



**Aviva Stakeholder
Pension Scheme
for McDonald's
Salaried Employees**



How can I save for my retirement with McDonald's?

As part of the Government's aim to get people saving more for when they retire, employers are required to automatically enrol eligible employees into a workplace pension scheme. McDonald's has been auto-enrolling employees since January 2013.

You'll normally be automatically enrolled if you work – or normally work – in the UK, earn over £10,000 a year (tax year 2021/22), and are aged between 22 and State Pension age. If you meet these eligibility criteria, you will be enrolled into this scheme without having to make any decisions.

If you don't meet the eligibility criteria, there are other options available for you to become a member of the pension scheme and you could still be entitled to contributions from McDonald's.

More information will be emailed to you once you have been assessed for eligibility.

If you have been automatically enrolled into the scheme, you will contribute 4% of your qualifying earnings – those earnings between £6,240 and £50,270 a year (2021/22) and McDonald's will contribute the same.

However, if you would like to increase your minimum contribution to 4.5% of your basic salary, you will be eligible for a higher contribution from McDonalds, based on your combined age plus length of service with McDonald's, as shown in the table below.

- You will change bands (once eligible) as at the next 6 April, when you hit each band level
- You may change your level of contributions once every six months, if you wish. At this time, the level of Company contribution will also be changed.
- You may be able to change your level of contributions in special circumstances, e.g. maternity leave, change in employment status, or a period of sickness.

If you are accepted by the insurer, you will also be eligible for an enhanced life assurance benefit and a long-term disability benefit. More details can be found in the 'Additional Benefits' section on page 5.

Band	Employee Contribution	McDonald's Contribution
Contribution Band 1 Age plus service less than 35 years	4.5% 5% or more	4.5% 5% max
Contribution Band 2 Age plus service 35 to 54 years	4.5% 5% or more	6.75% 7.5% max
Contribution Band 3 Age plus service 55 years or more	4.5% 5% or more	9% 10% max

Please note: Employees at Grade 3 and higher will qualify for Band 3 contributions irrespective of age and length of service.

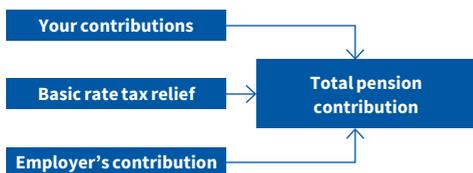
Please remember that the value of your pension is not guaranteed and can go down as well as up. You could get back less than the amount paid in.

What is the McDonalds Stakeholder pension scheme?

- The scheme is a collection of individual policies under the McDonald Stakeholder pension scheme, provided by Aviva. It is run on a group basis for easier administration.
- It is an investment plan designed to help you invest for retirement.
- A stakeholder pension must meet certain standards and obey certain rules, and this plan meets all those requirements.

How the total pension contributions are made up

The diagram below shows how the total pension contributions into your plan are made up. Please note this is for illustrative purposes only.



Any personal contributions you make into the plan receive tax relief at your highest rate of tax. First, basic rate tax relief is applied by Aviva, meaning that, for example an £80 contribution receives an additional £20 tax relief. This is in addition to your employer contribution. Basic Rate Tax Relief for 2021/22 is 20%.

If you pay more than basic rate tax then you may be able to claim any further tax relief you are entitled to through your self-assessment tax return.

Please note that tax benefits are subject to change and their values depend on your place of residence as advised to us by HMRC and your other individual circumstances.

Scheme charges

Charges are taken for setting up the plan, fund management and ongoing administration.

The charges are shown in the 'Choosing your own investment funds' document. Please see the Terms and conditions for more information on charges.

Where your money will be invested

You will initially be invested in the default investment solution chosen by McDonald's. This is deemed to be an appropriate solution for those who do not wish to make an investment decision. The default invests in shares and then fixed interest and money market investments as you near retirement. We provide more details about how a default solution works and what it invests in on the next page.

You can find full information relating to the default in the 'How contributions are invested' guide; this is provided upon joining. Once you are a member, you can change your investment. You can view the full fund range of available funds in the 'Choosing your own investment funds' guide, which will be made available to you. The default may not be suitable for your own circumstances and you may need to consider the default's charges and your own aims and attitude to risks when choosing investments. There is no guarantee that this strategy will prove beneficial to your pension pot.

You can't normally access your money until you are 55.

Objective

The objective of the default investment solution is to provide an appropriate investment strategy for you if you do not wish to make an investment decision. Up until 10 years from your planned retirement date, the default investment solution aims to help your pension savings grow by investing solely in shares (also known as equities). The value of your savings will fluctuate (increase or decrease) on a daily basis as a result of the performance of the fund used in the growth phase.

In the 10 years leading up to your retirement date, your savings are gradually moved into lower risk investments, such as fixed interest and money market investments. This aims to reduce the risk of your savings falling in value as you approach your planned retirement date, while maintaining some potential for growth. This is likely to produce lower rates of return.

Risk profile and charges

The plan's default investment option utilises four different funds. Risk ratings and charges for each of these funds are set out in the 'Choosing your own investment funds' guide.

10 Year Lifetime†



† This is the investment programme that will apply if you do not make a fund choice

Additional benefits

As a member of the Aviva Pension Scheme, you may be eligible to receive enhanced Life Assurance and Long-term disability benefits if you contribute a minimum of 4.5% of your basic salary.

Please note that if you increase to a minimum of 4.5% more than a year after being automatically enrolled, you will need to complete a health declaration before your eligibility for these additional benefits can be confirmed.

Life Assurance

Life Assurance pays out a lump sum to your selected beneficiary in the event of your death.

If you contribute a minimum of 4.5% of your basic salary to the Aviva pension scheme, your life cover could be increased from 1 x basic salary to 4 x basic salary. If you increase your contributions you may be eligible for increased benefits, as per the below table.

Long-term disability benefit

If you are unable to work for an extended period of time (26 weeks), you may (subject to a medical examination and acceptance by the insurers) receive an income equal to 60% of your salary. While you are receiving this benefit, your pension contributions will continue at the level prior to disability but both employee and Company contributions will be paid for by the Company. These benefits will be for a period of up to 5 years.

Cover levels for these additional benefits is detailed in the table below. If you have been automatically enrolled into the scheme you will contribute 4% of your qualifying earnings. If you increase your contributions you may be eligible for increased benefits, as per the below table.

Band	Tier	Employee Contribution	Employer Contribution	Life Assurance	Long-term Disability
Auto Enrolment (Salaried Employees)		4%	4%	1x annual salary	None
Band 1 Age plus service <35	1	4.5%	4.5%	4x annual salary	60% of salary for a period up to 5 years
	2	5%	5%		
	3	5% or more	5% max		
Band 2 Age plus service 35 - 54	1	4.5%	6.75%	4x annual salary	60% of salary for a period up to 5 years followed by 1 x salary lump sum
	2	5%	7.5%		
	3	5% or more	7.5% max		
Band 3 Age plus service 55+	1	4.5%	9%	4x annual salary	60% of salary for a period up to 5 years followed by 3 x salary lump sum*
	2	5%	10%		
	3	5% or more	10% max		
Exec		4.5%	9%	4x annual salary	75% of salary for a period up to 5 years followed by 4 x salary lump sum*

*Please note this is subject to a maximum limit of £1,000,000.

These benefits are subject to external insurance arrangements so terms and conditions will apply. Please note that Aviva does not provide these benefits so, should you have any questions, please contact the McDonald's People Services Helpdesk on 0345 606 0321 or at PeopleServicesHelpdesk@uk.mcd.com.

What happens next?

If you are already a member of the scheme, you can find out more from the McDonald's microsite: avivapensiondocuments.co.uk/mcdonalds

You can also contact Aviva or McDonald's using the details on the next page.

If you are yet to join, here are the next steps:

Step 1

Starting the scheme

Once you have been automatically enrolled, you will receive an email confirmation detailing your options relating to the scheme, including a Key features document, Illustration, Terms and conditions and the 'How contributions are invested' document.



Step 2

Understanding your pension scheme

You will receive an email copy of the 'Your journey to a brighter future' and 'Choosing your investment funds' brochures. You will also receive a login to the BenPal website, www.benpal.com You will be able to find out more information about your pension, as well as estimate the impact of increased contributions on the BenPal website.



Step 3

Welcome pack

Within 4-5 weeks of being automatically enrolled, you will receive a welcome pack from Aviva and you can then amend contributions and investments and take advantage of McDonald's higher contributions. This can be done via the BenPal website.

For more information

You can obtain more information through the BenPal website, where you will find all the relevant information you need, including a range of useful links and tools to help you plan for retirement.

Call **0345 309 6197**

Email **support@benpal.com**

www.benpal.com

If you would like to contact your pension provider, Aviva, directly, please use:

Call **0345 602 9221**

Calls may be recorded

Email **mcdonalds@aviva.com**

Write to

**Aviva PO Box 1550,
Salisbury, SP1 2TW**

If you would like to receive advice about the options available to you, or the suitability of this pension scheme, you should speak to your financial adviser. They may charge a fee for this service.

If you do not currently have a financial adviser, but would like to speak to one, you can find a local financial adviser at **www.unbiased.co.uk**

Aviva Life & Pensions UK Limited.

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