Think about tomorrow, make the most of your Retirement Account!

The pension scheme we offer is a valuable part of your reward package as an employee of the National Australia Group. To make the most of being a Member, you should ensure you fully understand how the Scheme ‘Total Pension!’ works.

This is an interactive PDF. If you see an underlined reference in the text you can click on this to go to a specific page, section or website. Any bold text is a defined term and you will find a glossary at the back of the booklet.

We hope you find this guide informative and easy to use. If you have a question you can’t find the answer to within this guide, please contact the Scheme Administrator.
## What’s inside...

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>The headlines!</strong></td>
<td>pages 4 - 5</td>
</tr>
<tr>
<td>2. <strong>How much do you want to save?</strong></td>
<td>pages 6 - 9</td>
</tr>
<tr>
<td>3. <strong>How will you invest these savings?</strong></td>
<td>page 10</td>
</tr>
<tr>
<td>4. <strong>Understand all of your benefits</strong></td>
<td>pages 11 - 13</td>
</tr>
<tr>
<td>5. <strong>What happens when you retire?</strong></td>
<td>pages 14 - 16</td>
</tr>
<tr>
<td>6. <strong>What happens if you leave the Scheme?</strong></td>
<td>pages 17 - 19</td>
</tr>
<tr>
<td>7. <strong>Understand the ‘finer details’</strong></td>
<td>pages 20 - 23</td>
</tr>
<tr>
<td>8. <strong>For further information</strong></td>
<td>page 24</td>
</tr>
<tr>
<td>9. <strong>Confused? Got a question?</strong></td>
<td>page 25</td>
</tr>
<tr>
<td>10. <strong>Glossary</strong></td>
<td>pages 26 - 27</td>
</tr>
</tbody>
</table>

This booklet highlights the key areas that you should focus on to make the most of your membership, as well as explaining the benefits you are entitled to.

Throughout this booklet you will notice certain terms are highlighted in **bold**. Definitions for these terms are provided on pages 26 and 27. You can also click on any underlined text to follow a link to a specific page, section or website.
Not as complicated as you’d think...

Ignore people that say pensions are boring and unnecessarily complicated, because they needn’t be, but they are very important! As a Member of Total Pension! you are in a great Scheme that is easy to ‘get to grips with’ and that gives you flexibility, responsibility and choice in how you plan for your retirement.

You choose how much you would like to save and how you would like to invest these savings until you retire. It really is that simple! Regardless of the decisions you make now, you should regularly review your level of saving, investment choice(s) and the benefits you are estimated to receive at retirement. This information will be printed on the ‘benefit statement’ that you receive every year. You should consider taking independent financial advice to help you make the right decisions for you.

Want to take more control?

If you want to take a more active role in your pension savings, then you should try logging on to ePA. Once you’ve logged on to ePA, you can check the progress of your Retirement Account, update your investment choices and, if you are invested in a Lifestyle option, change your Target Retirement Age under that option.

There are also interactive tools which help you to understand the effect that changing your contributions or, where relevant, your Target Retirement Age may have on how much money you may have available to you at retirement.

You can log on at any time by going to epa.towerswatson.com/doc/YCB/login.htm

Don’t worry if you have forgotten your password; you can request a new one on the ePA homepage. If you need your User ID, contact Towers Watson.
1 The headlines!

You automatically join Total Pension! as soon as you start employment with the Bank and a Retirement Account is opened in your name:

Contributions are paid into your Retirement Account
The Bank pays a ‘Core Contribution’ of 5% of your Pensionable Salary into your Account each month.
Although you don’t have to contribute, if you do, the Bank will match your contributions up to 5% of your Pensionable Salary (as detailed on page 6).

Your Retirement Account is invested
You have the opportunity to invest in a wide range of funds, each offering a varying amount of risk and reward.
Check out the ‘Be a wise investor’ booklet for full details on your options.
Note: If you don’t let us know how you would like to invest, your Retirement Account will automatically be invested in the default fund.

Your Retirement Account matures year on year
This is based on the contributions and investment returns that your Retirement Account receives. Given that your Retirement Account is ‘invested’, it is important that you understand its value may fluctuate up or down in line with investment performances.

The Default Retirement Age for the Scheme is 65, however, you may be able to access your Retirement Account from as early as age 55.
The more money in your Retirement Account the more likely you will be able to afford to retire when you want to with the kind of lifestyle you’d like to lead.
See pages 14 – 16 for full details on the options available to you both inside and outside of the Scheme.

A Retirement Account is opened in your name.
You may be able to transfer benefits from a previous employer’s scheme or another individual pension arrangement into Total Pension! (see page 20 for details).
What if...

... I leave the Scheme or Bank?
It depends on how long you have been a Member, but all contributions will cease immediately.
(see pages 17 - 19 for details)

... I am Supply Staff?
Your entitlements are the same as our other Members with two key exceptions:
- Your Pensionable Salary is based on your hourly rate plus holiday pay
- You are not entitled to Life assurance, Spouse’s/Civil Partner’s/Dependant’s pension or Ill health benefits.

... I don’t want to be a Member?
You can opt out at any time. By opting out you become entitled to leaving service benefits. Please remember you may only be allowed to re-join once in a 12-month period without needing the consent of either the Trustee or the Bank. We may also be required to re-enrol you at a later date.
(see pages 17 - 19 for details).

... I die in service before I retire?
Although it isn’t very nice to think about, it is important that you let the Trustee know who you would like any benefits to be paid to if the worst was to happen.
Completing an ‘Expression of Wish’ form will make sure the Trustee knows where you want any death benefits to be paid.
You can download one here.
(see page 13 for more details)
2 How much do you want to save?

Total Pension! enables you to save a regular amount towards your retirement. You have a Retirement Account to which both the Bank’s contributions, and any contributions you choose to make, are paid.

In addition to the Bank’s Core Contribution of 5%, you can elect to make contributions if you want to. But why should you contribute as well? Quite simply, because the Bank will match any regular contributions you make up to 5% of your Pensionable Salary.

Your regular contributions and any contributions made by the Bank are calculated as a “whole” percentage of your Pensionable Salary.

Let’s assume that (having done some thinking about your monthly income and expenditure) you decide to contribute 5% of your Pensionable Salary towards your pension. This would mean that your Retirement Account would receive the following contributions:

5% The Bank’s Core Contribution of 5% of your Pensionable Salary
+ 5% Your contribution of 5% of your Pensionable Salary
+ 5% The Bank matches your regular monthly contribution of 5% with another 5% of your Pensionable Salary
= 15% If you paid 5%, the Bank would pay 10% meaning that a total of 15% of your Pensionable Salary would be paid into your Retirement Account

Also, the Bank currently pays additional contributions for life assurance benefits and towards the cost of running Total Pension!
Tax relief

As Total Pension! is an HMRC registered pension Scheme, any contributions you make, currently receive full tax relief*. This means the actual cost to you is less than the percentage amounts shown previously.

The examples below show how far your money could go when you combine the Bank’s contribution with Government tax relief. These are based on someone earning £20,000 p.a.

<table>
<thead>
<tr>
<th>If you don’t put in anything:</th>
<th>If you put in 5%:</th>
</tr>
</thead>
<tbody>
<tr>
<td>£0  You put in</td>
<td>£800  You put in</td>
</tr>
<tr>
<td>£0  Tax relief</td>
<td>£200  Tax relief</td>
</tr>
<tr>
<td>£1,000 The Bank puts in (core)</td>
<td>£1,000 The Bank puts in (core)</td>
</tr>
<tr>
<td>£0  The Bank puts in (matching)</td>
<td>£1,000 The Bank puts in (matching)</td>
</tr>
<tr>
<td>£1,000 Total paid in</td>
<td>£3,000 Total paid in</td>
</tr>
</tbody>
</table>

This is the equivalent to putting in £67 a month

Please note: The current contribution structure meets Government requirements until October 2017. From 1 October 2017, a total minimum contribution of 6% has to be made, and from 1 October 2018, a total minimum contribution of 9%. You may be required to make your own payments at this stage, if you haven’t chosen to do so before this.

SMART pensions

If you decide to start contributing to your Retirement Account, with certain exceptions, you will automatically become a Member of SMART Pensions. SMART Pensions is a better way of making contributions into the Scheme as both you and the Bank can make further savings through reduced National Insurance (NI) contributions.

SMART Pensions works in the following way:

- You agree to reduce your Salary by the amount you would have made as a pension contribution;
- The Bank pays the equivalent amount of this reduction directly into your Retirement Account;
- Both you and the Bank will pay lower NI as your Salary has reduced; and
- Because your Salary is reduced you pay less National Insurance which means your take-home pay could increase.

For further information about making your contributions through SMART Pensions please read the SMART Pensions booklet.

You can request a copy by calling the Scheme Administrator on 01737 788 130 or emailing totalpension@towerswatson.com

*Please note: The Annual Allowance (AA) limits the amount you can pay into a pension before having to pay tax. Your pension savings across all registered pension schemes of which you are a member (not just Total Pension!) count towards this allowance. Any excess above this limit will be taxed at your highest marginal rate. You can normally rollover any unused AA from the previous three tax years when testing your savings against the AA.
How much do you want to contribute?
As you automatically join Total Pension your Retirement Account only receives the Bank’s Core Contribution of 5% of your Pensionable Salary and you start by paying nothing. If you would like to start contributing (or change your current contribution rate) you can do so by contacting Human Resources on 0800 328 8303 (Option 2).

Can I pay more?
You can choose to pay contributions up to 50% of your Pensionable Salary. Don’t forget that the Bank will only match your contributions up to 5% of your regular monthly contributions based on your Pensionable Salary.

The Government’s Annual Allowance (AA) restricts the contributions you can receive tax relief on in any one year.

To compare your savings against the AA you need to review your total contributions during the relevant Pension Input Period (PIP).

The Government’s Lifetime Allowance (LTA) sets a threshold above which the value of your pension benefits has an additional tax charge, currently 55%. The value of your benefits from all previous pension schemes in which you have benefits (excluding State scheme benefits) is converted to a Fund Value and compared to the LTA.

Can I change the amount I pay?
If you make your contributions through SMART Pensions, you will have an opportunity to review your rate every year (currently in March which takes effect from April of that year).

If you don’t join SMART Pensions, you can change your contribution rate at any time by contacting the Human Resources (contact details as above). Where possible the change will take effect from the first day of the month following receipt of the request.

You can check your contribution rates by logging on to: https://epa.towerswatson.com/doc/YCB/login.htm
What happens if I am temporarily absent?
Most absences from work are for relatively short periods, in which case your membership is not affected and your contributions to Total Pension! will continue. You should contact a member of the Human Resources (0800 328 8303 – Option 2) either before or during any period of temporary absence to confirm the exact terms that will apply to you.

“Temporary” refers to absence situations which may arise due to sickness, unpaid or special leave.

What happens if I go on maternity leave?
Your membership of Total Pension! will continue, but contributions will only be made during paid maternity leave. In the event of paid maternity leave, the contributions paid into your Retirement Account will be based upon your Notional Pensionable Salary. This is to ensure that the contributions paid into your Retirement Account are not affected if your Salary decreases whilst you are on paid maternity leave.

If you have chosen to pay contributions you will, however, only have to pay contributions on your actual earnings (i.e. your maternity pay). The Bank will pay the difference between your contributions (up to a maximum of 5% a year) based on your actual earnings and your Notional Pensionable Salary, as well as the usual Bank contributions also based on your Notional Pensionable Salary.

The Bank pays core contributions based on your Notional Pensionable Salary.
You can pay voluntary contributions based on your maternity/paternity pay.

- The Bank pays your contributions based on the difference between your Notional Pensionable Salary and your maternity pay
- The Bank also pays matching contributions based on your Notional Pensionable Salary
- Total contributions paid into your Retirement Account

What happens if I go on paternity, adoption, shared parental or parental leave?
These types of leave are treated in the same way as maternity leave whilst you are being paid for the statutory period allowed. Please refer to the employee handbook for further details.
3 How will you invest these savings?

Making sure you have enough money to buy a sufficient pension when you retire isn’t just about the amount of money you save on a regular basis, it is also about how you invest that money.

Making the right investment decisions are important as they directly affect how much money you will have to buy pension benefits when you retire. Appreciating that ‘investing’ is a complex process, we have a separate Investment Guide that cuts through the jargon and explains, in plain English, what you need to do and why you need to do it.

Regardless of whether you decide to contribute or not, it is important that you choose how you would like to invest your Retirement Account that is receiving the Bank’s Core Contributions of 5% of your Pensionable Salary.

What if I don’t choose where my Retirement Account is invested?

Until you have made a specific fund selection from the options available under the Scheme, the contributions that your Retirement Account receives will be invested in the Scheme’s default fund (as selected by the Trustees from time to time). The default fund is currently the Diversified Lifestyle Option (detailed on page 6 of the Investment Guide).

We recommend you read the Investment Guide to ensure you understand how the different funds offered under the Scheme, including the default Lifestyle Option, work so that you can decide which option is right for you. Please note that, depending on your individual circumstances and plans for retirement, the default option may not be appropriate for you. The Investment Guide provides details on the other choices available including an alternative Lifestyle option and a range of Self-Select funds.

Click here to see the Investment Guide.
4 Understand all of your benefits

If you chose not to remain a Member of Total Pension! you benefit from:

- Lump sum life assurance cover of two times your Salary on death whilst working for the Bank. See the section “Who receives Scheme benefits if I die?” on page 13 for more information about how this benefit would be paid. This benefit may be subject to the completion of a satisfactory Health Declaration Form.

As a Member of Total Pension! you benefit from:

- An ill-health pension (where appropriate and with the consent of the Bank).
- Lump sum life assurance cover of four times your Salary on death in Pensionable Service. This benefit may be subject to the completion of a satisfactory Health Declaration Form.
- Spouse’s/Civil Partner’s/Dependant’s pensions on death in Pensionable Service (if applicable).
- Your Retirement Account which you can use from as early as age 55 to draw the types of pension benefits as you wish (see Section 5: What happens when you retire?).

Please note: Supply Staff are not eligible for Life assurance, Spouse’s/Civil Partner’s/Dependant’s pensions or Ill Health benefits.

What happens if I am too ill to work?

From time to time you may not be able to attend work due to an illness or disability which may result in a substantial period of time away from the workplace.

If your sickness absence is long-term, or likely to become long-term, you should be provided with appropriate support and assistance from the Bank. As a general guideline, if you are absent continuously for a period of 28 calendar days or more, you will be considered to be absent on a long-term basis. This includes weekends, bank holidays and any other days on which you would not normally be expected to work.

Whilst absent from work on the grounds of ill-health, you will be entitled to receive occupational sick pay (OSP), which incorporates your statutory sick pay (SSP) entitlement, depending on your length of service. Full details of these policies are available from Human Resources on 0800 328 8303 (Option 2).

If you are unable to return to work due to ill-health, you may apply to receive an ill-health pension, although it is important to note that there is no automatic right to receive one. The decision is taken at the discretion of the Bank, which takes into account various factors such as your individual circumstances, the nature of your condition, your ability to perform the duties of your role and the supporting medical information from your GP/Specialist.

There are two different types of ill-health early retirement benefits which may be payable to Members of Total Pension!, and these are explained in detail on the next page.
1. Full Incapacity
If the Bank and Trustees are of the opinion, having considered the relevant medical evidence, that you are not capable of any gainful employment and unlikely ever again to be capable of such employment, you will be paid a pension equal to 30% of your Pensionable Salary. You will have the option to exchange part of your pension for a tax-free cash lump sum.

If you die whilst in receipt of a full ill-health pension:
- A Spouse’s/Civil Partner’s pension of 50% of your full ill-health pension is payable after your death.
- In addition, if you have dependent children under the age of 18 (or 23 if in full-time education or, at the Trustee’s discretion, of any age if physically or mentally handicapped) a further pension will be payable equal to one third of the Spouse’s/Civil Partner’s pension for each qualifying child. If you have more than three children, a pension equal to the Spouse’s/Civil Partner’s pension will be shared equally between them.
- If you do not leave a Spouse or Civil Partner, the Trustee has the discretion to pay, with the consent of the Company, a Dependant’s pension.
- If you die in the first five years after your full ill-health pension starts, the balance of the pension you would have received if it had remained payable for five years will be payable as a lump sum.

If your Spouse/Civil Partner (or Dependant) is more than 10 years younger than you, the amount of pension will be reduced to reflect the likely increased payment period.

Under current legislation these pensions will increase each year in payment in line with prices subject to a maximum of 2.5%. If the law changes the rate of increase will be adjusted to the statutory rate.

The benefits mentioned above are paid from the value of your Retirement Account. If the value of your Retirement Account is not sufficient to meet the full cost of these benefits, the Bank will credit your Retirement Account to cover any shortfall.

2. Partial Incapacity
If the Bank and Trustees are of the opinion, having considered the relevant medical evidence, that you are unable to continue your normal employment and that your earnings capacity is severely impaired as a result of ill-health, the Bank will contribute a lump sum to your Retirement Account equal to the regular and matching contributions (if any) that would have been made to age 65

For further details of these benefits, please contact the Scheme Administrator.

Please note that all contributions will be based upon your Pensionable Salary at the date of early retirement and will be added to your Retirement Account as a single payment by the Bank.

The increased value of your Retirement Account will be used to secure an Annuity with an Insurance Company. The Bank will not pay any contribution above the 5% matching level.
What happens if I die in Pensionable Service?

If you die in Pensionable Service, the following benefits would be paid:

- A lump sum of four times your Salary plus the accumulated value of any AVCs (additional voluntary contributions) you have paid;
- A Spouse’s/Civil Partner’s pension of 20% of your Pensionable Salary;
- If you do not leave a Spouse/Civil Partner, the Trustee has the discretion to pay, with the consent of the Bank, a Dependant’s pension.

In addition, if you have dependent children under the age of 18 (or 23 if in full-time education) a further pension will be payable equal to one third of the Spouse’s/Civil Partner’s pension for each child (up to a maximum of three children).

If your Spouse/Civil Partner (or Dependant) is more than 10 years younger than you the amount of pension will be reduced to reflect that difference.

If the value of your Retirement Account would provide a larger Spouse’s/Civil Partner’s/Dependant’s/Children’s pension i.e. greater than 20%, the benefits will be increased accordingly. In accordance with the Scheme’s rules, these pensions will increase each year in payment in line with the Retail Prices Index, subject to a maximum of 2.5%.

If you do not have a Spouse/Civil Partner, you should indicate to the Trustee who you would like them to consider for the payment of a Dependant’s pension.

What if I’m Supply Staff?

If you die in Pensionable Service or after leaving the Scheme but having left your benefits in the Scheme, the value of your Retirement Account will be payable as a cash sum at the discretion of the Trustees.

What happens if I die after leaving Pensionable Service?

If you die having left the employment of the Bank or having opted to stop being a Member of the Scheme, but have retained benefits in Total Pension!, the following benefits are payable:

- A tax-free lump sum payment would be paid at the date of your death. This lump sum would usually be equal to the value of your Retirement Account, but if your Total Pension! benefits exceed the Government’s Lifetime Allowance (LTA) it may have to be paid partly as a Spouse’s/Civil Partner’s/Dependant’s pension.

Who receives Scheme benefits if I die?

The Trustee Board has the discretion as to how to apply any lump sum death benefit in the event of your death. It will take your wishes into consideration, although it is not legally required to follow them. By arranging payment in this way, the benefit can usually be paid free of inheritance tax.

To help the Trustee Board decide to whom the lump sum should be paid, please complete an ‘Expression of Wish’ form.

This form can be requested from the Scheme Administrator. Alternatively, you can download this form from www.nagpensions.co.uk/36/downloads. It is important that you keep this form up to date. Please complete a new form whenever your personal circumstances change and forward it to the Scheme Administrator.

What happens if I die after I retire?

Any benefits payable after your death in retirement will depend on the retirement option you selected when you retired. However, regardless of which option you select, once you have taken your benefits from the Scheme, no further benefits will be payable from the Scheme in the event of your death.
5 What happens when you retire?

Following the introduction of the Government’s ‘freedom and choice’ legislation in April 2015, you now have much greater flexibility over how you can use your Retirement Account savings. Here we explain when you can access your Retirement Account and the main options available to you when you do.

When can you retire and access your Retirement Account?
The Scheme’s Normal Retirement Age is 65. You may be able to take your benefits earlier (if you have reached age 55 except in certain cases of ill-health) or later, however, the Bank’s consent is normally needed to retire before age 60. See page 16 for further details. There is no maximum retirement age so you can continue to keep working and continue to keep saving into and investing your Retirement Account. However, if you have not taken your benefits by age 75 different tax rules may apply to your contributions and benefits under the Scheme. Therefore we recommend you contact the Scheme if you are considering deferring benefits beyond this age.

It’s important to remember that when you choose to retire will have a significant impact on the value of your Retirement Account. Choose to retire earlier and your Retirement Account will have received fewer contributions and had less time to realise any potential investment returns than it would if you chose to retire later.

What are my retirement options?

There are a number of different ways in which you can use the value of your Retirement Account when you come to retire. You will need to decide which retirement option is right for you. The key options are summarised below, however, further information is available on request.

There are two main options available within the Scheme:

Option 1
A pension for life
When you retire you can take part of your Retirement Account (usually 25%) as a tax-free lump sum, and then use the rest to buy a pension (Annuity) that will pay you an income for the rest of your life. There are various types of Annuity and if this is your preferred option you will need to consider:

• Whether to include any provision for your Spouse/Civil Partner/Dependants to receive a pension after your death
• The level of any increases that will apply to your pension (i.e. in line with inflation)
• Whether you wish to include any minimum guaranteed period of pension payment (in other words, protection of your pension in the event of your death shortly after retirement)

Any Annuity payments would be subject to tax in the same way as when you are receiving a Salary.

Option 2: One-off cash lump sum withdrawals
When you retire you can choose to take the full value of your Retirement Account as a one-off cash sum directly from the Scheme.

This type of cash lump sum is referred to as an ‘Uncrystallised Fund Pension Lump Sum (UFPLS)’ which means, in broad terms, it is payable from funds which have not yet been used to buy an Annuity or transferred to a flexible income arrangement. It’s important you understand that there are implications to choosing to withdraw your Retirement Account savings in this way.

The first 25% of the lump sum would be tax free and the remainder would be taxed at your marginal rate. This new retirement option will be subject to Trustee consent and may be offered subject to such terms and conditions as the Trustee decides from time to time.
Transfer out options

In addition to the options available in the Scheme, there are two other options you may wish to consider. For either of these options you would need to transfer your Retirement Account out of the Scheme to another provider which permits this flexibility.

Once you have stopped working for the Bank or opted to stop paying or receiving contributions into your Retirement Account, you can transfer the whole of your Retirement Account to an appropriate provider at any time before your benefits come into payment.

Another provider may offer different options which are not currently available under the Scheme, including the ability to use a combination of options. However, please note that pension scams, where people may be tricked into handing over their pension pots by scammers, are on the increase. Many of the offers seem very convincing, starting with offers of excellent returns. However, once you’ve transferred your money into a scam, it’s too late. You could end up losing all your pension savings and in some cases face a tax bill of up to 55%.

You should therefore think very carefully before transferring your benefits. You can get more information about pension scams at www.thepensionsregulator.gov.uk/individuals/dangers-of-pension-scams.aspx.

Option 3
Flexible income

Flexible income gives you the option to leave your money invested and draw it out as and when you need it. If you wanted to choose this option, you will need to transfer the value of your Retirement Account to another arrangement that facilitates what’s known as ‘Flexible Drawdown’. You will normally be able to take up to 25% of the value transferred as a tax-free lump sum from the new arrangement. Once transferred, you can draw out income or cash lump sums as and when you need it.

It’s important to know that anything you ‘drawdown’ would be taxable at your marginal rate.

Option 4
Series of cash lump sums

You can transfer your Retirement Account to an arrangement that allows you to take the money that you have saved as a series of cash lump sums. These types of lump sums are referred to as an Uncrystallised Fund Pension Lump Sum (UFPLS).

It’s important you understand that there are implications to choosing to withdraw your retirement savings in this way.

Your benefits in the Scheme are “money purchase” benefits. This means that the value of the benefits you will receive when you retire will depend on several factors including the amount of the contributions paid into your Retirement Account, how the funds in which your Retirement Account is invested perform, the age at which you access the benefits and which retirement option you choose. Including, where relevant, any cost of exercising any right to transfer the benefits to another provider, any charges payable, and any cost of converting the benefit into an annuity.

Please note that the Scheme does not impose any charges in relation to accessing or transferring your benefits. However, if you decide to transfer your Retirement Account to access other options elsewhere you should check what charges may be imposed by the other provider.
Can I choose to retire before age 65?
The Scheme’s Normal Retirement Age is 65. You may be able to take your benefits earlier (if you have reached age 55 except in certain cases of ill-health), however, the Bank’s consent is normally needed to retire before age 60.

If you retire early, your pension savings will have had less time to build up and are likely to need to support you over a longer period. If you choose to purchase an Annuity, the Annuity you are able to secure at early retirement may provide a lower monthly income to allow for the longer period over which it will be paid.

If you would like to discuss retiring before age 65, please contact the Scheme Administrator (details on page 25).

How is my Retirement Account used when I retire?
When you retire, your Retirement Account will be disinvested. At this stage, the value of your Retirement Account will be used to provide retirement benefits in accordance with the retirement option you select. If you choose to purchase an Annuity (Option 1 on page 14), the value of your Retirement Account will be used to secure an Annuity from an Insurance Company. Your Annuity will be a contract between you and the provider, with payments being made directly to you. Any lump sum under either Option 1 or 2 will be paid to you by the Scheme Administrator.

Can I choose to retire after 65?
You can continue working after age 65 with Bank consent. However, if you have not taken your benefits by age 75 different tax rules may apply to your contributions and benefits under the Scheme. Therefore we recommend you contact the Scheme if you are considering deferring benefits beyond this age.

If you would like to discuss retiring after age 65, please contact Human Resources on 0800 328 8303 (Option 2).

Can I access my Retirement Account whilst still working for the Bank?
The Bank may exercise its discretion to allow Members to take their benefits without leaving Bank service. However, it will currently allow only one UFPLS to be paid in this way (see Option 2 on page 14). If you have taken an UFPLS from the Scheme and then re-join for future service, you would need to leave Bank service before you could take another UFPLS from the Scheme.

Tax implications
It’s important that you consider the tax implications that fall under the different options at retirement. The different options give you a lot more flexibility in how you use your pension savings, but please remember that there are tax implications regardless of the decisions you make. There are three main points to note:

• Taking an UFPLS – The first 25% of any UFPLS you take will be tax-free. The remaining amount will be taxed at the highest rate of income tax. This, combined with your other sources of income, could push you into a higher tax bracket.

• Your Annual Allowance (AA) – As outlined above, you currently can save up to the Annual Allowance each year across all registered pension schemes of which you are a member without being taxed. If you access benefits ‘flexibly’ (e.g. by using options 2, 3 or 4) you will be subject to a different Annual Allowance for any future pension savings you make.

• Your Lifetime Allowance (LTA) – Any cash lump sum will be tested against your Lifetime Allowance and any part of the payment that is over and above this allowance will be taxed accordingly.

16
6 What happens if you leave the **Scheme**?

Anyone can opt out of the **Scheme** if they wish. However, you should be aware of a few things before you make this decision. The diagram below shows the process for opting out and outlines how it could affect you, should you choose to leave the **Scheme**.

- If you choose to opt out within a month of the date you received your joining pack from the **Scheme** Administrators, Towers Watson, any contributions that have been deducted from you will be refunded and you will be treated for all purposes as not having become a **Member** of the **Scheme**.

- If you choose to leave **Total Pension!** after this, you can do so at any time by giving a month’s notice to the **Trustee** of the **Scheme**.

- If you do opt out, you may be able to opt back into **Total Pension!** once in any 12-month period providing you meet certain earnings and age conditions. Otherwise, you will only be allowed to re-join at our discretion and with the consent of the **Trustee** of the **Scheme**.

- If you opt out, we may be required to automatically re-enrol you in **Total Pension!** if you reach certain levels of earnings or age triggers. In any event, we will need to re-assess your eligibility for Automatic Enrolment as part of a rolling three-year re-enrolment exercise starting on 1 April 2016.

If you do want to opt out, you will need to complete and submit an opt out notice form. This must be signed by you, or if given via email, must include a statement that you personally submitted the notice. You can request a form from the Scheme Administrators, Towers Watson (see page 25 for contact details).
If you leave service or opt out of the Scheme, you will stop contributing to Total Pension. What type of Member you are (SMART or Non-SMART) and how long you have been a Member of Total Pension determines the different options that apply if you leave the Scheme before age 65. The options are:

**Less than 30 days membership – SMART Member**

You can choose to transfer the value of your Retirement Account to another registered pension scheme such as an individual pension arrangement or your new employer’s pension scheme. However, you would normally need to apply for this option within three months’ of leaving Pensionable Service.

Alternatively you can take a refund of the part of your Retirement Account which is attributable to your own contributions (core contributions and additional voluntary contributions) less tax (currently 20%)*. This would not include any contributions paid by way of salary sacrifice therefore this option is not normally relevant for SMART Members.

If you are a SMART Member you may therefore leave the part of your Retirement Account which is attributable to your own contributions (core contributions and additional voluntary contributions) including any such contributions paid by salary sacrifice in Total Pension! in the same way as for Members who have completed more than 30 days’ membership.

Please note that if you joined the Scheme before October 2015, different provisions will apply when you leave the Scheme.

**More than 30 days of membership**

You can choose to:

- Leave your Retirement Account in Total Pension! and use its value to buy a pension and/or tax-free cash lump sum when you retire. This would normally be when you reach age 65, or earlier if you decide to take ‘early retirement’.
- Transfer the value of your Retirement Account to another registered pension scheme, such as an individual pension arrangement or your new employer’s pension scheme.

*Please note you cannot take this option if you have previously transferred funds from another registered pension scheme into Total Pension!
Can I transfer out of Total Pension!?
Yes. If you wish to transfer out of Total Pension! the Trustee Board, via the Scheme Administrator, will provide a statement of the transfer value available. You can request a statement once in any 12-month period and it will be given to you within three months of your request. However, for an up to date value of your Retirement Account you can also access ePA. If you wish to transfer out of Total Pension!, you can complete the relevant form and ask the Scheme Administrator to make a transfer payment.

The transfer value paid is likely to be different to that quoted in the statement (the figure quoted on the statement is not guaranteed) and will depend on the value of your Retirement Account (units held multiplied by unit price) on the date your transfer value is paid.

Once I have left, can I take my benefits before age 65?
Yes. If, in the future, you wish to investigate early retirement and you are over age 55 (or at any age if retirement is due to ill-health and you have provided medical evidence to the satisfaction of the Trustees), you should contact the Scheme Administrator for more details. Please note, ill-health retirement is not applicable for Supply Staff.

Where can I get further advice?
By law, neither the Trustee Board nor the Bank can provide financial advice relating to your contributions, investments and benefit options. This includes the appropriateness of the Scheme’s default investment option.

If you need help with your choices, you may wish to consider seeking independent financial advice. You may be charged a fee by an Independent Financial Advisor (IFA) for this service. The Scheme Administrator will be able to provide Scheme specific information regarding your options, however it will not be able to provide financial advice relating to your investments.

Although the Investment Guide provides generic information in respect of each of the funds available, the Trustee Board recommends that you seek independent financial advice should you wish to discuss which funds suit your personal needs.

IFA Promotions is an organisation that can help you find an advisor in your area. Visit their website for more details: www.unbiased.co.uk
7 Understand the ‘finer details’

If you would like to transfer-in previous pension benefits

As a Member, you may be able to arrange a transfer payment from a previous employer’s scheme or an individual pension arrangement you may have into Total Pension!

Any transfer would be credited to your Retirement Account. For more information please contact the Scheme Administrator; contact details can be found on page 25.

Before transferring into Total Pension!, you should consider taking independent financial advice. For help with finding an advisor, see page 19.

Investment performance

The value of your chosen investment funds will fluctuate in line with market conditions. The value is not guaranteed by the Trustee Board in any way. The Board will monitor and regularly review the Scheme’s investment options. As a result of any review, it may decide to:

- Change investment manager(s);
- Change the funds on offer;
- Change the default option; and
- Change how any Lifestyle Options work.

Also, from time to time, the investment managers may decide to change the funds they offer. They may introduce new funds, or stop offering existing funds. If there are any changes, existing accounts may be transferred.

You will be notified of any changes made to your investment options.

State retirement benefits

Any benefits from the Scheme are payable in addition to any State Pension benefits you may be entitled to. State Pension benefits are payable from your State Pension Age.

As you may be aware, the State Pension system is changing. For more information about State Pensions and to check your State Pension Age and find out how much your State Pension may be, go to www.gov.uk/state-pension. The State currently provides a two-part pension paid from your State Pension Age.
Trustee Board

The Scheme is overseen by a Board of Trustee Directors. Its responsibilities include running the Scheme in line with the Trust Deed and Rules, appointing the Scheme Administrator and other advisers, choosing investment managers and ensuring the Scheme complies with all relevant aspects of legislation.

The Board of Trustee Directors is made up of a combination of Bank appointments, an Independent Director and Member Nominated Directors selected by the Scheme Members.

Disputes

The Trustee aims to run the Scheme to the highest standards. However, there may be times when you are unhappy about some aspect of the Scheme. The Trustee aims, through its Scheme Administrator and Human Resources, to deal with such matters informally.

Internal dispute resolution procedure

If neither the Scheme Administrator nor Human Resources are able to satisfactorily handle your dispute, the Trustee Board has arrangements in place to help resolve your complaint promptly and fairly.

You can complain if you are:
1. A Member (i.e. active, deferred or pensioner Member);
2. A surviving Spouse, Civil Partner or Dependant of a deceased Member;
3. An employee eligible to become a Member at the Employer’s consent or otherwise;
4. A person who ceased to be in any of the above categories within six months of making the application; and
5. A person claiming to be in one of the above categories.

Any complaint would be reviewed under a “two-stage” process and a decision on any complaint would be made within a reasonable period, normally no more than two months. We hope you never have reason to complain but if you require further information on the process, please contact the Scheme Administrator.

To submit a complaint, applicants must use the official form available from the Scheme Administrator. Should you disagree with the initial decision reached, you have the right to request that the Trustee Board review the matter. If you are still dissatisfied with the outcome of the internal dispute resolution procedure, The Pensions Advisory Service and the Pensions Ombudsman are available to help you. Contact details are provided on page 24.

Non-assignment of benefits

HMRC prohibits assignment of benefits under a tax approved pension scheme (for example, as security for a loan including a mortgage).
Data – privacy and protection
In order to administer Total Pension!, collect contributions and pay benefits, it is necessary for the Trustee Board, and its appointed advisors, to hold and process personal data of its Members. This data will be held for the duration of the person’s membership of Total Pension!, or for any longer period necessary to enable Total Pension! to answer questions relating to a Member’s benefits. This data may be shared with or transferred to the Member’s Employer or third parties (e.g. actuaries, insurers, administrators, banks), located inside and outside of the European Economic Area (EEA), providing services in connection with the administration of Total Pension!.

Data may also be shared with or transferred to parties with whom the Employer is negotiating a commercial agreement (e.g. a business sale, joint business venture) or to trustees of other group pension schemes (and their advisors) where a reorganisation of pension schemes is being discussed.

Every care is taken to ensure that personal data is held securely.

As a Member of Total Pension!, you agree to provide such personal data to the Trustee Board and consent to the processing of this personal data either inside or outside of the EEA. If your circumstances change at any time, please contact the relevant party (see below) as soon as possible to ensure your Member information remains accurate:

- **Members** who are still working for the Bank and are in Pensionable Service should contact Human Resources on 0800 328 8303 (Option 2).
- **Members** who have opted out of Pensionable Service or stopped working for the Bank should contact the Scheme Administrator on 01737 788130

Data Protection Act 1998
Under the terms of the Data Protection Act the Trustee Board is considered a ‘Data Controller’ as they collect, hold and use personal data about Members of Total Pension! for the purpose of calculating entitlement and processing payments. The Act stipulates that the term ‘data’ includes manual records as well as computer-held information.

In addition, the Trustee Board confirms that the data is necessary in order that Total Pension! can be administered satisfactorily. The Trustee Board also confirms that all data will be processed fairly and lawfully, that it is adequate, relevant and not excessive for its purpose and will not be retained any longer than is necessary.

The Act also requires that personal data “shall be accurate and, where necessary, kept up to date.” In this respect, Members have a responsibility to keep the Trustee Board informed of any changes in their circumstances (e.g. change of address or marital status).

Amendment or termination
The Bank reserves the right to amend or terminate the National Australia Bank Defined Contribution Scheme (Total Pension!) at any time without replacing it. Your rights in the event of termination are set out in the Trust Deed and Rules.
Reduction to benefits
Under the Scheme rules, the Bank has the right to reclaim any financial loss caused as a result of a criminal, negligent or fraudulent act by an employee from their pension rights.

Divorce/dissolution of a Civil Partnership
Your pension benefits are valuable and the Courts can take them into account in a divorce or dissolution of a Civil Partnership. The Trustee must follow any court order that applies following a divorce. Further details of the issues of pensions on divorce and the Scheme’s procedures and costs, can be obtained by contacting the Scheme Administrator.

Trustee Report and Accounts
The Trustee produces an annual report and accounts for Total Pension! A copy is available from the Scheme Administrator on request. The Trustee also produces a summary report in the form of a newsletter (Total Communication), which is sent to all Members each year. Both documents can also be found on ePA.

Annual benefit statement
You will receive an annual benefit statement showing the contributions paid over the year, the current value of your Retirement Account and an illustration of the possible pension you could receive at age 65.

Expenses
At present, the Bank pays additional contributions into Total Pension! to pay for items such as administration and other costs. In the event of the Bank being unable or unwilling to meet this commitment, then costs would be borne by Total Pension!. In these circumstances, your Retirement Account may need to be used (and so will be reduced) to pay for these costs.

Tax matters
Total Pension! is treated by HMRC as a registered pension scheme. This means Total Pension! currently has a number of tax advantages:

- Full tax relief on your contributions, up to the Annual Allowance
- Tax-free cash sum option when you retire
- Lump sum death benefits are normally free of tax
- Investments build up largely tax-free

It is important to note that the legislation applying to the Scheme, including tax law may be altered from time to time.

Fixed/enhanced protection
If you have fixed/enhanced protection you will need to ensure that you opt out of the Scheme within one month of the date you receive your joining pack from the Scheme’s Administrators, Towers Watson. If you opt out in this way you will be treated as if you had not joined the Scheme on this occasion and your protection will not be affected. If you do not do so, it is likely that you will lose your protection.

Even if you opt out when you are first admitted to the Scheme, the Bank may be required to re-admit you into the Scheme at a later date. You will need to opt out in the same way each time you are admitted to the Scheme to ensure your protection is not affected. If you think this could be relevant to you, you should contact the Scheme Administrators for further details.
For further information

The Pensions Advisory Service
The Pensions Advisory Service (TPAS) is available to assist Members and beneficiaries in connection with any query they may have and any difficulties that they have failed to resolve with pension scheme trustees and administrators.

Contact details:
The Pensions Advisory Service
11 Belgrave Road, London SW1V 1RB
0300 123 1047
www.pensionsadvisoryservice.org.uk

The Pensions Regulator
The Pensions Regulator has wide powers and a pro-active and risk-focused approach to regulation.

The Pensions Regulator may intervene in the running of schemes where trustees, managers, employers or professional advisers have failed in their duties.

Contact details:
The Pensions Regulator
Napier House, Trafalgar Place, Brighton BN1 4DJ
0895 600 7060
www.thepensionsregulator.gov.uk

Tracing previous pension rights
The Pension Service was set up to help people trace previous employers and their pension schemes.

If you have lost track of a previous employer, you should contact The Pension Service who may be able to help.

Contact details:
The Pension Service 9
Mail Handling Site A, Wolverhampton WV9 8LU
0345 600 2537
www.gov.uk/find-lost-pension

The Pensions Ombudsman
The Pensions Ombudsman may investigate and determine certain complaints or disputes about pensions.

Contact details:
Pensions Ombudsman
11 Belgrave Road, London SW1V 1RB
020 7630 2200
www.pensions-ombudsman.org.uk

Pension Wise
The Government has launched a new ‘Pension Wise’ service to give free impartial guidance to anyone with DC pension savings. We recommend that you use this service to get guidance and support with your retirement planning decisions.

You can access Pension Wise at www.pensionwise.gov.uk or by calling 0300 330 1001.

Please note that this is only guidance and the Pension Wise service cannot provide advice.
9 Confused? Got a question?

Don’t worry, help is on hand.

**General or Scheme specific queries**
If you want to know more about the ins and outs of *Total Pension*, or even if you just have a general question about pensions, please contact the Scheme Administrator (Towers Watson):

**Contact details:**
*Total Pension*
Towers Watson Limited, PO Box 545,
Redhill, Surrey RH1 1BR
01737 788130
TotalPension@towerswatson.com

**General employment or contribution queries**
For questions related to your employment or your contribution choices contact Human Resources:

**Contact details:**
0800 328 8303 (Option 2)

Please note that by law, neither the *Trustee* nor the *Bank* can provide you with financial advice. You should consider whether to seek independent financial advice as well as accessing the Government’s Pension Wise service to help you make the right decisions for you.

The Scheme is set up under a trust and is governed by the Trustee Board.
The assets of the Scheme are kept separate from those of the Group.

This booklet has been designed to provide you with a general guide to the *Scheme* and is not intended to give you any additional legal rights. The *Scheme* is governed by formal documents called the Trust Deed and Rules.

Although every effort has been made to ensure the information in the booklet is as accurate as possible, in the case of any uncertainty or conflict between the booklet and the Trust Deed and Rules, the Trust Deed and Rules override this booklet.

If you would like a copy of the Trust Deed and Rules please contact Human Resources on the phone number to the left.
10 Glossary

The following special definitions apply throughout this booklet.

**Annuity**
A series of payments, provided by an insurance company, made at stated intervals during the lifetime of the Member. It is possible for an annuity to continue to a dependant after the death of the Member or for the payments to increase whilst in payment. At retirement the value of your Retirement Account is used to purchase an annuity.

**Annual Allowance (AA)**
The Annual Allowance (AA) is a Government restriction that limits the maximum amount of pension savings you can make across all registered pension schemes of which you are a member without triggering a tax charge. The standard AA for the tax year 2015/16 is £40,000.

If you have accessed pension savings “flexibly” either from the Scheme or another arrangement (e.g. by taking an uncrystralised funds lump sum or “UFPS” or using drawdown) a different AA will apply. The total amount you can then contribute to any money purchase arrangement (including the Scheme) without incurring a tax charge will be restricted to a new money purchase AA (currently £10,000). If you reach this limit, the AA which applies to any non-money purchase savings you make will also be £10,000 less than it would otherwise have been.

The Government has also announced further changes to the AA for high earners which will come into effect from April 2016. If you think such changes could affect you, you should take independent financial advice.

**Bank**
National Australia Bank.

**Civil Partner**
Means the person you were in a registered civil partnership with and with whom you were ordinarily resident immediately before your death.

**Contribution Form**
The form you complete if you wish to make contributions to Total Pension!

**Company**
National Australia Group Europe Limited, but in certain contexts could mean your employing company, if different.

**Normal Retirement Age**
Age 65.

**Dependant**
A person who, in the opinion of the Trustee, is wholly or partly financially dependent on you at the date of your death.

**EEA**
European Economic Area.

**Employer**
National Australia Group Europe Limited each subsidiary or holding company thereof from time to time, and each subsidiary from time to time of any such holding company.

**Fund Value**
The current value of your Retirement Account at any time. This takes into account the performance of the investment fund(s) in which the account is invested and investment costs and other deductions which may be made from time to time from your Retirement Account.

**Health Declaration Form**
The form which the insurer sometimes requests the Member to complete prior to the insurer agreeing to provide life cover.

**HMRC**
Her Majesty’s Revenue & Customs.

**Investment Option Booklet**
The booklet which details the choices for the investment of the Company and Member contributions to Total Pension!

**Investment Selection Form**
The form you complete to indicate into which investment fund(s) you would like the Company and your contributions to be invested.
**Lifetime Allowance**
The Lifetime Allowance (LTA) is a Government threshold above which the value of your pension benefits has an additional tax charge, currently 55%. The value of your benefits from all previous pension schemes in which you have benefits (excluding State scheme benefits) is converted to a fund value and compared to the LTA. The LTA for the 2015/16 tax year has been set at £1.25 million. It will reduce to £1 million for the 2016/17 tax year. Members who have built up benefits in anticipation of the current LTA may be able to apply to HMRC for transitional tax protection.

**Member**
A person admitted to the Scheme.

**Notional Pensionable Salary**
The amount equal to the Pensionable Salary that you would have received if you had not been on authorised leave, such as maternity leave. Notional Pensionable Salary is limited to the Scheme Specific Earnings Cap.

**Pension Administrator**
Towers Watson Limited.

**Pension Input Period**
For each tax year, Members must compare the benefits they have built up in any Pension Input Period which ends in that tax year against their Annual Allowance. Previously the Scheme used 1 October - 30 September as the Pension Input Period in order to align with the Scheme year. However, from 8 July 2015 legislation automatically aligned the Pension Input Periods with the tax year. This means that the Scheme’s Pension Input Periods are as follows:

- 1 October 2014 – 8 July 2015
- 9 July 2015 - 5 April 2016
- All future Pension Input Periods after 5 April 2016 will run from 6 April to 5 April

To protect pension savings from retrospective tax charges certain transitional provisions apply. If you think these could affect you, you should take independent financial advice.

**Pensionable Salary**
Basic salary excluding other allowances or payments unless the Company directs that all or any of such allowances or payments shall be pensionable. For Supply Staff, Pensionable Salary is equal to your hourly rate of pay, plus holiday pay.

**Pensionable Service**
Service with the Company during which you were a Member of the Scheme.

**Retirement Account**
A notional, but separately identifiable account in Total Pension!, that records contributions made on your behalf. The value of your Retirement Account is linked to the performance of the investment fund(s) in which it is invested and investment costs and other deductions which may be made from time to time.

**Salary**
Means basic rate of salary excluding other allowances unless the Company decide otherwise.

**Scheme**
The National Australia Group Defined Contribution Scheme, known as Total Pension!.

**Scheme Specific Earnings Cap**
The highest amount of earnings which can count towards contributions and benefits under the Scheme. For the tax year 2015/16, this is £149,400.

**Spouse**
Means your legal spouse with whom you were ordinarily resident immediately before your death.

**State Pension Age**
The age from which pensions are normally payable by the Government. You can check your State Pension Age at www.gov.uk/calculate-state-pension.

**Supply Staff**
A worker used to provide additional cover on a non-contractual ‘casual as required’ basis to the Company, where, due to staff absence through holiday or illness, there is a need for additional resource.

**Target Retirement Age**
If your Retirement Account is invested in one of the Scheme’s Lifestyle Options you may be able to select a Target Retirement Age. This will be used to determine when your funds move from the growth phase of the Lifestyle Option into the switching phase. For more information please see the Investment Guide. When you can retire is determined under the Scheme rules. See pages 14 and 16 for details.

**Trustee**
The trustee company, National Australia Bank Pension Trustee (UK) Limited.