

JULY 2019

## Summary of the Unilever Cash Alternative and Risk Benefits Scheme (“UCARBS”)

### Introduction

The purpose of UCARBS is to provide an alternative to membership of the Unilever UK Pension Fund (UUKPF) for those eligible members for whom building up further pension savings in the UUKPF may not be tax efficient because of the impact of the Lifetime Allowance and/or Annual Allowance.

A copy of the UCARBS rules and the Unilever UK Pension Fund Trust Deed and Rules is available on request from the Expert Administration Team on 01372 945688 or via e-mail [expertadminteam@unilever.com](mailto:expertadminteam@unilever.com). Please read the important legal notes at the end of this summary.

### Eligibility for UCARBS membership

Eligible members will be invited to join UCARBS by Unilever. At July 2019, the eligibility for membership of UCARBS is active UUKPF members of Work Level 3 and above for whom building up further pension savings in the UUKPF may not be tax efficient because of the impact of the Lifetime Allowance and/or Annual Allowance. Eligibility for other active UUKPF members will be at the discretion of the Company.

Membership of UCARBS will cease if a member takes a permanent transfer or localises overseas, or on leaving Unilever employment.

Membership of UCARBS is on the terms and subject to the conditions of the UCARBS Deed Poll as from time to time in force. Unilever may change the eligibility conditions for UCARBS from time to time.

### UCARBS benefits

Eligible members are generally admitted for the following benefits:

1. Cash Alternative Percentage
2. Benefits on death in UCARBS service
3. Benefits on retirement from UCARBS service on grounds of serious ill health or permanent incapacity.

The specific terms of admission for an eligible member will be agreed in writing between the eligible member and Unilever.

Eligible members on a Euronet reward package may only be admitted to UCARBS for the benefits on death or retirement on grounds of serious ill health or permanent incapacity. The Cash Alternative Percentage does not apply to Euronet members and an adjustment is made to their Euronet Allowance instead.

## 1. Cash Alternative Percentage

UCARBS provides a salary supplement called a “Cash Alternative Percentage” of 12.5% Pensionable Pay above the Career average plan lower level (£6,645 from 1 April 2019), adjusted to reflect the cost of employer national insurance contributions. The current adjusted amount of the Cash Alternative Percentage at July 2019 is 10.98% of Pensionable Pay above the Career average plan lower level. Pensionable Pay is the same amount that would have applied if you had continued as a member of the UUKPF.

The Cash Alternative Percentage is paid as salary each month and is therefore subject to tax and employee National Insurance Contribution deductions.

The Cash Alternative Percentage is payable for a maximum of 45 years (this period includes any prior period of Pensionable Service in the UUKPF). If you are absent from work on reduced or no pay, the Cash Alternative Percentage paid may be reduced or may stop depending on the reason for absence.

The Cash Alternative Percentage may be reduced, including to zero, to take account of any retirement or death benefits provided by Unilever in any other scheme. Unilever reserves the right to increase, decrease or discontinue the Cash Alternative Percentage.

Because you are eligible for a benefit envelope the cost of this cash benefit will be deducted from your benefit envelope.

## 2. Death in UCARBS service

If you die while you are still a member of UCARBS, the following benefits will be payable: a cash sum of four times your Pensionable Pay, plus if you are under age 65 at the date of death, a cash sum of one times your Pensionable Pay. This is in addition to benefits payable to you as a deferred UUKPF member. The cash sum may be reduced by the value of any other death benefits that are payable from other arrangements (such as overseas pension arrangements) as a result of your Unilever service.

It is intended that the benefit will be delivered in a tax efficient manner. The benefit is to be provided as far as possible through the Unilever UK Pension Fund (UUKPF) up to the level of your personal Lifetime Allowance and will be paid free of income tax. Any benefit that cannot be paid through the UUKPF will be paid as a taxable benefit (as income to the beneficiary) by Unilever. Generally, the lump sum will be paid to the same person(s) and in the same proportions as if you had died when still in UUKPF Pensionable Service.

If Unilever decides to insure (or arrange insurance of) the proposed life cover, then the lump sum will be payable subject to any limitations or conditions imposed by the insurance company.

## 3. Retirement from UCARBS service on grounds of serious ill-health or permanent incapacity

If you are still working for Unilever, and in UCARBS service, and you meet the same conditions as are required under the UUKPF rules for retirement on the grounds of serious ill health, you will be provided with the following:

- A cash sum of 25% of Pensionable Pay between the Career average plan lower level (£6,645 from 1 April 2019) and higher level (£60,500 from 1 April 2019) for each of the total number of years' service you could have built up from the date of joining UCARBS to age 65 (the UUKPF's Normal Retirement Age).
- Plus, 25% of Pensionable Pay above the Career average plan higher level for each of the total number of years' service you could have built up from the date you retire from employment due to serious ill health to age 65 (the UUKPF's Normal Retirement Age).

The years' service you could build up is limited to 40 years (or 45 years if you have already reached 40 years) and service includes your pensionable service in the UUKPF.

Please note that this amount is decided by Unilever and may change from time to time, and may be subject to an overall limit. The cash sum may be reduced by the value of any other ill health benefits that are payable from other arrangements (such as overseas pension arrangements) as a result of your Unilever service.

This is in addition to any benefits payable to you as a deferred UUKPF member.

If Unilever decides to insure (or arrange insurance of) the proposed incapacity benefit, then such benefits will be payable subject to any limitations or conditions imposed by the insurance company.

#### **IMPORTANT LEGAL NOTES:**

This document confers no rights to any salary supplement or benefits. Rights to any salary supplement or benefits are conferred solely on the terms and subject to the conditions of the UCARBS Rules as from time to time in force.

Unilever reserves the right to discontinue UCARBS or amend the UCARBS rules from time to time. Anything in this document about legal or tax issues is based on Unilever's understanding of these issues at the date of issue. Any changes in the laws or HM Revenue and Customs practice may affect this information.

Nothing in this document covers the tax or other laws of any jurisdiction outside of the UK. For members who are on assignment outside the UK, the social security benefits and contributions, and the deduction made for pension, and tax status of benefits and contributions may be different. Any member to whom the tax or other laws of any jurisdiction may apply should take specific advice as to the impact of any such laws on their own position.

Nothing in this document has as its sole or main purpose the inducement of any employee to give up active membership of the Unilever UK Pension Fund. This document shall be interpreted, in all respects, to give effect to the previous sentence.