

UNITED KINGDOM



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26 February 2013

Dear <Title> <Surname>

Auto-enrolment – Pensions

You will recall that I wrote to you in January explaining the changes being made to workplace pensions and how these changes may affect you.

The conditions

As a reminder, Alstom has to automatically enrol workers not currently in a pension scheme if they satisfy certain conditions. These conditions are that you:

- are not already in a workplace pension scheme;
- are aged 22 or over;
- are under State Pension Age;
- earn more than £9,440 a year (this figure is expected to change each April) and;
- work, or usually work, in the UK.

Welplan Pensions

If you meet the above conditions then you will be automatically enrolled as a member of Welplan Pensions (“the Scheme”) from 1 May 2013.

The enclosed Introductory Guide provides more details about the Scheme.

Upon joining you will automatically be enrolled on the default basis. This means:

- You will pay pension contributions at the rate of 1% of Pensionable Earnings with the Company contributing 2%.

- Your contributions, and those paid by the Company, will increase in October 2017 and again in October 2018. For more details please refer to Question 9 on the enclosed Questions and Answers document.
- Contributions will be invested in the Welplan “Lifestyle” investment strategy. More details about this are given in the Introductory Guide.

Any questions?

Also enclosed with this letter is a Questions and Answers document which has been put together to address any questions you might have about auto-enrolment.

So what should you do?

If you meet the above conditions, you will automatically be enrolled into the Scheme.

We will write to you again shortly after 1 May to confirm whether or not you have been automatically enrolled into the Scheme.

If you are automatically enrolled into the Scheme you will receive a letter from Welplan confirming your membership.

If you wish to opt out of the Scheme, then you will need to take the action set out in the letter which you will receive from Welplan.

Contact details

If you have any questions that have not been covered by this letter or the enclosures then please contact the Alstom pensions department by telephone on 01788 557400 or by email at

Alstom.ukpensions@chq.alstom.com

Yours sincerely



Louise Mills
Pensions Manager

Auto enrolment into Welplan Pensions (“the Scheme”)

Questions & Answers

Q1 What is Auto Enrolment?

Auto Enrolment is the new pension legislation, which requires employers to automatically enrol certain employees into a workplace pension scheme. This legislation applies to Alstom from 1 May 2013.

Q2 Will I be auto enrolled into the Scheme on 1 May 2013?

You will be auto enrolled if you are not currently in a workplace pension scheme and:

- Are aged 22 or over;
- Are under State Pension Age;
- Earn more than £9,440 per annum;
- Work, or usually work, in the UK.

If you don't meet the conditions above you will not be auto enrolled but you will be able to join the Scheme if you want to do so. We will let you know how to do this after 1 May.

Q3 If I do not want to be a member of the Scheme, can I ask not to be auto-enrolled?

No, Alstom has a legal obligation to auto enrol you if you meet the conditions set out above. However, you will have the option to opt out, see below.

Q4 Can I opt out of the Scheme?

Yes. Welplan will send you Scheme documentation shortly after 1 May 2013, including instructions on how to opt out. You will be able to opt out at that time by completing a form which is downloadable from Welplan's website or by calling Welplan's Freephone Helpline. You will not be able to opt-out in advance of receiving the documentation from Welplan. Contact details for Welplan are shown at the end of this document.

The opt out period lasts one month and starts from the date you are sent confirmation from Welplan that you have been auto enrolled into the Scheme.

If you opt out within the opt out period you will receive a refund of your contributions (but not Alstom's contributions) and this will be processed in the next available payroll.

If you opt out, you will no longer be entitled to Alstom's contributions.

If you opt out and remain in Alstom's employment, and meet the conditions, we will auto enrol you at Alstom's next 3 yearly re-enrolment date.

However, if you opt out you may choose to re-join once in every 12 month period. To do so you should contact the Alstom pensions department.

Q5 Can I leave the Scheme after the opt out period?

Yes, but as explained above you will no longer be entitled to Alstom's contributions.

You will not be able to take a refund of your contributions; your fund will stay within the Scheme until you draw your benefits or transfer your fund to another registered pension arrangement.

If you leave the Scheme but remain in Alstom's employment, and meet the conditions, we will auto enrol you at Alstom's next 3 yearly re-enrolment date.

However, if you leave the Scheme, you may choose to re-join once in every 12 month period. To do so you should contact Alstom pensions department.

Q6 Can I join the Scheme early?

No, you cannot join the Scheme before the 1 May 2013. You will need to wait until 1 May 2013 to be auto enrolled if you meet the conditions above.

Q7 If I do not join now can I join the Scheme later?

Yes, you will be able to join whenever you start a new period of employment with Alstom.

Q8 What happens if I leave and am subsequently re-hired?

When you start a new period of employment with Alstom the whole process starts afresh and so we will auto enrol you if you meet the conditions (even if you have opted out or left the Scheme during a previous period of employment with Alstom).

You will have the same facility to opt out or leave the Scheme if you wish.

Q9 How much will I have to pay?

Contributions will be based on your pensionable pay and will be phased in according to the following table:

	1 May 2013 to 30 September 2017	1 October 2017 to 30 September 2018	1 October 2018 onwards
Your contribution	1%	3%	5%
Alstom's contribution	2%	3%	4%
Total contribution	3%	6%	9%

Q10 What is "pensionable pay"?

For a standard week pensionable pay will be based on 38 times your hourly work rate.

Note that overtime payments or other allowances are not part of pensionable pay.

So for example if your hourly rate were £13.56 then if you worked 38 hours (or more) in a week then your pensionable pay would be:

$$£13.56 \text{ times } 38 \text{ hours} = £515.28 \text{ per week}$$

Your initial pension contribution of 1% would therefore be £5.15 per week.

You would receive automatic tax relief on this contribution and so the net cost to you if you were a basic rate tax payer would be £4.12 per week.

Q11 Can I pay lower contributions?

No, the contributions shown above are the minimum required to be a member of the Scheme.

Q12 Can I pay higher contributions?

Yes, you can pay higher contributions but if you do, this will not affect the contributions paid by Alstom. When you have been auto enrolled in the Scheme, Welplan can explain how to make higher contributions if you wish to do so.

Q13 I currently pay into the pension plan with Scottish Widows, what happens to this going forward?

All new contributions made by you or Alstom from 1 May onwards will be paid into Welplan Pensions.

Scottish Widows will write to you shortly after 1 May asking what you would like to happen to the pot you have built up with them. The main choices will be to leave the pot invested with Scottish Widows, transfer to another pension arrangement or, if you are aged 55 or over, to take retirement benefits.

Q14 Where can I get more information?

More details about the Scheme can found in the enclosed Introductory Guide or by contacting Welplan.

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