

In light of the upcoming redundancies, we have outlined below answers to the most common questions that may arise. Please note that the information below is general in nature, and specific information will be provided in severance statements and pension statements, and in the pension scheme booklets.

What happens to my pension benefits on redundancy?

You are treated in the same way as any leaver from employment. Assuming you have been a member of the company pension schemes for more than 2 years then you will be entitled to deferred benefits payable from your normal retirement age.

If you are a recent joiner, and have been a member of the pension schemes for less than 2 years, you will simply be entitled to the value of your own contributions. These can be transferred to a new employer's pension scheme or taken as a refund (less 20% tax).

Can I transfer my pension entitlements to a new employer's pension scheme in future?

Yes, you may transfer to another approved company pension scheme, to a Personal Retirement Savings Account (PRSA) or to a Personal Retirement Bond (PRB). However, you should consider the merits of transferring carefully, and take advice, particularly if you are a defined benefit member.

Can I take a lump sum out of my pension?

As a general rule, no, you cannot take a lump sum from your pension scheme on being made redundant. However, early retirement options may apply (see below).

Can I take early retirement?

If you are over age 50 you may apply for early retirement when being made redundant (subject to consent of the trustees in certain circumstances). Your benefits will be reduced to reflect the fact that they are being paid early.

One of the options on early retirement is to take a tax-free cash lump sum from your pension, within Revenue limits. More information on retirement benefits and tax-free lump sum limits are available in the pension scheme Members Explanatory Booklet which is available from HR or via your Invesco Online account. Please note that there is a link between tax-free lump sums on retirement and your redundancy tax exemptions – if you are interested in taking early retirement more information can be provided when you receive your severance statement.

Can I add money (AVCs) into my pension when I leave?

Yes, to an extent. AVCs may be paid from your final payrolls, against your final normal Schedule E income. However, redundancy payments are not Schedule E income so you may not pay AVCs from your redundancy payment. You may pay AVCs from your normal income, in the knowledge that you can afford to do so as you will receive a redundancy payment soon, however this must be done before you finish employment.

What are the tax options on my redundancy?

Statutory redundancy payments are tax-free. Any additional (ex-gratia) redundancy payment is taxable at 40% income tax plus USC, but there are tax exemptions that apply. Typically the greater of the following exemptions will apply:

- Basic exemption: €10,160 plus €765 per year of service
- Increased exemption: Basic exemption plus €10,000 less the present value of your future tax-free lump sum from the pension scheme (this exemption is only available once every 10 years)
- SCSB: 1/15th of your average earnings (over the last 3 years) per year of service, less the present value of your future tax-free lump sum from the pension scheme

Invesco will prepare a severance statement nearer the time of your redundancy outlining the tax exemptions that apply.

What does waiving my rights to my future lump sum mean?

Two of the tax exemptions above require that the present value of your future tax-free lump sum from the pension scheme be deducted from your tax exemptions on redundancy. If you waive your right to a tax-free lump sum from the pension scheme then the tax exemptions on your redundancy will be higher and you will pay less tax now. However, when you do retire you will not be able to take a tax-free lump sum from the Britvic pension scheme — you do not lose any pension benefits, simply the option to exchange part of your pension for a tax-free lump sum when you retire would no longer apply. Your severance statement will include details of the waiver option, so that you may make an informed decision at the time.

What happens to my life assurance and disability cover on redundancy?

Life assurance and disability benefits cover ceases on finishing employment. In the event of death after leaving, death benefits may still be payable from the pension schemes to reflect any deferred benefits that remain in the scheme.

What happens next?

Once instructed by Britvic Ireland, Invesco will prepare severance statements outlining the tax exemptions and waiver options, as well as an outline of your pension entitlements on leaving. In the meantime, any questions about redundancy etc. should be referred to HR. However, if you have any questions about your pension entitlements generally, you can contact Invesco directly:

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