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# **Chevron UK Pension Plan for the Standard Section**

**for Employees Who Joined the Plan On or  
Before 2 December 2011**

**Effective April 2026**

## HOW TO USE THIS BOOKLET

This booklet explains the main benefits and terms and conditions of the **Standard Section** of the Chevron UK Pension Plan (the **Plan**). It contains an introduction to the **Plan** and a few key points that are useful to know at the outset, followed by explanations of specific provisions and terms and conditions. If you are looking to understand a specific provision or term in more detail, please check the Contents table for the specific page to refer to.

Please note that, although care has been taken in preparing this booklet, the governing document of the **Plan** is the formal Trust Deed & Rules (as amended from time to time) and, in the event of any conflict with this booklet, the Trust Deed & Rules will prevail. The **Company** and the **Trustee** are not authorised to, nor will either of them, give you financial advice. Nothing in this booklet is intended as, nor should you understand it to be, financial advice.

This booklet summarises the rules applicable to the **Standard Section** and applicable law as at April 2026.

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# 1 INTRODUCTION

The Chevron UK Pension Plan (referred to as the **Plan** in this booklet) came about as a result of the merger of the Texaco Pension Plan and the Chevron Group UK Pension Plan on 31 December 2002. The **Plan** has taken on all the assets and liabilities of those previous arrangements. This summary is a guide to the main benefits and terms and conditions of the **Plan** which apply to members who joined the **Plan** on or before 2 December 2011. Any benefits or terms relating to membership of any **Previous Plan** (if any) before 2003 generally remain unaltered.

The **Plan** provides a level of financial security for you in retirement and for your dependants after your death. The **Standard Section** of the **Plan** is a **Defined Benefit (DB)** arrangement. You have the option to save for additional retirement benefits by making **Additional Voluntary Contributions (AVCs)**. Here is an overview of how the Plan works and the benefits provided.

	<b>DB Element (a Defined Benefit (DB) pension)</b>	<b>Additional Voluntary Contributions (AVCs)</b>
Who receives this Element?	Members of the Plan who joined prior to 2 December 2011	Optional for everyone, if you choose to contribute extra
Who administers this Element?	Barnett Waddingham	Fidelity
Who pays money (contributes) into this Element?	The <b>Company</b> and you	You
How are contributions calculated?	Monthly % of your salary	Monthly or one-off payments – it's up to you
Where is the money held?	In a shared pot with other <b>Plan</b> members	In an individual account (Additional benefits fund – referred to as a <b>DC Fund</b> in this booklet)
How is the money invested?	In funds managed by the <b>Trustee</b>	In funds chosen by you, from a range available
What do you get when you retire?	A regular income (pension) for life from the <b>Plan</b> with the option to receive a portion of this as tax-free cash	Savings to use as regular income or a cash payment
<b>On your death, your Dependants may be entitled to receive benefits from the Plan</b>		

The principal benefits whilst you remain in **Pensionable Service** are:

1. Retirement pension payable from **Normal Pension Age**
2. Option to give up pension for a tax-free cash sum
3. Option to take a pension early and, depending on the circumstances, at a reduced rate
4. Pension on ill health retirement
5. Life assurance cover (provided separately from the **Plan** on and from 1 January 2026 under the terms of the **Chevron UK Excepted Group Life Scheme**)
6. Opportunity to save for additional retirement benefits.

Specific details about qualifying for these benefits and how they are paid are explained in the relevant sections of this booklet. Before you navigate to these sections, please take note of the following:

- 1. Interpreting the information in this booklet.** This booklet explains the main benefits and terms and conditions of the **Standard Section** of the **Plan**. It does not, by definition, apply to membership of any of the other sections of the **Plan**. Although care has been taken in preparing this summary information, the governing document of the **Plan** is the formal Trust Deed & Rules (as amended from time to time) and, in the event of any conflict with this booklet or any other booklet, the Trust Deed & Rules will prevail.
- 2. Taking financial decisions.** Certain options under the **Plan** will involve you taking financial and investment decisions; the Company and the Trustee are not authorised to, nor will either of them, give you financial advice. For financial advice please consult a financial adviser (refer to Section 16: External Advice and Information for how to find an adviser). Nothing in this booklet is intended as, nor should you understand it to be, financial advice. Communications to members are available on the **Plan** website ([www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)). You should ensure that you have read the current terms before making any decisions based upon them.

## 2 DEFINITIONS

**Annual Allowance** or **AA** is the maximum amount you can build up in a UK-registered pension arrangement each year without paying tax on the money that is building up. See Section 11: Taxation for more information.

**Chevron UK Excepted Group Life Scheme** is a separate trust which the Group is setting up and which from 1 January 2026 will provide life cover on such terms as the **Company** confirms to you in writing and subject to that trust's power of amendment and termination.

**Child** is your natural, adopted or step child provided the child is –

- (a) under age 18; or
- (b) at the discretion of the **Trustee**, under age 23, if in full time education; or
- (c) at the discretion of the **Trustee**, under age 23, and the **Trustee** is satisfied that he or she is severely disabled and incapable of self-sustaining employment.

**Company** means Chevron Energy Limited.

**Defined Benefit** or **DB** refers to pension provided under the **Standard Section** using a formula which is linked to your **Pensionable Service** and salary (**Pensionable Pay** as defined in the rules).

**Dependant** means any person who is neither your **Partner** nor your **Child** who in the **Trustee's** opinion is (or was) wholly or mainly financially dependent or interdependent on you at the date of your death.

**Final Pensionable Pay** is your base salary in the last 12 months of your **Pensionable Service** plus any **Shift/Offshore Credit** plus any other element of remuneration deemed pensionable by the **Company**.

**Lump Sum Allowance** or **LSA** is one of the limits that applies to the amount of tax-free cash you can take from all UK-registered pension schemes during your lifetime. See Section 11: Taxation for more information.

**Lump Sum and Death Benefit Allowance** or **LSDBA** is one of the limits that applies to the amount of tax-free cash you can take from all UK-registered pension schemes during your lifetime and cash lump sums in relation to your death. See Section 11: Taxation for more information.

**Normal Pension Age** is 65.

**Partner** means the person to whom you are legally married (including a same sex marriage) or with whom you are in a civil partnership at your date of death (unless the marriage or civil partnership took place within 3 months prior to your death in which case the **Trustee** has discretion as to whether or not to class the person as your partner).

**Pensionable Pay** is your base salary plus 100% of any regular onshore shift allowance and 40% of any regular offshore allowance plus any other element of remuneration deemed pensionable by the **Company**.

**Pensionable Service** is your active membership of this **Plan** since 1st January 2003 whilst a contributing member and any period of pensionable service in your **Previous Plan(s)**. **Pensionable Service** is calculated in years and months.

**Plan** means the Chevron UK Pension Plan.

**Previous Plan(s)** means Chevron Texaco U.K. Pension Plan, Gulf U.K. Pension Plan, Chevron Group UK Pension Plan and Texaco Pension Plan.

**Prospective Pension** is the pension you would receive if you remained an active member of the **Plan** (i.e. in **Pensionable Service**) until **Normal Pension Age** but based on your **Final Pensionable Pay** and Basic State Pension at your actual leaving date.

**Salary Exchange** means the facility offered by the **Company**, as an alternative to member contributions to the **Plan**. See Appendix 2 for further details.

**Shift/Offshore Credit** is the addition to your base salary in the last 12 months of your **Pensionable Service** used to determine your **Final Pensionable Pay**. The credit is calculated monthly as 100% of any regular onshore shift allowance and 40% of any regular offshore allowance you have received as a percentage of your base salary. The total of these percentages is divided by the number of months of Pensionable Service. This average percentage is then applied to your base pay in the last 12 months of your Pensionable Service.

**Standard Section** means the Standard Section of the Plan.

**State Pension Age** is your state pension age under legislation. This became 66 for both men and women in October 2020 and is currently intended to gradually increase to age 68 by 2046.

**State Pension Offset** is calculated as 1/44th of the annual equivalent of the single person's Basic State Pension in force when your **Pensionable Service** terminates for each year of your **Pensionable Service**.

**Trustee** means the Trustee from time to time which is currently Ross Trustees Services Limited (trading as Independent Governance Group (**IGG**)).

### 3 MEMBERSHIP

#### Joining The Plan

Permanent employees of the **Company** who joined the **Company** before 2 December 2011 were eligible to join the **Standard Section** of the **Plan**. The **Standard Section** of the **Plan** is now closed to new joiners.

Any employee who joined (or rejoined) the **Company** on or after 2 December 2011 until 30 November 2025 and was eligible to join the **Plan** would have joined the **New Section** of the **Plan** (please see the Member booklet for post 1 January 2012 members on the **Plan** website for details of how the **New Section** works).

Any employee who joins (or rejoins) the **Company** on or after 1 December 2025 and is eligible to join the **Plan** will join the **2026 DC Section** of the **Plan**.

#### Opting Out

You may choose not to be a member of the **Plan** – you may opt out of membership at any time by giving at least one month's notice, in writing, to your Human Resources department. You will only be allowed to rejoin the **Plan** – and only into the **2026 DC Section** – with the consent of the **Company** and on such terms as the **Trustee** decides.

You will usually have to provide evidence of your good health and, if you are unable to do so, may have no (or restricted) cover ill health benefits. This is not a restriction on joining the **Plan** for other benefits and is simply in relation to the provision of the ill health benefits.

However, if the statutory automatic enrolment obligations apply to you, even though you have opted out, you will usually be automatically re-enrolled into the **2026 DC Section** of the **Plan**. Under current legislation, re-enrolment typically occurs every three years.

#### Re-enrolment

If re-enrolment in the **Plan** via the statutory procedure applies you will still be able to opt-out of the re-enrolment provided you do so in a specific opt-out window. The **Company** will let you know if and when this applies to you and give you the relevant information on what you need to do at that time if you wish to opt out. Note that you would be enrolled into the **2026 DC Section** of the **Plan**.

#### Transfers In

The **Plan** does not accept transfers of pensions from other pension schemes into the **Standard Section** of the **Plan**.

## 4 CONTRIBUTIONS

### Member (Employee) Contributions

While you are an active member of the **Standard Section** of the **Plan** (i.e., in **Pensionable Service**) you will pay contributions at the rate of 2.5% of your **Pensionable Pay** over and above the Lower Earnings Limit, unless the **Company** offers and you participate in **Salary Exchange** (see Appendix 2 for how **Salary Exchange** adjusts the way your contribution is made). However, as announced by the **Company** to active members in June 2024, for a 3-year period from 1 July 2024 to 30 June 2027, this changes to a contribution of 1.25% of your **Pensionable Pay** (i.e., a 50% reduction). From 1 July 2027, the rate will return to the full rate outlined in the **Plan**'s rules as confirmed in the **Company** announcement in June 2024. You can find a copy of this announcement on the **Plan** website ([www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)).

The Lower Earnings Limit is fixed by the Government at April each year. For the 2026/2027 tax year it is £6,708 a year.

### Company Contributions

The **Company** pays (or arranges for a credit from any surplus in the **Plan** in accordance with **Plan** rules, agreements with the **Trustee** and legislation as appropriate) the balance of the cost of the **Plan**.

### Additional Voluntary Contributions (AVCs)

While you are an active member of the **Plan** (i.e., in **Pensionable Service**), you may, if you wish, pay additional contributions to build up additional retirement benefits. Please see more information in Section 17: Additional Voluntary Contributions (AVCs) and the separate AVC Booklet which you can access on the **Plan** website ([www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)).

### Tax Relief on Contributions

Contributions to the **Plan** currently receive tax relief at your highest marginal rate of income tax (for UK taxpayers). You do not need to claim UK tax relief for any pension contributions to the **Plan** deducted from your salary as the relief is given automatically.

**Salary Exchange** reduces your salary, so that (in effect) you receive relief from tax and National Insurance at your highest marginal rate (for UK tax payers).

### Maximum Member Contributions

The **Company** does not permit members to increase the level of core contributions made directly to the **Plan**. However, it is possible to pay up to 100% of your UK gross earnings in a tax year to registered pension schemes by making AVCs to the **Plan** and/or by participating in other tax registered pension schemes. To the extent that these lead to pension savings exceeding the **Annual Allowance** in any tax year, an **AA** tax charge will apply. The **AA** tax charge applies at your highest rate of income tax and effectively reclaims the tax relief received on any excess contributions. See Section 11: Taxation for further details.

## 5 RETIREMENT PENSION

Your pension is payable from **Normal Pension Age** and will be paid to you in the form of regular monthly income. The annual amount is calculated as

1.9% × **Final Pensionable Pay** × **Pensionable Service**

LESS

**State Pension Offset**

In addition, if you were a member of any of the **Previous Plans** prior to 1 January 2003, you will have the pension earned whilst a member of your **Previous Plan** (see Appendix 1).

## 6 EARLY RETIREMENT

### Early retirement directly from Pensionable Service

If you have completed 5 years' **Pensionable Service** and retire from **Pensionable Service**, you will usually be able to take your pension immediately provided you have reached the minimum age for taking your pension (see below).

The pension will be calculated in the same way as explained in Section 5: Retirement Pension but based on your **Final Pensionable Pay** and **Pensionable Service** at your actual retirement date. The annual pension amount is then reduced according to the table below, which is set out in the **Plan** rules and forms part of the **Company's** desired benefit design. The exact discount is determined by your age at retirement.

Age at Retirement	Early Retirement Discount (where you retire immediately on leaving the Company)
60 to 64 years	0%
59 years	5%
58 years	10%
57 years	15%
56 years	20%
55 years	25%

In addition, you will have the pension arising from your membership of any **Previous Plan** reduced according to the relevant table (see Appendix 1 – **Previous Plans**).

If you are eligible to retire immediately when you leave the **Company** but choose not to, your benefits will become deferred and treated as described in Section 10: Leaving The Plan. It is worth noting that in these circumstances a larger reduction may be applied should you subsequently decide to retire before **Normal Pension Age** (see an illustration of the pension payable if a member were to start receiving their pension earlier than **Normal Pension Age** after leaving the **Plan** in Appendix 3) and, from 6 April 2028, you may have to wait until you are aged 57 to take your pension (see *Minimum age for taking your pension* below for more information).

### Bridging Pension

If you retire from **Pensionable Service** before age 65 and take your pension immediately, the **Plan** will pay you a bridging pension up to age 65 equal to the amount of the State Pension Offset, reduced by the appropriate early retirement reduction. Any offset used in calculating the pension in respect of your membership of any **Previous Plan** prior to January 2003 will also apply.

### Minimum age for taking your pension

From 6 April 2028 the minimum age for taking pension benefits (known as the normal minimum pension age) is increasing from age 55 to age 57 (unless retiring on grounds of incapacity in line with the Finance Act 2004 and **Plan** rules – see Section 8: Long Term Disability (LTD)/Ill Health Retirement). This is because of a change in the tax rules and legislation made by the Government.

However, the legislation in this area is complicated, and you may still be able to take your pension from age 55 even after 6 April 2028. This is because of the way the **Plan's** Trust Deed & Rules are drafted and will largely depend on your status in the Plan on 3 November 2021 (a date determined by the Government when it published the legislation) as follows:

- If you retire from **Pensionable Service** (i.e. as an active member) from the **Standard Section**, you will still be able to take your pension from age 55 even after 6 April 2028. Any pension you have arising from your membership of any **Previous Plan** would also be paid from that age.

- If your benefits become deferred and treated as described in Section 10: Leaving The Plan, your minimum age for taking pension from the **Plan** will increase to age 57 from 6 April 2028 (unless you were still in **Pensionable Service** under the **Plan** on 3 November 2021 or you have pension arising from your membership of any **Previous Plan**).

## 7 TAKING PART OF YOUR BENEFITS AS A LUMP SUM

### Pension Commencement Lump Sum

At retirement you will be given the option to give up part of your pension for a tax-free cash sum, known as a pension commencement lump sum. The maximum amount of pension commencement lump sum you may take is determined by the nature of your benefit:

- HM Revenue & Customs rules
- Whether or not you have any Defined Contribution (DC) benefits such as Additional Voluntary Contributions (AVCs), and,
- If you have any AVCs, whether you choose to use your AVCs to provide cash for your pension commencement lump sum instead of giving up part of your **DB** pension for your pension commencement lump sum.

Any pension commencement lump sum you take will be tested against the **Lump Sum Allowance (LSA)** and the **Lump Sum and Death Benefit Allowance (LSDBA)** and will only be paid tax-free to the extent that you have sufficient **LSA** and **LSDBA** to cover it. See Section 11: Taxation for further details on tax treatment.

The formulae below show the maximum pension commencement lump sum currently available to you. You can choose to take a lesser amount.

### *If you made AVCs in the Plan*

If you make or previously made AVCs in the **Plan**, the money is held in an Additional benefits fund – referred to as a **DC Fund** in this booklet. Assuming that you elect to take the pension commencement lump sum first from your **DC Fund**, the maximum tax-free cash is calculated using the applicable formula from the following:

1. If your **DC Fund** is greater than  $6.667 \times \text{DB}$  annual pension:

$$\text{Maximum pension commencement lump sum} = 0.25 \times [\text{DC Fund} + 20 \times \text{DB annual pension}]$$

In these circumstances, the value of your **DC Fund** is greater than the maximum tax-free cash you can take. Therefore, not all of your **DC Fund** will be used up by taking the maximum pension commencement lump sum. You can use the remaining part of your **DC Fund** in an alternative way. Please see Section 17: Additional Voluntary Contributions for more information on your options.

2. If your **DC Fund** is less than  $6.667 \times \text{DB}$  annual pension:

$$\text{Maximum pension commencement lump sum} =$$

$$\frac{[\text{DB annual pension} \times \text{Commutation Factor} + \text{DC Fund}]}{[0.15 \times \text{Commutation Factor} + 1]}$$

The **Commutation Factor** is the factor(s) determined by the **Trustee** after consulting the **Company** and certified as reasonable by the **Plan** actuary to convert **DB** annual pension into a lump sum. If you choose to take the maximum tax-free cash you are entitled to receive from the **Plan**, your full **DC Fund** will be used and so will part of your **DB** annual pension. This is because the value of your **DC Fund** covers only part of the maximum pension commencement lump sum that you are able to take. However, you can choose to take a smaller amount of tax-free cash as a pension commencement lump sum compared to the maximum you are entitled to receive should you wish to.

If you have a **DC Fund** and do not use this first to provide the pension commencement lump sum, before exchanging part of your **DB** pension, then the maximum pension commencement lump sum calculation is more complicated and will result in a different figure from that obtained using the formula above. Calculations of your options can be provided on request by contacting the Plan administrator at [Chevron@Barnett-Waddingham.co.uk](mailto:Chevron@Barnett-Waddingham.co.uk)

***If you did not make AVCs in the Plan***

Then you will have a **DB** pension only. The formula for calculating the maximum pension commencement lump sum is as follows:

$$\frac{\text{DB annual Pension} \times \text{Commutation Factor}}{[0.15 \times \text{Commutation Factor} + 1]}$$

**Uncrystallised funds pension lump sum**

The **Trustee** may allow you to take all of your **DC Fund** as an “uncrystallised funds pension lump sum on retirement. This is subject to HMRC rules and the **Trustee**’s policy at the time. Under the current tax rules, part of an uncrystallised funds pension lump sum may be paid free of tax with the remainder taxed at your highest marginal rate of income tax. If you take your **DC Fund** in this way, it will be excluded from the calculation of the maximum pension commencement lump sum you can take from the balance of your **Plan** benefits. However, the tax-free part of your uncrystallised funds pension lump sum will be tested against the **LSA** and the **LSDBA** and will only be paid tax-free to the extent that you have sufficient **LSA** and **LSDBA** to cover it. See Section 11: Taxation for further details on tax treatment.

**Trivial commutation**

If the total value of your pension rights across all pension schemes is £30,000, or less or if the cash value of your **Plan** benefits is £10,000 or less, you may be able to exchange your benefits from the **Plan** for a lump sum.

Note: The option to take a cash sum on retirement is an important financial decision. Neither the **Company** nor the **Trustee** are authorised to, nor will either of them, give you financial advice. For financial advice you must consult a financial adviser. Nothing in this booklet is intended as, nor should you understand it to be, financial advice. See Section 16: External Advice and Information for how to find an adviser.

## 8 LONG TERM DISABILITY (LTD)/ILL HEALTH RETIREMENT

### Total Long Term Disability Pension

If the **Company** is satisfied that permanent ill health prevents you from following your normal occupation or any other occupation for which you are suited through qualification, training or experience (and that the Finance Act 2004 test of incapacity is also met) and you leave the **Company's** service in consequence, the **Plan** will provide you with a pension under its Long Term Disability (LTD) arrangements.

The annual amount of pension would be your **Prospective Pension** at age 65, but with a maximum of 35 years (or completed years) of **Pensionable Service** (including any pensionable service in your **Previous Plan(s)**) taken into account.

### Partial Long Term Disability Pension

If the **Company** is satisfied that permanent ill health prevents you from following your normal occupation and there is no suitable alternative position with the **Company** and you leave the **Company's** service in consequence (and that the Finance Act 2004 test of incapacity is met), the **Plan** provides you with a partial pension under its LTD arrangements.

The annual amount of pension would be your **Prospective Pension** at age 65, but with a maximum of 17.5 years (or completed years) of **Pensionable Service** (including any pensionable service in your **Previous Plan(s)**) taken into account.

In addition, you will be paid a bridging pension up to **State Pension Age** equal to the amount of the **State Pension Offset** (plus any offset used in calculating the pension in respect of your membership of any **Previous Plan** prior to January 2003 will also apply).

### Important notes if you draw a Total or Partial Long Term Disability Pension:

- You will not be able to give up part of your pension for a cash lump sum on retirement.
- Your pension is subject to review from time to time to confirm continuing entitlement, see more information below under *Review of your health and continuing pension payments*.
- If you meet the definition of serious ill health in the legislation (currently in the Finance Act 2004) you may be able to exchange your entire pension for cash (except for any pension payable in respect of you following your death, which will be retained as a separate arrangement under the **Plan**).

### Review of your health and continuing pension payments

The continued payment of any Partial or Total Long Term Disability pension is subject to review by the **Company**. For this purpose, the **Company** may require you to undergo an examination by a qualified medical practitioner.

If, before **Normal Pension Age**, your health improves to the extent that, in the **Company's** opinion, you recover (wholly or partly), before **Normal Pension Age**, from the disability which gave rise to your early retirement disability pension, the **Company** may reduce, suspend or terminate your pension until your **Normal Pension Age**. If this applies to you, you will be immediately advised of the amount and timing of the benefits which will become payable to you at **Normal Pension Age**.

## 9 DEATH BENEFITS

	<u>LUMP SUM</u>		<u>PARTNER's PENSION</u>
<b>DEATH:</b>			
While earning benefits in the Plan (known as death in service).	3.5 times your <b>Pensionable Pay</b> will be paid from the <b>Chevron UK Excepted Group Life Scheme</b> (employees can find more information on the HR intranet).	Plus	50% of your <b>Prospective Pension</b> .
OR			
Within 5 years of retirement (this also applies if you leave the <b>Plan</b> and die on or after reaching <b>Normal Pension Age</b> but your pension hasn't started to be paid to you).	3 months' pension payments (minimum £1,000, maximum £2,500), ignoring any bridging pension.  Or, if greater: If no <b>Partner</b> or <b>Dependant's</b> pension is payable, the balance of five years' pension payments (at the rate paid at death) will be paid as a lump sum (ignoring any bridging pension).  Note: where a pensioner dies over 75, the <b>Trustee</b> may pay the cash sum but is not obliged to.	Plus	50% of the pension you were receiving when you died adjusted to the level it would have been had you not taken any tax-free cash at retirement.
OR			
5 years or more after retirement.	3 months' pension payments (minimum £1,000, maximum £2,500), ignoring any bridging pension.  Note: where a pensioner dies over 75, the <b>Trustee</b> may pay the cash sum but is not obliged to.	Plus	50% of the pension you were receiving when you died adjusted to the level it would have been had you not taken any tax-free cash at retirement.

OR			
After leaving the <b>Plan</b> but before your pension starts to be paid to you (if you die before <b>Normal Pension Age</b> ).	Unless reduced or extinguished to take account of any survivors' pensions payable, the minimum of: (a) the amount of your contributions to the <b>Plan</b> (and, for any period you participated in <b>Salary Exchange</b> , the amount you would have contributed had you not participated in <b>Salary Exchange</b> ) plus interest; or (b) £1,000.	Or	50% of the pension you built up before leaving, increased in deferment to the date of your death but as if you had reached <b>Normal Pension Age</b> at the date of your death.

The value of any AVCs you have remaining in your Additional benefits fund (referred to as a **DC Fund** in this booklet) at the date of your death will also be returned.

Any lump sum payable on your death will be paid at the discretion of the **Trustee**. You can make your wishes known to the **Trustee**, by completing an Expression of Wish form on the Plan website ([www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)). The **Trustee** will take your wishes into account but will not be bound by them. The Government has announced that, from 6 April 2027, some benefits paid on death will be in scope for assessment for inheritance tax. See Section 11: Taxation for more details.

Any pension payable on your death will be paid to your **Partner**. If you do not have a **Partner**, the **Trustee** can decide to pay a pension to a **Dependant** instead.

If you are more than ten years older than your **Partner** (or **Dependant**) the pension paid to them will be reduced by 1.5% for each year (proportionately for months) in excess of ten years by which your age exceeds theirs.

If you die leaving **Children**, a pension will usually be paid to them. The pension is calculated as a proportion of your pension (or **Prospective Pension** if you are in **Pensionable Service**). The proportion depends on the number of Children (this is usually 20% if there is one Child, 30% if there are two, 40% if there are three and 50% if there are four or more) and the **Trustee** can decide how to distribute the overall amount of the pension between the **Children**. If there is no pension payable to a **Partner/Dependant** the amount payable for each **Child** is doubled.

## 10 LEAVING THE PLAN

Leaving the **Plan** means that you are no longer building up benefits in the **Plan**.

There are different ways in which a member can leave the **Plan** (which means the member is no longer in **Pensionable Service** as an active member of the **Plan**):

1. **Automatically on leaving Pensionable Service**  
If you leave the **Company**, you can no longer be an active member of the **Plan**.
2. **Plan opt out**  
You may decide to leave the **Plan** at any time while continuing to work for the **Company**. If you wish to do this, you will need to give the **Trustee** one complete month's notice in writing of your intention to opt out.  
**Note:** in accordance with legislation you may be automatically re-enrolled in the **Plan** – if this were to be the case, you would be enrolled into the **2026 DC Section** of the **Plan**. For details on opting out of automatic re-enrolment, please refer to the **Plan** booklet for the **2026 DC Section** on the **Plan** website ([www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)).

### Benefits payable on leaving the Plan

If you leave having completed two or more years' continuous membership of the **Plan** and any **Previous Plan**, you will be a deferred member entitled to a deferred pension from **Normal Pension Age**. This will be calculated using your **Pensionable Service**, **Final Pensionable Pay** and **State Pension Offset** at the date you left the **Plan**. In addition you will be entitled to any pension you earned whilst a member of the **Previous Plan(s)**.

If you have an Additional benefits fund (referred to as a **DC Fund** in this booklet), any benefits within your Additional benefits fund will also remain invested until your **Normal Pension Age** and made available to you from that date. Even if you leave the **Plan**, you should still monitor and take decisions about the investment of the money in your Additional benefits fund up to the point of taking your benefits.

#### *How will my pension increase before retirement?*

Your deferred **DB** pension will increase from the date you leave the **Plan** to **Normal Pension Age** at the rate required by law.

If you were in contracted-out employment under a **Previous Plan** before 6 April 1997, your deferred pension will include a Guaranteed Minimum Pension (**GMP**). Your **GMP** also increases in deferment at the rate required by law (see **GMP conversion** below for details of how your **GMP** may be converted into a different benefit when you retire).

#### *Can I access my DB pension early after leaving the Plan?*

You can apply for early payment of your deferred pension at a reduced rate if you have reached the minimum age for taking pension (see *Minimum age for taking your pension* below) provided you have five or more years of **Pensionable Service** in this **Plan** and the **Previous Plan(s)**. If you choose to take your deferred pension before your **Normal Pension Age**, the annual amount of pension will be reduced to take account of it being paid for a longer period. The reduction is determined by the **Trustee**, having consulted the **Company** and taken advice from the **Plan** actuary. The reduction is set so that the **Trustee** is reasonably satisfied that the value of the early retirement pension is equivalent to the value of the deferred pension and is reviewed from time to time to take account of, for example, changes in investment market conditions and views on life expectancy. An illustration of the pension payable on early retirement may be found in Appendix 3 – Early Retirement from Deferred Status.

At retirement you will usually have the option to take part of your entitlement as a pension commencement lump sum (see Section 7: Taking part of your benefits as a lump sum).

The benefits payable in the event of your death are set out in Section 9: Death benefits.

### Minimum age for taking your pension

From 6 April 2028 the minimum age for taking pension benefits (known as the normal minimum pension age) is increasing from age 55 to age 57. This is a change made by the Government to the tax legislation on minimum pension age, which is currently set to increase in line with increases in State Pension Age.

However, the legislation in this area is complicated and you may still be able to take your pension from age 55 even after 6 April 2028. This is because of the way the **Plan's** Trust Deed & Rules are drafted and may also depend on your status in the Plan on 3 November 2021 (a date determined by the Government when it published the legislation) as follows:

- If you become a deferred member entitled to a deferred pension from the **Plan**, your minimum age for taking pension from the **Plan** will increase to age 57 on 6 April 2028.
- However, if you were still in **Pensionable Service** (i.e., an active member) in the **Plan** on 3 November 2021 or you have pension arising from your membership of any **Previous Plan**, you will still be able to take your pension from age 55 even after 6 April 2028 (this practice is based on current guidance from HMRC).

### Transfer values

You can choose to transfer the capital value of your benefits to another qualifying pension arrangement such as a new employer's scheme or to a personal pension scheme or other approved insurance contract. You can exercise this option in relation to the whole of your benefits, or just your **DC Fund**, at any time before you take your benefits. If you wish to transfer just your **DB Element**, you can do this at any time up to one year before **Normal Pension Age**, or later with Trustee consent, or until your pension comes into payment (if earlier).

The transfer value of your **DB Element** represents the current capital value of your deferred pension and is determined by the **Trustee** on the advice of the **Plan's** actuary. Your **DB** transfer value will be calculated with reference to a number of factors, including age, life expectancy and long-term interest rates. The calculation is in accordance with statutory requirements. Transfer values do not include discretionary benefits.

Transfer values are paid on a basis equalised for the effect of GMPs.

On request, the **Trustee** will provide you with a statement of the available **DB** transfer value guaranteed for three months. The value of your AVCs is not guaranteed and will be the amount payable on the actual transfer day should you request payment.

Transferring your benefits out of the **Plan** or opting for your benefits to be paid as a lump sum may result in a charge being applied. Further information about your options is available on request. Please request your transfer quote via the **Plan** website ([www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)) and make use of the publicly available resources outlined in Section 16: External Advice and Information when considering your options.

Please note that you will be required to take and pay for independent advice if you wish to transfer **DB** benefits worth £30,000 or more to another scheme with a view to acquiring a right or entitlement to flexible benefits (flexible benefits are broadly money purchase or cash balance benefits).

Where you are requesting an estimate of your transfer value in connection with a divorce settlement or dissolution of a civil partnership, you should tell the **Plan** administrator this when asking for the estimate as further information may be needed from you and certain information provided to you as a result.

### GMP conversion

To be 'contracted out' before 6 April 1997, a pension scheme had to promise that part of the pension provided at its members' GMP age, age 65 (men) or 60 (women), for the period of membership between 6 April 1978 and 6 April 1997, would be broadly equivalent to the benefits you would have received from the State Earnings Related Pension (**SERPS**) had the

scheme not been contracted out. This element of pension is called the Guaranteed Minimum Pension (**GMP**) (see *Contracting Out history* in Section 18: The State Pension Scheme for further information).

If you were in contracted-out employment in a **Previous Plan** before 6 April 1997 your GMP now forms part of your **Plan** pension.

In 2018 the High Court ruled that pension plans must take action to address any sex-based inequality arising from any GMP earned between 17 May 1990 and 5 April 1997. The process the **Trustee** follows to address this inequality is known as “GMP equalisation” and the **Trustee** undertakes this when your benefits are put into payment.

The current intention in respect of deferred members (as set out in the **Trustee’s** Conversion Consultation Guide of January 2022 issued to all members) is that the **Trustee** will make a one-off adjustment to your pension, replacing the GMP with other benefits under the **Plan**. This adjustment will take account of and remove sex-based inequalities arising as a result of GMP built up in the Plan between 1990 and 1997.

This means there won’t be any future sex-based inequality in your pension benefits due to this GMP.

When you retire, the **Plan** will provide you with a statement to confirm your future pension which will show your converted benefits. This will reflect any adjustments to how your pension is made up as a result of the equalisation and conversion process described above.

If you die before reaching retirement then any survivor’s benefits will be paid on a converted basis, if the **Plan** is still applying GMP conversion to benefits.

While the **Company** and **Trustee** currently plan to apply GMP conversion at the point of retirement they do reserve the right to change the method they use or the timing of the conversion.

## 11 TAXATION

### Important note

This information in this booklet is based on our understanding of the current tax law and HMRC practice, which may change in future.

The Government has announced that, from 6 April 2027, any unused pension benefits and some death benefits payable from pension schemes will form part of a member's estate for inheritance tax assessment purposes. See Taxation of death benefits later in this section for more details.

### Taxation of Benefits and Contributions

Your pension and/or any pension payable to your **Dependant(s)** count as taxable income under Pay As You Earn (PAYE). If you live permanently overseas, tax will be payable in accordance with the requirements of the tax authorities in your country of residence and any tax treaties between them and the UK.

#### Annual Allowance

The **Annual Allowance** or **AA** is the maximum amount you can build up in a UK-registered pension arrangement each year without paying tax on the money that is building up. The **AA** value of your **DB** benefits in the **Plan** and (if any) the **Previous Plan(s)** and/or any contributions towards your Additional benefits fund (referred to as a **DC Fund** in this booklet) will count towards your **AA** each tax year.

For the 2026/2027 tax year, the standard **AA** is £60,000. However, it is tapered for high earners from £60,000 down to £10,000, as explained below.

The taper will apply for individuals with taxable income from all sources (including the value of pension contributions and **DB** pension savings) (known as adjusted income) in a tax year of £260,000 a year or more. Such individuals will lose £1 for every £2 of 'adjusted income' above £260,000. This tapering will apply until the **AA** reaches a minimum level of £10,000, which will apply for those with 'adjusted income' of at least £360,000. The taper only applies if an individual's total taxable income from all sources, excluding the value of pension contributions and DB pension savings, is at least £200,000 (known as threshold income).

Adjusted income will broadly include all sources of taxable employment income, non-employment income and the value of pension savings. Members with taxable income excluding the value of pension savings of £200,000 or less will not be affected by the tapering of the **AA** and will have an **AA** of £60,000 for the 2026/2027 tax year.

Contributions or benefits above the **AA** will usually attract a tax charge in line with current income tax rates.

The **AA** takes into account all of your UK pension benefits, including those built up with other employers or in other pension schemes, so it is important that you keep track of all the benefits you may be building up, not just those in the **Plan**.

The **Plan** rules restrict the annual pension build-up for each member in the **Plan** by reference to the **AA** in each tax year. This is intended to result in members not having an **AA** tax charge arise in relation to their **Plan** benefits. However, the restriction is based on the build-up of **Plan** benefits only so it may not prevent an **AA** tax charge arising for every member. For the 2026/2027 tax year, for those in **Pensionable Service** at the end of the tax year, this restriction is based on your tapered **AA** calculated by reference to your Chevron earnings only.

Ultimately you are responsible for checking the entirety of the pension benefits you build up in all tax registered pension schemes against the **AA** and any **AA** tax charge which may arise.

As this is a complicated area, we recommend that you consider taking financial advice. See Section 16: External Advice and Information for how to find an adviser.

## **The Lump Sum Allowances**

Until 6 April 2023, the Lifetime Allowance (LTA) was a limit on the value of pension that you could build up across all UK-registered pension arrangements and take over your lifetime without paying an additional tax charge. From 6 April 2023 the additional tax charge was removed and, from 6 April 2024, the LTA was abolished entirely. This means that, any pension you take after 6 April 2023 will not be tested against the LTA for tax charges. Instead, there are now lump sum allowances in place that limit the amount of tax-free cash (and overseas transfers) you can take, as explained below.

These lump sum allowances apply per person across all UK-registered pension schemes, not per pension scheme. So, if you have benefits with other UK-registered pension schemes, you will need to check your position against the lump sum allowances across your schemes, not just by checking against your benefits in the **Plan**.

You may be entitled to higher lump sum allowances if you have successfully applied to HMRC for a protected or enhanced Lifetime Allowance.

### **Lump Sum Allowance**

The **Lump Sum Allowance (LSA)** works by limiting the amount of tax-free cash you can take from all registered pension schemes during your lifetime.

The standard LSA is £268,275.

This is the total amount you can take tax-free in your lifetime as:

- cash at retirement (pension commencement lump sum);
- standalone lump sums; and
- the tax-free element of any uncrystallised funds pension lump sum.

Each time a tax-free lump sum is taken, it reduces the LSA available to you to take further tax-free lump sums in the future. If you exceed the LSA, a charge at your highest marginal rate of income tax will apply to the portion of cash that is in excess of the LSA.

### **Lump Sum and Death Benefit Allowance**

The **Lump Sum and Death Benefit Allowance (LSDBA)** works by limiting the amount of tax-free cash that can be paid from your benefits in all UK-registered pension schemes during your lifetime and cash lump sums in relation to your death.

The standard LSDBA is £1,073,100.

This is the total amount you can take tax-free in your lifetime or that can be paid as cash lump sums after your death as:

- cash at retirement (pension commencement lump sum);
- standalone lump sums;
- the tax-free element of any uncrystallised funds pension lump sum;
- serious ill-health lump sums; and
- lump sum death benefits.

Any lump sum death benefits payable to your beneficiaries that exceed the LSDBA will be subject to income tax paid at your beneficiary's highest marginal rate of income tax (although such lump sums will not count towards their 'threshold income' or 'adjusted income' for tapered annual allowance purposes (see *Annual Allowance* section above)).

### ***How are the Lump Sum Allowances applied?***

When you take lump sum benefits from the **Plan**, they will be tested against your LSA and LSDBA and the **Plan** will confirm the amount you have used. Note that you will need to consider the benefits you are drawing as lump sums from all UK-registered arrangements, not just the **Plan**.

### ***What if I have already taken some lump sum benefits?***

Generally, any benefits that used some of the Lifetime Allowance before 6 April 2024 (excluding small pots and trivial commutation) are included in the test against your LSA and LSDBA and will reduce the amount of the new Lump Sum Allowances you have open to use.

The default assumption made is that the Lump Sum Allowances will be reduced by 25% of any Lifetime Allowance used up before 6 April 2024 and the LSDBA is reduced by 100% of any serious-ill health lump sum or lump sum paid on your death under age 75. However, if you took less than 25% tax-free cash on benefits that counted towards the Lifetime Allowance or reach age 75 but have not yet taken any benefits before 6 April 2024, you may apply for a transitional tax-free amount certificate which will confirm the actual amounts taken before 6 April 2024 and the amount of the LSA and LSDBA remaining. You must apply for this certificate before you take any lump sums on or after 6 April 2024.

Which option is right for you in selecting how to take your benefits depends on your own circumstances. If you believe that you may benefit from applying for a transitional tax-free certificate, we recommend you seek financial advice. See Section 16: External Advice and Information for details on how to find a financial adviser.

### **Taxation of death benefits**

If you die prior to age 75, any lump sum benefits paid on your death will be tested against the LSDBA and will usually be payable tax-free if there is sufficient LSDBA to cover it. Any pension income payable (for example, a **Plan** pension payable to your **Partner** or **Dependant**) will be subject to income tax at your **Dependant's** highest marginal rate.

On death after age 75, all death benefits (whether paid as a lump sum or pension income) are subject to income tax at your beneficiary's highest marginal rate of income tax.

Any lump sum payable on your death is distributed at **Trustee** discretion. It is currently understood (but not guaranteed) that lump sums paid in this way would not form part of your estate and as such are not subject to inheritance tax.

However, from 6 April 2027, the Government plans to add unused pension benefits and some death benefits to the value of your estate when assessing whether Inheritance Tax is payable. More details will be available once the Government publishes the full rules.

## 12 PAYMENT OF PENSION

Payment of any pension (or associated benefits) is subject to any requirements the **Trustee** may have regarding evidence of identity, age, marital (or civil partnership) status, relationship and dependency.

### Payment of Pensions

Your pension is usually paid monthly direct into your bank/building society account. Whilst every effort will be made to assist pensioners who wish their pension paid overseas this is not always possible and the **Plan** is not responsible for any bank (or other) charges or exchange rate losses.

### What has happened to the Guaranteed Minimum Pension part of my pension (if any)?

Your pension at the date you left or expected to leave pensionable service may include a Guaranteed Minimum Pension (**GMP**).

When you retire, the current intention of the **Trustee** and **Company** (as set out in the January 2022 Conversion Consultation documents) is to apply a one-off adjustment to your benefits (or survivors' benefits if you die before retirement), replacing the GMP with other benefits in the **Plan**. This adjustment will take into account and remove the sex-based inequalities arising as a result of GMP earned between 1990 and 1997.

The details of the post-converted pension and the level of increases attaching to it are set out in summary in the January 2022 Conversion Guide. Broadly, post-conversion, you will no longer have a block of GMP pension and the blocks of pension earned pre-1997. Instead, your pension will be rebalanced in the conversion process into blocks of pension that ensure the post-converted benefit is actuarially equivalent to the pre-converted benefits.

### Increases in Pensions in Payment

Your pension, once in payment, will be increased in line with applicable law. Currently this requires any pension in respect of **Pensionable Service** from 6 April 1997 up to 5 April 2005 to increase by the annual increase in the Consumer Prices Index up to a maximum of 5% per year and any pension in respect of **Pensionable Service** on and from 6 April 2005 to increase by the annual increase in the Consumer Prices Index up to a maximum of 2.5% a year.

As a result of the GMP equalisation and conversion process described above, some of your blocks of pension, once in payment, will increase by the annual increase in the Consumer Prices Index up to a maximum of 3% per year.

The increases are normally applied from the 1<sup>st</sup> April each year.

The **Company** reviews the level of pensions in payment from time to time and increases (over and above those described above) may be given at the discretion of the **Company**, but are not guaranteed.

## 13 TEMPORARY ABSENCE AND PART TIME EMPLOYMENT

### Temporary Absence

If you are absent due to sickness (other than long term disability) or maternity/paternity/family/parental/shared parental leave (in line with **Company** policy) you will remain a member of the **Plan** and continue build up benefits (and **Pensionable Service**) for as long as you continue to receive some pay from the **Company**. On your return to work you will have the option to pay the unpaid contributions to maintain your **Pensionable Service**.

### Part-Time Employment

Part-time employees remain members of the **Plan** and their retirement pension will be pro-rated for benefit accrual purposes, by reducing **Pensionable Service** and applying a full-time equivalent **Final Pensionable Salary**.

Any death or long term disability benefits would be based on **Final Pensionable Pay** at whichever is applicable of death or retirement.

## 14 MANAGEMENT OF THE PLAN

### The Trustee

The current **Trustee** of the **Plan** is Ross Trustees Services Limited (trading as IGG), a professional corporate trustee company.

### Funding of the Plan

The **Plan** is funded by member contributions, **Company** contributions and investment returns. The funding of defined benefits of the **Plan** is tested at least every three years through an actuarial valuation, in accordance with the Pensions Act 2004 (and associated regulations). The **Plan** is subject to a scheme specific funding requirement, which, should **Plan** assets be insufficient to meet the liabilities, includes a **Company** requirement to take remedial action.

### Termination of the Plan

Whilst it is intended that the **Plan** should continue indefinitely, the **Company** has the right to terminate (or change) the **Plan** at any time. If the **Plan** is discontinued the **Trustee** will use the assets of the **Plan** in the way set out in the Trust Deed and Rules and applicable legislation.

### Plan's tax status and automatic enrolment

The **Plan** is a tax registered pension scheme.

The Pensions Act 2008 places an obligation on the **Company**, as your employer, to ensure that it complies with its automatic enrolment duties in respect of eligible jobholders. The **Plan** is a qualifying scheme under the legislation and so all active members of the **Plan** are in a scheme which meets the Government's minimum standards.

## 15 CONTACT DETAILS AND FURTHER INFORMATION

Further information on the **Plan** can be obtained via the website:

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

This website has been designed to provide members with as much information as possible, including checking/updating personal details, obtaining retirement illustrations and providing frequently asked questions and documentation, such as this **Plan** Summary and the following:

- Trust Deed & Rules
- Annual Report & Accounts
- Actuarial valuation report
- Statement of Investment Principles
- Internal Dispute Resolution Procedure

These documents will also be given on request when contacting us using the details set out below.

Members will be expected to access the **Plan** website for all their pension related queries in the first instance. Failing an answer, requests for any other information or queries about benefits should be sent to the **Plan** administrator.

- Website: [www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)
- Email: [Chevron@Barnett-Waddingham.co.uk](mailto:Chevron@Barnett-Waddingham.co.uk)
- Freephone: 0344 264 3587
- Address:

Barnett Waddingham  
St James's House  
St James' Square  
Cheltenham,  
Gloucestershire, GL50 3PR

### Internal Dispute Resolution Procedure (IDRP)

The Internal Dispute Resolution Procedure is designed to assist members and potential beneficiaries who have a complaint or dispute with the **Trustee** which cannot be resolved through informal means.

Use of the IDRP does not bar you from referring a dispute to the Pensions Advisory Service or from approaching the Pensions Ombudsman (see Section 16: External Advice and Information). However, if proceedings have started in any court or tribunal in respect of the dispute or if the Pensions Ombudsman has begun an investigation the IDRP must be suspended.

Further information concerning the IDRP is available from:

Pensions Manager  
Chevron Energy Limited  
1 Westferry Circus  
London, E14 4HA

## 16 EXTERNAL ADVICE AND INFORMATION

### MoneyHelper

MoneyHelper is available at any time to help members (and beneficiaries) and anyone else who is due to receive benefits from a pension scheme with:

- (i) pensions questions; and
- (ii) issues they have been unable to resolve with the trustees or managers of a pension scheme.

MoneyHelper can be contacted by:

- Completing an online form at [moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form](https://moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form)
- Accessing their website at [moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions](https://moneyhelper.org.uk/en/pensions-and-retirement/tax-and-pensions)
- Writing to their address

Money and Pensions Service  
120 Holborn  
London EC1N 2TD

### Pensions Ombudsman

The Pensions Ombudsman may investigate and determine certain complaints or disputes about pensions that are referred to the Ombudsman in accordance with the Pension Schemes Act 1993.

The Ombudsman can be contacted by:

- Accessing their website at [pensions-ombudsman.org.uk](https://pensions-ombudsman.org.uk)
- Emailing them at [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)
- Phoning them on 0800 917 4487
- Writing to their address

10 South Colonnade  
Canary Wharf  
London E14 4PU

### The Pensions Regulator

The Pensions Regulator (TPR) may intervene in the running of pension schemes where trustees, managers, employers or professional advisors have failed in their duties.

Website: [thepensionsregulator.gov.uk/en/contact-us/scheme-members-who-to-contact](https://thepensionsregulator.gov.uk/en/contact-us/scheme-members-who-to-contact)

The Pensions Regulator does not deal with queries about individuals' pension benefits – these should be directed to the Money and Pensions Service using the contact details listed under MoneyHelper.

### Independent financial advice

Nothing in this booklet is intended as, nor should you understand it to be, financial advice. If making decisions about your pension benefits, you may wish to consult a financial adviser. To find a financial adviser in your area, visit [unbiased.co.uk](https://unbiased.co.uk)

### Registrar of Pensions Schemes – the Pension Tracing Service

The Plan is registered with the Pension Tracing Service. The service exists to enable pension scheme beneficiaries to trace schemes with which they have lost contact.

The Pension Tracing Service can be contacted by:

- Accessing their website at [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)
- Phoning them on 0800 731 0193
- Writing to their address

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

## 17 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

If you are in **Pensionable Service** (i.e., you are an active member of the **Plan**), you may, if you wish, pay additional contributions for additional retirement benefits. AVCs are invested separately from the **DB** assets of the **Plan**.

If you make AVCs, they will be paid into an individual account for you, known as an Additional benefits fund (referred to as a **DC Fund** in this booklet). Your account is administered by Fidelity. You can choose how to invest the money in your Additional benefits fund based on the investment options provided. This means that any AVCs you pay are invested separately from the **DB** assets.

**For full details on making AVCs and the investment options available, please refer to the AVC Booklet and DC Fund Range Information Leaflet on the Plan website ([www.chevronukpension.co.uk](http://www.chevronukpension.co.uk)).**

### **AVCs – Retirement**

At retirement the money in your Additional benefits fund (**DC Fund**) can, subject to HMRC rules, be paid to you as a cash sum (see Section 7: Taking Part of your Benefits as a Lump Sum). If you cannot, or choose not to, take your Additional benefits fund (**DC Fund**) as cash, either it (i) can be transferred to another arrangement, or (ii) may be payable as a pension secured by means of an annuity purchased on the open annuity market. You can, if you wish, defer payment of your Additional benefits fund (**DC Fund**) even if your main benefits from the **Plan** have come into payment.

### **AVCs – Leaving Service**

Your AVCs will remain invested until you retire or transfer your benefits (see Section 10: Leaving The **Plan**). If you choose to transfer your main **Plan** benefits, your Additional benefits fund (**DC Fund**) may be transferred at the same time, otherwise, you may choose to take a partial transfer of your **DB** benefits only and leave your Additional benefits fund (**DC Fund**) invested. You cannot continue to make AVCs once you leave the **Plan** (that is to say, you are no longer an active member of the **Plan**).

### **AVCs – Death**

If you die before retirement, your Additional benefits fund (**DC Fund**) will be paid out under the discretionary trusts rule in the **Plan**.

Note 1: Making and taking AVCs will involve you taking investment decisions. The **Company** and the **Trustee** are not authorised to, nor will either of them give you financial advice. For financial advice please consult a financial adviser. Nothing in this booklet is intended as, nor should you understand it to be, financial advice. See Section 16: External Advice and Information for how to find an adviser.

Note 2: AVCs are money purchase (or DC) benefits. The amount of the pension (annuity) from money purchase benefits will depend on several factors including the level of contributions paid, any cost of exercising any right to transfer the benefits, any charges payable, the age at which you access the benefits, the performance of investments and any cost of converting the benefits into an annuity.

Please refer to Section 11: Taxation for information on how tax charges work for money purchase benefits.

## 18 THE STATE PENSION SCHEME

State retirement pensions are payable by the Government from State Pension Age. Your State pension builds up differently to your **Plan** pension. Payment of your State pension to you is also separate from payment to you of your **Plan** pension.

### **New State pension system (flat rate) – from 6 April 2016**

A revised State pension system has been in place since 6 April 2016. This applies to individuals who reach State Pension Age on or after 6 April 2016.

The revised State pension is based on your National Insurance record. For the 2026/2027 tax year, the full weekly rate is £241.30. The amount of State pension you receive under this system may be higher or lower than the standard amount depending on your National Insurance record and your contracting-out history. You can find an estimate of your State pension under the new system at [gov.uk/new-state-pension](https://gov.uk/new-state-pension).

The revised State pension is not used to determine the **Plan's State Pension Offset**, which will continue to be based on the Basic State Pension which applies to individuals who reached State Pension Age before 6 April 2016.

### **Contracting Out history**

In respect of your membership (if any) in the **Previous Plan(s)** between 6 April 1978 and 5 April 1997 you will have a Guaranteed Minimum Pension (GMP). Your Guaranteed Minimum Pension is the minimum pension the **Plan** must pay from age 65 (men)/60 (women) in respect of your pensionable service for this period whilst contracted out of the State Earnings Related Pension Scheme (SERPS).

In respect of your membership after 5 April 1997 up to 5 April 2016, the **Plan's** actuary must certify that the **Plan** provides broadly equivalent or better benefits than those provided by the "reference scheme", which is a statutory standard.

The Government abolished contracting out in line with the introduction of the flat rate New State Pension on 6 April 2016.

## APPENDIX 1

### Previous Plans – Retirement Pension

**Previous Plans** means

- Chevron Group UK Pension Plan
- Gulf U.K. Pension Plan
- Texaco Pension Plan

### Retirement Pension

The following gives the key features concerning the calculation of any retirement pension from the **Plan** in respect of your membership of any **Previous Plans**. In the event of any conflict, the Trust Deed and Rules of the **Plan** will prevail. These details are given for general guidance only and do not over-rule any provisions within the Trust Deed and Rules of the **Plan**.

Pensionable Service	Chevron		Gulf		Texaco	
	Base computation	Offset	Base computation	Offset	Base computation	Offset
Pre 1 April 1986	Last 12 months basic pay × service × 1.75% (2% if salary group 1 or 2 at 31 March 1986)	Single person's Basic State Pension in last 12 months × 1.25 × service × 1.75% (2% if salary group 1 or 2 at 31 March 1986)	Annual average of last 36 months basic pay × service × 2%	Single Person's Basic State Pension at 31 December prior to leaving pensionable service × service × 2%	Last 12 months basic pay plus any shift/offshore credit × service × 1.85%	Single person's basic State Pension when pension starts × service / 46
1 April 1986 to 30 June 1988	Last 12 months basic pay × service × 1.9%	Single Person's Basic State Pension in last 12 months × service / 44				
1 July 1988 to 31 December 2002	Last 12 months basic pay plus any shift/offshore credit × service × 1.9%	Single Person's Basic State Pension in last 12 months × service / 44				
<ul style="list-style-type: none"> <li>• In each case the pension payable at age 65 is the base computation less the offset</li> <li>• Service means pensionable service in the relevant plan in the period shown</li> <li>• Reference to pay and/or basic state pension mean the pay and/or state pension at the time of leaving the <b>Plan</b> (unless otherwise stated) PROVIDED that service with either Chevron or Texaco was continuous up to 31 December 2002.</li> </ul>						

## Previous Plans – Early Retirement direct from Pensionable Service

On retirement from **Pensionable Service** and immediately drawing your pension before age 65 the following early retirement reduction will apply to the retirement pension payable from the **Plan** in respect of pensionable service in your **Previous Plan(s)** (if any) up to and including 31 December 2002.

Age (years)	Chevron and/or Gulf	Texaco
	% reduction	% discount
62 or more	0	0
61	3	0
60	6	0
59	9	5
58	12	10
57	15	15
56	20	20
55	25	25

As described in Section 6: Early Retirement, if you leave the **Plan** without immediately drawing your pension and subsequently take your benefits from deferment before age 65, your pension will be reduced for early payment in accordance with the provisions described in Section 10: Leaving the Plan (and illustrated in Appendix 3). For Chevron and/or Gulf benefits the reduction will be based on the duration from your age at retirement to age 65, whilst for Texaco benefits it is the duration to age 60.

### Money Purchase Benefit: Texaco Pension Plan

Members of the Texaco Pension Plan will have, in addition to the usual retirement pension, a money purchase benefit in respect of their contributions (if any) from August 1986 to March 2001, which were separately invested. At retirement the accumulated value of the money purchase benefit can either be used to buy an annuity on the open market, paid to you as a pension commencement lump sum (provided this is within the limits imposed by the HM Revenue & Customs) or paid, subject to the consent of the **Trustee** as an uncrystallised funds pension lump sum, subject to HM Revenue & Customs rules.

## APPENDIX 2

### STANDARD SECTION – PENSION SALARY EXCHANGE

Your contributions to the **Plan** (excluding any AVCs you make) are paid by Pension **Salary Exchange**, unless (i) you choose to opt out of Pension **Salary Exchange** or (ii) if, by participating in Pension **Salary Exchange**, your earnings will fall below the National Minimum Wage.

#### Pension Salary Exchange

Pension **Salary Exchange** is a way of arranging for pension contributions to be paid that will increase your take home pay. Instead of having an "employee" pension contribution deduction from your salary, you give up or 'exchange' the amount of your salary equal to your normal pension contribution. In return, Chevron will pay this amount into the **Plan** as an additional employer contribution.

In summary, with Pension **Salary Exchange**:

- There is no change to the amount contributed to the Plan.
- There is no change to the amount of pension you build up.
- As your salary is lower due to the exchange having taken place, you and Chevron pay less National Insurance (NI) contributions, so your take home pay increases compared to if you did not participate in Pension **Salary Exchange**.
- Whilst your salary is reduced, none of your other pay or salary-related benefits (for example, overtime, shift premiums, allowances, sick pay, life assurance cover) are affected as they continue to be based on your salary before Pension **Salary Exchange**.

#### How does it work?

The following examples are based on a gross salary (before deductions) of £20,000 and employee contributions of 1.25% of Pensionable Pay above the Lower Earnings Limit (LEL), which is £6,708 in the 2026/2027 tax year (i.e., the temporary rate in place for employees not participating in **Salary Exchange** from 1 July 2024).

#### *If you do not participate in Pension Salary Exchange*

Salary	£	Deductions	£	Take Home Pay
<b>Base Salary</b> (before deductions)	£20,000.00			
		Pension contribution	£168.75	
		Income Tax	£1,452.25	
		NI Contributions	£594.40	
<b>Contractual Salary</b>	£20,000.00	Total Deductions	£2,215.40	£17,784.60
<b>Contribution towards your pension</b>				
Your normal contribution – paid as employee contribution (1.25% of Pensionable Pay above the LEL)				£168.75

**If you participate in Pension Salary Exchange**

Salary	£	Deductio ns	£	Take Home Pay
<b>Base Salary</b> (before deductions)	£20,000.00			This will be known as your Reference Salary
<b>Pension Salary Exchange</b> reduction	£168.75			
		Income Tax	£1,452.25	
		NI Contributions	£580.90	You pay Less NI
<b>Contractual Salary</b>	£19,831.25	Total Deductions	£2,033.15	£17,798.10
<b>Contribution towards your pension*</b>				
Your normal contribution – paid as employee contribution (1.25% of Pensionable Pay above the LEL)				£168.75

\*In addition to these amounts, Chevron's obligations to contribute to the **Plan** in order to fund the **DB** Element of the **Plan** benefits continue.

**What does this mean for me?**

If you do not participate in Pension **Salary Exchange**, your pension contributions are deducted from your pay before Income Tax is paid. Therefore, you save income tax on your pension contributions.

Through Pension **Salary Exchange**, you save NI as well as income tax on your pension contributions, which results in an increase to your take-home pay compared to if you did not participate in Pension **Salary Exchange**.

**How much do I save?**

The increase to your take home pay is based on the amount of NI saved. This depends on the amount you earn (including bonuses, commission and overtime) and the amount you pay as a normal contribution.

*In the 2026/2027 tax year you will save 8% on any reduction in earnings below £50,270 and 2% of any reduction in earnings over £50,270.*

The table on the next page gives examples of NI savings based on a range of salaries.

<b>Base salary before Pension Salary Exchange</b> (known as your Reference Salary)	<b>£20,000</b>	<b>£30,000</b>	<b>£40,000</b>	<b>£50,000</b>	<b>£60,000</b>	<b>£70,000</b>	<b>£80,000</b>	<b>£90,000</b>
<b>1.25% annual contribution (Pension Salary Exchange reduction in pay)</b>	£168.75	£293.75	£418.75	£543.75	£668.75	£793.75	£918.75	£1,043.75
<b>Your annual NI saving</b> Increase to your take-home pay	£13.50	£23.50	£33.50	£43.50	£13.37	£15.87	£18.37	£20.87

If your gross pay is less than the primary threshold for National Insurance (£12,570 pa in the 2026/2027 tax year) or you are under age 16 or over State Pension Age, you do not pay NI so there are no available NI savings.

#### Notes:

The examples do not take account of shift allowance or offshore allowance or any other pensionable remuneration. However if you participate in Pension **Salary Exchange**, your base salary will also be reduced to reflect any normal employee pension contributions based on these pensionable allowances.

***The actual saving you make will depend on the rate of income tax and NI you pay.***

#### What do I need to do?

You do not need to do anything. All contributions for members of the **Standard Section** have been made automatically by Pension **Salary Exchange** since 1<sup>st</sup> April 2009.

#### How do I opt out of Pension Salary Exchange?

You can opt out of Pension **Salary Exchange** by contacting the Chevron Total Reward Team ([TotalRewardsEur@chevron.com](mailto:TotalRewardsEur@chevron.com)). If you opt out you will not benefit from the NI savings or the temporary reduced member contribution rate described in Section 4: Contributions. Your opt-out will be processed in the month after it is received.

#### Do I still benefit from income tax relief on pension contributions paid through Pension Salary Exchange?

With Pension **Salary Exchange**, your normal contributions are instead paid as employer contributions. As you don't pay income tax on pension contributions (whether made by you or your employer) the net income tax effect is the same.

#### Are the other pay (e.g. overtime) and the salary-related benefits provided by Chevron (e.g. life assurance) based on my reduced salary following Pension Salary Exchange contributions, or my original contractual salary?

There is no impact on your other pay (e.g. overtime, shift allowances or bonuses), or your salary-related benefits (e.g. your life assurance and your Pensionable Pay) as a result of Pension **Salary Exchange**. Your contractual salary before Pension **Salary Exchange** (which is known as your reference salary) is used to calculate salary-related benefits and other pay.

#### Can I pay Additional Voluntary Contributions (AVCs) by Pension Salary Exchange?

No. If you pay AVCs these will be deducted from your pay and paid as an employee pension contribution.

### **Is Pension Salary Exchange beneficial to Chevron?**

Yes. Chevron also currently makes NI savings.

### **Have my terms and conditions of employment changed?**

Yes, your terms and conditions of employment reflect that you are 'giving up' part of your salary in exchange for Chevron paying your pension contributions, unless you choose to opt-out of Pension **Salary Exchange**. Chevron reserves the right to withdraw or amend Pension **Salary Exchange** at any time.

### **Will my State pension benefits or other State benefits be reduced as a result of contributing through Pension Salary Exchange?**

In the rare situation where your earnings do reduce to less than the Lower Earnings Limit (£6,708 in the 2026/2027 tax year), this could reduce your State pension entitlement.

There will be no impact on your entitlement to any other State benefits in all or almost all cases.

Chevron will make up any reduction in statutory maternity pay, paternity pay, sick pay or redundancy pay, so these payments are not affected by contributing through Pension **Salary Exchange**.

However, if your salary is reduced to less than the Lower Earnings Limit (£6,708 in the 2026/2027 tax year) your entitlement to certain State benefits (such as Incapacity Benefit and Jobseekers Allowance) may reduce. Your entitlement to tax credits such as Working Tax Credit or Child's Tax Credit will not normally reduce.

### **What happens if I go on maternity leave or other family leave?**

Your pay during maternity leave will be unaffected by Pension **Salary Exchange**. Statutory maternity pay is based on your actual earnings in the run up to maternity leave. However, Chevron will make up any reduction so that your maternity pay is unaffected by contributing through Pension **Salary Exchange**. Currently, you continue to pay employee contributions while you are receiving maternity pay. However, these are a percentage of your maternity pay. Following the introduction of Pension **Salary Exchange**, while you will continue to build up **Pensionable Service** during paid maternity leave, Chevron will not be able to reduce your Statutory Maternity Pay to reflect the amount of your contribution.

### **As my contractual salary is reduced as a result of Pension Salary Exchange, will this affect the amount of mortgage or loan I could receive?**

Reference letters provided by Chevron for mortgage or loan purposes will refer to both your reference salary (i.e. your contractual salary before Pension **Salary Exchange**) and your contractual salary after Pension **Salary Exchange**. However, Pension **Salary Exchange** is a popular method of arranging pension contributions and accordingly, within the experience of many lenders.

### **Will paying Pension Salary Exchange contributions affect my student loan repayments as they are based on my earnings?**

Yes. The amount you are required to pay in student loans will be lower as it is based on your pay after the Pension **Salary Exchange** reduction. Of course, if you pay off your loan at a lower rate, you will end up paying it back over a longer period.

### **How long will Pension Salary Exchange be in place?**

The intention is for Pension **Salary Exchange** to remain in place indefinitely. However, as company circumstances and legislation may change, Chevron reserves the right to withdraw Pension **Salary Exchange** without notice or compensation, and reintroduce employee contributions. In this event, your base salary (which has been reduced as a result of Pension **Salary Exchange**) would then be increased by the amount of your Pension **Salary Exchange** which would then be deducted from your earnings and paid as a normal employee contribution.

### **Can Chevron change the level of contributions I am required to pay through Pension Salary Exchange?**

Yes. In accordance with the rules of the **Plan**, Chevron reserves the right to change the employee contribution formula for future service (regardless of whether the contribution is paid as an employee contribution or through Pension **Salary Exchange**). Any increases to contributions would also be paid through Pension **Salary Exchange**. Note that for a 3-year period from 1 July 2024 to 30 June 2027, there is a temporary 50% reduction in employee contributions, from 2.5% of **Pensionable Pay** to 1.25% of **Pensionable Pay**. More details are in Section 4: Contributions.

**What if I have any further questions?**

If you have any comments or questions regarding Pension **Salary Exchange** please contact a member of the Chevron Total Rewards Team ([TotalRewardsEur@chevron.com](mailto:TotalRewardsEur@chevron.com)) or at Chevron Energy Limited, 1 Westferry Circus, Canary Wharf, London E14 4HA.

**Tax Credit Helpline**

For more information about whether Pension **Salary Exchange** would affect your tax credits, please call the Tax Credit Helpline on 0345 300 3900 between 8:00am and 8:00pm Monday to Friday, 8.00am to 4.00pm Saturday and 9.00am to 5.00pm on Sundays.

See also: [gov.uk/government/organisations/hm-revenue-customs/contact/tax-credits-enquiries](https://gov.uk/government/organisations/hm-revenue-customs/contact/tax-credits-enquiries)

**State Pension Advice Helpline**

If you would like to find out more about the State pensions, visit

[gov.uk/browse/working/state-pension](https://gov.uk/browse/working/state-pension)

If you wish to find out how much pension you will receive, you can obtain on-line State Pension forecasts at the above site. Alternatively, you can request a forecast by calling the Future Pension Centre helpline on 0800 731 0175, Monday to Friday 9.30am to 3.30pm.

**Financial advice**

If you need help locating a financial adviser in your area, visit [unbiased.co.uk](https://unbiased.co.uk)

## APPENDIX 3

### STANDARD SECTION – EARLY RETIREMENT FROM DEFERRED STATUS

On the retirement of a deferred pensioner prior to **Normal Pension Age** the process for establishing the pension payable is essentially the following three steps:

**Step 1** – Apply the known increases applicable for the period from date of leaving Pensionable Service to the date of retirement.

**Step 2** – Apply the increases that would be anticipated to be applicable to the deferred pension from the chosen date of retirement to **Normal Pension Age**. These assumed rates of increase are set by the Trustee having considered the advice of the **Plan's** actuary.

**Step 3** – Apply an early retirement discount to reflect payment of pension for longer and the investment return that will be lost as **Plan** assets will be paid out earlier than otherwise.

The early retirement discounts that are currently applicable are shown in the table below. In the normal course of events the Trustee reviews the factors in conjunction with or shortly after the **Plan's** formal three-yearly actuarial valuation. This was as at 31 December 2022 with advice on the actuarial factors taken in June 2023. The latest actuarial factors came into effect on 1 January 2024. The early retirement discounts depend on the duration (in years and months) between the date of retirement and the date **Normal Pension Age** is attained. **Normal Pension Age** is 65, except in relation to Texaco benefits built up in respect of pensionable service prior to 1 January 2003, where **Normal Pension Age** is generally age 60.

Duration from date of retirement to date attains Normal Pension Age (years)	Early retirement reduction (%)
0	0.0
1	7.5
2	14.4
3	20.9
4	26.8
5	32.3
6	37.4
7	42.1
8	46.4
9	50.4
10	54.1

For example, on leaving pensionable service David became entitled to a deferred pension of £10,000 pa, payable from his **Normal Pension Age** of 65, of which £2,000 pa is Guaranteed Minimum Pension (GMP). From the date of leaving the GMP increases at a fixed rate (between 3.5% and 8.5% a year depending upon the date of leaving pensionable service) and the balance increases (broadly) in line with price inflation. David is now 60 and wishes to retire.

#### Step 1

David has been a deferred pensioner for 10 years. With inflation over that period being 25% and his GMP increasing at 4.0% pa, his deferred pension will have increased from £10,000 pa at the date of leaving to £12,960 pa at age 60.

#### Step 2

For the 5 years between age 60 and 65, as a deferred pension, David's GMP would continue to increase at 4.0% pa with the balance increasing with inflation. Assuming inflation averages 2.5% pa, David's deferred pension at age 65 is anticipated to have increased to £14,916 pa.

#### Step 3

The early retirement discount for retiring 5 years early is 32.3%. David's early retirement pension is therefore calculated as  $(100\% - 32.3\%) \times 14,916 = £10,098$  pa.

The GMP equalisation and conversion process referenced in Sections 10 and 12 is also applied on early retirement.