member

guide

Your guide to the Mercer Master Trust Retirement Section

flexible access to your retirement savings

Contents

Click on the entries in the Contents table above and the page references throughout this guide to skip straight to the pages you wish to read.

Using this guide

This is your guide to the main features of the Mercer Master Trust Retirement Section ('the Plan'). The Plan is subject to the Mercer Master Trust Rules, which is the legal document governing your rights. The Rules will always override this guide if any question of law or interpretation should arise. This guide is based on the Rules and the Mercer Master Trust Trustee Board's understanding of tax and other legislation in force as at June 2025. If you would like to inspect the Rules, please contact the Secretary to the Mercer Master Trust Trustees (see page 11).

When making important decisions about the way you take your retirement savings, you may wish to seek authorised financial advice (see page 9).

Introduction

The Plan enables you to invest the retirement savings you built with the employer that introduced you to this service and draw on these to provide an income (known as 'flexible income drawdown'), or to take ad hoc lump sums, now or in the future.

The Mercer Master Trust is administered by Aviva, so you may receive communications from both Aviva and Mercer from time to time. Details of the roles and responsibilities of those involved in managing and running the Mercer Master Trust are on page 9.

The Plan in outline

Your choices

You can decide:

- How much of your retirement savings to take out of the Plan and how often
- Where to invest your retirement savings
- When to start taking your retirement savings, currently at any time after age 55

Taking your savings

You may use your retirement savings to provide:

- Flexible income drawdown, or
- A guaranteed income for life (an 'annuity'), or
- Cash; or
- A combination of flexible income, guaranteed income and cash

If you die before taking all your retirement savings out of the Plan

The value of your savings will normally be paid as a lump sum.

Joining the Plan

You may be eligible to join the Plan if you have reached, or are soon to reach, your retirement date and want to draw down on, or take ad hoc lump sums from, retirement savings you have already built in your employer's pension scheme.

As you approach retirement, the company pension scheme that introduced you to this service will let you know how to obtain further details, including the value of the retirement savings available for you to transfer to the Plan.

Contributions

The Plan is designed for people who want to draw down on, or take ad hoc lump sums from, retirement savings they have already built. So, it does not currently allow you or an employer to make further contributions.

However, you can contribute to another workplace or personal pension plan whilst drawing on retirement savings from the Plan.

If you take any income from the Plan that is in excess of the amount you can take as tax-free cash (see page 6), the total amount that you and an employer can contribute to another pension plan free of tax will be limited to £10,000 in the current tax year. This is known as the 'Money Purchase Annual Allowance' and you will need to tell any other pension plan provider if it applies to you.

Transferring your retirement savings into the Plan

The Plan is specifically designed to allow you to invest the retirement savings you built with the employer that introduced you to this service and draw down on, or take ad hoc lump sums from, them. It is important to remember that the value of your retirement savings will depend on several factors, including investment performance, and any charges payable.

Transferring pension savings is not right for everyone and it's important to check whether any valuable benefits your previous plan provides would be affected if you did this.

We recommend you seek authorised financial advice (see page 9) if you have any concern about your decision to transfer these retirement savings into the Plan.

Your investment choices

You can choose from a range of tax-efficient investment funds selected by Mercer on behalf of the Mercer Master Trust Trustees.

You will be free to switch investment funds whenever you wish.

The Mercer Retirement: Drawdown M1 fund

If you don't select another investment option before the retirement savings you built in your employer's pension Plan are transferred into the Plan, they will be invested in the Mercer Retirement: Drawdown M1 fund.

This fund is designed for investors who intend to invest their retirement savings and draw down on them over the long term.

It invests in a range of assets aiming to provide moderate long-term capital growth, such as company shares, government and corporate bonds and other asset types such as commodities, property, infrastructure and money market instruments.

Wider fund range

If you would like to take a more hands-on approach, you will have the option to invest in a wider range of funds after your retirement savings have been transferred into the Plan.

This allows you to create your own investment portfolio from a selection of funds that cover a variety of asset classes, such as equities (including shares of property companies), bonds and cash.

The Mercer Master Trust Trustees monitor the performance of all the investment funds, and may replace any of them in future. You will be notified if there are any changes in the funds available and you will have the option to update your choice of funds.

You should review your investment choices as your circumstances change.

More information about your investment choices is in the Mercer Master Trust Retirement Section Investment guide, which is hosted on the Mercer Master Trust Administrator's website (see page 11).

Your retirement choices

The Plan allows you to transfer in your retirement savings and start to take them. Currently, you may start to do this at any time from age 55. (This will change to age 57 from 6 April 2028.)

Tax-free cash

You may take up to 25% of your retirement savings as tax-free cash, as long as this is not more than £268,275. This is the maximum tax-free cash sum permitted by HM Revenue & Customs in the current tax year.

Flexible income drawdown and ad hoc cash sums

The Plan allows you to invest any retirement savings you don't take as tax-free cash to provide a flexible income or ad hoc cash sums.

It's important to ensure you draw on these savings at a sustainable rate and we recommend you seek authorised financial advice (see page 9) to help you make the right choices.

Other options for taking your retirement savings

The purpose of the Plan is to allow you to invest your retirement savings to provide a flexible income or ad hoc cash sums. However, you can choose to take some or all of your retirement savings out of the Plan at any time to:

- Buy a guaranteed income for life (known as an annuity) from an insurance company; or
- Transfer them to another registered pension plan, which allows you to draw flexibly on them. (You can do this without penalty.)

If you wish to take your retirement savings out of the Plan in any of these ways, please contact the Mercer Master Trust Administrator (see page 11).

Further guidance on your retirement choices

If you are aged 50 or over, we recommend you consult the Government Pension Wise service. This is available to give you free and impartial guidance on your retirement choices from UK pension plans like the Mercer Master Trust Retirement Section. For information, and to arrange a face to face, online or telephone consultation about your options, visit moneyhelper.org.uk/pensionwise

When you die

The Government has announced that most unused pension savings and death benefits paid by pension schemes will count as part of people's estates for inheritance tax purposes from 6 April 2027.

In the meantime, the value of any retirement savings the Plan holds for you will normally be paid as a tax-free lump sum if you die before age 75. However, the maximum amount of money that can be paid out of your pension savings tax-free during your lifetime and on your death is normally limited to £1,073,100. Any money paid out in excess of this following your death will usually be subject to income tax. If you die after age 75, any retirement savings paid to your beneficiaries will normally be subject to income tax.

The Trustees have discretion to decide who should receive your retirement savings. Please ensure you nominate a beneficiary, or beneficiaries, to ensure the Trustees know who you would like these paid to. Although the Trustees will take your wishes into account, they don't necessarily have to follow them.

You can complete or update your nominations at any time, via the Mercer Master Trust Administrator's website (see page 11), or by asking the Mercer Master Trust Administrator to send you a form.

Keeping you fully informed

The Mercer Master Trust Administrator's website

The Mercer Master Trust Administrator's website, avivamymoney.co.uk, provides information, guides and investment fund factsheets and allows you to login to your personal account to:

- View your retirement savings balance and withdrawals from it;
- Switch investment funds;
- Check and update personal details;
- Update your beneficiaries.

Your annual statement

Every year you will be sent a personal statement to show the value of your retirement savings and any withdrawals you have made from them.

Trustee Report and Accounts

Each year the Trustee Board will produce an independently audited Report and Accounts. You can ask for a copy by contacting the Secretary to the Mercer Master Trust Trustees (see page 11).

Rules

You can arrange to inspect a copy of the Mercer Master Trust Rules, or request a copy to keep, by contacting the Secretary to the Mercer Master Trust Trustees (see page 11).

Useful services

The Pensions Regulator

The Pensions Regulator is responsible for regulating work based pension plans. It has the power to investigate and intervene in the running of pension plans where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator maintains a register of all UK work based pension plans.

The Pensions Regulator can be contacted at:

0345 600 1011

customersupport@tpr.gov.uk

thepensionsregulator.gov.uk

The Pensions Regulator, Telecom House, 125-135 Preston Road, Brighton, BN1 6AF.

Tracing lost pension

The Government Pension Tracing Service offers a free pension tracing service. If you have lost track of any work based or personal pension entitlement, the Pension Tracing Service can help you search for it.

You can contact the Pension Tracing Service at:

0800 731 0193

gov.uk/find-pension-contact-details

MoneyHelper

MoneyHelper provides free guidance and access to information to allow people throughout the UK to make effective financial decisions over their lifetime. It focuses on the provision of debt advice, money and pensions guidance and consumer protection. MoneyHelper is available to assist you with pension queries or unresolved issues you may have with the Mercer Master Trust Trustees. General requests for information or guidance should be addressed to MoneyHelper.

You can contact MoneyHelper at:

0800 011 3797

pensions.enquiries@moneyhelper.org.uk

moneyhelper.org.uk

MoneyHelper, 120 Holborn, London, EC1N 2TD.

The Pensions Ombudsman

You have the right to refer any complaint to The Pensions Ombudsman free of charge.

The Pensions Ombudsman may investigate and determine certain complaints or disputes about pensions that are referred to it (in accordance with the Pension Schemes Act 1993), which concern the administration and/or management of occupational and personal pension schemes.

Please note that the Pensions Ombudsman will normally expect you to have tried to resolve any complaint relating to the Plan through the Trustees' Internal Dispute Resolution Procedure (see page 10) before contacting them.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

0800 917 4487

enquiries@pensions-ombudsman.org.uk

pensions-ombudsman.org.uk

10 South Colonnade, Canary Wharf, E14 4PU.

Financial advice

How you invest your retirement savings in the Plan, could have a major impact on your financial future.

You could benefit from some financial guidance, and you may wish to consult an authorised financial adviser. Please note, an authorised financial adviser is likely to charge for their services.

Neither the Trustees nor the Mercer Master Trust Administrator can provide financial advice and nothing in this guide should be treated as financial advice.

Other information

How the Mercer Master Trust is run

The Mercer Master Trust, of which the Plan is part, is run according to its Rules. Nothing contained in this guide can override the Rules. The Mercer Master Trust's assets are held entirely separate from those of your employer.

The parties involved in managing and running this part of the Mercer Master Trust are:

- **Independent Trustees** – The Mercer Master Trust is managed by the Mercer Master Trust Trustee Board, which is made up of three independent professional corporate trustees. The Trustee Board has a duty to manage the Mercer Master Trust in the best interests of you and your beneficiaries and in accordance with its Rules. This includes assessing if the Mercer Master Trust offers its members value for money.

  The Mercer Master Trust Trustee Board oversees and monitors all of the investment funds to ensure they are meeting the objectives set for them.

  The Trustees welcome your feedback and suggestions, so please feel free to contact the Secretary to the Mercer Master Trust Trustees (see page 11) if you have any feedback to share.

- **Mercer** – Mercer is responsible for running the Mercer Master Trust. This includes ensuring it is financially sustainable and appointing and managing all of the key providers, including the Mercer Master Trust Administrator. In addition, the Trustees have appointed Mercer as the Mercer Master Trust investment manager.
- **Aviva** – Aviva is the Mercer Master Trust Administrator. It manages your Plan savings account from day-to-day. Aviva's duties include processing your flexible income payments, deducting tax, arranging investment fund switches and communicating with you from time to time on behalf of Mercer.

Protecting your privacy

In order to run the Plan properly the Trustees hold certain personal information about you. This information is needed to calculate Plan benefits for you and your beneficiaries and may include sensitive personal information. This is held by the Mercer Master Trust Administrator and is only available to the Trustees and the Mercer Master Trust's professional advisers. It can only be used by them to calculate and provide benefits and for the proper running of the Plan. The Trustees' Fair Processing notice, which you can access on the Mercer Master Trust Administrator's website (see page 11), gives details of the measures in place to protect your personal information.

Annual pension savings limit

HM Revenue & Customs sets a limit on the contributions that can be paid tax efficiently into your pension savings each tax year:

- In any tax year, contributions in excess of this 'Annual Allowance' (£60,000 in the current tax year) will not qualify for tax relief.
- If you earn more than £200,000 in the current tax year your Annual Allowance may be reduced.
- If the amount you draw down and/or take as ad hoc lump sums, from your retirement savings is in excess of the amount you can take as tax-free cash (see page 6), your Annual Allowance is reduced for the tax year you do this and all future tax years. For the current tax year, this reduced Annual Allowance (known as the 'Money Purchase Annual Allowance') is £10,000. This reduction in your Annual Allowance will not apply if you use your retirement savings to buy a guaranteed income for life through an annuity (see page 6).

You can find out more about the Annual Allowance at gov.uk/tax-on-your-private-pension

Divorce

If you divorce, the Court must take into account the value of your retirement savings when considering a fair financial settlement for both parties. If your retirement savings are subject to a court order relating to a divorce, please notify the Mercer Master Trust Administrator (see page 11).

If your personal details change

If any relevant information about you changes, such as your address, name or marital status, please contact the Mercer Master Trust Administrator (see page 11) for details of how to update this information.

Resolving any pension problems

Any complaints relating to the Plan should, in the first instance, be referred to the Mercer Master Trust Administrator (see page 11). They will always try to provide a prompt and accurate response. If the matter cannot be resolved informally, there is a formal procedure for resolving complaints and disputes. You can obtain details of this Internal Disputes Resolution Procedure from the Mercer Master Trust Administrator. Please note you cannot use this procedure if your dispute is with an employer and not the Trustees.

Tax and Social Security

The Plan is part of the Mercer Master Trust, which is registered with HM Revenue & Customs under the Finance Act 2004. This gives members and employers who take part in the Mercer Master Trust certain tax exemptions within limits set by HM Revenue & Customs. Your membership of the Plan will not alter your entitlement to the State Pension.

Your Plan savings are not assignable

Your Plan savings are strictly personal and cannot be assigned to any other person or used as security for a loan.

Beware of pension and investment scams

Pension and investment scams continue to be a threat in the UK. It's important to be vigilant and check the facts before you make any irreversible decision to transfer your retirement savings elsewhere.

Once you've transferred your pension pot, or handed over your tax-free lump sum, it may be too late. Victims have been known to lose their entire pension savings to scams. And, even if you don't lose your money, you could still face a large tax bill from HM Revenue & Customs.

For information about pension scams, visit thepensionsregulator.gov.uk/pension-scams

You can also check the FCA's Scamsmart website pages at fca.org.uk/scamsmart where you'll find information about known investment scheme scams and can check if a firm appears on their warning list.

If you're concerned that something is a scam, you can contact Action Fraud on **0300 123 2040** or actionfraud.police.uk

For more information

If you require any further information or if you have a question you can contact the Mercer Master Trust Administrator, Aviva, by using these details:

0345 600 6303 (8am – 5:30pm, Monday to Friday)

mymoney.questions@aviva.com

Aviva, PO Box 2282, Salisbury, SP2 2HY.

You can access your personal account details on the Mercer Master Trust Administrator's website avivamymoney.co.uk.

The Secretary to the Mercer Master Trust Trustees

You can write to the Secretary to the Mercer Master Trust Trustees, Westgate House, 52 Westgate, Chichester, PO19 3HF or email MMTTrustees@mercer.com.

Important notice

This guide is for information only and is not personal financial advice. If you require financial advice you should seek this from an authorised financial adviser. The information is based on our current understanding of legislation, taxation and HMRC practice which may change in the future. The value of investments can go down as well as up, so you could get back less than you invest. Past performance does not guarantee future results.

March 2025

Need this in a different format?

Please get in touch if you'd prefer this guide in large print, braille, or as audio.

How to contact us

0800 068 6800; or

contactus@aviva.com

Please quote the code of this document, which is MM40188.

Issued by the Mercer Master Trust Trustee Board acting in conjunction with the founder of the Mercer Master Trust, Mercer Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England No. 984275. Registered Office: 1 Tower Place West, London, EC3R 5BU.

MMT0012 MM40188 07/2025 TEMP MMT0004 TM14091 v2.1 March 2025