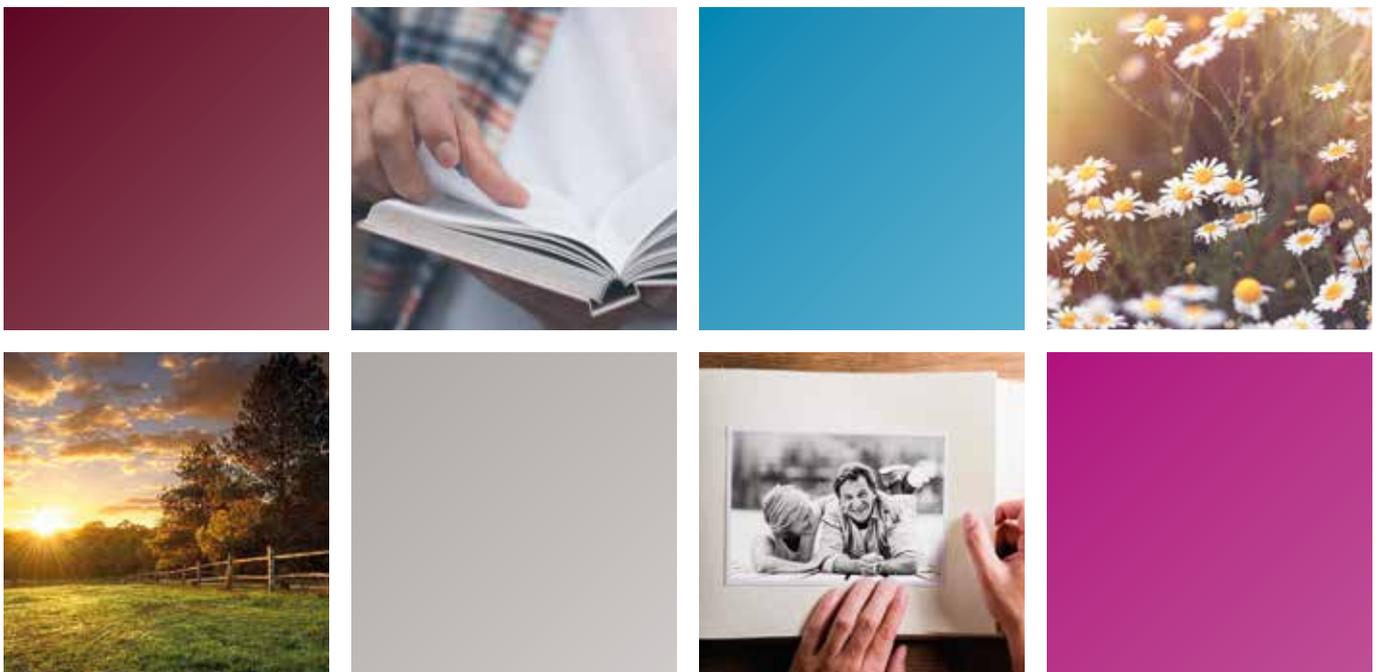
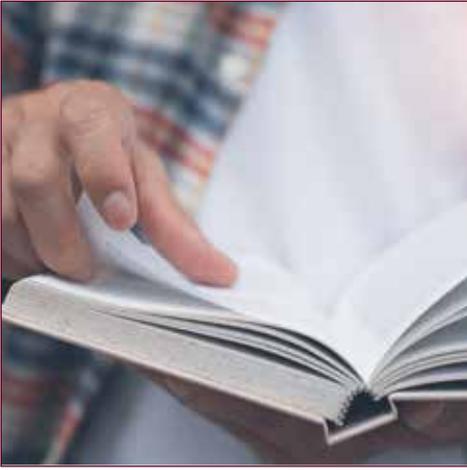


BEREAVEMENT GUIDE



In this Guide you will find information regarding the benefits payable following the death of a member of the **Defined Benefit Section** of the Prudential Staff Pension Scheme.



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Introduction

The purpose of this Guide is to help you, and your Dependants, understand the benefits payable from the Defined Benefit (DB) Section of the Prudential Staff Pension Scheme (the Scheme) following your death.

The benefits at a glance

The benefits payable from the DB Section, following the death of a member are in most instances:

A lump sum

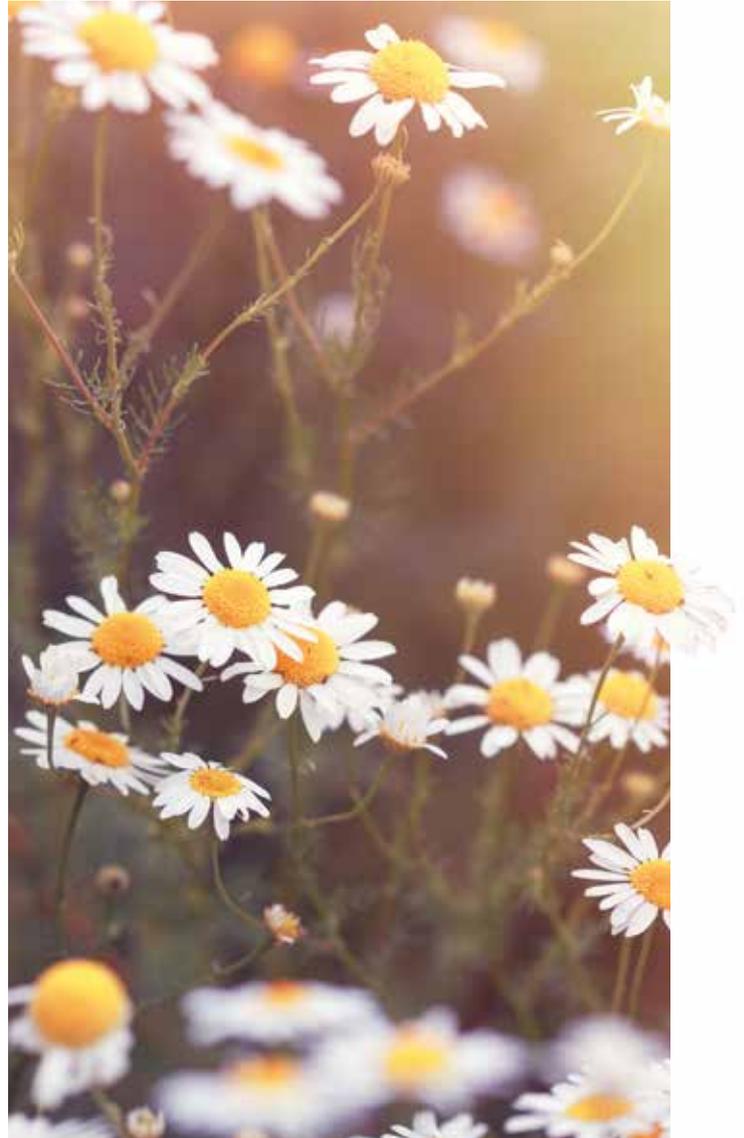
The Trustee may make a lump sum payment to either your estate or one or more beneficiaries including individuals you have nominated to receive this benefit following your death. The decision as to who should receive this payment rests with the Trustee. You should consider completing an Expression of Wish Form to ensure that the Trustee is aware of your wishes. This Form will be used, in conjunction with other information the Trustee gathers, to help it make this decision.

A pension

A pension may be payable to your Spouse or Civil Partner and Eligible Children. If you die without leaving a Spouse or Civil Partner, a pension may be payable to other Dependants. Pensions payable to Eligible Children may cease when the child reaches a specific age (normally age 18 however this can continue until the child reaches age 23 if they remain in full-time education or vocational training).

The actual basis applicable for the calculation of these benefits will vary depending on whether you are an Active member, a Deferred member or a Pensioner member. Further information is provided later in this Guide.

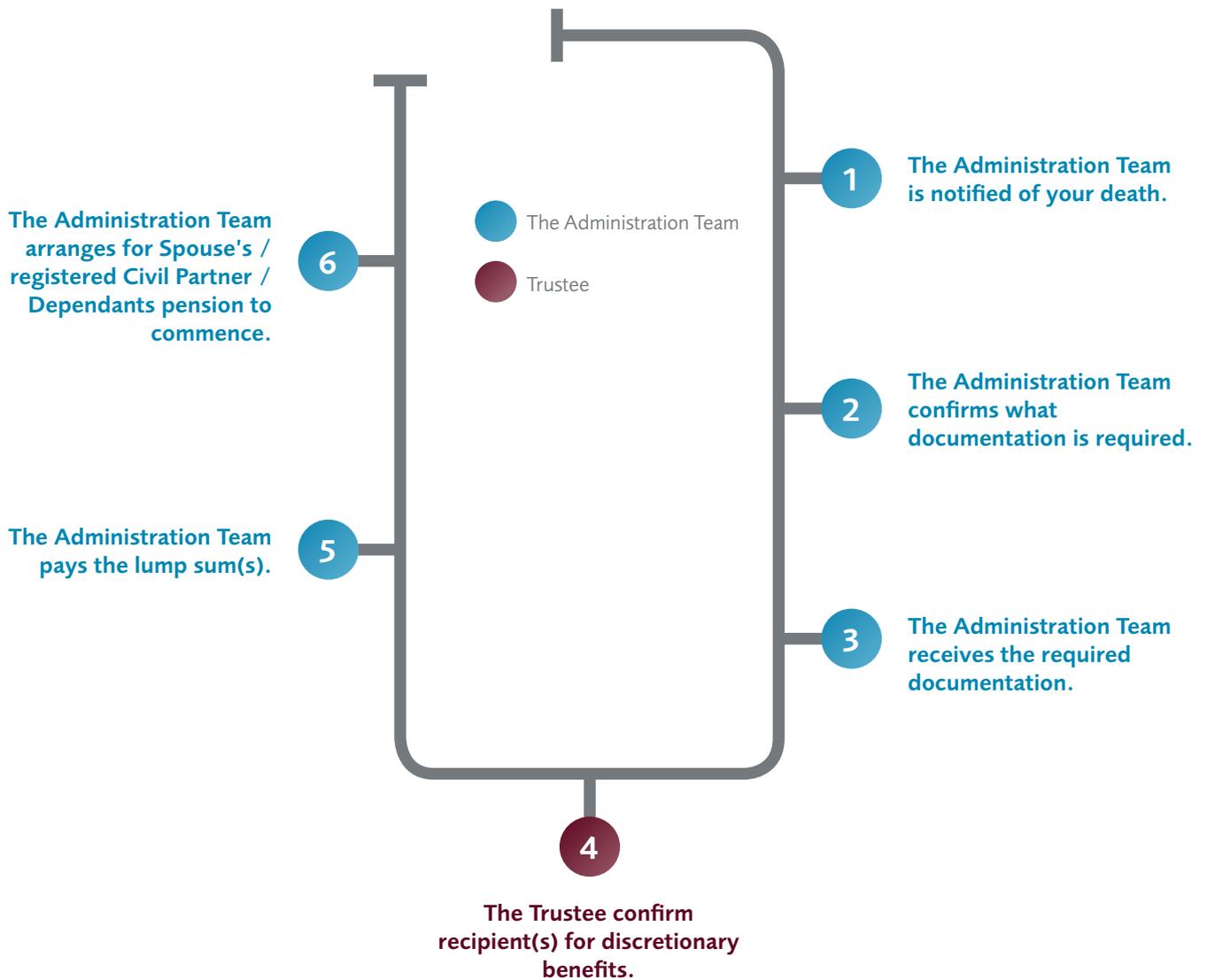
For some members of the DB Section the benefits payable on their death may be different from those described in this Guide. If this is the case, you will have been provided with the appropriate details.



How to arrange for benefits to be paid

Below you will find a high-level process map which highlights the steps involved in arranging for benefits to be paid following Death in Service (i.e. for an Active member).

If you are either a Deferred member or a Pensioner member on the date you die the process may be different from that shown below. Similar process maps for these circumstances can be found on the Scheme website www.prudentialstaffps.co.uk.



Lump sum benefits

Following your death, a lump sum may be payable from the DB Section. The calculation of this lump sum will vary depending on whether you are an Active member, a Deferred member or a Pensioner member of the Scheme.

Active members

A lump sum equal to four times your Final Pensionable Earnings at the date of your death, together with a refund of the value of any Additional Voluntary Contributions (AVCs) you may have paid.

Deferred members

A lump sum equal to five times your deferred pension had it come into payment on the date of your death (reduced for early payment) together with a refund of the value of any AVCs you may have paid.

If you are a Deferred member as a result of opting out of the DB Section and are still employed by the Company, the benefits payable following your death will differ from those described. Please refer to the Scheme website www.prudentialstaffps.co.uk for further information.

Pensioner members

A lump sum equal to any unpaid balance of the first five years of your pension entitlement (not taking account of any future pension increases). If you had taken the State Spreading Option when you retired, this lump sum will be reduced to reflect additional pension paid as a result of the State Spreading Option.

Payment of the lump sum

If you are an Active or a Pensioner member the lump sum is a discretionary benefit and the Trustee will decide who is the most appropriate recipient(s). In most cases, the lump sum does not form part of your estate and as a result may not be included for Inheritance Tax calculations.

If you are a Deferred member the lump sum will be paid to your estate.

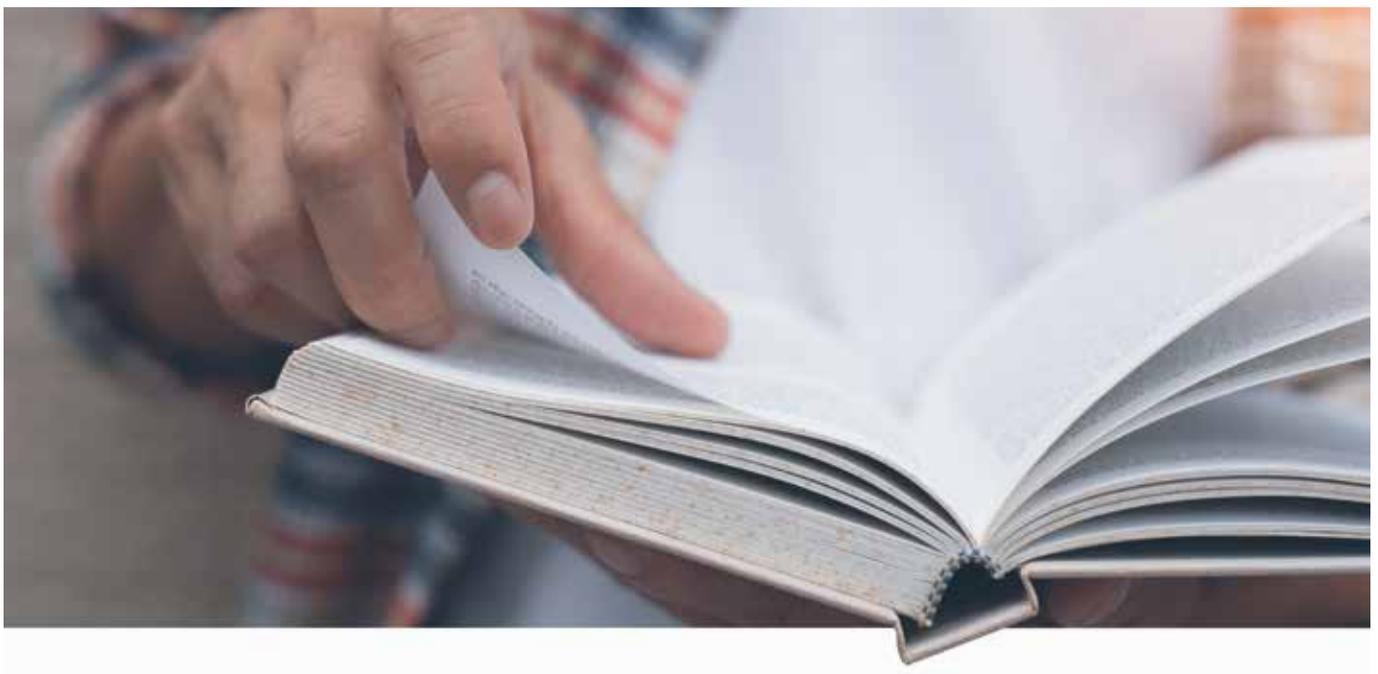
To help the Trustee decide who is the most appropriate recipient it would like to take your wishes into consideration. You should ensure you have completed an Expression of Wish Form which informs the Trustee of your wishes.

You can complete a new Expression of Wish Form at any time and this will replace any previous Forms you have completed.

It is sensible to regularly consider whether completing a new Expression of Wish Form would be appropriate. This is especially important if your circumstances change.

The Trustee will consider your wishes along with other information it receives when considering who should receive some (or all) of any lump sum payable following your death. However, the Trustee will consider all the information available to it to arrive at its final decision.

You can download an Expression of Wish Form from the Scheme website www.prudentialstaffps.co.uk. You can also update your Expression of Wish details online via MyPension, the secure area of the Scheme website.



Spouse's or Civil Partner's pension

If on your death you leave a Spouse or Civil Partner a pension will be payable to them from the DB Section. The calculation of this pension will vary depending on whether you are an Active member, a Deferred member or a Pensioner member of the Scheme.

Active members

A pension, payable for life, equal to 54% of the pension you would have received at your Normal Retirement Date, but based on your Final Pensionable Earnings at the date of your death.

Deferred members

A pension, payable for life, equal to 50% of your deferred pension, including any increases (known as revaluation) granted from your date of leaving up to the date of your death.

Pensioner members

A pension, payable for life, equal to 50% of the full pension you were entitled to at retirement (i.e. before exchanging any pension for a tax-free lump sum and excluding any pension from AVCs and the State Spreading Option, if elected) plus any increases granted since that time.

In the event of the death of your Spouse or Civil Partner, the pension that was payable to your Spouse or Civil Partner will be paid to any Eligible Children, up to a maximum of three children.

If you have Pensionable Service between 6 April 1978 and 5 April 1997 your Spouse's or Civil Partner's pension may include a Spouse's Guaranteed Minimum Pension (SGMP).

If you were receiving your pension on or before 1 July 2005, the pension payable to your Spouse or Civil Partner, will be at least 50% of your pension at your date of death.

Dependant's pension

If you were an Active member on or after 1 July 2005 and you die without leaving a Spouse or Civil Partner, a pension may be payable to one or more of your Dependant(s), in such proportions as the Trustee decides. The total amount of the pension will be equal to that which would have been paid to a Spouse or Civil Partner.

If the Dependant's pension is paid to an Eligible Child who subsequently dies, the Dependant's pension will continue to be paid to the other Eligible Children, if any. However, if the Dependant's pension is paid to a person who is not an Eligible Child who subsequently dies, the Dependant's pension will stop.

Eligible Child's pension

If you die leaving Eligible Children, up to a maximum of three children, they will generally receive a pension from the DB Section as follows:

Active members

A pension equal to 1/6th of the pension you would have received at your Normal Retirement Date, but based on your Final Pensionable Earnings at the date of your death.

Deferred members

A pension equal to 1/6th of the deferred pension you were entitled to at the date of your death.

Pensioner members

A pension equal to 1/6th of the pension you were entitled to at retirement (i.e. before exchanging any pension for a tax-free lump sum and excluding any pension from AVCs and the State Spreading Option, if elected) plus any increases granted since that time.

Note: The pension will be payable in respect of your Eligible Child(ren) while they are under age 18. If they remain in full-time education or vocational training, the pension may continue at the Trustee's discretion but not normally beyond the age of 23.

Payment

Pensions payable on your death will be effective from the day after your death and will be paid monthly in advance on the first working day of the month. The first payment may include an additional amount in respect of the pension due from the day after your death to the day before the first payment is made.

Further information

If, after reading this Guide, you have any queries about the benefits payable from the DB Section following your death, please contact the Administration Team. You can:

Write to:

**Prudential Staff Pension Scheme
XPS Administration
Priory Place
New London Road
Chelmsford
CM2 0PP**

Telephone:

**01245 673515 (UK callers)
(44) 1245 673515 (Overseas callers)**

Email:

pssdb@xpsgroup.co.uk

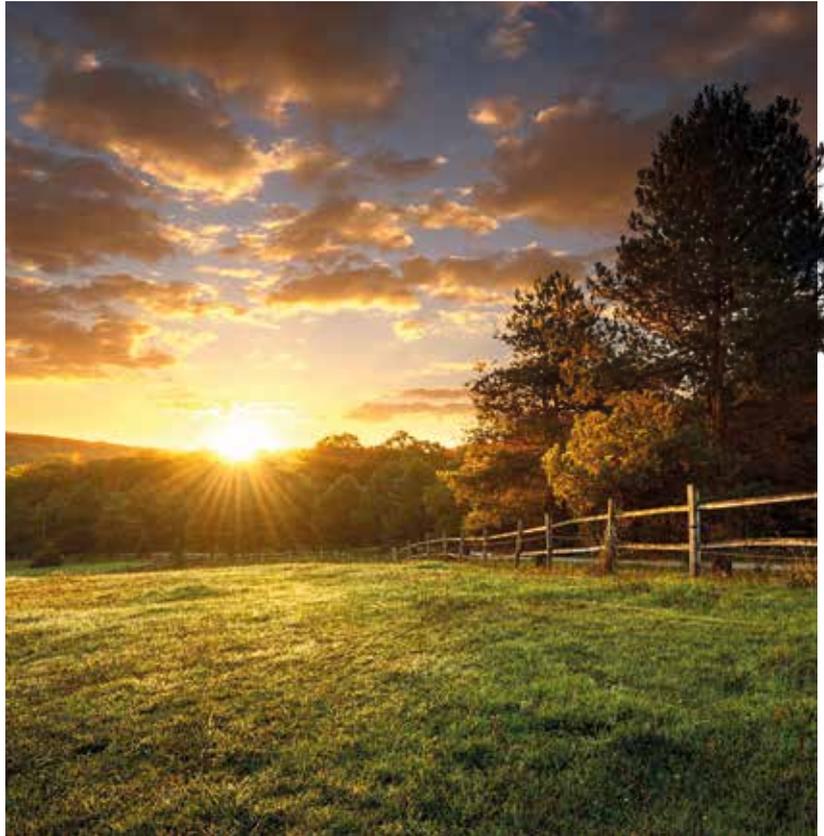
Website:

www.prudentialstaffps.co.uk

Small Print

Company means The Prudential Assurance Company Limited or any associated company / employer that offers you membership of the Scheme through your contract of employment.

All benefits are payable in accordance with the Trust Deed and Rules, the legal document governing the Scheme. In the event of any discrepancy between any information provided to you and the Trust Deed and Rules, the Trust Deed and Rules will prevail.



Glossary

Additional Voluntary Contributions (AVCs)

These are any personal contributions that you choose to pay to the DB Section.

Annual Allowance

This is a limit on the amount of pension savings that you can build up that may qualify for tax relief in any tax year.

Automatic Enrolment

The requirement to enrol most employees and workers in the UK into a pension scheme provided by an employer.

Civil Partner

This is the person you have entered into a registered Civil Partnership with under the Civil Partnership Act 2004.

Company

The Prudential Assurance Company Limited or any associated company/employer that offers you membership of the Scheme through your contract of employment.

Consumer Price Index (CPI)

The official index used by the Government as its measure of inflation. The Government previously used the Retail Price Index as its official index for measuring inflation.

DB Section

The Defined Benefit Section of The Prudential Staff Pension Scheme.

DB Section benefits

The benefits payable to you as a result of your membership of the DB Section (and/or those payable to your Spouse/Civil Partner or other Dependant(s) following your death) but excluding any benefits payable in respect of AVCs.

DC Section

The Defined Contribution Section of The Prudential Staff Pension Scheme.

Dependant

Your Spouse / Civil Partner or any other person who, in the opinion of the Trustee, is financially dependent upon you at the date you take your pension or die.

Eligible Child

In most cases, this means your own or adopted child under age 18 or older if still in full-time education/vocational training and the Trustee so decides (though not normally beyond age 23).

Final Pensionable Earnings

In summary, for the purposes of the DB Section, this means the highest of:

1. Your basic salary earned in the 12 months immediately before leaving Service, ignoring any additions such as bonuses or overtime;
2. Your highest annual salary in any one tax year in the last five years before leaving Service; or
3. Your average annual salary over the best three consecutive tax years in the last 10 years before you leave Service.

The earliest tax year which will count in points 2 and 3 above is that commencing 6 April 2000.

If you participate in the Company's Pensions Plus arrangement, for these purposes, you are treated as if you do not participate in that arrangement.

There are occasions when your Final Pensionable Earnings may be calculated differently. If you have any questions about this definition, please contact the Administration Team in the first instance.

Guaranteed Minimum Pension (GMP)

If you were an Active member of the DB Section between 6 April 1978 and 5 April 1997 (inclusive), you will have accrued a GMP within the Scheme. This is the minimum pension the Scheme must pay to you as a result of you contracting out of either the State Earnings Related Pension Scheme (SERPS) or the Second State Pension (S2P).

- **Contracting out** – In return for you and the Company paying a reduced level of National Insurance contributions, you stopped building up your second tier State Pension entitlement. The Scheme committed to pay this amount to you as part of your overall Scheme entitlement.
- **State Earnings Related Pension Scheme (SERPS)** – From 6 April 1978 to 5 April 2002 this was the second tier of State Pension. In addition to your Basic State Pension the State would pay an additional pension based on your earnings during any period you were not contracted out.
- **Second State Pension (S2P)** – In 2002 the Government replaced SERPS with S2P. The principles were broadly the same in that S2P was a second tier of State Pension provision based on your earnings during any period you were not contracted out.

With effect from 5 April 2016, the Government abolished the two-tier State Pension provision in favour of a single-tier flat-rate State Pension.

GMP Pension Age

This is currently 60 for women and 65 for men.

Lifetime Allowance

This is a limit on the amount of pension benefits that you can accumulate in the Scheme and any other registered pension scheme during your working life which will qualify for tax relief.

Money Purchase Annual Allowance

If you elect to take your benefits from any other registered pension arrangement using the new pension flexibilities available, for example in the form of a Uncrystallised Funds Pension Lump Sum (UFPLS) you will trigger, for the tax year you draw your benefits (and for future years), a Money Purchase Annual Allowance. This means your tax efficient contributions to any defined contribution scheme will be more restricted (usually to £4,000). More detail can be found on the Scheme's website.

Normal Retirement Date

The date at which you are expected to retire. For most members your Normal Retirement Date is aged 60 although it is aged 65 for some male members. You will have been told if your Normal Retirement Date is not aged 60. Your Normal Retirement Date is sometimes referred to as your Normal Pension Date.

Pension Input Period

This is the period over which pension contributions are measured to work out whether you have exceeded the Annual Allowance. The Pension Input Period is the same as the tax year: 6 April to 5 April.

Pensionable Pay (in respect of the DC Section)

This means your basic salary.

Pensionable Service

In general, this means the permanent Service (in years and complete months) you completed with the Company as an Active member of the DB Section.

Pensions Plus

The Company operates a salary sacrifice arrangement called Pensions Plus, for more information please see the Company's document Your Guide to Pensions Plus or visit www.pensionsplusatpru.co.uk.

Qualifying Recognised Overseas Pension Scheme (QROPS)

This is an overseas pension scheme that meets certain requirements and which HMRC recognises as eligible to receive transfers from registered pension schemes in the UK.

Registered pension scheme

A pension scheme that is registered with HMRC under the provisions of the Finance Act 2004.

Scheme

The Prudential Staff Pension Scheme.

Scheme Actuary

An appropriately qualified individual who advises the Trustee on actuarial matters relating to the Scheme.

Service

Your employment with the Company.

Spouse

This is the person to whom you are legally married. This includes opposite sex spouses and same sex spouses.

Spouse GMP (SGMP)

The minimum pension the Scheme must pay to your Spouse/Civil Partner as a result of you contracting out of either the State Earnings Related Pension Scheme (SERPS) or the Second State Pension (S2P).

Please see the definition in this Glossary for Guaranteed Minimum Pension (GMP) for further information.

State Pension

The pension you may receive from the State when you reach State Pension Age.

State Pension Age

The age at which your State Pension becomes payable.

Trustee

Prudential Staff Pensions Limited, a limited company, is the Trustee of the Scheme and is responsible for ensuring that the Scheme is administered in accordance with the Trust Deed and Rules. The Trustee holds, manages and invests assets for the benefit of members and their beneficiaries.

Trustee Director

The Company appoints the Trustee Directors and the Trustee Directors collectively form the Trustee Board. Trustee Directors are individuals appointed to the Trustee Board and can be chosen for appointment by either the Company or the members.