

# ENGINEERING YOUR FUTURE

## The Caterpillar Defined Contribution Pension Plan

Welcome to your  
New Joiner  
Pension Plan Leaflet



**CATERPILLAR®**

**CATERPILLAR DC PLAN**

Northern Ireland  
SG22+ Section

Updated December 2022

# Hello and welcome to the Caterpillar Defined Contribution Pension Plan

Your Company Pension Plan is a great way to start saving for your future.

1

- Upon joining the Company, subject to certain eligibility conditions, Caterpillar will automatically enrol you into the Pension Plan.
- **See page 4**

2

- **Contributions** - You will contribute 6% of salary and Caterpillar will contribute 6%. You can increase your contributions if you wish at any time.
- **See page 5**

3

- **Investments** – Caterpillar will invest your contributions in the default investment strategy, which currently is the Lifestyle Flexible Drawdown Strategy. You can change this at any time.
- **See page 6**

## The Detail

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# What action do I need to take?

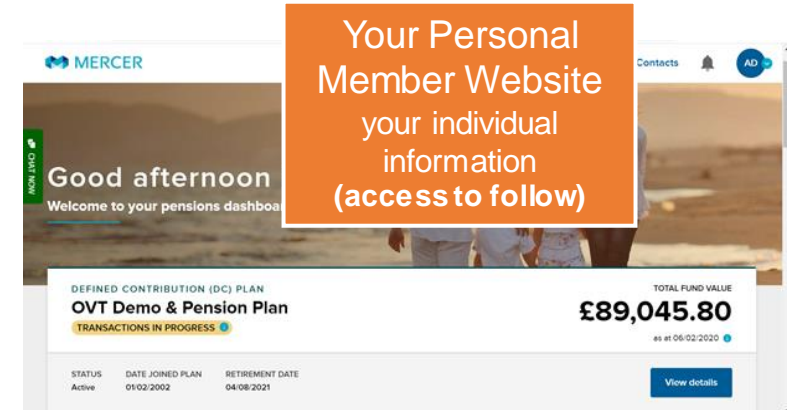
Within 1 month of joining the Pension Plan, you will be contacted by our Pension Administrators, Mercer confirming your membership and providing access to your Personal Member Website, where you will find all your individual pension information.

Mercer will send you the following forms for completion:

- ✓ **The Beneficiary Nomination Form** (this details where you would like any death benefits to be paid, although please note that the Trustee is not bound to follow it). **It's vital everyone completes this form.**
- ✓ **The Investment Option Form** – if you wish to change from the Lifestyle Flexible Drawdown option (which is the default option already chosen for you) then you will need to complete this form.
- ✓ **Contribution change Form** – if you wish to pay more than 6%, you will need to complete and return this form.

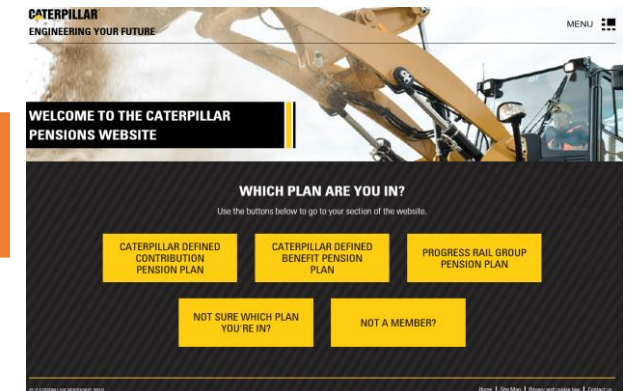
If you want to learn more before receipt of your letter from Mercer or fill in your forms earlier, the Pension Plan booklet and all forms can be found on the general pension website – [www.mycatpension.co.uk](http://www.mycatpension.co.uk)

If you do not receive confirmation of membership and/or your forms, please contact the Pension Administrators, Mercer (details on back page). We are required by law to give you certain basic information about the Pension Plan and this is contained within this leaflet



Your Personal Member Website  
your individual information  
(access to follow)

General Pension Plan  
Information  
[www.mycatpension.co.uk](http://www.mycatpension.co.uk)



# Automatic Enrolment

## If you are aged 18 or over on joining the Company

You will automatically be enrolled into the **Caterpillar Defined Contribution Pension Plan** with effect from your hire date. You can choose to opt out of the scheme if you want to after you have joined the Company. The Plan provides members with valuable benefits such as life insurance as well as Company contributions towards your retirement fund.

You will be automatically enrolled into the Plan using the default options which are:

- Contributions will be deducted from your salary at 6%. You may reduce this to the minimum level of 3%
- The Company will make a matching contribution of 6%
- Your Plan fund will be invested in the Lifestyle Flexible Drawdown Option
- A target retirement age of 65 will be assumed. You may change this if you intend to retire earlier or later.

*When you receive your confirmation of membership letter from Mercer, you will be provided with forms which allow you to change your contribution rate or your investment options.*

For the first three months, your contributions will be deducted from your gross pay. After three months, your contributions will be made under salary sacrifice (unless you are not eligible under the rules of the scheme or you inform us otherwise).

## If you are under aged 18 at the time of joining the Company

You have the option to join the **Caterpillar Defined Contribution Pension Plan**. Please contact the Pension Administrators, Mercer (details on back page) who will provide you with the joining paperwork.

If you do not elect to join the scheme at this time, you will automatically be enrolled into the scheme on the 1<sup>st</sup> of the month immediately following your 18<sup>th</sup> birthday. A letter will be sent to you confirming your enrolment. You may then choose to opt out of the scheme by following the instructions provided in the letter.

If you are sure that you do not wish to join the Plan, please contact the Pension Administrators, Mercer for an Opt Out Form (details on back page).

If the Pensions team receives your completed Opt Out form **within one month** of you joining the Company, you will be removed from the pension scheme. Any payments you have already made will be refunded and you will not have become an active member of the pension scheme.

If you submit an Opt Out form **after that date**, the payments you have already made will not be refunded. Our contributions would also stop. The tax relief would stop, payments would remain in your pension plan and you would get this when you retire.

You should be aware that if you do not chose to remain in the plan at this, or any other time, any subsequent application to join the Plan may be subject to certain conditions, including medical underwriting and in certain circumstances death benefits may be restricted.

# Contributions

You Contribute	Caterpillar Contribute
6%	6%
<p>You will be automatically entered into the Pension Plan at 6%.</p> <p>The Minimum contribution rate you can pay is 3%.</p> <p>Caterpillar will still contribute 6%.</p> <p>You can pay more than 6% if you want, but Caterpillar match stops at 6%</p>	

**Your contribution is based on your Pensionable Salary, which includes your Basic Pay, Shift Pay and Short Term Incentive.**

You can change your contributions at any time via the Benefits App in Workday

Guidance on how to do this can be found at [www.mycatpension.co.uk](http://www.mycatpension.co.uk)

You will save tax on your contributions (up to certain maximum HM Revenue limits)

You can also pay your contributions via Salary Sacrifice and save National Insurance too.  
(We will opt you in to Salary Sacrifice after 3 months' membership, unless you opt out)

# Investment Options

## Lifestyle

There are three lifestyle investment strategies to choose from.

**Lifestyle Annuity** – for the member who wishes to purchase an Annuity when they draw their benefits (an Annuity is where you use your pension pot to buy a secure income from an insurance company).

**Lifestyle Cash** – for the member who wishes to cash in their whole pension pot at retirement, subject to payment of tax.

**Lifestyle Drawdown** – for the member who wishes to draw an income or lump sums from their pension pot and leave some invested.

The default fund (ie the fund chosen if you do not change it) is Lifestyle Flexible Drawdown. You should consider whether the lifestyle Flexible Drawdown strategy is the right one for you. You may take your pot in other ways such as to purchase an Annuity or to use as Cash. You can currently take 25% of your pension account as tax free cash in all options you choose. Tax may be due on the rest of your pot.

Please note the Plan does not permit members to take their pot directly from the Plan at retirement as cash or drawdown. You would need to transfer out your pot to another pension provider.

## Freestyle

Some members like to make their own investment decisions – investing their savings across the range of freestyle funds available.

You may use this option instead of the Lifestyle strategy if you prefer to take more control of your investment strategy.

Further details on investments, including an educational video and the Investment Option Change Form can be found on:  
[www.mycatpension.co.uk](http://www.mycatpension.co.uk)

# Life and Ill Health Cover

The DC plan offers a generous level of Life Cover to help you provide for your family in the event of death.

If you die whilst working for Caterpillar and you are an active member of the Plan your beneficiary will receive  
**a multiple of your salary of 5 x basic pay**

**Plus**

**A refund of your pension pot**

**If you decide not to be a pension plan member, you will be covered for 1 x basic pay**

**Eligibility is subject to insurer terms and conditions**

**Remember to  
complete your  
Beneficiary Form**

This benefit is paid at the Discretion of the Trustees, however, they are in a better position to (although not subject to) follow your wishes if you've completed your Beneficiary Form. This benefit can be a substantial sum of money, so make sure you fill out your form.

Once you have been employed continuously for 12 months, and you continue to contribute into the Pension Plan, you may become eligible to receive an ill-health income.

**Support for you if you are  
unable to work**

This is subject to eligibility conditions, details of which can be found in the Salaried Attendance Support Policy.



# Useful information about Plan membership

## Basic Plan Information

### Joining the Plan

Any employee of the Company who is over 16 and on the UK Payroll is eligible to become a member of the Pension Plan. How they may join is different and this is explained on Page 4 of this leaflet.

### Transfers in

The Trustees will review applications for transfers into the Plan, whether under Part 42A of the Pension Scheme Act 1993 or not, and accept or decline them at their discretion in accordance with the Trust Deed and Rules. The Trustees do not make a charge to transfer in funds.

### What happens if I leave the Plan?

**Under 1 month of Plan membership** – you may opt out of the Plan and receive a full refund of your own contributions, which will be subject to tax and National Insurance in the usual manner.

**Over 1 month of Plan membership** – you may either leave your benefits in the Plan until you wish to draw them or you may transfer them out.

### Transfers Out

If you leave the Plan before your Normal Retirement Age, instead of leaving your benefits in the Plan you may be able to transfer them to your new employer's scheme, a personal or stakeholder pension scheme or an individual insurance policy subject to the rules of that arrangement. Various rules and regulations apply to transfers and you will be advised if these affect you. You may ask the Trustees for an estimate of the transfer payment available to you at any time. The Trustees are not obliged to give you another estimate within 12 months of your last request. If another statement is provided a charge may be made for the additional administration involved. The Trustees have delegated the authority to perform this task to the Plan Administrators. The Trustees do not make a charge to transfer out funds, however your new provider may and you should check this with them.



# Useful information about Plan membership

## When can I draw my benefits and what are my options?

Subject to current law, you may draw your benefits from age 55. Currently you may use your fund to purchase an Annuity (a pension income from an insurance company), cash in your whole pension pot, leave your pot invested and draw an income or lump sums from it (called Income Drawdown) or use a mixture of all three options. You currently may withdraw 25% of your pot as tax free cash, but the remainder will be subject to tax. We use a broker to help you with this decision, however, you may also use your own provider. Charges will be made to administer the arrangement you choose. This will be different depending on the chosen option and will be agreed with you at the time. Our broker is not appointed to provide you with financial advice and you must appoint your own Independent Financial Advisor should you wish.

When drawing benefits flexibly, that is cashing in your pot or opting for Income Drawdown, your funds must be transferred out of the Caterpillar Defined Contribution Pension Plan to an alternative provider. If purchasing an Annuity, your funds will be transferred to your chosen Annuity provider.

Further information can be obtained from the Scheme Administrators, details of which are provided on the back page.

## How can I work out what pension I will get?

Your pension will depend on a number of factors, such as the amount of contributions you and your Company make, any costs relating to transferring your fund out of the Plan, investment performance, the effect of annual management charges and the cost of purchasing your benefit at retirement. It will also depend upon the age you draw your benefits.

## HM Revenue & Customs

The Plan is a registered scheme for HM Revenue and Customs purposes. This means the Plan enjoys various tax advantages:

- Tax relief is generally available on contributions paid into the Plan. However tax will be payable if the benefits exceed either the Annual Allowance (the amount you can obtain tax relief on during the tax year) and this will be charged on an annual basis, or the Lifetime Allowance (the maximum amount of pension savings you can build up over your lifetime). This will be charged at retirement. Further detail can be found in the full Plan Booklet.
- The money in the Plan largely builds up free of tax and;
- Lump sum benefits are usually payable tax free.

# Resolving Disputes

## Stage 1 – Pensions Manager

Put your case in writing and address it to the Pensions Manager who can be contacted at:

The Pensions Department  
Caterpillar UK  
Eastfield  
Peterborough PE1 5NA

Email: [ukpensions@cat.com](mailto:ukpensions@cat.com)

Please include the subject of your complaint, an outline of the facts and the following personal details:

- **If you are a member** – your full name, address, date of birth and national Insurance Number.
- **If you are the dependant of a former member** – you full name, address, date of birth and relationship to the member, and the member's full name, date of birth and National Insurance number.

You may, if you wish, nominate someone to represent you in making your complaint, for example a solicitor or colleague. Your representatives should include their full name and address as well as your personal details, the subject of your complaint and an outline of the facts.

You should expect a written reply within two months. If this is not possible you will be notified as to why there is a delay and when a reply can be expected.

## Stage 2 – The Trustees

If you disagree with the reply from the Pensions Manager you may write directly to the Trustees within six months of receiving that reply, asking for the complaint to be reconsidered by the Trustees. You should address your letter to the Chairman of the Trustees also at the address opposite. Please give the reasons why you disagree with the response from Stage 1 and also include the same personal details as in Stage 1. You should expect a written reply within two months. If this is not possible you will be notified as to why there is a delay and when a reply can be expected.

Once you have received the decision from the Trustees, if you are still unhappy you can take your case to the Pensions Ombudsman. Contact details of the Pensions Ombudsman are given on page 11.

Please note that this procedure does not cover:

- Any dispute which has nothing to do with the Trustees (eg a dispute which is solely with the Company);
- A dispute which is already being investigated by the Pensions Ombudsman or where proceedings have started in a court or industrial tribunal.

Please bear in mind that if you transfer your benefits out of the Plan, this procedure is only available to you for six months after you transfer out.

# Resolving Disputes

## The Pensions Regulator

The Pensions Regulator is a regulatory body which has a range of powers to help safeguard pension rights of members of pension schemes and is able to intervene where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator may be contacted at:

Napier House  
Trafalgar Place  
Brighton BN1 4DW

Tel: 0870 600 0707  
Email: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)  
Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## MoneyHelper

MoneyHelper is a service backed by the government that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. MoneyHelper is available at any time to assist members and other beneficiaries with any pension query they may have. If you want to contact Money Helper the details are:

Tel: 0800 011 3797  
Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

## The Pensions Ombudsman

The Pensions Ombudsman may investigate and decide upon any complaint or dispute of fact or law in relation to an occupational pension scheme referred to him in accordance with applicable law. However, the Pensions Ombudsman normally insists the matter is first dealt with through the Plan's own internal dispute resolution procedures. If you have any complaint or dispute that cannot be resolved by the internal dispute resolution procedures, you may refer it to the Pensions Ombudsman at:

10 South Colonnade  
Canary Wharf  
E14 4PU

Tel: 0800 917 4487  
Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## The Pension Tracing Service

The Trustees have given information about the Plan, including details of an address at which they can be contacted, to the Pension Tracing Service. This service, run by the Department for Work and Pensions, may be of help to you if you need to contact the trustees of a previous employer's pension scheme and cannot trace them yourself. The service may be contacted at:

The Pension Tracing Service  
The Pension Service 9  
Mail Handling Site A  
Wolverhampton WV98 1LU

Tel: 0845 600 2537  
Website: [www.gov.uk/find-lost-pension](http://www.gov.uk/find-lost-pension)

# Disclaimers

## Investments

The default investment option chosen for members is the Lifestyle Flexible Drawdown strategy.

The Lifestyle Flexible Drawdown starts off in higher risk investments (the Long Term Growth Fund) to help grow the pot. Then approximately 10 years away from the member's target retirement age (age 65 unless you have changed it) funds automatically move to a high/medium risk fund (Diversified Growth Fund) to balance growth and risk. From 7 years before your target retirement age funds will be moved into the retirement income fund and cash fund (medium/lower risk funds).

The advantage of this is that the funds are automatically managed and switched to appropriate investments if a member wishes to take 25% of their savings as tax free cash and leave the remaining funds invested and withdraw amounts from it in a flexible way.

The disadvantage is that you may wish to buy a secure income for life or take your fund as cash (subject to tax). If this is the case, one of the other options may be more suitable for your circumstances. Please remember that the funds you are invested in are subject to certain warnings and you should bear those in mind. If you require further information about the investment choices (and the warnings accompanying that information), please refer to the Investment Leaflet and fund factsheets which can be found on the general member website -

[www.mycatpension.co.uk](http://www.mycatpension.co.uk)

## Legal

The purpose of this New Joiner Pension Plan leaflet is to give you an outline of benefits and other key information in relation to the Plan. It does not confer rights to benefits of any nature. Rights to benefits are only conferred in accordance with the Trust Deed and Rules of the Plan (as amended from time to time).

Where this leaflet includes statements about the tax and National Insurance treatment of benefits, they are based on the Pensions Team's understanding of tax law and practice as at the date of this document. Contributions and benefits will be subject to tax and National Insurance in accordance with the actual law and practice which applies at the time when they are made and will depend on your own personal circumstances.

A copy of the Trust Deed and Rules of the Plan is available on request from the Pensions Team.

You can also obtain a copy of the Plan's Annual Report on request from the Pensions Team.

# Contact Details

## Contact details

You can contact the Plan's administrator, Mercer, in any of the following ways:

by telephone on 0344 854 3338

online via the contact portal [www.contact.mercer.com](http://www.contact.mercer.com)

by letter to  
Caterpillar Defined Contribution Pension Plan  
Mercer Limited, Maclaren House,  
Talbot Road, Streford,  
Manchester, M32 0FP

### **Enhanced or Fixed Protection**

If you have previously opted to take Enhanced or Fixed Protection to tax protect your benefits in another pension plan, you should be aware of the implications of joining the Caterpillar Defined Contribution Pension plan.

Your protection will automatically be lost if you do not opt out of the plan within 30 days of being enrolled. It is your responsibility to ensure that you take the necessary action if you do not wish to lose your Protection. If you have never opted for any form of tax protection of your pension benefits (this only applies to individuals whose pension benefits might exceed £1.03m for the tax year 2018/19 and higher amounts in previous tax years) then this does not apply to you and you do not need to opt out of the Plan.

### **Data Protection Act**

The Trustee of the Plan has a Data Protection Privacy Policy (the "**Policy**") which sets out how it obtains, uses and protects personal data relating to you as a member (and to individuals connected with you) in relation to your membership of, and the benefits provided for and in respect of you, under the Plan. The Policy explains what personal data the Trustee may collect about you, how it aims to keep your personal data safe, what it may use your personal data for, who it might share personal data with and your rights regarding your personal data. Please do take the time to read the Policy, which may be found at [www.mycatpension.co.uk/library/privacy-notice](http://www.mycatpension.co.uk/library/privacy-notice)