



What's happening?

As the Trustee of your pension scheme, it's our responsibility to help you make the most of your pensions savings, to give you a better chance of getting the retirement you want. We're making changes to where you can invest your pension or Pension Extra savings; your money, with the aim of improving the performance of your investments, while simplifying the combination of investment options available to you.

Your Tomorrow only

I am a new member of Your Tomorrow - do the changes affect me?

Yes, the changes affect all scheme members. If your first payday is in January 2018 or earlier, your first monthly contributions will be invested in the current investment options. We will move these automatically to the new investment options and change where your future contributions are invested, depending on your current choice.

If your first payday is in February 2018 or later, your contributions will be invested in the new investment options. If you have already chosen how to invest your contributions from the current range of investment options, we will invest your contributions in the new investment options based on your current choice. If you haven't made a choice yet, we will invest them in a version of LifePlan.

You will not be able to make changes to your investment choices between 25 January 2018 and 23 March 2018, but can make changes and switch between funds after this period.

Why is it happening between 25 January 2018 and 23 March 2018?

We are moving a lot of money so we want to make sure it's done right. We've planned it very carefully, with the help of our advisers, so that the changes are made as efficiently as possible. We are changing the funds and moving money in a number of different transactions over this period of time. This means we have been able to keep the costs down and also means that transaction costs are shared more fairly across scheme members who are affected by the changes.

Could it take longer than this?

We have planned the changes very carefully and it is expected that they will be completed within this period. It is possible, but unlikely, that in the process of making the changes, something may happen which means we may have to extend the period. If this does happen, we will let you know.

What are the costs?

The transaction costs for moving the money and changing the funds is very small. Transaction costs relate to the buying and selling of investments and are incurred normally in the day-to-day management of the funds. The changes will incur additional one-off transaction costs estimated to be between 0% and 0.5%, depending on the fund. This is the equivalent of up to 50 pence for every £100 of savings being moved. We currently only have an estimate of the costs as the actual costs will only be known after the changes have been completed and the money has been moved. We will produce a summary of the actual transaction costs afterwards.

The following funds will see no additional transaction costs as we are not moving any money in or out of these funds:

Destination Cash

UK Equity Fund

North America Equity Fund

Continental Europe Equity Fund

Japan Equity Fund

Asia Pacific (excluding Japan) Equity Fund

Ongoing investment management costs for some of the funds will change. We have negotiated excellent rates with the investment managers and investment management fees for all funds are very low compared to other pension schemes. Some investment management costs will go down following the changes, some will not change and some will go up a little, but in the expectation of better overall investment returns.

Will I be reimbursed for the costs?

Transaction costs and investment management costs are ordinarily already included within the unit price; which is the value at which you buy or sell units in the funds. These costs will not be reimbursed and will be reflected in the investment performance of the funds.

All other costs of making the changes (for example, administration, independent advice taken by the Trustee, communications) will be met by the Trustee from money that Lloyds has paid into the Scheme.

Can I make changes between 25 January 2018 and 23 March 2018?

You will be able to make some changes between these dates, but not any changes that relate to moving or disinvesting your money. The following explains what you can and can't do between the dates:

You will be able to do the following at any time:

Active members only

- Change the level of contributions that you pay
- Pay a lump sum additional contribution into the Scheme (for tax purposes this will be counted in the tax year in which it is received in the Scheme bank account, but it will be invested after the investment changes are completed)
- Update your beneficiary and nomination details
- Opt out of the Scheme
- View your current fund value
- Request forms for a transfer in (any transfer in received will be invested after the changes have been completed)
- Regular monthly contributions will continue to be invested

Deferred members only

- Change your personal details (e.g. name and address)
- Update your beneficiary and nomination details
- View your current fund value
- Request forms for a transfer out (the transfer payment will be processed after the changes have been completed)

You will not be able to do the following:

- Take money out of your investment options (for example, for a transfer out or retirement)
- Change investment choices
- Switch between funds
- Invest new money from transfers in, where permitted, or lump sum additional contributions (the money can still be paid into the Scheme but will be invested after the changes have taken place)

I was planning to take my retirement benefits between 25 January 2018 and 23 March 2018 - what does this mean for me?

You might be able to ask the scheme administrator to disinvest your money early and either pay out the benefits earlier (subject to minimum pension age and scheme rules requirements) or hold the money in the Scheme and then pay out on your retirement date as normal.

To do this, the scheme administrator must receive your instruction and all necessary paperwork, where applicable, before 5pm on 19 January 2018. If your instructions are received after this time, the administrator will deal with them as soon as it is able to after 23 March 2018.

This may take up to a few weeks depending on the number of instructions received during the period.

If you want to know more about this, please contact the scheme administrator as soon as possible.

I was planning to complete a transfer out to another pension scheme between 25 January 2018 and 23 March 2018 - what does this mean for me?

A transfer out cannot be completed during this time. If you want to do it sooner, the scheme administrator must receive your instruction and all necessary paperwork from you and the receiving scheme, before 5pm on 19 January 2018. If your instructions are received after this time, the administrator will deal with them as soon as it is able to after 23 March 2018. This may take up to a few weeks depending on the number of instructions received during the period.

Can I choose to invest in the new investment options now?

No. The new options will only be available from 23 March 2018.

Can I stay invested in my current funds?

No. The current funds that are changing will not exist once all the changes are completed.

How do I change where I am invested?

If you want to change where you are invested now, you can do so by sending an instruction to the scheme administrator before 5pm on 19 January 2018, or by making a change by logging onto Your Pension before 2pm on 25 January 2018.

If you want to change where you are invested after the changes have been made, you can send an instruction to the scheme administrator or make the changes more quickly online using Your Pension from 23 March 2018.

I don't know what to do -can you give me advice?

The Trustee, Lloyds or the scheme administrator, Willis Towers Watson, are not allowed by law to give you financial or investment advice. If you need advice, we recommend that you speak to an independent financial adviser. For details of independent financial advisers in your area visit unbiased.co.uk

Pension Extra members only

I have other additional voluntary contributions (AVC) investments as well as Pension Extra - are they affected by the changes?

No. Any AVCs that are not invested through Pension Extra are not affected and they will remain invested where they are. We recommend that you regularly review those to make sure they are still right for you. If we decide to make any changes to those AVCs in the future, we will tell you first.

Pension Extra members only

Will the changes affect my defined benefit, or final salary scheme related benefits?

The changes only affect your Pension Extra AVCs, not your other scheme benefits. However, if you were thinking of transferring out all of your scheme benefits or taking them all at retirement at this time including your Pension Extra funds, the payment of all benefits may be delayed until after the changes have been completed.

If you do not want them to be delayed, please make sure that your instructions and all necessary paperwork are received by the scheme administrator before 5pm on 19 January 2018. This will enable the scheme administrator to disinvest your AVCs early and before the changes are made so that payment of benefits can be made around the due date.

Active members only

Why will it take a little longer to invest my new contributions?

We normally invest your monthly contributions as quickly as we can once we have received them in the Scheme from the Lloyds payroll team. As some of the funds are changing, we do not want to invest them in a fund to then have to move them a few days later as this will incur unnecessary transaction costs. We may therefore wait so they can be invested straight into the new funds. We expect that this delay will only be a few days compared to usual timescales.

Active members only

Can I change my contributions?

Yes, you can change how much you pay by logging onto Your Pension, but you can't change where they are invested until after the changes are completed.

If you're being made redundant between 19 January and 22 March 2018

I am being made redundant during the change period, how does this affect my redundancy?

There will be no impact on the payment of your severance benefits or the payment of severance sacrifice contributions into the pension schemes. However, if you're planning to take your pension benefits the timing of the payment might be affected. This is because the administrator will not be able to take any money out of your pension or Pension Extra savings between 19 January and 22 March 2018. This may mean that in some cases your pension benefits may not be paid until after 22 March 2018.

Defined Benefit pension payments will continue to be processed during the period.

If you want your pension benefits paid during the period of change, please contact the scheme administrator to ensure that they take your money out of the affected investments before 19 January 2018.

I'm taking retirement from the Scheme. Can my existing benefits be disinvested early to make sure my benefits can be settled when I am made redundant?

If you want to retire early in 2018, you need to make sure the administrator receives your completed paperwork before 19 January 2018. If you have an ongoing settlement that hasn't been completed, the scheme administrator will contact you before 31 December 2017 and remind you about the change period. If you plan to pay some of your severance into the scheme and/or you are leaving the Group and taking your pension during the change period, the scheme administrator will be able to cover this when we contact you.

Your leaving or retirement date will not change and the payment of any severance sacrifice contributions will be unaffected. The scheme administrator will be able to confirm the details of how the changes may affect you.

I'm not retiring but I am investing part of my severance package into my investment funds. What will happen to this money in the meantime?

Money will be paid into the Scheme during the change period, but it won't be invested into your account until after 22 March 2018. Funds can't be paid from the scheme until after this date.

Will any interest be added to contributions invested or payments settled after the change period?

No. The scheme administrator will hold any money received during the change period as cash, and will invest it after the change period ends. It's a relatively short period of time.

If the change period doesn't begin until 25 January 2018 why do I need to provide all my completed information by 2pm on 19 January 2018?

25 January 2018 is the last date on which the investment manager will accept investment instructions prior to the change period. The extra time is necessary to give the scheme administrator time to review paperwork and implement the instructions received ahead of the investment manager's cut off time.