partner / same sex spouse or Dependant(s), will depend on several factors including the amount of contributions paid by you or on your behalf, any cost of exercising any right to transfer your Personal Account, any charges payable, the age at which you access your benefits, the performance of investments and any cost of converting your benefits into an annuity.

OPTIONS AT RETIREMENT

When you reach your Selected Retirement Age you can choose how you receive your benefits. The Retirement Options Modeller, which can be found on the Scheme website, will help you compare each of these options.

PURCHASE AN ANNUITY

Use your Personal Account to buy an annuity that will provide you a guaranteed fixed income for the remainder of your life. This can also provide an income to your Spouse, Civil Partner / same sex spouse or Dependant(s) following your death.

You may take up to 25% of your Personal Account as a cash lump sum on retirement. This is normally tax-free.

TAKE AN UNCRYSTALLISED FUNDS PENSION LUMP SUM (UFPLS)

Take up to 100% of the value of your Personal Account as a lump sum at retirement. 25% is normally tax-free with the remainder taxed as income.

You do not have to take your entire Personal Account as a single UFPLS. However, if you elect to only take a proportion of your Personal Account at retirement you will be required to transfer the remainder to another registered pension scheme or use it to purchase an annuity.

If you elect to take a UFPLS from the DC Section of the Scheme or any other pension arrangement you may have your Annual Allowance for the year in which you receive the lump sum (and for future years) will be replaced with a Money Purchase Annual Allowance. See page 20 for more detail.

FLEXI-ACCESS DRAWDOWN

You can also transfer your Personal Account to an appropriate drawdown policy. This option allows you to have full control over your pension savings. Once you have transferred your Personal Account to the drawdown policy, you can take your funds as either a single lump sum or series of lump sums, each made up of a taxable and non-taxable element (normally 25%).

WHEN CAN I RETIRE

You can normally select to retire at any age after you have reached age 55 (or age 50 if you joined the DC Section of the Scheme before 6 April 2006). You must take your retirement benefits on or before age 75.

ILL-HEALTH RETIREMENT

If you are taken ill and unable to continue working you may be eligible to have your pension paid early on the grounds of ill-health. You will need to provide satisfactory medical evidence that, in the opinion of the Trustee, you have become too ill to work.

This option may enable you to use the value of your Personal Account to fund ill-health retirement at any age.

If you require any further information or wish to apply for ill-health retirement, please contact your local HR team.

SMALL LUMP SUM

As a member of the DC Section of the Scheme it may be possible to take all of your benefits as a lump sum if your Personal Account is small enough.

To qualify you must:

- › Be aged at least 55 (or retiring at an earlier age because of ill-health); and
- › Your Personal Account must be valued at less than £10,000.

FLEXIBLE RETIREMENT

You have the option of flexible retirement which allows you to use your Personal Account to secure your pension income and continue to work for the Company. To qualify for a flexible retirement, you will need to:

- › Be aged at least 55 and have obtained the Company's consent
- › Have at least £20,000 in your Personal Account and use at least £10,000 or 10% of your Personal Account for the provision of retirement benefits; and
- › Leave at least £10,000 in your Personal Account.

You will not be allowed to exercise this option more than once in any 12 month period. Your employment will be deemed as continuous for any State or employment benefits that are dependent on this fact.

PENSION WISE

To help you understand your options, the Government has set up a free and impartial service called Pension Wise.

This service is available free of charge to any members of the DC Section of the Scheme providing:

- › Guidance on your pension options and how to make the best use of your money
- › Information about tax when taking money from your pension; and
- › Tips on getting the best deal, including how to compare financial products, get financial advice and avoid pension scams.

You can visit the website at www.pensionwise.gov.uk or call **0800 138 3944** to book either a face-to-face or telephone appointment for specialist guidance on what you can do with your pension pot.

Retirement Options Modeller

Please enter the current fund of your Personal Account.

› Current Personal Account value £ 400,000

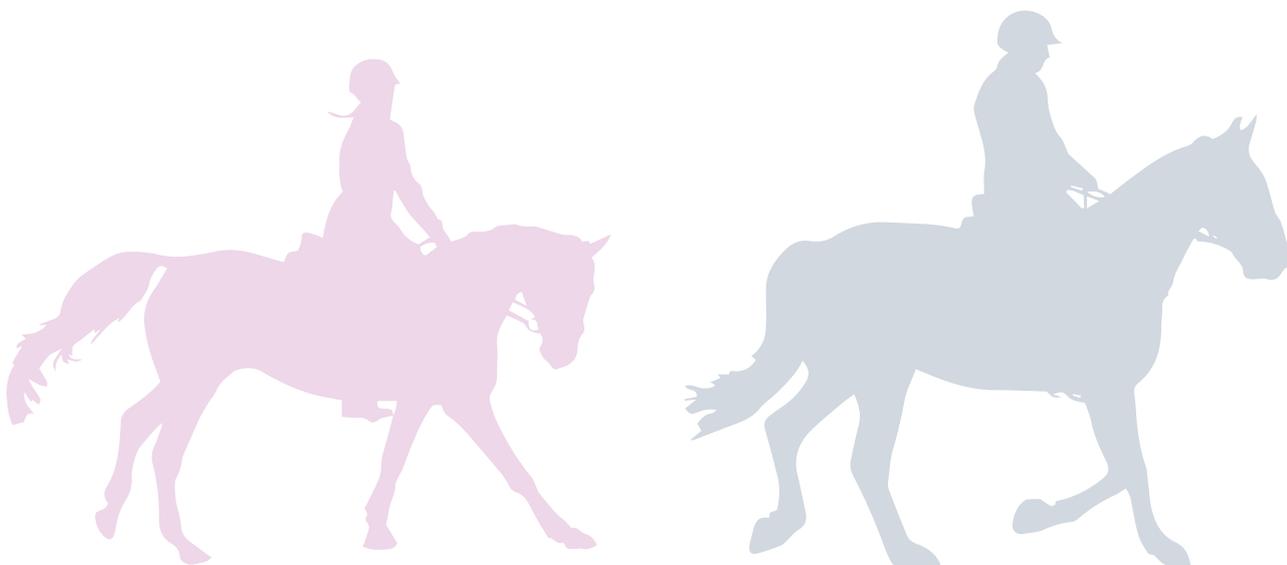
Lump sum and annuity	Uncrystallised Funds Pension Lump Sum (UFLS)	Flexi-access drawdown
Use the slider below to select the proportion of your Personal Account to take as a tax-free cash lump sum.	Use the slider below to select the proportion of your Personal Account to take as a UFLS.	Use the slider below to select the proportion of your Personal Account you wish to drawdown.
25%	100%	50%
Maximum tax-free cash lump sum: £100,000	If you are a basic rate tax payer: £340,000	If you are a basic rate tax payer: £180,000
Remaining Personal Account to purchase an annuity: £300,000	If you are a higher rate tax payer: £280,000	If you are a higher rate tax payer: £160,000
	Click here for more details	Click here for more details

Click the buttons below for explanations of each option.

- Lump sum and annuity
- Uncrystallised Funds Pension Lump Sum
- Flexi-access drawdown

Our Retirement Options Modeller, available via the Scheme website, may help you understand the options available to you at retirement.

The Trustee cannot give you any advice on the retirement options that are best for you or the tax you would pay on any choice you make. This tool is for illustrative purposes only, to support you in your decision making. If you are unsure on what to do then it is strongly recommended that you seek independent financial advice. Information on independent financial advisers in your area can be found at www.unbiased.co.uk.





Death benefits

The level of death benefits payable will be different depending upon whether you were employed or you had left the employment of the Company at the time of your death.

DEATH IN SERVICE BENEFITS

Unless certain restrictions apply, if you die while you are employed and a member of the DC Section of the Scheme, the following benefits could be payable:

- › A lump sum payment of four times your Pensionable Pay
- › A lump sum payment of the value of your Personal Account which relates to your personal contributions or Pensions Plus contributions (Employer Credits and Matching Employer Credits are not refundable); and
- › A pension for your Spouse, Civil Partner / same sex spouse or Dependant(s).

If you joined the DC Section of the Scheme after taking flexible retirement from one of the Prudential Group's defined benefit schemes your death in Service benefits are different from those quoted above.

DEATH BEFORE RETIREMENT BUT HAVING LEFT THE DC SECTION OF THE SCHEME

If you should die whilst you are a deferred member, a lump sum death benefit equal to the value of your Personal Account will become payable.

WHAT BENEFITS ARE PAYABLE IF I SHOULD DIE AFTER OPTING OUT?

If you have opted out or have elected to be treated as never joining the DC Section of the Scheme, you will still be entitled to some death in Service benefits unless you have elected not to be treated as a death benefit member. In the event of death while in employment, a lump sum death benefit of four times your Pensionable Pay will become payable, plus a return of the value of your Personal Account (if any).

DEATH AFTER RETIREMENT BENEFITS

The benefits payable on your death will depend upon the choices you made when you retired.

A Spouse's, Civil Partner's / same sex spouse's or Dependant's pension will only be payable if you chose this option at the time of purchasing your annuity.

PAYMENT OF DEATH BENEFITS

All lump sum death benefits and pensions are payable at the discretion of the Trustee. Consideration will be given to anyone that you have nominated as a beneficiary in an Expression of Wish Form. You should consider periodically providing an updated Expression of Wish Form, especially if your personal circumstances change. The Expression of Wish Form can be downloaded from www.prudentialstaffps.co.uk.



The Defined Contribution Section

Your journey

Expression of Wish Form

To: The Trustee of the Defined Contribution (DC) Section of the Prudential Staff Pension Scheme (the Scheme).

Please complete the following using **BLOCK CAPITALS**.

Title	
First name(s)	
Surname	
National Insurance number	

I, the undersigned, have read the explanatory literature for the DC Section of the Scheme and fully understand that if I die before retirement any lump sum death benefits or Spouse's / Civil Partner's / Same sex spouse / Dependents' pension benefits that may be payable under the provisions of the DC Section of the Scheme will be distributed by the Trustee in its absolute discretion. However, I wish to nominate for this purpose the person(s) specified below and overleaf and I understand that, before exercising the discretion, the Trustee will give full consideration to my wishes. This form supersedes any earlier nomination made by me.

1st Beneficiary (full name)	Date of birth	Relationship (if any)	Proportion of benefit
			%
Address			
2nd Beneficiary (full name)	Date of birth	Relationship (if any)	Proportion of benefit
			%
Address			
3rd Beneficiary (full name)	Date of birth	Relationship (if any)	Proportion of benefit
			%
Address			
4th Beneficiary (full name)	Date of birth	Relationship (if any)	Proportion of benefit
			%
Address			

ONCE YOU HAVE COMPLETED THE APPROPRIATE SECTION(S), SIGNED AND DATED THE FORM PLEASE RETURN TO YOUR LOCAL HR TEAM OR TO THE PSPS DC SERVICE CENTRE AT THE FOLLOWING ADDRESS: (PSPS DC) 121 Kings Road (Ground Floor C), Reading, RG1 3ES

1 Prudential Staff Pension Scheme DC Section Expression of Wish Form





Leaving service

If you leave the Scheme, all contributions to the Scheme paid by you or on your behalf will cease. Your options will depend upon the date you joined and left the Scheme, and how long you have been a member of the Scheme.

Further information is available on request. Contact details can be found on page 18 of this booklet. There is currently no charge by the Scheme for exercising any of your rights to your benefits if you leave the DC Section of the Scheme before your Normal Retirement Date, for example, if you take flexible retirement or transfer your benefits to another arrangement.

IF YOU JOINED THE DC SECTION OF THE SCHEME AFTER 30 SEPTEMBER 2015

If you leave within one month (i.e. 30 days)

You will be treated as having never joined the Scheme. Any contributions paid by you will be refunded.

If you leave after one month

Any contributions paid by you or on your behalf will be held within the Scheme and you will be treated as a deferred member. Your Personal Account will remain in the Scheme to provide retirement benefits.

You will have the option to transfer the total value of your Personal Account to another registered pension scheme at any time.

IF YOU JOINED THE DC SECTION OF THE SCHEME BEFORE 1 OCTOBER 2015

If you leave within one year of joining

You will receive a refund of your own contributions.

If you have been a member of the Scheme for more than three months, you can also transfer your Personal Account to another registered pension scheme within three months of leaving the Scheme.

If you leave between one and two years

You will have the option of:

- › A refund of your own contributions
- › A transfer of your Personal Account to another registered pension scheme; or
- › To be treated as a deferred member. Your Personal Account will be made up of your own contributions plus 50% of the Company contributions (i.e. Employer Credits and Matching Employer Credits) paid on your behalf and will remain in the Scheme to provide retirement benefits.

If you leave after two years

Any contributions paid by you or on your behalf will be held within the Scheme and you will be treated as a deferred member. Your Personal Account will remain in the Scheme to provide retirement benefits.

You will also have the option to transfer the total value of your Personal Account to another registered pension scheme at any time.

ADDITIONAL NOTES ON LEAVING SERVICE

Tax treatment

Any refund payment will be subject to tax which is currently charged at the rate of 20% on the first £20,000 and 50% on any excess.

Pensions Plus contributions (if applicable) will not be refunded by the Scheme, but will be refunded by the Company.

Transfers to another arrangement

If you have become a deferred member, you have the option to transfer your Personal Account out of the Scheme. The transfer must be made to another registered pension scheme. You should seek independent financial advice prior to making any financial decisions. If you do not have a financial adviser, details of those near to you can be found at

www.unbiased.co.uk.

Overseas Transfers

If you are entitled to transfer your Personal Account, it may be possible to transfer your Personal Account to an overseas pension arrangement if the receiving arrangement is a Qualifying Recognised Overseas Pension Scheme (QROPS). This means that it satisfies certain criteria.

A list of overseas pensions arrangements which may be treated as a QROPS and which have consented to having their details published is available at www.hmrc.gov.uk/pensionschemes/qrops-list.htm. However, please note that inclusion of an overseas pension arrangement on this list does not guarantee that it is a QROPS.

Useful information

ALTERATION AND TERMINATION OF THE DC SECTION OF THE SCHEME

The Company fully intends to continue the DC Section of the Scheme but reserves the right at any time (subject to certain conditions) to terminate it without replacing it or to alter it. If the DC Section of the Scheme is altered and your benefits are affected in any way you will be notified. If the DC Section of the Scheme is terminated, the Trustee will use the assets in the way set out in the Trust Deed and Rules to secure members' benefits and, if necessary, would still satisfy any requirement to automatically enrol members into a Qualifying Scheme.

CONTRIBUTIONS TO OTHER REGISTERED PENSION SCHEMES

You can choose to contribute to other registered pension schemes, such as a stakeholder or personal pension, at the same time as being a member of the DC Section of the Scheme. However, you should note that the Annual Allowance and Lifetime Allowance apply to contributions and benefits from all registered pension schemes of which you are a member.

Special rules also apply concerning residency in the UK and the source of your earnings. It is advisable to seek independent financial advice before making any investment decisions. If you do not have a financial adviser details of those available near to you can be found at www.unbiased.co.uk.

FORMAL TRUST DEED AND RULES

Your rights to benefits under the DC Section of the Scheme arise from the formal Trust Deed and Rules. The formal Trust Deed and Rules govern the Scheme and are designed to satisfy pension and other laws, and to meet the requirements of HM Revenue & Customs and other Government authorities.

This booklet gives only a summary of the benefits and terms of membership and does not cover everything in the Trust Deed and Rules. In the event of any discrepancy between any information provided to you and the Trust Deed and Rules, the Trust Deed and Rules will prevail. If you want to see a copy of the Trust Deed and Rules or you need further information, you should contact:

The Pensions Manager
Prudential Staff Pension Scheme
3 Sheldon Square
Paddington
London W2 6PR

OTHER SCHEME DOCUMENTS

You can find a number of Scheme documents on the Scheme website, www.prudentialstaffps.co.uk including the Scheme Annual Report and Accounts which is also available in hard copy on request.

GIVING UP YOUR BENEFITS

You are not generally allowed to give up, transfer to someone else or cash in your benefits accrued under the DC Section of the Scheme except as described in this booklet.

INCOME TAX

Your pension will be subject to PAYE income tax.

YOU AND THE STATE PENSION

Your membership of the DC Section of the Scheme does not affect your State Pension entitlement. You should note that from April 2016 State Pension provision changed.

The State Pension is a regular income you may receive from the Government when you reach State Pension Age. From April 2016 the Government introduced a new single-tier flat-rate State Pension. Further information on the new State Pension can be found at www.gov.uk/new-state-pension.

DATA PROTECTION

In order to administer the DC Section of the Scheme, it is necessary for information about you and your Dependants to be held and processed by the Trustee or other parties who act on behalf of the Trustee. The Trustee is the data controller under the Data Protection Act 1998. This information is kept secure and only disclosed in limited circumstances, for example, information may be disclosed to companies within the Prudential Group, Trustee advisers and other organisations in connection with the operation of the DC Section of the Scheme. Information may also be disclosed to any future potential employers and their advisers and, only if the Trustee is legally obliged to do so, to Government or regulatory organisations.

TAX STATUS

The Scheme is a registered scheme for HM Revenue & Customs purposes. As a registered scheme, it enjoys a number of tax advantages.

Tax relief on your contributions

If you participate in Pensions Plus, your salary is reduced by the amount of your Pensions Plus contributions, meaning that your contributions are not subject to tax or National Insurance. If you choose not to participate in Pensions Plus, you will in most cases qualify for tax relief on your personal contributions up to 100% of salary and taxable earnings.

A tax charge called the Annual Allowance charge will apply to contributions made by you or on your behalf to the extent that these contributions exceed the Annual Allowance.

COSTS

The Company currently meets all the costs associated with the administration of the DC Section of the Scheme. You will be required to meet the cost of the fund charge(s) for your chosen investment fund(s) which are taken through a deduction of the units held.

Help and advice

The Trustee will do all that it can to ensure that the DC Section of the Scheme is administered to the highest standard, but we appreciate that there may be times when you are unhappy about a certain situation or you have a concern that you need to raise.

Most queries and problems stem from a misunderstanding of information and normally can be quickly and informally sorted out without the need to use any formal procedures. You should first of all refer any query to your dedicated Administration Team on **0345 300 2637**.

If you are still unhappy about the matter, you may then wish to consider making a formal complaint through the Internal Dispute Resolution Procedure.

INTERNAL DISPUTE RESOLUTION PROCEDURE

If you have not been able to resolve any complaint about the DC Section of the Scheme informally, there is a two stage formal procedure you may use. Full details can be obtained from the Pensions Manager at the address shown below.

STAGE 1

You should put your case in writing to:
The Pensions Manager
Prudential Staff Pension Scheme
3 Sheldon Square
Paddington
London
W2 6PR

who will fully consider your complaint and will normally give you a decision within two months of receipt of your complaint.

STAGE 2

If you are not satisfied with the Stage 1 decision, you can appeal to the Trustee to consider your complaint.

You will normally receive a decision from the Trustee within two months of receipt of your complaint.

Special application forms are available to make a complaint or appeal. If you wish, you may use a representative to act on your behalf.

The Internal Dispute Resolution Procedure applies to matters concerning the DC Section of the Scheme that affect members and others who may have an interest under the DC Section of the Scheme. It does not apply to disputes between employees and the Company, nor does it apply to disputes where Court proceedings have started or that are being investigated by the Pensions Ombudsman.

CONTACT US

Do not forget that as a member of the DC Section of the Scheme you have access to a dedicated Administration Team who are there to answer any queries you may have.

You can contact the Administration Team using the details below.

Write to: Prudential (PSPS DC)
121 Kings Road (Ground Floor C)
Reading
RG1 3ES

Phone: **0345 300 2637**

Email: PSPSDC.SC@prudential.co.uk

Website: www.prudentialstaffps.co.uk



THE PENSIONS ADVISORY SERVICE (TPAS)

TPAS is an independent voluntary body that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. TPAS is available at any time to assist members and beneficiaries with any pension query they may have or any difficulty they have failed to resolve with the trustees or administrators of a scheme.

You can contact TPAS using the details below.

Write to: The Pension Advisory Service
11 Belgrave Road
London SW1V 1RB

Phone: 0300 123 1047

Website: www.pensionsadvisoryservice.org.uk.

THE PENSIONS OMBUDSMAN

The Pensions Ombudsman may investigate and decide upon any complaint or dispute of fact or law or complaints about maladministration in relation to how an occupational pension scheme is run.

The Pensions Ombudsman may be contacted using the details below.

Write to: The Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB

Phone: 020 7630 2200

Website: www.pensions-ombudsman.org.uk.

Please note that the Pensions Ombudsman normally insists the matter is first dealt with through a scheme's own internal dispute resolution procedure and raised with TPAS.

PENSION WISE

Pension Wise is a Government service that offers free impartial advice to help you understand your options in relation to your defined contribution retirement savings. You can obtain pension guidance online, by telephone or face-to-face.

Pension Wise may be contacted using the details below.

Phone: 0800 138 3944 (to book a free appointment)

Website: www.pensionwise.gov.uk.

THE PENSIONS REGULATOR

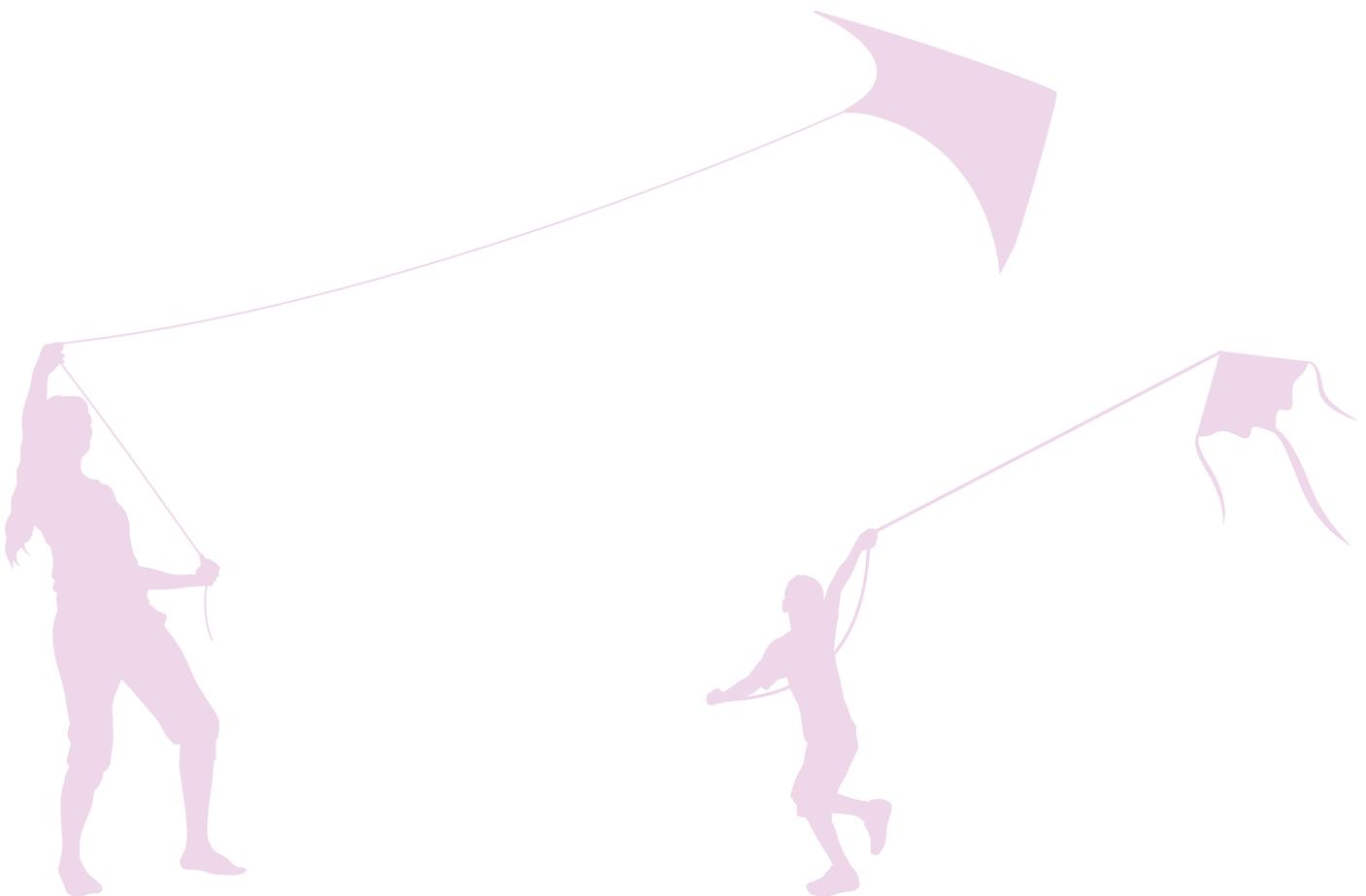
The Pensions Regulator is a regulatory body which has a range of powers to help safeguard pension rights of members of pension schemes and is able to intervene where trustees, employers or professional advisers have failed in their duties.

You can contact the Pensions Regulator using the details below.

Write to: The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Phone: 0345 600 0707

Website: www.pensionwise.gov.uk.





Glossary

ANNUAL ALLOWANCE	This is the maximum amount of pension savings that you can make which will qualify for tax relief in any tax year.
ANNUITY	The pension income payable to you when you retire if you choose to purchase an annuity.
AUTOMATIC ENROLMENT	The requirement to enrol most employees and workers in the UK into a pension scheme provided by an employer.
CIVIL PARTNER	This is the person you have entered into a registered Civil Partnership with under the Civil Partnership Act 2004.
COMPANY	The Prudential Assurance Company Limited or any associated company / employer that offers you membership of the Scheme through your contract of employment.
DC SECTION	The Defined Contribution (DC) Section of The Prudential Staff Pension Scheme (the Scheme).
DEPENDANT	Your Spouse or Civil Partner / same sex spouse or any other person who, in the opinion of the Trustee, is financially dependant upon you at the date you take your pension or die.
ELIGIBLE CHILDREN	In most cases, this means your own or adopted child under age 18 or later if still in full-time education/vocational training and the Trustee so decides (though not normally beyond age 23).
EMPLOYER CREDITS	The Company will pay contributions on your behalf upon your joining the DC Section of the Scheme. These are known as Employer Credits.
FLEXIBLE RETIREMENT	This is when you take benefits from the Scheme but do not retire and continue working for the Company.
LIFETIME ALLOWANCE	The Lifetime Allowance is a limit on the amount of pension benefits that you can accumulate during your working life which will qualify for tax relief.
MATCHING EMPLOYER CREDITS	The Company will match any regular monthly contributions that you choose to make, up to a limit of 6% of your Pensionable Pay.
MONEY PURCHASE ANNUAL ALLOWANCE	If you elect to take your benefits from the DC Section of the Scheme, or any other registered pension arrangement using the new pension flexibilities available, for example in the form of a Uncrystallised Funds Pension Lump Sum (UFPLS) you will trigger, for the tax year you draw your benefits (and for future years), a Money Purchase Annual Allowance. This means your tax efficient contributions to any defined contribution scheme will be more restricted (usually to £10,000, but the Government has announced that it intends to reduce this to £4,000). More detail can be found on the Scheme's website.
PENSION INPUT PERIOD	This is the period over which pension contributions are measured to work out whether you have exceeded the Annual Allowance. The Pension Input Period is the same as the tax year: 6 April to 5 April.
PENSIONABLE PAY	This means your basic salary.
PENSIONS PLUS	The Company operates a salary exchange arrangement called Pensions Plus, for more information please see the Company's document Your Guide to Pensions Plus.
PERSONAL ACCOUNT	An individual account which the Trustee sets up in your name in the DC Section of the Scheme. All contributions paid by you or on your behalf and any investment returns (less costs and charges) will be held in your Personal Account.
PERSONAL CONTRIBUTIONS	These are any contributions that you choose to make to the DC Section of the Scheme to increase your pension savings.
QUALIFYING RECOGNISED OVERSEAS PENSION SCHEME (QROPS)	This is an overseas pension scheme that meets certain requirements and which HM Revenue & Customs recognises as eligible to receive transfers from registered pension schemes in the UK.
REGISTERED PENSION SCHEME	A pension scheme that is registered with HM Revenue & Customs under the provisions of the Finance Act 2004.
SCHEME	The Prudential Staff Pension Scheme.
SELECTED RETIREMENT AGE	This is the age you anticipate drawing your benefits from the DC Section of the Scheme. If you invest in one of the Lifestyle Profiles this will be the date used to time the transition of your investments to less volatile funds. It does not constitute a contractual retirement age. If you do not choose a Selected Retirement Age then it will usually be assumed to be 65 unless you are notified otherwise.
SPOUSE	The person of the opposite sex to whom you are legally married.
STATE PENSION AGE	The age at which your State Pension becomes payable.
TRANSFER VALUE	The value of your Personal Account at any given time that is available to transfer to another registered pension scheme or a QROPS.
TRUSTEE	Prudential Staff Pensions Limited, a limited company, is the Trustee of the Scheme and is responsible for ensuring that the Scheme is administered in accordance with the Trust Deed and Rules. The Trustee holds, manages and invests assets for the benefit of members and their beneficiaries.
TRUSTEE DIRECTOR	The Company appoints the Trustee Directors and the Trustee Directors collectively form the Trustee Board. Trustee Directors are individuals appointed to the Trustee Board and can be chosen for appointment by either the Company or the members.

Contacts

You can contact your dedicated Administration Team in the following ways:

Phone **0345 300 2637** (Monday to Friday 9am to 5pm)

Email **PSPSDC.SC@prudential.co.uk**

Post Prudential (PSPS DC)
121 Kings Road (Ground Floor C)
Reading
RG1 3ES



PENSIONS MANAGER

The Pensions Manager is responsible for overseeing the day to day operational functions to ensure the DC Section of the Scheme is run efficiently and that its members' interests are protected. This involves monitoring the performance and services of all third-party suppliers as well as the in-house functions.

If you have any questions which cannot be answered by our Administration Team, or you have any other comments or suggestions regarding the DC Section of the Scheme, please contact the Pensions Manager at:

The Pensions Manager
Prudential Staff Pension Scheme
3 Sheldon Square
London W2 6PR



PRUDENTIAL

Staff Pension Scheme

