

BAE Systems 2000 Pension Plan (the Plan) Nomination of a Specified Dependant

The Plan allows a member to nominate one or more persons to be a Specified Dependant who will receive a pension on their death.

All nominations have to be made through a formal nomination and acceptance process. The person being nominated as a Specified Dependant must fulfil certain financial criteria. The financial criteria must be met at the point of nomination and also at the time the pension becomes payable, i.e. when the member dies.

This note sets out the requirements for nomination and payment. It also sets out how the pension payable to a Specified Dependant is different to the pension that would be payable to a Spouse and the impact of future events.

If you are thinking of nominating someone for consideration as a Specified Dependant you should read these notes carefully.

Who can I consider nominating?

A Specified Dependant is defined in the Rules of the Plan as someone who is wholly or mainly dependent upon a member of the Plan for the ordinary necessities of life.

As a Member, you can nominate anyone who fulfils this definition.

Ordinary necessities can include accommodation, food, basic clothing and other essential expenses; the term is not intended to cover non essential items, for example holidays.

It is important that you understand that any nominee must fulfil this dependency requirement at the time they are nominated and also when the pension becomes payable, i.e. when you die.

A Spouse or Civil Partner cannot be a Specified Dependant, nor can a child be a Specified Dependant, unless the child is dependent upon you due to physical or mental impairment on the date of nomination and when you die.

You cannot nominate a Specified Dependant if you have a Spouse or a Civil Partner, **unless** you are no longer ordinarily resident with them. Please see the section below 'I have a Spouse or Civil Partner, can I still make a nomination?' for more information.

You may nominate one or more people to be your 'Specified Dependant' to share any pension payable. To qualify, any of the persons nominated must be wholly or mainly dependent upon you for the ordinary necessities of life.

Nomination, Acceptance and payment of a Specified Dependents Pension

All nominations must be made on the 'Nomination of a Specified Dependant Form'.

You will be asked to provide evidence of the extent of your nominated Specified Dependant's financial dependency. Evidence can include copies of utility bills, bank statements, payslips or a written statement.

The nomination must be made either before you reach age 65, or, if earlier, before your pension starts.

All nominations are passed to the Trustees. Based on the evidence provided, the Trustees will either accept or reject the nomination. You will receive a copy of the nomination form for your records.

When you die, your Specified Dependant will be asked to provide additional confirmation and documentary evidence that they are wholly or mainly dependent upon you as at the date of your death. If this evidence cannot be provided, the Specified Dependents Benefit will not be paid.

I have a Legal Spouse or Civil Partner can I still make a nomination?

Ordinarily if you have a Spouse or Civil Partner, you cannot nominate a Specified Dependant. However, if you are no longer ordinarily resident with your Spouse or Civil Partner it is possible for you to nominate someone as your Specified Dependant. You can make this declaration on the Nomination of Specified Dependant Form. If your nomination is accepted the Spouse or Civil Partner who has been set aside will not be entitled to receive a pension from the Plan, even if your Specified Dependant predeceases you.

What pension will my Specified Dependant receive?

The pension that is payable to a qualifying Specified Dependant, or the total pension payable to all qualifying Specified Dependents, may not be the same as the pension that would be payable to a Spouse or Civil Partner.

The pension that is paid to a Spouse or Civil Partner is 50% of a member's pension (allowance is made for any pension given up for a lump sum, or a level pension option). The pension that is paid to a Specified Dependant is based on the value (actuarial equivalent) of 50% of a member's pension. In simple terms this means that the pension payable takes into account the age and sex of your Specified Dependant. The pension may therefore be more or less than the pension that would be payable to a Spouse or Civil Partner.

What if I marry or enter into a Civil Partnership after having had a nomination accepted?

If you marry or enter into a civil partnership after having a Specified Dependant's nomination accepted, the nomination is automatically revoked. Any pension that is payable on your death will be payable to your Spouse or Civil Partner.

What if I want to change (revoke) my nomination?

If you want to revoke an accepted nomination you should give written notice to the Trustees before your pension starts.

What if I want to nominate more than one Specified Dependant?

If you want to add an additional Specified Dependant to an existing nomination, or if you want to make a new nomination where there will be more than one potential Specified Dependant, you will need to complete a new Nomination of Specified Dependant Form for each Specified Dependant and submit them for consideration at the same time. You must indicate on the form that you are nominating more than one Specified Dependant for consideration.

If my nomination fails can a pension still be paid to someone else?

Under the Rules of the Plan, if you do not have a Spouse, Civil Partner or a qualifying Specified Dependant when you die, the Trustees are able, at their discretion, to consider paying a Spouse's pension to someone else, but only if you were living with them in a relationship closely resembling marriage or civil partnership.

What if I have more questions?

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