Your pension options

Afterwork or Barclays Pension Savings Plan – choose the plan that's right for you

March 2017

Your Barclays, Your Pay and Benefits

Afterwork or the Barclays Pension Savings Plan – choose the plan that's right for you

You have a choice of two different ways to save for retirement – the Afterwork pension plan and the Barclays Pension Savings Plan (BPSP). You are currently a member of the Afterwork pension plan, but you have an annual option to leave Afterwork and switch to the BPSP, if you wish – it's up to you.

> You can stay in Afterwork or switch to the BPSP – it's up to you

Afterwork or the Barclays Pension Savings Plan?

Both pension plans help you build up retirement savings – but they build up in different ways. There is no right or wrong plan, but you may decide that one plan suits you better than the other.

If you decide that Afterwork suits you best, you do not need to do anything. You will continue to build up retirement savings in Afterwork in the same way as you do now.

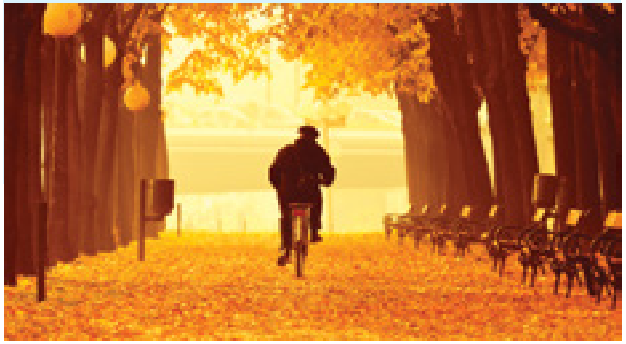
> If you leave Afterwork you cannot join again later

If you decide that the BPSP would suit you better, you will be able to leave Afterwork and switch to the BPSP in March each year (your membership of the BPSP will be effective from 1 April).

If you are not sure which plan is right for you, take a look at this guide and review the features of each. You should also take into account the Annual Allowance and Lifetime Allowance levels on which you receive tax relief as you will be liable to pay tax on anything above these and you may wish to consider how you flex your pension contributions. If you choose to leave Afterwork to join the BPSP, you will not be able to rejoin Afterwork at a later date.

This guide explains some key information about your pension options.

- How Afterwork and the BPSP work
- Where to find information to help you with your decision
- Some things to consider
- What to do next



Start your pension journey here

Do you understand how Afterwork works?

- No:
  - Read the **Afterwork booklet**
  - Test your **knowledge**
- Yes:

Do you understand how the BPSP works?

- No:
  - Read the **BPSP booklet**
  - Test your **knowledge**
- Yes:

Do you understand how the two plans compare?

- No:
  - Read '**How Afterwork and BPSP compare**'
  - Use the **pension options calculator** to see how much your retirement savings from Afterwork might be worth compared to the BPSP
- Yes:

Do you understand which plan might suit you better?

- No / Not sure:
  - Read '**Things to consider**'
  - Use the **pension options calculator** to see how much your retirement savings from Afterwork might be worth compared to the BPSP
  - Talk to an impartial financial adviser

  Still not sure?

  You could stay in Afterwork, reconsider your pension option in due course and take impartial advice. You will have an annual option to join the BPSP, if you wish.
- Yes:
  - **If you want to stay in Afterwork**

    You do not need to do anything. You will continue to build up Afterwork retirement savings in the same way as you do now.
  - **If you want to join the BPSP**

    You can select to switch in March each year (effective 1 April) via the My Rewards website.

Follow the decision tree to understand more about your pension options and to work out whether to remain in Afterwork or join the Barclays Pension Savings Plan.

Click on the links to find out more about each plan along the way.

Back to Decision Tree

How Afterwork works

Afterwork has two parts: **the Credit Account and the Investment Account**.

The Credit Account provides you with a guaranteed sum, which is available in full at Normal Retirement Age, and the Investment Account gives you the opportunity to build up further retirement savings.

You contribute 3% of your Pensionable Salary each month to Afterwork and, in return, Barclays credits your Credit Account with 20% of your Pensionable Salary each month. In addition, your Credit Account will receive inflationary and discretionary investment-related increases. Your Credit Account is guaranteed not to fall in value if you take it at your Normal Retirement Age (60) or later.

If you access your retirement savings before your Normal Retirement Age or you transfer your Afterwork retirement savings to another pension scheme, the value of your Credit Account will be reduced to take account of the fact that it is being paid early. It is also important to note that the Credit Account does not provide you with a fixed pension in retirement – it provides you with a sum of money. You will have a number of options when it comes to taking the value of your retirement savings from Afterwork. See ePA for more information about your options.

Please note: Barclays credits your Credit Account with 20% of your Pensionable Salary, which becomes available at your Normal Retirement Age. However, the amount that Barclays needs to contribute and invest in order to provide your guaranteed sum at Normal Retirement Age will depend on a number of factors, including the length of time until your Normal Retirement Age and anticipated investment returns. Barclays reviews how much it needs to contribute to your Credit Account on a regular basis. Regardless of how much Barclays contributes, the value of the Credit Account you have built up is guaranteed not to fall in value if you take it at your Normal Retirement Age. If you take the value of your Credit Account before your Normal Retirement Age it will be reduced to take account of its early payment.

Back to Decision Tree

How Afterwork works

Contribute to the Investment Account as well as the Credit Account to make full use of Afterwork. This will help you to build up further retirement savings and has the added benefit that Barclays will match your contributions of 1%, 2% or 3% of your Pensionable Salary.

In Afterwork, you can choose to invest your Investment Account in a range of funds. If you don't feel confident choosing investment funds, you can invest in the UKRF Lifestyle Fund range. Lifestyle invests in a pre-set range of funds which change as you get closer to retirement. For more information on your investment options, please see the Investment Guide.

Your Investment Account builds up through contributions and investment returns. Your Investment Account is subject to the investment markets and therefore the value can go up or down. If you wish to make your own investment decisions make sure you read the Investment Information on ePA.

Barclays matches your contributions to the Investment Account up to 3% of your Pensionable Salary

Back to Decision Tree

How Afterwork works

At your Normal Retirement Age, your Credit Account and Investment Account are added together and you can generally take your retirement savings in a number of ways, including buying a lifetime annuity, transferring out to access options such as income drawdown or taking a cash sum.

Tax savings

You save income tax and National Insurance (NI) on your contributions, which are made via salary sacrifice.

Salary sacrifice means that you give up or sacrifice some of your salary in exchange for a benefit, such as a pension contribution. Therefore, you do not pay income tax and NI on the amount sacrificed.

So for every £100 you contribute, your take-home pay would reduce by just £68 if you are a basic rate taxpayer (20% tax and 12% NI) or £58 if you are a higher rate taxpayer (40% tax and 2% NI).

If your salary is below a certain level, you will not be able to contribute via salary sacrifice; therefore, you will save income tax but not NI on pension contributions. You will be told if this applies to you.

If you work outside the UK, local tax regulations will apply.

Back to Decision Tree

How the Barclays Pension Savings Plan works

The Barclays Pension Savings Plan (BPSP) provides you with an individual personal pension account that Barclays contributes to while you are an employee of Barclays. The BPSP is provided by Legal & General on behalf of Barclays.

If you choose to switch to the BPSP, Barclays will make a contribution of at least 10% of your Basic Salary* to your BPSP account. The actual contribution rate will be based on your age at the point you choose to switch to the BPSP and it will remain at this level for as long as you are a member of the BPSP. You are not required to pay any contribution into the BPSP yourself.

Barclays age-related pension contribution is designed to broadly reflect the current cost to Barclays of providing your Afterwork Credit Account.

> If you choose to switch to the BPSP, Barclays will contribute at least 10% of your Basic Salary to your BPSP account

If you join the Barclays Pension Savings Plan at age:	Barclays pension contribution as a % of your Basic Salary* would be fixed at:
15 to 34	10%
35 to 39	11%
40 to 44	13%
45 to 49	14%
50 to 54	15%
55 to 59	16%
60 to 74	17%

Please note: If you currently do not contribute to Afterwork (because you are a Reduced Terms member) and you choose to switch to the BPSP, you will receive a Barclays pension contribution of 10% of your Basic Salary*, regardless of your age when you join. Once you join BPSP your contribution will be fixed.

* Basic Salary means your basic salary up to the internal earnings cap (currently £125,000).

Back to Decision Tree

How the Barclays Pension Savings Plan works

The BPSP is the flexible pension offered within My Rewards. This means that you will be able to flex up Barclays pension contribution by making additional contributions, or flex down Barclays pension contribution (subject to a minimum pension contribution of 5% of your Basic Salary or £4,000 a year, if lower) and take the balance as cash or use it to choose other benefits.

Your BPSP account will be invested in your choice of investment funds. If you do not wish to make investment decisions, you will be able to choose a Lifestyle investment option, which invests your retirement savings for you according to a pre-set investment strategy based on your period to retirement.
The Lifestyle investment strategy is based on the assumption that you will be buying a lifetime annuity on retirement and also taking some tax-free cash. Therefore, this may not be suitable if you plan to use your retirement savings in another way, e.g. as a taxed lump sum or a transfer out to make use of income drawdown.

Your BPSP account will build up through contributions and investment returns. However, you should note that your BPSP account will be subject to investment market performance and therefore its value could go up or down. You will have a number of options at retirement when it comes to taking the value of your BPSP account.

Back to Decision Tree

How the Barclays Pension Savings Plan works

Tax savings

You save income tax and National Insurance (NI) on your contributions, which are made through salary sacrifice. So for every £100 you contribute, your take-home pay would reduce by just £68 if you are a basic rate taxpayer (20% tax and 12% NI) or £58 if you are a higher rate taxpayer (40% tax and 2% NI).

Plus, to encourage you to save for retirement, Barclays will also pass on its NI saving on pension contributions (currently 13.8% of your pension contribution) to your BPSP account. This means that if you choose to contribute to your BPSP account, the amount paid in will always be more than the amount of salary you sacrifice.

For example, if you choose to flex up and make an additional contribution of £100 a month, £113.80 would be paid into your BPSP account, but only £68 would be sacrificed from your salary if you are a basic rate taxpayer (20% tax and 12% NI) or £58 if you are a higher rate taxpayer (40% tax and 2% NI).

If you choose to flex down Barclays pension contribution and take the balance as cash, the extra cash will be paid with your salary. It will be reduced by the amount of NI Barclays is required to pay on cash payments and will also be subject to income tax and NI.

Salary sacrifice

Salary sacrifice means that you give up, or sacrifice, some of your salary in exchange for a benefit, such as a pension contribution. Therefore, you do not pay income tax and NI on this amount. You will be told if this applies to you.

If your salary is below a certain level, you will not be able to contribute via salary sacrifice. Therefore, you will save income tax but not NI on pension contributions.

If you work outside the UK, local tax regulations will apply.

£68 paid from your take home pay (basic rate) + £32 tax and NI saving + £13.80 employer NI saving passed on → £113.80 in your BPSP account

Back to Decision Tree

Your choice of pension benefits

You can generally access your retirement savings from age 55 and will have a number of options to consider.

You can take up to 25% of your retirement savings as a tax-free cash lump sum, and use the rest to provide a pension (a regular income) for you and, if you wish, your spouse or a dependant. The amount of pension you could receive will depend on the value of your retirement savings and the cost of buying a pension when you retire.

You can also take the full amount in cash instead (25% tax free) or consider other options like transferring your savings to a different plan.

> It costs about £25 to buy £1 of annual pension

It costs about £25 to buy each £1 of pension for you at age 60. These rates vary depending on market conditions and, therefore, the cost of buying a pension may be different when you retire and buy your pension. Based on the current rate, if you want to retire on a pension of £5,000 a year, you would need to build up retirement savings of £125,000.

You may wish to seek impartial financial advice for more information about your options.

You can generally access your savings at any time from age 55. If you stay in Afterwork and retire before Normal Retirement Age (age 60), the value of your Afterwork Credit Account will be reduced to reflect the fact that it is being paid early and your Investment Account (if you also contribute to this) will have less time to build up in value. If you choose to switch to the BPSP, the sooner you retire, the less time your BPSP account will have to grow in value.

If you work outside the UK, different options may apply.

Back to Decision Tree

Things to consider

Saving for retirement involves some risk – the risk that you do not save enough, the risk that your savings do not keep up with inflation, the risk that your investments go up and down in value, and the risk that the cost of buying a pension increases just as you are about to retire.

There are ways to manage these risks, whether you choose to remain in Afterwork or join the BPSP. The plan that is right for you will depend on your personal circumstances including:

- How much you can afford to contribute
- How long until you plan to retire
- Your attitude to risk
- How much you may need in retirement
- Your need to manage your pension contributions in a tax-efficient way within the Annual Allowance or Lifetime Allowance limits.

How much can you afford to contribute?

You are required to contribute at least 3% of your Pensionable Salary to Afterwork. In return, Barclays credits your Credit Account with 20% of your Pensionable Salary each month (available at Normal Retirement Age, usually age 60).

You are not required to contribute anything to the BPSP. Barclays will pay an age-related contribution equal to at least 10% of your Basic Salary* to your BPSP account each month even if you do not contribute and you can flex up your contributions through My Rewards.

You can use the **pension options calculator** to compare the amount of retirement savings you might receive from each plan.

* Basic Salary means your basic salary up to the internal earnings cap (currently £125,000).

Things to consider

Would you prefer to contribute more and maximise Barclays contribution?

Barclays will match your contributions to the Afterwork Investment Account up to 3% of your Pensionable Salary. So, if you contribute 6% of your Pensionable Salary to Afterwork (3% to the Credit Account and 3% to the Investment Account), Barclays will credit your Credit Account with 20% of your Pensionable Salary and 6% will be paid into the Investment Account (3% by you and 3% by Barclays).

Barclays does not match your contributions to the BPSP, but does pass on its National Insurance saving on pension contributions to your BPSP account (currently 13.8% of your contribution). So, if you choose to flex up and contribute 6% of your Basic Salary* each month, at least 16.8% would be paid into your BPSP account (at least 10% by Barclays + 6% contribution by you + an additional 0.8% Barclays NI saving on your contribution (6% x 0.138)).

You can use the **pension options calculator** to compare how much your retirement savings from each plan might be worth based on how much you choose to contribute.

Please bear in mind that the Annual Allowance and Lifetime Allowance have reduced in the last few years so you will need to consider the impact this might have when deciding on the best option for your personal circumstances.

Do you have any other retirement savings?

If you have any other retirement savings from Barclays or a former employer, remember to take these into account when considering whether Afterwork or the BPSP would be the right plan for you.

If you have a defined benefit (final salary) pension from a previous Barclays pension plan or from a former employer, you may be closer to meeting your retirement income goal.

* Basic Salary means your basic salary up to the internal earnings cap (currently £125,000).

Things to consider

When will you access your retirement savings?

If you are a long way from taking your savings, and are prepared to take some investment risk, you may not need to contribute as much now as your contributions will have longer to grow through investment returns. You can use the **pension options calculator** to see how much your retirement savings might be worth based on different contribution levels and different rates of investment return. Remember, you will have other options available to you in addition to taking a lifetime annuity.

If you are close to taking your retirement savings, you may prefer to keep building up your Credit Account, which is guaranteed not to fall in value, if you take it from Normal Retirement Age (60).

If you plan to access your retirement savings before age 60 (and after age 55), remember that your Afterwork Credit Account balance would be reduced to reflect its early payment. If you wish to access your savings early, you may need to contribute more in order to have enough income in retirement.

If you plan to retire after age 60, your Credit Account will continue to receive credits provided you continue contributing to Afterwork after age 60.

Do you plan to leave Barclays in the short term for a job with another company?

If you leave Barclays (other than through retirement), you can leave your Afterwork retirement savings in Afterwork, but you will not be able to make any further contributions to the plan. Your Credit Account will continue to receive inflationary and discretionary investment-related increases, and your Investment Account will continue to be invested according to your choice of investment funds.

If you join the BPSP and then leave Barclays, Barclays will stop contributing to your BPSP account, but you can continue or start contributing to it, if you wish, as it is a personal pension plan. In addition, your BPSP account will continue to be invested according to your choice of investment funds.

Back to Decision Tree

Things to consider

How important is a guaranteed sum?

If you are not comfortable with investment risk, you may prefer to remain in Afterwork as the Afterwork Credit Account will provide you with a cash sum that is guaranteed not to fall in value – if you take it at Normal Retirement Age (60) or later. Your Afterwork Investment Account will be subject to the investment markets and therefore the value could go up or down. Savings in BPSP will also be subject to investment markets with no guaranteed cash sum.

Of course, there is also the risk of not saving enough for retirement. Will your Afterwork Credit Account provide you with enough income to live on? You can monitor how your Credit Account and Investment Account are building up via the ePA website (go to Savings and Retirement/Afterwork/Quick links on the My Rewards website) and you can use the **pension options calculator** to see how much your retirement savings might be worth when you choose to take them.

However, remember that the Credit Account does not provide you with a fixed pension in retirement – it provides you with a sum of money for you to use when you choose to take your retirement savings.

If you are in Afterwork and not contributing to the Investment Account you are not taking advantage of Barclays matched contributions. You can use the **pension options calculator** to see how contributing to the Investment Account could boost your retirement savings.

Back to Decision Tree

Things to consider

How well do you think investments will perform?

The Barclays credit of 20% of your Pensionable Salary to your Afterwork Credit Account is not the same as a contribution – it is a promise to provide you with a sum that is guaranteed not to fall in value, if you take it from your Normal Retirement Age (60). Contributions to your Afterwork Investment Account are invested and could increase or decrease in value.

Barclays contributions to your BPSP account are invested. Depending on how well your choice of investments perform and how long you have until retirement (i.e. how long your savings will have to grow in value), a contribution by Barclays of 10% could be worth more than 10% at retirement.

You can use the **pension options calculator** to see how much your retirement savings from each plan might be worth, based on different investment returns.

Do you think investment returns will beat inflation?

As well as Barclays credits, your Afterwork Credit Account receives inflationary increases of up to 5% and discretionary investment-related increases of up to 2% of the value of your account.

Your retirement savings in the Afterwork Investment Account and the BPSP are subject to investment returns, which may or may not beat inflation.

Back to Decision Tree

Things to consider

How comfortable are you with investment risk?

The Afterwork Investment Account and the BPSP work in the same way. The value of your Afterwork Investment Account or BPSP account when you access your retirement savings will depend on how much has been paid in, how well your chosen investment funds have performed and how long your account has had to build up in value.

With both plans, there is an element of investment risk. Your retirement savings could go up and down in value, depending on investment returns. However, this risk can be managed in a number of ways.

Barclays matches your contributions to the Afterwork Investment Account up to 3% of your Pensionable Salary and Barclays passes on its National Insurance saving on your contributions to the BPSP, boosting your savings and providing a 'cushion' against any investment risk.

Plus, if you are a long way from retirement, you will have time to ride out any short-term falls in investment return, with the possibility of earning greater investment returns over the longer term.

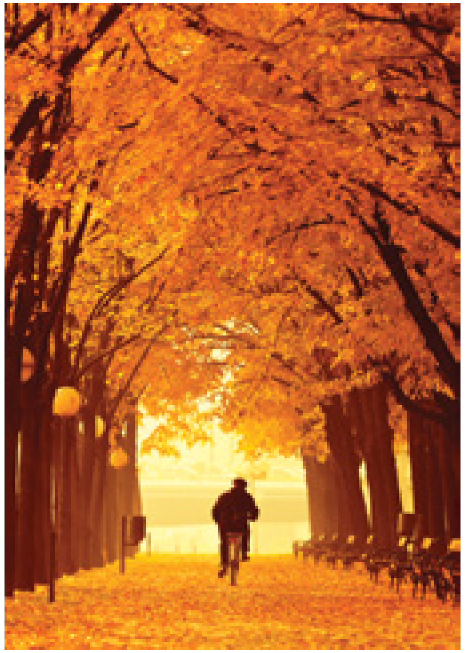
Things to consider

How experienced an investor are you?

You don't have to be an expert in investing to save for retirement via the Afterwork Investment Account or the BPSP. You have a choice of a number of investment funds for your Investment Account, including a Lifestyle investment option. For more information about your investment options, please read the relevant Investment Guide.

It is important to read the relevant investment guides before making investment decisions. You will also need to continue to monitor your investment decisions to make sure they remain right for you.

You can monitor your Afterwork Investment Account online via the ePA website (go to the My Rewards website under Savings and Retirement/Afterwork or Quick links on the home page). If you decide to join the BPSP, you will be able to monitor your retirement savings online via the Legal & General Manage Your Account website.



Back to Decision Tree

Things to consider

How does my decision affect other benefits such as my life cover and income protection?

As a member of Afterwork, you are entitled to the following life cover and ill-health benefits.

Life cover is payable to your beneficiaries if you die while still an employee of Barclays. Your beneficiaries would receive:

A lump sum of 4 x your Basic Salary, up to the Lifetime Allowance at the date of your death

plus

If you have eligible dependants, an additional lump sum of 8 x your Pensionable Salary (Pensionable Salary is capped at £125,000)

less

An offset broadly equal to any dependants benefit accrued under a different Barclays plan, such as the 1964 section

Your beneficiaries would also receive a refund of your contributions to your Credit Account and your contributions (plus investment returns) to your Investment Account.

The Trustee has the discretion to decide who receives benefits in the event of your death. Paying benefits in this way means that they do not form part of your estate and are not subject to inheritance tax. This is why you should ensure that you complete your Expression of Wish form and keep it updated. You can update your Expression of Wish form on ePA.

Enhanced ill-health benefit is available if you are permanently and totally unable to carry out your current occupation and any other occupation that you could, in the opinion of the bank, reasonably be expected to carry out. You would receive:

An immediate pension equal to 40% of your pre-disability pay

plus

A pension bought with your Investment Account (if you have Investment Account savings)

or

A pension and tax-free cash bought with your Investment Account (if you have Investment Account savings)

If you do not qualify for the enhanced ill-health retirement, you will still be considered for the ill-health benefit if you are medically incapable of continuing your current occupation and you meet the criteria set out by HM Revenue & Customs from time to time. In this case, your Credit Account (reduced for early payment) plus your Investment Account (if you have Investment Account savings) will be used to provide retirement benefits.

Back to Decision Tree

Things to consider

If you decide to move to the BPSP, you will still be entitled to life assurance cover and income protection but these will be provided separately from the BPSP:

Life assurance cover is payable to your beneficiaries if you die while still an employee of Barclays. Your beneficiaries would receive:

A lump sum of 12 x your Basic Salary, up to £1.8 million

unless

You choose a lower level of cover of between 2 x and 11 x your Basic Salary, up to £1.8 million

plus

Any dependants benefit accrued under a different Barclays plan, such as the 1964 section

Your beneficiaries would also receive a refund of your BPSP account.

Your Benefits Allowance includes funding for life assurance of 12 x your Basic Salary (subject to the benefit cap of £1.8m). If you choose a lower level of cover, you will be able to take the unused funding as cash or use it to choose other benefits, but you would only be able to increase your level of cover later by 1 x your Basic Salary each year or if you have a qualifying life event.

Income protection is available (either immediately or once you have completed 2 years' service, depending on your grade) if you are too ill to work and are unable to carry out your own occupation. You would receive:

Income of at least 50% of your Basic Salary, payable to State Pension Age (SPA)

unless

You choose a higher level of cover of 65% or 75% of your Basic Salary

Subject to meeting the eligibility criteria, your Benefits Allowance includes funding for income protection of at least 50% of your Basic Salary. If you choose a higher level of cover, you will need to sacrifice salary equal to the difference in the monthly premiums and you will only be able to increase your level of cover by 1 level each year or if you have a qualifying life event.

Please note: If you are currently on long-term sick leave, you should be aware that you will not qualify for the income protection insurance if you switch to the BPSP regardless of your length of service with Barclays. In order to qualify, you would need to return to work with Barclays for a period of time.

Back to Decision Tree

What to do if you decide to join the BPSP

Before you decide to join the BPSP, you should make sure that you have read all about Afterwork and the BPSP, and have used the **pension options calculator** to understand how much pension you could receive from each plan.

Barclays also recommends that you consult an impartial financial adviser and discuss your pension options with them. You can find details at: **moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser**

Having taken these steps, if you still wish to join the BPSP, you will be able to join during March to benefit from the age-related contributions (with your choice effective from 1 April) via the My Rewards website.

Back to Decision Tree

What to do if you decide to join the BPSP

Step 1:

Access the My Rewards website and select **Enrol or change benefits** on the homepage.

Step 2:

Select **Your Pension Option** tab in the list of benefits on the left-hand side of the page. This will take you to **Your Pension Option** enrolment page. On this page, your choice of pension plan will be set at the default of 'Your choice – Afterwork'. If you wish to join the BPSP, you should select the option to join the BPSP.

Step 3:

The Afterwork tab on the list of benefits on the left-hand side of the page will become greyed out and new benefit tabs will appear – for the BPSP, life assurance and income protection (if eligible – you are eligible for income protection either immediately or once you have completed 2 years at Barclays, depending on your grade).

Step 4:

Select your preferred level of pension contribution to the BPSP, life assurance and, if eligible, income protection.

Step 5:

When you are happy with all your benefit choices, click on **Finished** on the enrolment page to confirm your choices.

Step 6:

The follow-up pages will ask you to confirm that you have:

- Accessed and understood the support tools available on the Your Pension Journey website
- Understood that once you join the BPSP, you will not be able to rejoin Afterwork

Step 7:

All of your benefit choices will be displayed in a statement. These choices will be treated as pending until you submit them by clicking on **Confirm**.