
UPM-Kymmene UK Pension Scheme Switchback Process

If you are a member of the UPM-Kymmene UK Pension Scheme (the UPM Scheme) and your Defined Contribution benefit within this Scheme was transferred to the Legal & General Mastertrust (the L&G Mastertrust) in 2020 (and still remains there), then you have the option on retirement to transfer all or part of your L&G Mastertrust benefits back into the UPM Scheme in order to help fund your Pension Commencement Lump Sum (this is the technical term for your tax free cash lump sum).

The L&G Mastertrust allows for full transfers and partial transfers. You will only be allowed to transfer up to the value of your Pension Commencement Lump Sum in the UPM Scheme. Any remaining balance will remain within the L&G Mastertrust.

Here is an example for a made up member “Member A” which we hope will help you understand how it works:

- Based upon the benefits currently held in the UPM Scheme (i.e. just Member A’s Defined Benefit benefit), Member A has the following retirement options:
 - Option 1: An annual pension at retirement of £1,000, or
 - Option 2: A Pension Commencement Lump Sum of £5,000 and a residual annual pension of £750.
- Member A also has a DC fund value held in the L&G Mastertrust of £9,000.
- If Member A chooses retirement option 2, then it will be possible to transfer £5,000 from the L&G Mastertrust into the UPM Scheme. This £5,000 will be used to fund the Pension Commencement Lump Sum so that Member A does not have to give up any pension from the UPM Scheme in order to get the Pension Commencement Lump Sum. This means that in addition to the £5,000 Pension Commencement Lump Sum, Member A will also receive the full annual pension of £1,000 from the UPM Scheme.
- Member A still has £4,000 left in the L&G Mastertrust and will need to talk to Legal & General separately about how he wants to receive these benefits. In general the choices under the L&G mastertrust for any residual benefits will be a cash lump sum or lump sums (some of which may be taxable) guaranteed income (such as an annuity) or income drawdown. Legal & General will provide you with full details of the options available in respect of any remaining funds with them.

Should you wish to initiate the Switchback process, we have provided detail overleaf of the process and timescales. Please note this can be a lengthy process – typically two to three months - therefore you should take into account the timescales when considering this option on retirement. If you have paid any Additional Voluntary Contributions (AVCs) to the UPM Scheme, the process is somewhat different and you should initially contact Capita who will explain the process to you.

If you have any questions you are welcome to contact Capita and/or Legal & General as follows:

Capita

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Stead House
Darlington, DL1 9YT

Tel: 0800 917 4552

E-Mail: upmpensions@capita.co.uk

Legal & General

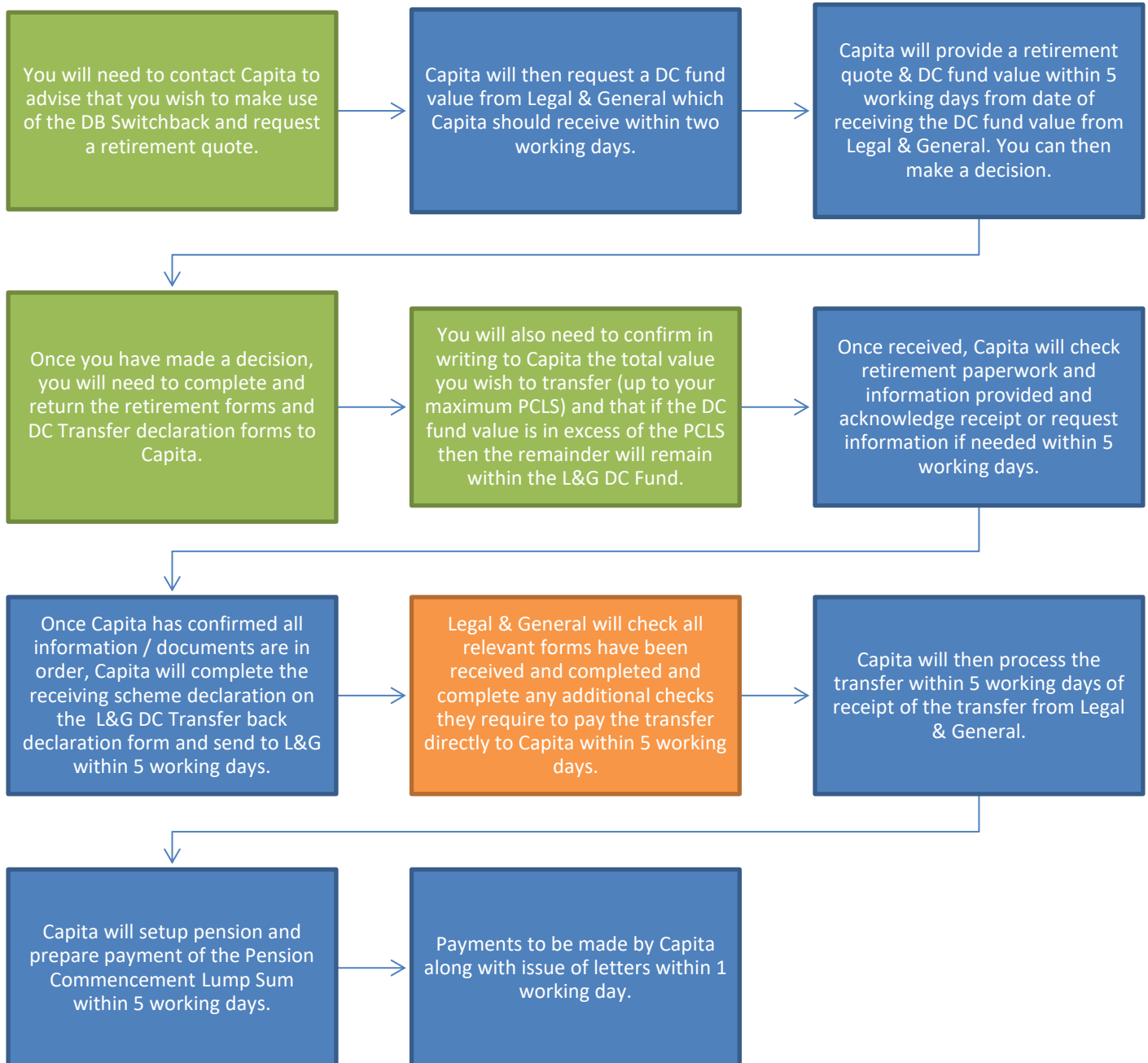
Ground Floor Knox Court
10 Fitzalan Place
Cardiff, CF24 0EB

Website: <https://www.legalandgeneral.com/workplace/u/upm>

Tel: 0345 026 0081

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Key Code for above diagram:

