

Your pension

This document gives you information about your 2010 pension increase and outlines some extra information you need to know about your pension.

Pension increases are applied in April each year. In line with the rules of the Unilever UK Pension Fund ('the Fund'), we use the increase in the Retail Prices Index (RPI) at 1 March each year. (This is the increase in the RPI over the 12 months to January, which is then published in February. Throughout the rest of this leaflet we refer to this as 'inflation'.)

Your pension (above any GMP – see below) is then increased in line with inflation up to 5% a year, unless:

- you retired less than a year ago from Unilever employment – in which case, the increase is scaled down accordingly;
- you receive different increases because you belonged to a scheme at a company acquired by Unilever; or
- you chose the 7% contribution rate from 1 January 2008, and have retired since (see below).

We will send you a statement shortly before your April payment, showing your new monthly pension amount.

This year's pension increase, which applies from 1 April 2010, will be: 3.7%.

If you retired after 1 January 2008 you may receive a different increase to part of your pension – see below.

Please note: if you were in the Fund before 6 April 1997, your pension will normally include a Guaranteed Minimum Pension ('GMP'). The GMP element of your pension is increased in a different way from the rest of your pension – see our explanation inside.

Please read only if you retired after January 2008...

Parts of your pension (again, above any GMP) may receive different increases. The different increases only come into effect in years when inflation rises above 3%. This year, as inflation is above 3%, the increases applied to your pension depend on the contribution level you chose to pay from 1 January 2008:

- Pension you built up before 1 January 2008 (above any GMP) goes up in line with inflation up to 5%. This year the increase will be 3.7%.
- If you chose to pay the 7% contribution level from 1 April 2008, your pension in payment built up after 1 January 2008 will increase by inflation up to 3%.
- This year the increase to this part of your pension will be 3%.
- If you chose to pay the 8.5% contribution level from 1 April 2008, your pension in payment built up after 1 January 2008 will increase by inflation up to 5%. This year the increase to this part of your pension will be 3.7%.



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Discretionary pension increases

In the past, the Unilever UK Pension Fund has tended to pay pension increases above the 5% limit in years when inflation has been above 5%. These higher increases are at Unilever's discretion. Unilever currently intends to allow for discretionary increases on pension built up **before** 1 January 2008 in its funding of the Final salary plan. You should not expect that discretionary increases will be granted for pension built up since that date (whether you chose the 7% or 8.5% contribution level).

The Unilever State Benefits helpline

The Unilever State Benefits helpline exists to help you find out if you are entitled to claim extra benefits from the State, such as Pension Credit, Council Tax Benefit and Attendance Allowance. If you have any queries relating to State benefits, or are unsure if you or your family qualify for any extra benefits from the State, call our confidential helpline for advice. Thousands of Unilever pensioners have discovered that they are entitled to extra State benefits through calling the helpline.

01494 729796

Getting in touch

For questions about your pension payments, or to tell us about changes to your personal details (especially a change of address or bank):

Unilever Pensions Team
Hewitt Associates
Outsourcing Ltd
Parkside House
Ashley Road
Epsom
Surrey, KT18 5BS

(Please note the Pension Team's new address)

Freephone:
0800 028 0051 (from within the UK)
Tel: +44 20 7939 4909 (from outside the UK)
Email:
unileverpensionsteam@hewitt.com
Fax:
01372 757953
UUKPF website:
www.uukpf.co.uk

For information about the Unilever UK Pensioners Association or Regional Groups:

Cynthia Elliott,
Pensioners Liaison Manager
Unilever UK Pensions
Unilever House
Springfield Drive
Leatherhead
Surrey KT22 7GR
Tel:
01372 945665
Fax:
01372 945840
Email:
cynthia.elliott@unilever.com

Contacting the tax office

Unilever UK Pensions Tax Office (ref. 951/V)
HM Inspector of Taxes
Chapel Wharf Area
Trinity Bridge House
2 Dearmans Place
Salford M3 5BS
Tel: 0845 300 0627
HM Revenue & Customs website:
www.hmrc.gov.uk

Please note:

You only need to read this section if you, or your spouse, built up service in the Fund between 6 April 1978 and 5 April 1997 and you are over 'GMP age' – that is, age 60 for women and age 65 for men. Otherwise, the information we give here about GMPs does not apply to you.

Increases to Guaranteed Minimum Pensions (GMPs)

We get quite a few questions from members asking how the increases to the GMP element of their pension work. This is a complicated subject, but we hope the explanation we provide below makes it clearer.

Members of the Unilever Superannuation Fund (now the UUKPF) were 'contracted out' of the State Earnings Related Pension Scheme (SERPS) for service built up in the Fund after 5 April 1978. Contracting out is a State arrangement allowing pension scheme members and their employers to pay lower National Insurance contributions in return for giving up some State pension. Because of this the Fund is required to provide most members with a minimum level of pension for their service between 6 April 1978 and 5 April 1997. This is your GMP. (Spouses of deceased members may also be entitled to a GMP.)

GMPs are payable from age 60 for women and age 65 for men. Your GMP is worked out in line with legislation and forms part of your total pension. However, once your pension is in payment, the GMP element is increased in a different way to the rest of your pension.

Broadly, your GMP will increase in line with inflation over the year to the previous September (so please note, it is measured against the RPI at a different month from the rest of your Fund pension).

However, the State and the Fund share responsibility for paying these increases, as follows:

'Pre-88 GMP'

The State provides the increase to any GMP you built up before 6 April 1988, if an increase is due to you – see the note below.

'Post-88 GMP'

The Fund increases any GMP you built up between 6 April 1988 and 5 April 1997 up to 3%. In years when inflation is above 3%, the State makes up the difference so that the increase of your Post-88 GMP is also broadly in line with inflation – again, see the note below.

It is useful to know this because any increases your GMP receives from the State are generally paid with your State Retirement Pension, State widow's, widower's, or invalidity pension, while the increases you receive from the Fund are paid with your Unilever UK Pension Fund pension.

Please note: If you left Unilever before GMP age, your GMP still increased over any period you were a deferred member. The intention is to provide full inflation protection, but in certain circumstances, individual contributions history may affect this. Because the State increases GMP in a different way to the Fund, this may mean that for some members of the Fund, their GMP at GMP age will be higher than the level set by the State. In this situation, the State will not give you any increases on your GMP until the level it sets matches the GMP amount you already receive. In the meantime, the Fund will still increase your Post 88 GMP, as outlined above.

Example:

Mr Smith retired in March 2007 at GMP Age (65 for men) with an annual Fund pension of £6,000. Included in this was his GMP of £1,500 a year, of which £300 was earned before 6 April 1988 and £1,200 was earned after this.

To apply the correct increase in April 2010 to this pension, we need to split it into three parts:

Pre-88 GMP	£300	Increases normally paid by the State.
Post-88 GMP	£1,200	Increases up to 3% paid with your Fund pension; increases above this normally paid by the State.
Pension excluding GMP	£4,500	Increases paid with your Fund pension.
Total	£6,000	

Applying the April 2010 increase from the Fund

April 2010 Fund increase = 3.7%

Pension element	Pre increase amount	Increase applied by the Fund	Post increase amount
Pre-88 GMP	£300.00	£0.00	£300.00
Post-88 GMP	£1,200.00	(0%) £0.00	£1,200.00
Pension excluding GMP	£4,500.00	(3.7%) £166.50	£4,666.50
Total	£6,000.00	£166.50	£6,166.50

This example is based on someone who retired from the Fund before 1 January 2008. If you retired after this date and chose the 7% contribution rate from 1 April 2008 a different increase will apply to the pension you built up after 1 January 2008.

The increase to the Post 88 GMP is based on increase in RPI over the year to September 2009. This year, as the increase to the RPI over the year to September 2009 was negative, the increase to the Post 88 GMP is zero. In years when inflation is positive, the Fund would pay increases on the Post 88 GMP up to 3% with your Fund pension (as described above). For example, last year when the Fund increase was 0.1% in April 2009, the increase in the RPI over the year to September 2008 was 5%. The Fund therefore paid a 3% increase to your Post 88 GMP, and the State paid an increase of 2%.