

February 2013

# A guide to the ALSTOM Ltd Group Life Assurance Scheme

## As an active member of the ALSTOM Ltd Group Personal Pension Plan you receive valuable life assurance cover

The ALSTOM Ltd Group Life Assurance Scheme ('Alstom GLAS') provides cover whilst you are an active member of the ALSTOM Ltd Group Personal Pension Plan (the 'Alstom GPP') so that your dependants and beneficiaries may receive financial support if you die in service.

The Alstom GLAS has been established under Trust and is run by a group of trustees. It is an insured arrangement provided by ALSTOM Ltd (the 'Company') and is not part of the Alstom GPP. The Trustees insure with a life office the benefits payable and the Company meets the cost by paying premiums to the insurer.

### Joining the Alstom GLAS

You will normally become a member of the Alstom GLAS automatically when you join the Alstom GPP as an active member.

If your benefits exceed an amount specified by the insurer or in other limited circumstances, you may need to provide evidence of good health. You will be notified if this affects you and in the first instance this may require you to complete and return a medical questionnaire to the insurer. The insurer will then assess whether they can provide the cover required or whether they need further medical information to make this decision.

**You will not be covered under the Alstom GLAS if you join the Alstom GPP as a flexible active or special active member.**

A flexible active member is someone who:

- has joined the Alstom GPP after drawing his or her pension from the Alstom Pension Scheme or other such retirement benefits scheme as the Company decides, or
- is a member of the Alstom GPP who has drawn his or her benefits and has re-joined the Alstom GPP.

If you are a special active member then you will have been informed of this when you joined the Alstom GPP.

### Temporary leave of absence

If you are absent from work due to illness or injury, or if the Company has granted you temporary leave of absence, your cover under the Alstom GLAS may continue, providing pension contributions continue to be made to the Alstom GPP and subject to any time limits and/or restrictions imposed by the insurer.

### Cessation of membership of the Alstom GLAS

Your membership of the Alstom GLAS will end on the earlier of the date you stop contributing to the Alstom GPP and your 75th birthday. The insurer may have some additional requirements before providing cover beyond age 65 or your State Pension Age if higher and you will be advised if this affects you.

## The main features of the Alstom GLAS

The benefits payable under the Alstom GLAS are as follows:

- four times your Life Assurance Earnings in the last complete Scheme year (which runs from 6 April to 5 April)

plus

- a lump sum equal to the Member contributions and Employer contributions your individual account in the Alstom GPP would have received until your 65th birthday or, if later, your State Pension Date (calculated using the rate of contributions (excluding any AVCs) that you and the Company paid in the last complete Scheme year).

If you were formerly a member of the Alstom Grid UK Group Personal Pension Plan and have chosen to join the Alstom GPP under the Grid transitional arrangements the total benefit payable is six times your basic salary until 31 March 2014.

In brief, the higher the rate of ordinary member contributions you pay into the Alstom GPP and the younger you are, the greater the lump sum benefit payable under the Alstom GLAS. The graph below illustrates the level of lump sum paid (as a multiple of your Life Assurance Earnings) depending on the level of ordinary contributions you are paying and your age.

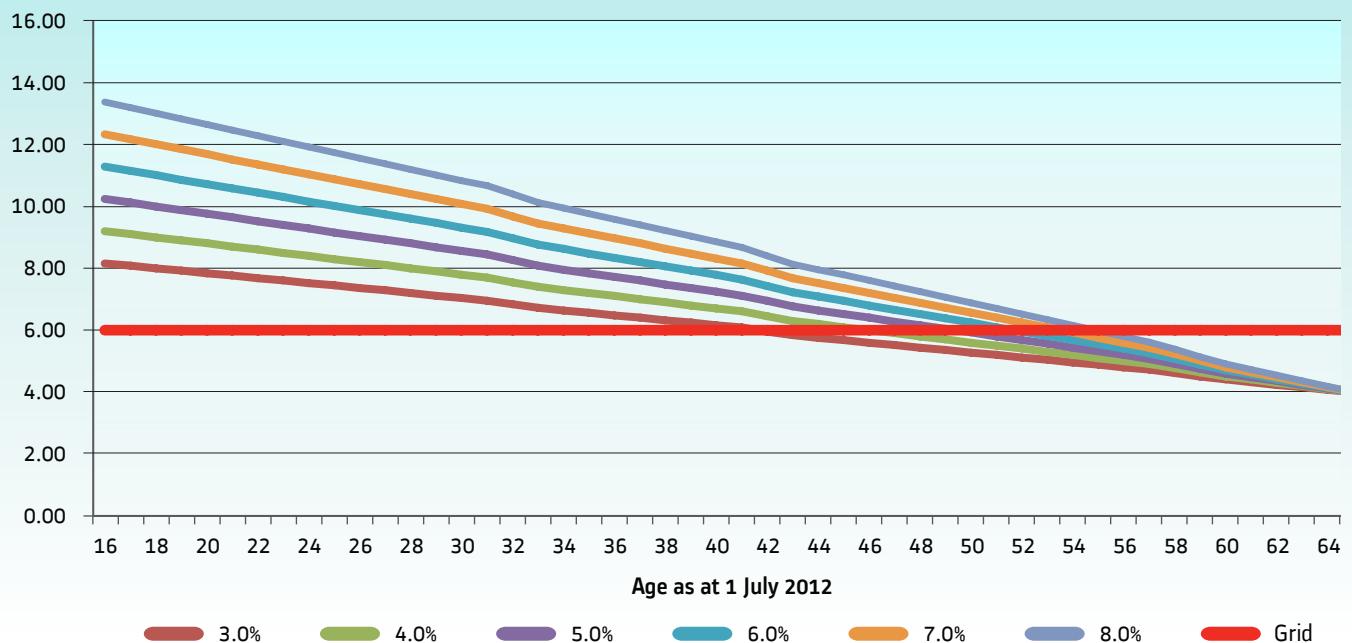
The overall target benefit is a lump sum of four times Life Assurance Earnings plus an additional amount to reflect the pension contributions which the Alstom GPP would have received in the period between the date of joining the GPP and age 65 (or State Pension Age if higher).

So combined with the benefits paid from the Alstom GPP the total lump sum paid in addition to the core lump sum of four times your Life Assurance Earnings is

- Your Alstom GPP Individual Account value in respect of accrued service, plus
- An amount based on prospective contributions payable under the Alstom GLAS.

Any lump sum paid will be tax-free if you have not used up your Lifetime Allowance, which is £1.5million for the 2012/2013 tax year. Any lump sum payment above the Lifetime Allowance will be subject to tax. For more up-to-date information on the Lifetime Allowance, visit the HM Revenue & Customs website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

### Life Cover as Multiple of Life Assurance Earnings



## Who receives these benefits?

The Trustees have wide ranging powers to pay the lump sum to one or more of your dependents and beneficiaries. In doing so they exercise a discretion which means, under current legislation, the lump sum is paid outside of your estate and therefore is free of inheritance tax. Although they are not bound by any request you may make, the Trustee is keen to know who you would like to receive the benefits that would be payable if you die.

To do this, you will need to fill in the ALSTOM Ltd Group Life Assurance Scheme Expression of Wish Form (the Alstom GLAS Expression of Wish Form).

The Alstom GLAS Expression of Wish lets us know who you would like to receive the benefits that will be payable if you die in service as a member of the Alstom GLAS.

The Alstom GLAS Expression of Wish is different and separate to a similar Aviva's own Expression of Wish form which you will need to complete in respect of benefits payable from the Alstom GPP. This lets Aviva know who you would like to receive the fund value of your individual account in the Alstom GPP which, as mentioned earlier, is paid separately and in addition to the benefits payable under the Alstom GLAS.

### Where to find the forms you need

You can find the Alstom GLAS Expression of Wish form and Aviva's Expression of Wish form on the Aviva website at [www.aviva.co.uk/mypension/alstom/](http://www.aviva.co.uk/mypension/alstom/).

You can also print these forms off from the Alstom Pensions website at [www.pensions.uk.alstom.com](http://www.pensions.uk.alstom.com).

Alternatively, please contact the pensions department:

Telephone: **01788 557 400**

E-mail: [alstom.ukpensions@chq.alstom.com](mailto:alstom.ukpensions@chq.alstom.com)

## Definitions

<b>Life Assurance Earnings</b>	<p>A Member's annual rate of Pay on the 6 April before the Member's death. The annual rate of Pay is calculated as the Member's Pay received in the twelve months of service before 6 April.</p> <p>Where a Member has less than twelve months of service before 6 April, the Member's annual rate of Pay is the Member's Pay on the date of joining the Scheme or, in the case of a Member participating in a salary sacrifice facility, such amount as the Employer determines the Member's Pay would have been on the date of joining the Scheme if he had not been receiving benefits under any salary sacrifice facility.</p> <p>Where a Member has sporadic earnings through the year, due to the nature of his employment, it will be a rate decided by the Principal Employer.</p> <p>Where the Member is on leave for the purposes of maternity leave, paternity leave, adoption leave or parental leave as defined in Part VIII of the Employment Rights Act 1996 on the date of death, the Pay that would have applied had he or she not been on leave.</p>
<b>Pay</b>	<p>A Member's basic salary or wage (excluding any bonus or pay for overtime) and such allowances and other payments received by a Member from the Employer as the Company determines and notifies to the Trustees. This is identical to the definition of Pensionable Earnings used for the calculation of member and the Company's ordinary contributions to the Alstom GPP.</p>
<b>Member's Contributions</b>	<p>The contributions paid by the Member to the Alstom GPP at a whole number percentage rate of not less than three per cent and not more than eight per cent of the Member's Pay. For the avoidance of doubt, this does not include any additional voluntary contributions made to the Alstom GPP.</p>
<b>Employer Contributions</b>	<p>The whole number percentage rate of the Member's Contributions plus 2% of the Member's Pay.</p>

## Disclaimer

Please note that any benefits under the Alstom GLAS are governed by the Alstom GLAS Trust Deed and Rules and are dependent on the insurer agreeing to pay those benefits. The life cover is therefore subject to the terms and conditions of the insurance policy in place. It is conditional upon you having satisfied the requirements of the insurer, including the provision of any evidence of good health that may have been asked of you. This guide and the Alstom GLAS do not confer any entitlements to any benefit if the insurer does not pay.

Please also note that the Company regularly reviews and negotiates the premiums payable to and the terms and conditions to apply to the insurance policy. These negotiations may result in some changes to the life assurance cover in place and the contents of this guide.

This guide is only a general summary of the Alstom GLAS. The details of the Alstom GLAS may change and the company reserves the right to amend or terminate it at any time.

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