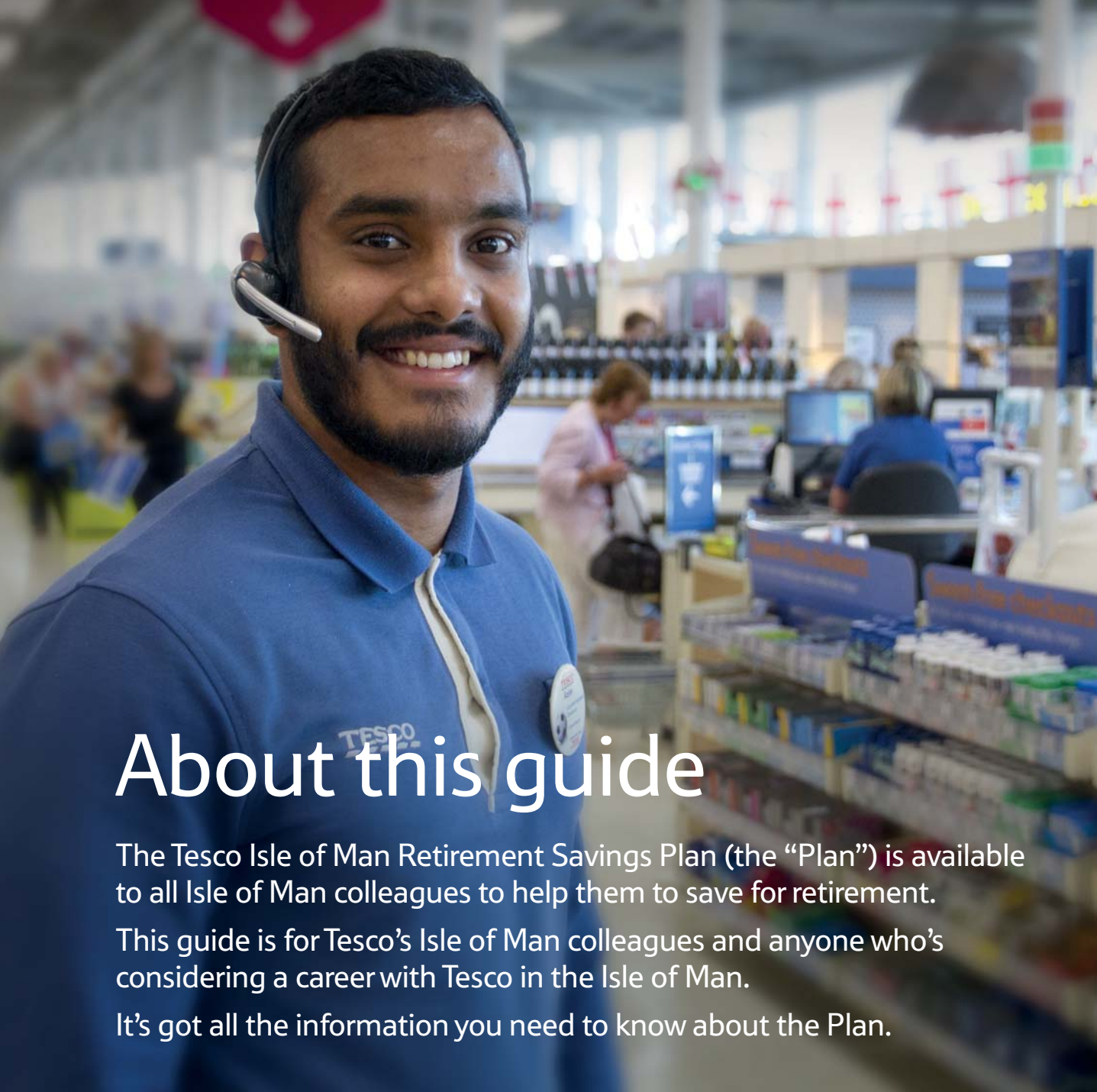




Building up your savings

Your guide to the Tesco Isle of Man Retirement Savings Plan

April 2016



About this guide

The Tesco Isle of Man Retirement Savings Plan (the “Plan”) is available to all Isle of Man colleagues to help them to save for retirement.

This guide is for Tesco’s Isle of Man colleagues and anyone who’s considering a career with Tesco in the Isle of Man.

It’s got all the information you need to know about the Plan.

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Important:

- This guide is based on legislation as at April 2016.
- It contains a number of specific references to tax years and details of charges, which were correct at that time.
- For details of the most up to date investment charges please see the Investment Guide on the Plan website.



At a glance

The Tesco Isle of Man Retirement Savings Plan

- 1** You can **join** the Plan in two ways (page 6).
- 2** You can **choose** how much you pay from 4% of your pay every 4 weeks (page 10).
- 3** Tesco matches what you pay up to **7.5%** (page 10).
- 4** Your **savings are invested automatically** into the Tesco Lifestyle Cash Option (page 13). If you're comfortable to do so, you can select your own investments to suit your individual circumstances (page 14).
- 5** You'll **build up retirement savings** in your own personal savings account.
- 6** You can check how your savings are doing by **contacting Baker Tilly Isle of Man**.
- 7** Your target retirement age will be set to 65 but **you can choose this yourself** (page 14).
- 8** You may be able to **access your savings from age 55** (page 17).
- 9** Five years from your target retirement age **consider how you'll want to take your savings** (page 18).
- 10** When you retire **you can take your savings in a number of ways**, including a 30% tax-free cash lump sum (page 18).
- 11** You get **life cover** of five times pay while you're paying into your savings (page 21).

“When I retire, I still want to be able to afford to travel”



“When I retire, I want to catch one of these for myself”



“I want to be able to keep seeing bands and going to shows”



“I want to be able to keep having fun”



What are you saving for?

“When I retire, I’ll still want to look good”



“When I retire, I’ll still want to go to all the big matches”



“When I retire, I want to play on all the great courses”



“When I retire, I just want to spoil my grandchildren”



Why should I save for retirement?

*Remember when you save between 4% and 7.5% of your pay...
... Tesco matches what you pay in too.*

Why save for your retirement in the Plan?

- **It doesn't cost you much.**
For as little as 4% of your pay, you can start to save for your retirement.
- **The actual costs of saving are even less.**
Because you pay less tax.
- **Tesco pays too.**
Tesco matches what you pay up to a maximum of 7.5% of your pay.
- **And it's flexible.**
You can change the amount you save when you like, so you can pay more in if you want to boost your savings or pay less if your circumstances change.
- **We've designed a low cost lifestyle option.**
Designed especially for Tesco colleagues to help your savings grow and help manage the risks of your investments, so you don't have to choose how to invest your savings if you don't want to.
- **You may be able to start taking your money out of the Plan from age 55.**
Some of it is tax free.
- **Protect your family.**
When you're saving into the Plan there is additional life cover to provide extra care for your family if you die.

Why should I save now?

- **The sooner you start the better.**
Starting early means you can save more and your savings have more time to potentially grow.
- **People live longer these days.**
So your savings might need to last longer than you expect.
- **You may need more money in retirement than you think.**
- **You could be missing out.**
You'd lose out on Tesco's contribution and investment returns on your savings.
- **Don't delay.**
The longer you wait to save for your retirement, the more you may have to pay later to try to catch up.



How can I join... ... or opt out?

Any Tesco colleague working in the Isle of Man can join the Plan – no matter how old you are, how long you've worked at Tesco or how much you earn.

How do I join?

Automatically

- If you're aged between 22 and 75, you'll automatically join the Plan within three months of starting work. You do not need to do anything. We'll write to you to let you know when this has happened.
- Please note that if you're over the age of 75, we will not automatically enrol you into the Plan, but you can still choose to join. You can do this by **calling 0345 070 1113**.

By opting in

- You can apply to join the Plan yourself at any time by completing an application form.
- Alternatively you can contact the **Tesco Pension Helpline on 0345 070 1113**.

Please note, if you don't join the Plan at the first opportunity, for example when you first join Tesco, and then join the Plan at a later date, we may need to obtain some more information from you to increase the life cover provided under our insurance policy.

- If we need any more information from you we'll get in touch and let you know what information we need. This information will be shared with our insurers, and we will increase your cover to five times your pay, once our insurers have agreed to provide the increased level of cover.
- In addition, if you're over age 75, it is possible that our insurers may stop providing cover for your lump sum death in service benefit. We will write to tell you if this is the case.

Can I opt-out of the Plan?

Prior to the first contributions being deducted from pay – opting out before being automatically enrolled

- If you are due to be automatically enrolled into the Plan and you wish to opt-out and not have anything deducted from your pay, you may do so up until the date the first deduction is due to be made.

After being enrolled – opting-out of the Plan

- Once you've been enrolled as a member of the Plan, you can stop paying contributions at any time using the Opting-out of the Plan Form on the Plan website.
- If you choose to opt-out of the Plan, Tesco will also stop paying its matching contributions into the Plan and your life cover will reduce to one times your pay.
- If you've been a member of the plan for less than 3 months, you are only entitled to Option 4 below.
- If you've been a member of the Plan for more than 3 months but less than 2 years, you can choose between options 2 and 4 below.
- If you've been a member of the Plan for more than 2 years, you can choose between options 1, 2 and 3 below.

Before opting out you should consider the following:

- You'll miss out on the contributions Tesco pays into your savings on your behalf.
- You'll no longer receive the same level of life cover you get whilst you contribute. Colleagues not contributing to the Plan receive life cover of one times pay instead of five times pay.
- If you don't save for the future, you may not have enough money to afford the retirement you want.

Option 1 –

Leave your savings where they are

You have the option to leave your savings invested until you choose to take them (which can be at any time from age 55 if you have left the employment of Tesco).

You can continue to choose which funds to invest in.

Option 2 –

Transfer the value of your savings to another approved pension arrangement

You can choose to transfer the full value of your savings into a new employer's pension scheme or to a personal pension plan if you have one.

To arrange this, you should contact the scheme you wish to transfer to.

Option 3 –

Take your savings

If you're 55 or over, you may be able to take your savings from the Plan straight away. But remember, the earlier you take your savings the longer they will have to last.

Option 4 –

Receive a refund of your personal contributions

You can choose to receive a refund of the value of the contributions you have personally paid into the Plan, allowing for investment performance. Tax at a rate of 7.5% will be deducted from the payment. If you take a refund of your contributions, you'll lose out on the contributions Tesco has paid into your savings account.

If you wish to choose this option you should contact Baker Tilly Isle of Man

Can I start or restart contributions to the Plan at a later date?

If you're employed by Tesco you can apply to join or re-join the Plan at any time.



How much will I get?

The Plan helps you build up savings to use when you retire.

Overall, how much you'll actually get depends on a number of different things:

1. How much you and Tesco pay in

You should think about making the most of Tesco's matching contribution of up to 7.5% but you can choose to pay even more and save up to 100% of your pay.

If you save more of your pay towards your retirement savings you'll build up more money to invest and use for your retirement.

And when you save towards your retirement you benefit from tax relief.

2. When you retire

The longer you work and save, the more you can build up.

Working longer can help in two ways:

- You're saving for longer and so you're giving your savings longer to grow. But remember, your savings won't necessarily always grow if you leave them for longer – they can fall as well as grow.
- Your savings don't have to last for quite such a long time.



3. How much you earn

The higher your pay, the more you can save.

4. How you invest your savings

This can make a big difference. As investments can go up and down, it's important to keep an eye on how your savings are doing by referencing your annual benefit statements or by contacting our dedicated email address tescoIOMretirementsavingsplan@bakertillyiom.com at Baker Tilly Isle of Man. Also different investment options have different charges so this will affect the amount you get.

5. How you take your savings

You'll have lots of flexibility in how you take your savings when you retire. What you decide will affect how much you'll get and when you'll get it. Some retirement options will have costs associated with setting them up, which can also impact on how much you'll get. Reference your annual benefit statement or contact Baker Tilly Isle of Man for more information.

How can I check how much I've got now?

Once you have started saving, you can check how much you've saved in the Plan on your annual benefit statement or contact Baker Tilly Isle of Man.

What other retirement income might I have?

As well as the Plan, you should take into account all retirement savings or pension plans that you have to build a clearer picture of all the money you might receive when you retire.

These could include:

Tesco PLC Pension Scheme

- Many Tesco colleagues may have a pension or additional voluntary contributions (AVCs) that they built up in the closed (November 2015) Tesco PLC Pension Scheme.
- Based on how long you were a member of this Scheme, this pension may represent a significant part of your income in retirement. Take a look at your final statement from the Scheme (January 2016) to confirm how much you've built up.

The State Pension

- The Government provides a State Pension at State Pension Age which for many colleagues will form an important part of their retirement income. This is paid for the rest of your life.

Other income

- Can you expect any income from any other places when you retire? For example, a previous employer's pension, other savings, or from any private pensions you may have.

For more information on State pensions visit www.gov.im/categories/benefits-and-financial-support/social-security-benefits/retirement-and-pensions/retirement-pension



How much will it cost?

You can choose to pay from 4% of your pensionable pay, every four weeks, towards your savings.

Tesco will match how much you pay up to 7.5%.

You pay	Tesco pays	Total
4%	4%	8%
5%	5%	10%
6%	6%	12%
7%	7%	14%
7.5%	7.5%	15%
More than 7.5%	7.5%	More than 15%

Remember

The more you pay into the Plan, the better the likely outcome for you, although your savings can go down as well as up. One way to maximise the benefits you receive in retirement is to regularly review how much you pay and how your savings are doing.

If you want to pay more than 7.5% of your pensionable pay you can, but Tesco will only match your contribution up to 7.5%.

If you're in the Plan and you're not sure how much you currently pay, you can find out by contacting the Tesco Pension helpline on 0345 070 1113.

What is pensionable pay?

The pay used to calculate your contributions, called your pensionable pay, is generally made up from all of your earnings apart from bonuses.

Colleagues may receive some special payments, for example car payments, which are not included in pensionable pay for calculating contributions.



Can I save more?

You can make additional contributions into the Plan, of up to 100% of your pay (subject to certain conditions), although Tesco will only match what you save up to 7.5% of your pay.

You can also make a one-off contribution into the Plan by cheque which should be made payable to the Trustees of the Tesco Isle of Man Retirement Savings Plan. This should be sent to:

Baker Tilly Isle of Man
PO Box 95
2a Lord Street
Douglas
Isle of Man
IM99 1HP

When making a payment, you'll need to provide your Plan membership number.

This can be found on the letter that's issued to you when you become a member.

How can I change how much I pay?

You can change the amount you save into the Plan on an ongoing basis by changing your contributions, to do this go to www.tescoiomsavings.com/how-much where you will find an application to change how much you save.

Providing you've notified Tesco in sufficient time for your request to be processed, your change should be made the next time you're paid.

You can change how much you pay at any time by going to www.TescoIOMsavings.com where you will find an application to change how much you save



How can I make more of my savings?

Your Tesco retirement savings are invested to help maximise how much money you have for retirement.

How you choose to invest your savings can make a big difference to the amount you have at retirement. You should therefore consider how your money is invested while it is in the Plan.

Some of the funds are higher risk. The higher the risk, the more chance there is that your investments won't perform how you want them to.

On the other hand, higher risk options also come with a greater chance that your savings will grow by more. How much risk you're prepared to take when you invest your savings will depend on your own circumstances and you should think carefully about the level of risk you're comfortable with.

For example, it will depend on how much time you have until you retire and your general attitude to taking risks with your money. Please see the **Investment Guide** for more information.

This can make a big difference to how much you'll get from the Plan at retirement.

Designed simply for you

We've designed the Tesco Lifestyle Investment Options especially for Tesco colleagues to:

- **Be low cost**
- **Manage risk and reward**

The aim of the Tesco Lifestyle Investment Options

- **To get higher returns on your savings earlier in your life.** The way your savings are invested at this stage means the value of your account may go up and down a lot in the short term but this is when you're further from retirement so you have time to ride the ups and downs of the market (i.e. higher risk investments).
- As you get nearer to the age you want to take your savings, **your money is automatically moved into investments where you don't have such ups and downs** so can be more certain about how much you'll get (i.e. lower risk investments).
- **It will assume you want to take your savings at age 65 and will automatically target this age** when investing your money. However you can change this age by calling **01624 693 900** or email tescolOMretirementsavingsplan@bakertillyiom.com. (See **Why is setting your target retirement age important**).
- **There are 3 Tesco Lifestyle Options** to choose from, depending on how you want to take your savings when you retire.
- **Your savings will be automatically invested in the Tesco Lifestyle Cash Option** as it will assume you plan to take your savings as cash when you retire. **If you want to stay in this option you don't have to do anything.** However there are other ways for you to take your savings and target your investments (pages 16 to 17).
- **If you choose to leave your money invested in the Tesco Lifestyle Cash Option, all of your savings need to be invested in that lifestyle option** – you can't invest in this at the same time as other individual funds that you select yourself.

How the Tesco Lifestyle Investment Options work

The Tesco Lifestyle Investment Options have been developed to move your savings automatically into investments that are appropriate to the number of years to your target retirement age.

It has been designed to help grow your money at the right time and in the right way while reducing the possible ups and downs in value as you approach your target retirement age.

To do this, it has been divided into three different phases:



If you think your target retirement age will be earlier or later than age 65, it's important that you tell us about the change to your target retirement age as early as possible to make sure your savings are moved at the right time for you.

Why is setting your target retirement age important?

The Tesco Lifestyle Investment Options assume that you want to start taking your savings at age 65.

You can take your savings from age 55, if you are no longer employed by Tesco. But remember, the earlier you take your savings the longer they are likely to have to last.

Remember it's important you set a realistic target retirement age if you invest in the Tesco Lifestyle Investment Options, as your investments will be set to target that retirement age.

If your target retirement age is not up to date, you might not get the most out of the Tesco Lifestyle Investment Options. In addition, the information that we'll send to you may also be less accurate.

You can change your target retirement age at any time by calling 01624 693 900.

What are my other choices?

You can also choose your own investments, from a range of individual funds that you select yourself.

However, you can't be in a Tesco Lifestyle Investment Option and choose a range of individual funds – it has to be one or the other.

When making your own choices the key things to think about are:

- How long do you have to go until you want to take your retirement savings?
- Do you have any retirement savings elsewhere?
- How do you feel about taking investment risk?
- How will you be using your Tesco retirement savings?

The answers to these questions will help you decide which funds might be appropriate for you.

The Investment Guide has more details and the Fund Factsheets have information on what each of the individual funds are designed to do and how they have performed.

You can find these by contacting Baker Tilly Isle of Man on 01624 693900 or email tescoIOMretirementsavingsplan@bakertillyiom.com

If you're not sure about which funds might be appropriate for you we suggest that you speak to an independent financial adviser.

Remember that the value of your savings may fall as well as rise and the value is not guaranteed. You should choose your funds carefully and review them regularly, particularly if you're close to retirement when there will be less time to ride the ups and downs of the markets.

How do I change my investments?

You can print an Investment Switching Form from www.TescoIOMsavings.com and send it to:

**Baker Tilly Isle of Man
PO Box 95
2a Lord Street
Douglas
Isle of Man
IM99 1HP**

Please make sure you include your full name, date of birth, National Insurance number, and membership number on the form. You can find your membership number on the letter which you would have received when you first joined.

Could my investment options change?

The Plan's investment options are reviewed regularly to check that they are performing in line with expectations.

If the Trustees decide it's in members' interests to change the investment options, they'll do so but will keep you informed.

How can I keep track of my savings?

Each year you'll receive a benefit statement that will show you estimates of how much you might receive at your target retirement age. It will also show details of:

- The current value of your retirement savings in the Plan.
- The investment fund(s) your savings are invested in.
- The transfer value if you were to move your retirement savings in the Plan to another arrangement.
- Total payments that have been made into your retirement savings during the previous 12 months.

Any estimates of how much you might receive at your target retirement age are just a guide

and your Tesco retirement savings could be less or more than that amount when you actually retire.



What are the charges?

At Tesco, we want our colleagues to get the best value for money for their savings. That's why we've negotiated lower charges for investing your savings than you would be able to find elsewhere.

These charges are automatically factored in when we calculate how much your savings are worth. So you won't see them as a separate cost when you look at the current value of your retirement savings.

There are two types of charge, which are included in the value of your retirement savings:

1. An annual management charge (AMC),

of 0.14% of the value of your account, which covers the costs of running the Plan.

We aim to maintain this annual rate but there is a possibility it could change if the costs of running the Plan change.

2. A fund management charge (FMC),

which covers the cost of investing your retirement savings. The level of fund management charge depends on which fund(s) you invest in and can vary from time to time.

For further information, please see the Investment Guide and the Fund Factsheets on the website.

How are the charges worked out?

In the example shown, you'll be charged 0.29% of the value of your retirement savings each year.

The Fund management charge is included in the price of units in your chosen fund(s).

All investment funds are divided into units. Contributions are used to buy units in the funds you have chosen at the price applicable on the day your money is invested into your plan.

Please note these charges are an example of the charges that apply in the Tesco Lifestyle Cash Option for colleagues who are more than 20 years away from retirement.

These charges are likely to change as colleagues get closer to retirement, as their savings will be moved into other types of investment that are less likely to fall.

If you choose your investments from the self-select range of investments different charges will apply. Please see the **Investment Guide** for further information.

If your savings are valued at £10,000 throughout the year and you're invested in the Tesco Lifestyle Cash Option (Far to Go phase) which has an approximate fund management charge of 0.15%, the charges payable by you over the year will be:

Value of your savings	Charges as a percent of your fund value	£10,000
Annual management charge	0.14%	£14
Fund management charge	0.15%	£15
Total charges for the year*	0.29%	£29

* These charges will vary depending on time to retirement

We've negotiated lower investment charges for our colleagues than you would be able to find elsewhere.



How and when can I take my savings?

You can take your savings from age 55, if you are no longer employed by Tesco or from age 65 if you remain a colleague.

To let you know the options you have for taking your savings, we'll write to you a few months before your selected target retirement age (or your 65th birthday if you haven't selected a target retirement age).

You can take up to 30% of your retirement savings as tax-free cash when you retire.

Whether or not you take the tax-free cash, you can then take your savings:

- All as cash, subject to your savings being below a specified limit.
- By transferring your savings to a plan that allows you to take a bit at a time (drawdown)
- By purchasing an annuity from a life insurance company which will provide a regular guaranteed income (pension)

Or you can choose a mixture of these.

Matching your investments to your retirement choice

The Tesco Lifestyle Cash Option targets a cash outcome but if you'd prefer to take your savings a bit at a time (drawdown) or as regular guaranteed income, you can change your investments by **calling us on 01624 693 900** or by writing to us at:

Baker Tilly Isle of Man
PO Box 95
2a Lord Street
Douglas
Isle of Man
IM99 1HP

If so, you need to tell us, ideally five years before your target retirement age. Your savings will then be invested in a way more suited to your preferred option.

Please see further details in the next section, or the **Investment Guide** for more information.

If you've previously changed your investment choice, you can change it back (see "How do I change my investments?" on page 16).



How you can take your savings

1. All as cash

You can take your savings as cash in one go if below the limit specified by the Government.

If you've already received 30% of your savings tax free, the rest of your cash will be subject to Income Tax.

What do I do if I want to take my savings in this way?

If your money is invested in the Tesco Lifestyle Cash Option and you plan to take your retirement savings as cash, you don't have to do anything.

The Tesco Lifestyle Cash Option automatically assumes you'll take your money as cash and will invest your money with this in mind.

2. A bit at a time (drawdown)

You might decide you want to take your savings a bit at a time on a regular basis throughout your retirement.

Your savings will remain invested as you do this, until all of your savings have gone.

You'll have to pay Income Tax on what you take, after you've received your 30% tax-free cash, if your overall annual income is above your Income Tax threshold.

What do I do if I want to take my savings in this way?

If you plan to take your retirement savings a bit at a time, we can invest your savings with this in mind in the Tesco Lifestyle Drawdown Option.

In the five years before your selected retirement age, the Tesco Lifestyle Drawdown Option will adjust to leave more of your savings invested in funds that are more likely to give you a return after you retire.

If you prefer this option, just let us know, ideally five years or more before your selected retirement age.

3. Regular guaranteed income (pension)

You can choose to convert your retirement savings into a regular income that you'll receive for the rest of your life. To do this you'll need to talk to an insurance company to buy an annuity.

At retirement, we'll help you by providing details of how to 'shop around' to find the insurance company who will give you the best rates.

After you've received your 30% tax-free cash, the regular money you receive from your annuity payments counts as income so you'll have to pay tax if your overall annual income is above the Income Tax threshold.

What do I do if I want to take my savings in this way?

If you want to take your money as a regular income, we can invest your savings with this in mind in the Tesco Lifestyle Regular Income Option.

In the five years before your selected retirement age, the Tesco Lifestyle Regular Income Option will gradually invest in funds to suit this outcome, to help maximise what you receive.

If you prefer this option, just let us know, ideally five years or more before your selected retirement age.

Review your Lifestyle option at least five years before retirement, to ensure your investments target how you'd like to take your savings.

Things to think about when choosing how to take your savings

It's important that you plan carefully how and when you take your savings from the Plan as it could:

- Affect the amount of tax you pay.
- Impact the amount of some benefits you receive from the State.

How will my savings be taxed?

If you want to take a cash lump sum at retirement, you can take up to 30% of your savings and this will currently be paid to you free of tax.

The rest of your savings in the Plan will be taxed in the same way your earnings are taxed while you're working, except you won't have to pay National Insurance.

This means if the amount of savings you receive takes your income in the year above a certain level you'll pay Income Tax at a higher rate.

Deciding how to use your savings.

If you're still unsure about your options we recommend you speak to a financial adviser. You can find one in your local area by contacting **Baker Tilly Isle of Man on 01624 693900**, or email tescoIOMretirementsavingsplan@bakertillyiom.com

Please note, financial advisers will usually charge a fee for their services. However a good financial adviser will help you to make decisions that are appropriate to your own financial circumstances.

*To find out more call
Baker Tilly Isle of Man
on 01624 693 900*

9am - 5:15pm Monday to Friday.

Call Centres will not be open on Saturdays, Sundays, or Bank Holidays. Call Centres are also closed between Christmas and New Year.

Information about the State Pension.

Your benefits from the Plan will be payable in addition to any State Pension you're entitled to.

Can I get a State Pension forecast?

Further information on State benefits can be found at www.gov.im/categories/benefits-and-financial-support/social-security-benefits/retirement-and-pensions/retirement-pension





What else do I need to know?

What happens if...

I leave Tesco?

If you leave Tesco, the options available to you are the same as those available to you if you had voluntarily opted-out of the Plan as described on page 7 of this booklet.

I'm off sick?

If you're off work due to sickness, contributions will continue to the Plan, as long as you're receiving pay from Tesco. Both your own and Tesco's contributions will be based on the pay you actually receive during this period.

If you're in poor health and do not expect to be able to return to work in the future, it may be possible to access your retirement savings early.

If you're seriously ill (certified by a registered medical practitioner that life expectancy is less than a year) you can take your retirement savings before age 55. Other conditions may apply.

I die?

If you die while still employed by Tesco, a lump sum will be paid, usually to your nominated beneficiary. The amount payable will normally be:

- Cash worth five times your annual pay if you're still contributing to the Plan or one times pay if you have stopped contributing before you die. This amount is payable to the extent that the insurance policy effected by the employer settles the claim being made.

plus

- The value of your Tesco retirement savings at the date of your death. A tax charge may be applied against this part of the payment.

You should complete an Expression of Wish Form and make sure it's kept up to date. The Trustees don't have to follow your wishes but they'll always use it to guide their decision.

Although it can be paid in the form of a lump sum, the Trustees may choose to use part or all of the value of your savings to buy a regular pension income for one or more of your dependants.

If any of your dependants are under 18 at the time of your death, the Trustees may pay the funds into a Trust for their benefit until they reach the age of 18.

I get divorced?

If you get divorced, the pension savings you've built up are generally taken into account by the court when deciding on a divorce settlement or dissolution of a registered civil partnership.

There are three ways that the court can deal with your pension entitlement:

- The value of your savings can be 'offset' against other financial assets, like the marital home.
- Your savings can be subject to a 'pension sharing' order, where a proportion of your pension is given to your ex-spouse or registered civil partner. Your savings are then reduced as a result.
- Part of your savings can be 'earmarked' through a court order for your ex-spouse or registered civil partner to receive when you retire.

To find out more call the **Baker Tilly Isle of Man on 01624 693 900**.

I stop saving?

You can stop contributing to the Plan at any time, by completing the **Stop Contributions Form**, which you can obtain by going to www.TescoLOMSavings.com.

However, you should give serious consideration to the consequences of not saving enough for your retirement.

You should also be aware that if you stop contributing, Tesco will stop contributing to your savings and you'll no longer receive the higher life cover you receive when you're contributing to the Plan.

The options available to you if you stop saving are the same as described above under 'What happens if I leave Tesco?'

If you stop saving while still working for Tesco you can rejoin the Plan at any time (see 'How do I join?' on page 6).

*To find out more
call Baker Tilly
Isle of Man on
01624 693 900*

9am - 5:15pm Monday to Friday.

Call Centres will not be open on Saturdays, Sundays or Bank Holidays. Call Centres are also closed between Christmas and New Year.

*Before opting out you should
consider the following:*

- You'll miss out on the contributions Tesco pay into your savings on your behalf.
- You'll no longer receive the same level of life cover you get whilst you contribute. Colleagues not contributing to the Plan receive life cover of one times pay instead of five times pay.
- If you don't save for the future, you may not have enough money to afford the retirement you want.

I go off on maternity, paternity or adoption leave?

Whilst you receive statutory payments for these types of leave, Tesco will continue to pay its matching contributions, as though you were still working and receiving your normal levels of pay. These contributions will continue whilst you're entitled to statutory maternity pay, statutory paternity pay and statutory adoption pay. The life cover you receive as a member of the Plan will also continue.

Your own contributions will be calculated based on the pay you actually receive whilst on maternity, paternity or adoption leave.

I'm already contributing to another retirement savings plan?

You can pay into as many retirement savings plans as you like but Tesco will only contribute into this Plan on your behalf and the annual allowance will apply to the total of all your retirement savings (see page 12).

I want to transfer other retirement savings into the Plan

You can normally transfer retirement savings from other pension schemes into the Plan. This could include from the Tesco PLC Pension Scheme and any plans run by your previous employers or any private pension policies you may have taken out.

Neither Tesco nor the Trustees can advise you on whether transferring other retirement savings into the Plan will be in your best interests or accept any responsibility for your decision. In some cases, it could be possible that transferring other retirement savings into the Plan would not be in your interests.

Before deciding to transfer any retirement savings from another plan you should consider taking financial advice. In some cases, the trustees will require you to have taken advice before transferring – this will include transfers from the Tesco PLC Pension Scheme.

How do I transfer?

- Consider taking financial advice (in some cases this will be required).
- If you wish to consider a transfer please contact Baker Tilly Isle of Man who will be able to advise you what is required to enable you to proceed

Information about the Plan

Who are the Trustees?

The Tesco Isle of Man Retirement Savings Plan is a registered pension scheme set up under trust. An independent trustee has been appointed being Baker Tilly Isle of Man Corporate Trustee Limited. From time to time, Tesco may appoint individuals within the organisation as additional trustees.

The Trustees have appointed Baker Tilly Isle of Man Fiduciaries Limited to administer the Scheme on their behalf.

The role of the trustees includes monitoring investment suitability and performance, monitoring administration standards and acting in the best interests of members.

The detailed provisions of the Plan are contained in the formal documents governing the Plan and Tesco's participation in it, which are the legal basis for the Plan and override the description in this booklet.

The Plan will be approved by the Assessor of Income Tax and be registered as an authorised plan with the Isle of Man Financial Services Authority.

*To find out more
call Baker Tilly
Isle of Man on
01624 693 900*

9am - 5:15pm Monday to Friday.

Call Centres will not be open on Saturdays, Sundays, or Bank Holidays. Call Centres are also closed between Christmas and New Year.

What documents from the Plan are available to me?

The following documents are available to you on request. Please see Useful Contacts on page 25 for more information.

- A Trustees' Annual Report and Accounts containing general information about the Plan.
- The Trust Deed and Rules.
- The Statement of Investment Principles describing the Trustees' investment strategy.

Can the terms of the Plan be changed?

Yes – Tesco reserves the right to change or withdraw the Plan at any time, including changing the benefits to be provided under the Plan. You'll be told if any changes affect you.

Can the Plan be closed?

Tesco currently intends to continue the Plan and participate indefinitely. However, it's possible that circumstances could arise in the future that may lead Tesco to discontinue the Plan or to change the rates of contributions it pays to the Plan or the level of life cover.

If Tesco decide to discontinue to the Plan, the Trustees would be required to offer an alternative plan to its employees to comply with legal obligations. The Trustees would use the money in the Plan to provide you with benefits in accordance with the formal documents governing the Plan and Tesco's participation in it.

What if my personal details change?

If you change your name or address you must notify Tesco, unless you have left the company in which case you should contact Baker Tilly Isle of Man.

To find out more
call Baker Tilly
Isle of Man on
01624 693 900

9am - 5:15pm Monday to Friday.

Call Centres will not be open
on Saturdays, Sundays, or Bank
Holidays. Call Centres are also
closed between Christmas and
New Year.

Will I need to supply any documents?

For your own security and protection, and before any payments are made, you may be required to supply certain information and documentation that the Trustees considers appropriate at the time.

For details of who to contact, please go to Useful Contacts on page 25.

What about Data Protection?

To provide you with your pension benefits under the Plan we must process some personal data. This personal data will be held by us for as long as you're a member of the Plan and possibly longer if necessary.

We will take every care to ensure that your personal data is held securely. The Trustees, Tesco and Baker Tilly Isle of Man will treat all information about you and your dependant(s) as confidential. Personal data may be used for employment and pension administration purposes.

We will share this personal data with Baker Tilly Isle of Man and the Trustees who may share the data with other organisations that are providing services to the Plan but only where this is essential in connection with your membership and the administration of the Plan. These organisations might be located outside of the European Economic Area. The persons to whom data may be disclosed could include any insurance company or other relevant organisation.

What if I have any questions or a complaint?

Any problems or queries can usually be settled by asking for more information. The Plan's helpline will be able to help you with any questions you may have.

However, if this approach does not resolve matters to your satisfaction or if there is something you disagree with, there is a formal dispute procedure that can be used by anyone who has rights in the Plan. For details of who to contact, please go to Useful Contacts on page 25.

All formal complaints must be made in writing. This will be investigated and the Trustees will make a formal decision.

Important

This booklet is intended as a summary of the terms and conditions of the Tesco Isle of Man Retirement Savings Plan. If there is any conflict between this booklet and the Plan documents, the Plan documents (being the Trust Deed and Rules as amended from time to time) will be overriding.

If you want to see a copy of the rules or you have any questions concerning the content of this guide, please contact us. For details of who to contact, please go to Useful Contacts on page 25.

The information in this booklet is based on the Trustees' and Baker Tilly Isle of Man understanding of current legislation, taxation and Isle of Man practice.

These can change without notice, but the Trustees will let you know if a change is made that significantly impacts you.

This booklet is based on the legislation that was in force at April 2016. It contains a number of tax year specific references and details of investment charges, which were correct at that time.

For details of investment charges please see the **Investment Guide** on the Plan's website.

Useful contacts

Baker Tilly Isle of Man

Opening Hours

Telephone Number: **01624 693 900**

9-5:15 Monday to Friday.

Call Centres will not be open on Saturdays, Sundays or Bank Holiday.

Call Centres are also closed between Christmas and New Year.

Email address: tescoIOMretirementsavingsplan@bakertillyiom.com

Isle of Man Financial Services Authority

The Isle of Man Financial Services Authority is able to intervene in the running of schemes where Trustees, administrators, professional advisors or other persons have failed in their duties.

Isle of Man Financial Services Authority,
PO Box 58,
Finch Hill House,
Douglas, Isle of Man,
IM99 1DT

Tel: 01624 646001

Website: www.gov.im/iomfsa

Income Tax Division

Isle of Man Income Tax Division
Pensions
Government Offices
Bucks Road
Douglas
IM1 3TX

Isle of Man Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme.

Isle of Man Pensions Ombudsman
PO Box 65023
London
N5 9BN

For information in respect of your State pension.

Website: www.gov.im/categories/benefits-and-financial-support/social-security-benefits/retirement-and-pensions/retirement-pension

The Pensions Advisory Service

The Pensions Advisory Service (TPAS) is available to assist members and beneficiaries with any general queries they may have, or any difficulties they have failed to resolve with the Trustees or administrators through the internal disputes resolution procedure.

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB
Tel: 0300 123 1047

Website: www.pensionsadvisoryservice.org.uk

Neither Tesco or Baker Tilly Isle of Man are allowed to give you financial advice.