



## **ALSTOM PENSION SCHEME ANNOUNCEMENT TO DEFERRED MEMBERS**

In March 2004 the Trustees decided to suspend the approval of early retirement pensions and, since then, pensions have only been payable upon reaching the normal retirement age of 65 (except in cases of ill health early retirement).

The Trustees have reviewed the early retirement suspension and are pleased to announce that they have agreed, in principle, to its phased removal. **The intent is that, from 1 January 2007, early retirement pensions will be re-instated for members age 60 years and above.** The Pension Department presently has a heavy workload therefore, no application to retire will be accepted, or quotations provided, until November 2006.

In addition the Trustee has agreed to the following, provided that there are no significant events which affect the Scheme's finances in the intervening period:

**1 April 2007 – reinstatement of early retirement for those aged 55 and above.**

If you will be over age 55 on 1 April 2007 you may apply for a quotation from 1 February 2007 onwards.

**1 July 2007 – reinstatement of early retirement for those aged 50 and above. Please note that early retirement is not possible before age 55 after 6 April 2010.**

If you will be over age 50 on 1 July 2007 you may apply for a quotation from 1 May 2007 onwards.

Please note that different early retirement ages apply to different sections of the Scheme and therefore it will not be necessarily possible to retire at age 50 from all sections. Where Company consent is needed to take early retirement the Company has indicated that this will not be given before age 60.

If you are unsure as to whether you can take your early retirement pension then please refer to the general guidance notes provided with this announcement.

August 2006

## **ALSTOM PENSION SCHEME**

### **EARLY RETIREMENT (for deferred members)**

#### **Notes for general guidance following the announcement dated August 2006.**

Please note that this summary is intended as a guide only. Please contact the pensions department if you wish to clarify any information contained in this note. **The early retirement provisions are very complex and as such you should not rely on this general note to take action regarding your pension benefits without obtaining an individual quotation and information from the pensions department. Please remember that if you take your pension benefits early then they will be reduced for early payment.**

— Please note that quotations will be limited as follows:

Over 60's – you may apply for a quotation of your early retirement pension from November 2006 onwards

Over 55's – you may apply for a quotation of your early retirement pension from February 2007 onwards

Over 50's – you may apply for a quotation of your early retirement pension from May 2007 onwards. Please note that early retirement is not possible before age 55 after 6 April 2010.

If you are unable to take your early retirement pension when you apply for a quotation (because of the rules of your section for example) we will be unable to provide a quotation until six months prior to the date that you become eligible.

To use this guide you need to refer to the paragraphs that are relevant to your particular circumstance – i.e. if you are a main section member then refer to the paragraph headed "Main Section".

Please note that if in addition you have deferred benefits because of the changes to the Scheme, which took effect on 6 April 2006, then you also need to refer to the active member's announcement and notes. These notes will be issued separately to all active members at their home address in due course.

**If you are a deferred member as a result of a sale of an ALSTOM Company or business to another Company then previously the Trustee would not allow you to take your pension until you had left your "continuous employment" with that Company (for example those people who were transferred to Siemens, Areva, Man B&W, Al, Cegelec Contracting, Converteam etc). This restriction has now been lifted and you may therefore apply for early retirement as a deferred member.**

## **Main Section**

- Under the rules of the main section members can take early retirement from age 50. Trustee consent is needed but Company consent is not needed. However, this age will have to change to age 55 from 2010 to meet new legislation requirements.
- This means that until 2010 a deferred member of the main section can apply for their pension to be paid from age 50.

## **ABB Section (also known as the Contracted-out section)**

- Under the rules of the ABB section members can take early retirement from age 50. However, this age will have to change to age 55 from 2010 to meet new legislation requirements.
- However, Company consent is needed. The Company have set a policy that where it consents to early retirement it will not do so before age 60.
- This means that although the early retirement suspension is lifted by the Trustees, ABB members still cannot retire before the age of 60.
- Under the rules, ABB section members have to give six months notice of their intention to retire. You will need to give this notice in writing if you wish to retire early.

## **Babcock Section (also known as the Contracted-Out section)**

- Under the rules of the Babcock section members can take early retirement from age 50. Trustee consent is needed but Company consent is not. However, this age will have to change to age 55 from 2010 to meet new legislation requirements.
- This means that until 2010 a deferred member may apply for their pension to be paid from age 50.

## **Cegelec Section (also known as the Contracted-Out Section)**

- Under the rules of the Cegelec section you can take early retirement from age 55 without any consent. However you must give six months notice of your intention to retire. Before age 55 Company consent is needed and the Company have said that it will not consent to early retirement before age 60. This means that prior to age 55 a Cegelec member will not be able to take early retirement, but, after age 55 (as long as they give the sufficient notice period) then Cegelec members will be able to retire without consent.
- From 2010 the earliest age at which members can take early retirement will change to age 55 .

## **Retirement Capital Plan**

- Under the rules of the RCP section members can take early retirement from age 50. However, this age will have to change to age 55 from 2010 to meet new legislation requirements.
- However, Company consent is needed. The Company have set a policy that where it consents to early retirement it will not do so before age 60.
- This means that although the early retirement suspension is lifted, RCP members still cannot retire before the age of 60.

## **2006 Section**

- Under the rules of the 2006 section members can take early retirement from age 55. However, Company and Trustee consent is needed. The Company have set a policy that where it consents to early retirement it will not do so before age 60.
- This means that although the early retirement suspension is lifted by the Trustees 2006 section members still cannot retire before the age of 60.

## **Electricity Sections**

If you are a deferred member of the Electricity Section then different rules apply depending on your particular circumstances. Please contact the pensions department who will be able to look at your file and will advise you accordingly.

The Electricity Section covers members who had benefits in the following former schemes:

Final Salary Life Plan  
Scottish Power Pension Scheme  
Manweb  
Norweb  
United Utilities

Please note that should there be any inconsistency between these notes and The Trust Deed & Rules, the latter will prevail.

ALSTOM UK Pensions Department  
August 2006