Changes to tax relief for pensions
For members of Afterwork

Your Barclays, Your Pay and Benefits
Changes to tax relief for pensions

This guide to tax relief for pensions provides a summary of the pension tax changes from April 2016 and the options available if you think you are going to be affected by them.

As a member of Afterwork, you currently benefit from tax relief on your retirement savings. As determined by rules set by HM Revenue & Customs (HMRC), the tax relief on your annual pension contributions is capped by the **Annual Allowance** and the tax relief on your total retirement savings is capped by the **Lifetime Allowance**.

From 6 April 2016, the Government is changing the allowances that determine how much tax relief members of UK pension plans receive on their retirement savings.

**Annual Allowance:**
- The maximum amount of pension contributions on which you currently receive tax relief is £40,000 a year
- It will reduce on a sliding scale for employees with adjusted income above £150,000 a year to £10,000 a year for those with adjusted income above £210,000
- Broadly, to calculate adjusted income for this purpose you will need to include your total taxable income, and if this exceeds £110,000 a year, you will also need to include the value of any employer pension contributions
- Transitional arrangements apply in 2015/16 which mean that your Annual Allowance is likely to be higher than £40,000.

**Lifetime Allowance:**
- The total value of retirement savings from all sources that you can take at retirement without incurring a Lifetime Allowance excess tax charge is currently £1.25 million for the 2015/16 tax year
- This will reduce to £1 million.

More information about the changes to the Annual Allowance and Lifetime Allowance can also be found on the [HM Revenue & Customs website](https://www.gov.uk/government/organisations/hm-revenue-customs).
This guide provides:

- A summary of the pension tax allowances
- An explanation of how you can calculate your position against both the Annual Allowance and the Lifetime Allowance using the calculator to help work out if you will be affected
- A summary of the options available to you if you think you will be affected by the new pension tax allowances or to increase your pension contributions if you have capacity within the Annual Allowance to do so in 2015/16
- Details of the effect of the various options on your non-pension benefits such as life assurance and income protection
- An action checklist to summarise your choices
- Some helpful contacts if you would like further information.

You may need to take action with regard to your retirement savings as a result of these changes

To help you review your personal situation, you should look at the information we have made available:

- Information on your Barclays retirement savings to compare against the Annual Allowance and the Lifetime Allowance on ePA
- A pension tax allowances calculator (the calculator) which allows you to estimate your Barclays and non-Barclays pensions against the tax allowances, and see the net benefit of any options you have modelled. You can access this through My Rewards or at https://pensiontaxallowancescalculator.tbs.aon.com
- The Your Pension Journey website (www.yourpensionjourney.com) which shows you the differences between Afterwork and the Barclays Pension Savings Plan (BPSP). The BPSP is a group personal pension plan provided by Legal & General on behalf of Barclays. It is the only Barclays pension plan that is open to new members
- This guide.

Your retirement savings in other non-Barclays UK company pension schemes or personal pension plans also count towards these allowances. Barclays has no information about these schemes. If you have, or expect to have, retirement savings from any other pension schemes, you should gather information about all your retirement savings and consider reviewing your plans now in sufficient time to take action before April 2016, if necessary. Please bear in mind that it may take your other pension scheme administrators a number of weeks to provide, the information you request.
Action you need to take

Once you have considered the information we have made available and the information you gather from your other pension schemes, you will need to:

1. Compare your annual pension contributions against the relevant Annual Allowance. Use the calculator and this guide to see if you are affected by the changes.

2. Consider your options and take action:
   - 2a. If you think you may exceed the Annual Allowance after taking account of any unused carry forward from the previous three tax years, you can accept the tax charge or change your contribution rate or switch to the Barclays Pension Savings Plan in order to mitigate the additional tax charge.
   - 2b. If you think you are below the Annual Allowance after taking account of unused Annual Allowance that you have carried forward from the previous three tax years, you may want to think about making additional contributions.

3. Check how the value of your retirement savings compares to the reduced Lifetime Allowance (£1 million) from 6 April 2016. Decide whether you need to apply for protection for your retirement savings from HM Revenue & Customs (see What can I do to protect my retirement savings?) and, if so, whether you need to stop building up further retirement savings. You may decide to increase contributions in the short term, prior to opting out of further retirement savings from April 2016.

If you do not need to take action now, or choose not to take action now, you should keep your retirement savings under review in the future in case you are affected at a later date by these changes.

Pensions can be a complex area. If you want to explore your personal situation in more detail you should consider seeking impartial financial advice. Unfortunately neither Barclays HR, nor Towers Watson or Legal & General are able to provide you with this advice. If you wish to take advice and do not already use a financial adviser, you can learn more about finding one at the Money Advice Service website (https://www.moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser).

This document does not constitute tax or financial advice. If you have any doubt as to your personal position, you should consider taking impartial financial advice.
Note for members outside the UK

This guide is only for employees who are based in the UK and for short-term secondees who are subject to UK tax. If you are a non-UK employee, you may be able to apply for a non-residence Lifetime Allowance enhancement factor in respect of the value of retirement savings you build up while overseas. This has the effect of giving you an increased, personal Lifetime Allowance. The enhancement starts from the beginning of the first UK tax year in which you do not:

• have relevant UK income chargeable to UK income tax for that year; or
• reside in the UK at any time during that year; or
• have (or your spouse or civil partner have) for that year general earnings from overseas Crown employment which is subject to UK tax.

In addition, you must meet one of the following conditions:

• have not resided in the UK at any time during the previous five tax years; or
• did not reside in the UK when you became a member of the UKRF; or
• are not employed by a UK tax resident employer.

Barclays cannot advise you whether you qualify, will qualify or have ever qualified for a non-residence Lifetime Allowance enhancement factor. If you believe you may qualify, you should consider seeking impartial financial advice.
The Annual Allowance – what do I need to know?

The value of your pension contributions each year is known as your Pension Input amount and is measured over a Pension Input Period. For Afterwork this period is the tax year (6 April to the following 5 April each year). At present, pension schemes are free to set their own Pension Input Periods, but from 6 April 2016, the Pension Input Period for all pension schemes will be the tax year.

For the 2015/16 tax year, special transitional arrangements apply. These are described on page 8.

You receive tax relief on your Pension Input amount up to the Annual Allowance.

How the Pension Input amount is calculated for Afterwork

As an Afterwork member, the following elements count towards your Pension Input:

1. The increase in value of your Credit Account. This is calculated as your Credit Account at the end of the Pension Input Period, minus the Credit Account at the start of the Pension Input Period increased in line with any increase in the Consumer Prices Index (CPI) in the 12 months up to the previous September; and

2. The contributions that you and Barclays pay into your Investment Account.

These two elements of your Pension Input are explained in more detail on the next page.
1. Your Credit Account

Each month, Barclays credits your Credit Account with 20%* of your Pensionable Salary (your basic salary up to the Internal Earnings Cap (£125,000)). The Credit Account is then increased in line with the increase in the Retail Prices Index (RPI) up to a maximum of 5% a year, and by a further discretionary investment-related increase of up to 2% a year. Your Credit Account is available in full at age 60 to provide you with retirement benefits.

* except for some former 1964 members, known as reduced terms members, who receive a 10% credit.

2. Your Investment Account

If you also contribute to the Investment Account, your Pension Input amount is the amount of contributions that you make plus the matching contributions that Barclays also makes during the year (from 6 April to the following 5 April).

Contributions to the Investment Account can include:

- Your and Barclays Matched contributions up to 3% of Pensionable Salary
- Additional contributions you make as a regular percentage of Pensionable Salary or £ amount
- One off lump sum payments you make either through the year or from your cash incentive
- Executive top-up contributions – if you receive this and you have decided to pay it into your pension (please note this applies for Afterwork members whose Pensionable Salary is over £125,000).

The formula for working out your Pension Input amount for Afterwork is:

\[
\text{The value of the Credit Account at the end of the Pension Input Period} - \text{The value of the Credit Account at the start of the Pension Input Period, increased in line with any increase in CPI} + \text{Your and Barclays contributions to the Investment Account (any Matched contributions or additional contributions you make as a regular percentage of Pensionable Salary or £ amount)}
\]
Transitional arrangements for the 2015/16 tax year

As mentioned above, the Pension Input Period for all pension schemes will be aligned to the tax year from the start of 2016/17 tax year onward. This will not require a change for Afterwork. However, the Government has announced transitional arrangements to ensure that anyone who made significant pension contributions prior to the Budget announcements is not adversely affected by the changes to their Pension Input Period, and these transitional arrangements also apply to Afterwork.

All Pension Input Periods that were open on 8 July 2015 were closed on that date, with the next Pension Input Period running from 9 July 2015 to 5 April 2016. Everyone who was an active member of a UK-registered pension scheme on 8 July 2015 therefore has at least two Pension Input Periods for the 2015/16 tax year which will be split into two ‘mini tax years’:

- 6 April 2015 to 8 July 2015
  (‘the pre-alignment tax year’); and
- 9 July 2015 to 5 April 2016
  (‘the post-alignment tax year’).

You will have an Annual Allowance of £80,000 for the pre-alignment tax year. Your Annual Allowance for the post-alignment year depends on what you have paid in the pre-alignment tax year. It will start at nil but you will carry forward any of the unused £80,000 from the pre-alignment tax year, up to a maximum of £40,000, for use in the post-alignment year or to carry forward to future years.

Now let’s look at an example to see how this might work for an Afterwork member who we will assume has no available carry forward from previous years.

**Example 1:**

**David has pension input of more than £40,000 in the 2015/16 tax year:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension input from 6 April 2015 – 8 July 2015</td>
<td>£20,000</td>
</tr>
<tr>
<td>Planned pension input from 9 July 2015 – 5 April 2016</td>
<td>£30,000</td>
</tr>
<tr>
<td><strong>Total pension input from 6 April 2015 – 5 April 2016</strong></td>
<td><strong>£50,000</strong></td>
</tr>
</tbody>
</table>

David’s post-alignment tax year Annual Allowance is £40,000. This is calculated as the Annual Allowance of £80,000 for the pre-alignment tax year less the pension input he made from 6 April 2015 to 8 July 2015 of £20,000, ie £80,000 - £20,000 = £60,000, subject to a maximum of £40,000.

In the example above, as David’s total pension input from 6 April 2015 – 8 July 2015 is less than £80,000 and his planned pension input from 9 July 2015 – 5 April 2016 is less than the post-alignment (9 July 2015 – 5 April 2016) Annual Allowance of £40,000, there is no Annual Allowance tax charge, despite David’s total pension input over the full year exceeding £40,000.

If David wanted to maximise his pension input before 5 April 2016, he could increase his contributions by £10,000 to £40,000 between 9 July 2015 and 5 April 2016 without incurring an Annual Allowance tax charge. This would result in a total Pension Input amount for the 2015/16 tax year of £60,000. He is unable to maximise the full transitional £80,000 Annual Allowance as £40,000 is the maximum that can be made in the post-alignment tax year.
Example 2:

David has pension input of more than £40,000 in the 2015/16 tax year:

| Pension input from 6 April 2015 – 8 July 2015 | £60,000  |
| Planned pension input from 9 July 2015 – 5 April 2016 | £10,000  |
| **Total pension input from 6 April 2015 – 5 April 2016** | **£70,000** |

David’s post-alignment tax year Annual Allowance is £20,000. This is calculated as the Annual Allowance of £80,000 for the pre-alignment tax year less the pension contributions he made from 6 April 2015 to 8 July 2015 of £60,000, i.e. £80,000 - £60,000 = £20,000.

In the example above, as David’s total pension contributions from 6 April 2015 – 8 July 2015 are less than £80,000 and his planned pension contributions from 9 July 2015 – 5 April 2016 are less than the post-alignment (9 July 2015 – 5 April 2016) Annual Allowance of £20,000, there is no Annual Allowance tax charge, despite David’s total pension contributions over the full year exceeding £40,000.

If David wanted to maximise his pension contributions before 5 April 2016, he could increase his contributions by £10,000 to £20,000 between 9 July 2015 and 5 April 2016 without incurring an Annual Allowance tax charge. This would result in a total Pension Input amount for the 2015/16 tax year of £80,000.

The calculator will help you to assess your own position and work out if you have any scope to pay extra pension contributions.

How do I work out what my Annual Allowance will be from the 2016/17 tax year onwards?

The Annual Allowance will stay at a maximum of £40,000 a year but will reduce on a sliding scale for employees with adjusted income above £150,000 a year to £10,000 a year for those with adjusted income above £210,000.

The first thing you will need to do in order to work out your Annual Allowance is to look at your total taxable income, including income from property or investments.

The diagram below shows what is included in the definition of total taxable income.
If your total taxable income exceeds £110,000, you will also need to include the value of any employer pension contributions. This is known as your ‘adjusted income’:

- If adjusted income is below £150,000, your Annual Allowance is £40,000
- If adjusted income is above £210,000, your Annual Allowance is £10,000
- If adjusted income is between £150,000 and £210,000, your Annual Allowance is reduced by £1 for each £2 of adjusted income you have over £150,000 (see the chart below).

What about other pension schemes that I have?
If you also currently contribute to other non-Barclays pension schemes, such as personal pensions, stakeholder pensions or Self Invested Personal Pensions (SIPPs), your Pension Input amounts for these plans will also count towards your Annual Allowance. Your Pension Input for these schemes will be the value of your gross contributions during the year.

For some of these schemes you may be paying a net contribution which the provider tops up with an amount relating to basic rate tax relief. It is the total gross contribution including basic rate tax that will count towards your Pension Input.

Please also note that the Pension Input Periods for other plans may begin and end on different dates to those for Afterwork — although they will all be aligned from April 2016.

What about my deferred pension benefits?
If you have deferred pension benefits (i.e. benefits from past membership of a pension plan, including a Barclays pension plan such as the 1964 Pension Scheme or the Pension Investment Plan) generally these will not count towards your Annual Allowance, provided you became deferred in a previous Pension Input Period (i.e. before 6 April 2015 for the current Pension Input Period).

However, it is worth double checking the position with the administrator of your deferred pension schemes to establish if there are any discretionary increases that are applied as these count towards your Pension Input amount.

Please note: if you choose to leave Afterwork, the discretionary investment-related increases to your deferred Credit Account will count towards the Annual Allowance and therefore you will need to opt out of this increase if you no longer want to receive this Pension Input amount (see page 24).
How does the Annual Allowance work in practice?

Let’s look at a couple of examples.

**Example 1**

Michael is a member of Afterwork.

- Michael earns a basic salary of £80,000 a year. This is the amount that contributions to Afterwork are based upon.
- Michael has no other income from Barclays on top of his basic salary and no external income such as income from property or shares.
- Michael’s Credit Account at the beginning of next year (April 2016) is valued at £100,000.
- Michael is a Full Match member of Afterwork (i.e. he pays 3% Matched contributions via salary sacrifice which Barclays matches).
- Michael also pays in £1,500 a month as additional contributions via salary sacrifice.
- Michael’s taxable income is reduced to £57,200 a year by the value of his salary sacrifice contributions made up of:
  - 3% core: £2,400 a year
  - 3% Full Matched: £2,400 a year
  - £1,500 per month additional contributions: £18,000 a year

First, we need to work out Michael’s Pension Input.

**Michael’s Credit Account Pension Input**

<table>
<thead>
<tr>
<th>Value at start of year (6 April 2016)</th>
<th>£100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase over the year</td>
<td>£19,000</td>
</tr>
<tr>
<td>Michael’s Credit Account receives a credit of £16,000 (20% of £80,000) relating to new accrual, plus an increase of £3,000 on the amount already built up at the start of the year (assuming an RPI increase of 2.5% and a discretionary investment-related increase of 0.5% on the amount already built up at the start of the year)</td>
<td></td>
</tr>
<tr>
<td>Value at end of year (5 April 2017)</td>
<td>£119,000</td>
</tr>
<tr>
<td>LESS the allowed revaluation of start of year Credit Account (based on CPI of 1.5%)</td>
<td>£1,500</td>
</tr>
<tr>
<td>LESS value at start of year (6 April 2016)</td>
<td>£100,000</td>
</tr>
<tr>
<td>Pension Input for Credit Account</td>
<td>£17,500</td>
</tr>
</tbody>
</table>

**Michael’s Investment Account Pension Input**

| Full Match contributions (3% from Michael and 3% from Barclays) (6% of £80,000) | £4,800 |
| Additional salary sacrifice contributions (£1,500 a month)                      | £18,000 |
| Pension Input for Investment Account                                           | £22,800 |

**Total Pension Input for 2016/17**

£40,300
Next, we need to work out Michael’s Annual Allowance.

- Michael has total taxable income of £57,200. As his total taxable income is less than £110,000 in the tax year, he does not need to include his employer’s contributions to work out his adjusted income for Annual Allowance purposes.
- Michael’s adjusted income for Annual Allowance purposes is below £150,000, so his Annual Allowance in 2016/17 is £40,000.

Finally, we need to compare his total Pension Input to his Annual Allowance.

- Michael’s Pension Input for his Credit Account (£17,500) is under his Annual Allowance of £40,000.
- However, when this is added to the Pension Input from his Investment Account his total Pension Input is £40,300 and exceeds his £40,000 Annual Allowance by £300.

- Michael’s excess Pension Input of £300 will incur a tax charge of £120 (at Michael’s marginal rate of tax of 40%) unless he has unused Annual Allowance to carry forward (see page 15 for further details of carry forward).
- In order to ensure Michael does not incur a tax charge he will need to consider reducing his Investment Account contributions (see page 16 for further details on pension options).
Example 2

Jane is also a member of Afterwork.
• Jane earns a basic salary of £120,000 a year. This is the amount that contributions to Afterwork are based upon
• Jane’s Credit Account at the beginning of the year is valued at £100,000
• Jane is a Full Match member of Afterwork (i.e. she pays 3% Matched contributions via salary sacrifice which Barclays matches)
• Jane also pays in £500 a month as additional salary sacrifice contributions
• Jane’s total income for the tax year 2016/17 is £150,000 made up as follows:
  • Basic salary (£120,000)
  • LESS salary sacrifice contributions (£13,200, made up of:
    • 3% core (£3,600)
    • 3% Match contribution (£3,600)
  • PLUS allowances and cash incentive (£23,200)
  • PLUS external income from property and shares (£20,000)

First, we need to work out Jane’s Pension Input.

Jane’s Credit Account Pension Input

| Value at start of year (6 April 2016) | £100,000 |
| Increase over the year | £27,000 |
| Jane’s Credit Account receives a credit of £24,000 (20% of £120,000) relating to new accrual, plus an increase of £3,000 on the amount already built up at the start of the year (assuming an RPI increase of 2.5% and a discretionary investment-related increase of 0.5% on the amount already built up at the start of the year) | |
| Value at end of year (5 April 2017) | £127,000 |
| LESS the allowed revaluation of start of year Credit Account (based on CPI of 1.5%) | £1,500 |
| LESS value at start of year (6 April 2016) | £100,000 |
| Pension Input for Credit Account | £25,500 |

Jane’s Investment Account Pension Input

| Full Match contributions (3% from Jane and 3% from Barclays) (6% of £120,000) | £7,200 |
| Additional salary sacrifice contributions (£500 a month) | £6,000 |
| Pension Input for Investment Account | £13,200 |

Total Pension Input for 2016/17 | £38,700 |
Next, we need to work out Jane’s Annual Allowance.

- Jane has total taxable income of £150,000. As her total taxable income exceeds £110,000 in the tax year, she must add on the employer related pension accrual. This is her ‘adjusted income’
- As Jane’s adjusted income for Annual Allowance purposes is in excess of £150,000, her Annual Allowance will be reduced (see the table opposite)

Finally, we need to compare her total Pension Input to her Annual Allowance.

- Jane’s Pension Input for her Credit Account (£25,500) is over her Annual Allowance of £20,650
- When this is added to the Pension Input from her Investment Account (£13,200) she is pushed further over the £20,650 Annual Allowance
- Jane’s excess Pension Input of £18,050 will incur a tax charge of £8,122.50 (at Jane’s marginal rate of tax of 45%) unless she has unused Annual Allowance to carry forward (see page 15 for further details on carry forward)
- In order to ensure Jane does not incur a tax charge she will need to consider reducing her Investment Account contributions (depending on carry forward) (see page 16 for further details on pension options), switching to the BPSP or opting out.

### How Jane’s Annual Allowance is calculated.

<table>
<thead>
<tr>
<th>Jane’s Annual Allowance</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jane’s total taxable income in the 2016/2017 tax year</td>
<td>£150,000</td>
</tr>
<tr>
<td>ADD the employer related pension contributions (this is Jane’s Pension Input in the 2016/2017 tax year including salary sacrifice contributions)</td>
<td>£38,700</td>
</tr>
<tr>
<td>Adjusted income to calculate Annual Allowance</td>
<td>£188,700</td>
</tr>
<tr>
<td>Jane’s Annual Allowance</td>
<td>£20,650</td>
</tr>
</tbody>
</table>

Work out the amount of adjusted income over £150,000

£188,700 - £150,000 = £38,700

Divide this number by 2 (as the Annual Allowance will reduce by £1 for each £2 of adjusted income you have over £150,000)

£38,700 ÷ 2 = £19,350

Subtract this figure from £40,000

£40,000 - £19,350 = £20,650
## Carrying forward unused Annual Allowance

From 6 April 2011, you have been able to carry forward any unused Annual Allowance from the previous three tax years. Carrying forward unused Annual Allowance can help you to keep your Pension Input below the Annual Allowance.

The table opposite illustrates how carry forward works.

For the 2016/17 tax year, you may look back three years to the 2013/14 tax year and if your Pension Inputs were less than the Annual Allowance in the 2013/14, 2014/15 or 2015/16 tax years, you will be able to carry forward the difference.

You should note that you must use your current year Annual Allowance before any carried forward Annual Allowance and you may only carry forward unused Annual Allowance that has not been used up in a previous year. So if, for example, you exceeded the Annual Allowance in 2014/15, this will reduce the carry forward for 2013/14, unless there were unused allowances for 2011/12 or 2012/13 that you could use up first.

Only unused Annual Allowance from a tax year in which you were a member of a UK-registered pension scheme may be carried forward. There is no requirement to have built up pension contributions during the year and current pension contributions need not be to the same scheme.

After three years, any unused Annual Allowance will no longer be available. So, for the tax year 2016/17, the earliest tax year available for carry forward is 2013/14.

<table>
<thead>
<tr>
<th>Tax year</th>
<th>Annual Allowance</th>
<th>If the value of your Pension Input was</th>
<th>The amount available for you to carry forward would be</th>
<th>Carry forward to the 2016/17 tax year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>£50,000</td>
<td>£30,000</td>
<td>£20,000</td>
<td>£20,000</td>
</tr>
<tr>
<td>2014/15</td>
<td>£40,000</td>
<td>£25,000</td>
<td>£15,000</td>
<td>£15,000</td>
</tr>
<tr>
<td>2015/16 – ‘pre-alignment’ tax year (6 April 2015 to 8 July 2015)*</td>
<td>£80,000</td>
<td>£30,000</td>
<td>£40,000**</td>
<td>Not applicable – can only carry forward to ‘post-alignment’ tax year</td>
</tr>
<tr>
<td>2015/16 – ‘post-alignment’ tax year (8 July 2015 to 5 April 2016)*</td>
<td>£40,000</td>
<td>£30,000</td>
<td>£10,000</td>
<td>£10,000</td>
</tr>
<tr>
<td>Annual Allowance available for 2016/17</td>
<td></td>
<td></td>
<td></td>
<td>£85,000 (£45,000 carry forward + £40,000 Annual Allowance***))</td>
</tr>
</tbody>
</table>

* To calculate the carry forward for the full 2015/16 tax year, you must first calculate your carry forward from the ‘pre-alignment’ tax year and deduct the Pension Input in the ‘post-alignment’ tax year. The carry forward amount from the ‘pre-alignment’ tax year to the ‘post-alignment’ tax year is calculated as the lower of £40,000 or £80,000 less the Pension Input during the ‘pre-alignment’ tax year. There is no carry forward from the pre-alignment tax year to the 2016/17 tax year or subsequent tax years.

** This is a maximum amount, calculated as the Annual Allowance for the 2015/16 ‘pre-alignment’ tax year, which is £80,000, less the value of the Pension Input over that period, subject to a maximum of £40,000. It can only be carried forward to the 2015/16 ‘post-alignment’ tax year.

*** This is the maximum amount that will apply if you have adjusted income of less than £150,000 (see page 9). If you have adjusted income of more than £150,000, your Annual Allowance will be less.
What action can I take if my Pension Input amount is likely to exceed the Annual Allowance?

If the value of your Pension Input in the tax year is likely to exceed the Annual Allowance, you may wish to think about reducing your current contribution levels. If you do nothing, you may be liable to a tax charge.

Your options for reducing your contributions include:

• Stop or reduce your contributions to Afterwork – if you pay regular contributions to Afterwork (Matched or additional contributions), you can change your contributions by visiting the My Rewards website, clicking ‘Enrol or change benefits’ and making your changes online. The changes will take effect from the following month.

• Change your Executive top-up contributions from pension to cash – if you are entitled to Executive top-up and this is currently paid into your Investment Account, you can redirect these contributions and take the Executive top-up as cash instead. This will then be payable as salary and subject to tax and National Insurance Contributions. You can do this at any time by emailing the Barclays Team at Towers Watson (see contact details on page 30).

• Switch to the BPSP – you may not be able to reduce your contributions to Afterwork sufficiently because your Credit Account alone is taking you over the Annual Allowance. If this is the case, and you stay in Afterwork, you will not be able to flex your contributions within Afterwork to stay within the Annual Allowance. However, you may switch from Afterwork into the BPSP. You will then receive instead an age-related pension contribution to the BPSP on your basic salary up to the internal earnings cap (currently £125,000) and cash in lieu of pension on your basic salary above the internal earnings cap (at a rate to be determined by Barclays at its sole discretion and notified to you from time to time). Cash in lieu of pension is paid in addition to your basic salary.

Within the BPSP, you will have the ability to flex down your pension contribution, subject to a minimum contribution of 5% of pensionable salary or £5,000, whichever is lower, and this will allow you to stay within the Annual Allowance.

You can switch pension plan at any time. If you choose to do this during the My Rewards annual enrolment in March you will receive age-related pension contributions into the BPSP as above. If you switch outside of the BPSP annual enrolment period, you will only receive a 10% pension contribution. You would also have the option to switch at a future annual enrolment, and receive the age-related contribution applicable at the time into the BPSP. You can read about this option by visiting the website www.yourpensionjourney.com.

If you switch from Afterwork to the BPSP during the annual enrolment period, this will take effect from 1 April. If you choose to switch to the BPSP, there will be an impact on your non-pension benefits such as life assurance and income protection. The table on page 25 shows the effect of your choices.
What happens if I do exceed the Annual Allowance?

If the value of your Pension Input in any one year exceeds the Annual Allowance for that year (plus any carried forward unused Annual Allowance from earlier years), you will incur a tax charge on the excess at your marginal rate of income tax.

You are responsible for reporting any Annual Allowance charge. The charge is usually payable via the Self Assessment Tax Return for the year of the charge, so would be payable by 31 January following the end of the tax year in which the charge arose (31 January 2018 for a charge incurred in the 2016/17 tax year).

If your Annual Allowance charge is more than £2,000 in a tax year across all your schemes, you may ask the Barclays Team at Towers Watson to pay the charge from your retirement savings in Afterwork. Your retirement savings will then be reduced to reflect the charge. Any charge paid from your retirement savings must still be reported on your Self Assessment Tax Return for the year of the charge.

What action can I take if my Pension Input amount in the tax year is likely to be below the Annual Allowance in 2015/16?

If the value of your Pension Input amount in the tax year is likely to be below the Annual Allowance you may wish to consider making additional pension contributions to make the most of the transitional arrangements. (See page 8 for details of the transitional arrangements and an example.)

Your options for contributing to Afterwork are:

- Make an additional lump sum payment out of your cash incentive (this option is not available for Material Risk Takers) – you can do this during January 2016 if you are eligible and can contribute up to 100% of your cash incentive.

You may choose to make additional pension contributions to a non-Barclays pension scheme if you wish.

Any additional contributions will reduce available carry forward for the next three years.

- Make additional lump sum payments – you can make additional lump sum payments (£ or % amount) at any time of up to 75% of your monthly salary effective from the following month.

You may choose to make additional pension contributions to a non-Barclays pension scheme if you wish.

Any additional contributions will reduce available carry forward for the next three years.
The Lifetime Allowance – what do I need to know?

In addition to the Annual Allowance, you also need to consider the Lifetime Allowance (LTA) when deciding how much to pay into your pension in the future.

The LTA limits the maximum amount of retirement savings (from all sources) that you can take at retirement without incurring an LTA excess tax charge. The LTA is currently £1.25 million but will reduce to £1 million from 6 April 2016, although it will then increase annually in line with increases in the CPI from April 2018.

If the total value of your retirement savings from all sources exceeds the LTA, you will be required to pay an LTA charge on the excess (see page 21 for more information). The State pension does not count towards the Lifetime Allowance.

Retirement savings must be tested against your available LTA whenever a ‘benefit crystallisation event’ occurs (usually when you first put your retirement savings into payment, but this also includes the payment of a death-in-service lump sum benefit).

Each separate pension scheme that you have will use up a percentage of your LTA at the time you take your retirement savings, and the way the value of your retirement savings is worked out depends on the type of retirement savings that you have and when you take them (see page 19).

The calculator will allow you to input the value of your retirement savings from all sources so you can compare the value of your total retirement savings to the LTA.

The Lifetime Allowance limits the maximum amount of retirement savings that you can take at retirement without paying additional tax.
How your retirement savings are estimated against the Lifetime Allowance

The way the value of your retirement savings is worked out depends upon the type of pension that you have built up. The different types are set out in the table below:

<table>
<thead>
<tr>
<th>Pension scheme</th>
<th>Valuation method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit schemes (for example, the 1964 Pension Scheme)</td>
<td>20 x annual pension* (after any reduction to pay tax-free cash) plus the cash value of any tax-free cash</td>
</tr>
<tr>
<td>Defined contribution schemes (such as the Afterwork Investment Account, RIS, BPSP or PIP) or cash balance benefit (such as the Afterwork Credit Account)</td>
<td>The fund value at retirement</td>
</tr>
<tr>
<td>Any pensions that were in payment at 5 April 2006 (when the Lifetime Allowance was introduced) from any type of pension scheme</td>
<td>25 x pension in payment</td>
</tr>
</tbody>
</table>

*This is the annual pension received after any reduction to pay for tax-free cash and any reduction for early retirement. Early retirement reduction factors tend to differ across schemes and are periodically reviewed and updated.
How does the Lifetime Allowance work in practice?

Let’s look at an example of an Afterwork member with benefits close to the new Lifetime Allowance:

- John draws his retirement savings from the UKRF at Normal Retirement Age (60) in June 2016. He has benefits in the 1964 Pension Scheme and in Afterwork.
- John’s benefit from the 1964 Pension Scheme (which is a defined benefit scheme) includes an annual pension of £25,000 (after taking tax-free cash of a maximum of 25% of the value of his pension benefit) and tax-free cash of £150,000.
- John’s Afterwork Total Account (his Credit Account plus Investment Account) is £150,000.
- John also has a defined benefit pension of £6,400 a year from a previous employer’s pension scheme that is not yet in payment and he has decided not to take tax-free cash from that scheme.
- As John is taking his benefits after 5 April 2016, the value of his pension benefits is tested against the LTA of £1 million.

### Working out the Lifetime Allowance

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of John’s retirement savings in the UKRF</td>
<td></td>
</tr>
<tr>
<td>1964 Pension Scheme annual pension (£25,000 x 20)</td>
<td>£500,000</td>
</tr>
<tr>
<td>Tax-free cash</td>
<td>£150,000</td>
</tr>
<tr>
<td>Afterwork Total Account</td>
<td>£150,000</td>
</tr>
<tr>
<td>Total value of retirement savings in the UKRF</td>
<td>£800,000</td>
</tr>
<tr>
<td>Total value of John’s retirement savings from non-Barclays pension scheme pension benefits (£6,400 x 20)</td>
<td>£128,000</td>
</tr>
<tr>
<td>Total value of retirement savings from all sources</td>
<td>£928,000</td>
</tr>
<tr>
<td>The value of John’s UKRF retirement savings as a percentage of the LTA:</td>
<td>80%</td>
</tr>
<tr>
<td>The value of John’s non-Barclays pension scheme retirement savings as a percentage of the LTA:</td>
<td>12.8%</td>
</tr>
<tr>
<td>The total value of John’s retirement savings from all sources as a percentage of the LTA:</td>
<td>92.8%</td>
</tr>
</tbody>
</table>

Therefore, John’s pension benefits will not be subject to the Lifetime Allowance charge. This assumes that John takes all his retirement savings at the same time. If he were to take his retirement savings at different times, they would be tested against the LTA on each occasion.
Where can I find the value of my retirement savings in Afterwork?

To view where you are with your overall retirement savings compared to the LTA, you can do the following:

- Review your Benefit Statement – to see the value of the retirement savings you have built up in Afterwork, and the value of any legacy Barclays pension benefits you earned in your current period of service with Barclays you can take a look your current Benefit Statement. This is available on the member website (called ePA) which you can link to directly from Quick Links on the home page of My Rewards. You can also get an up-to-date fund value on ePA.

- Use the calculator – the calculator will help you assess your position. This can be accessed at https://pensiontaxallowancescalculator.tbs.aon.com/ and allows you to input values for your different pension schemes and see how you are doing against the Annual Allowance and Lifetime Allowance. The calculator does not provide tax or financial advice.

What are the implications if I exceed the Lifetime Allowance at retirement?

Where the value of retirement savings taken exceeds the available LTA, a tax charge (LTA charge) will be imposed on the excess and the remainder can be taken as pension or as a cash sum.

If the excess is taken as a pension, an immediate 25% tax charge applies to the value of your excess pension benefits and the pension when paid is then taxed at your highest rate of income tax in retirement. At current rates, this equates to an overall tax charge of 55% for a 40% tax payer and 58.75% for a 45% tax payer.

If the excess is taken as a lump sum, the lump sum is taxed at 55% on payment but there is no further tax to pay on that part of your benefit.

<table>
<thead>
<tr>
<th>Excess benefit taken as pension/cash</th>
<th>LTA tax charge</th>
<th>Effective tax charge for a 40% tax payer</th>
<th>Effective tax charge for a 45% tax payer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>25%*</td>
<td>55%</td>
<td>58.75%</td>
</tr>
<tr>
<td>Capital sum</td>
<td>55%</td>
<td>55%</td>
<td>55%</td>
</tr>
</tbody>
</table>

* This is payable on the value of your excess pension benefits; for example, if you have excess pension savings of £100,000, which you intend to take as pension, the LTA charge will be £25,000 and you will then be taxed at your marginal rate on the pension you receive.
Let’s look at an example of an Afterwork member who has benefits that are over the new Lifetime Allowance:

- Sally draws her retirement savings from the UKRF at Normal Retirement Age (60) in June 2016. Like John, she has benefits in the 1964 Pension Scheme and in Afterwork.
- Sally’s benefit from the 1964 Pension Scheme (which is a defined benefit scheme) includes an annual pension of £35,000 (after taking tax-free cash of a maximum of 25% of the value of her pension benefit) and tax-free cash of £200,000.
- Sally’s Afterwork Total Account (her Credit Account plus Investment Account) is £75,000.
- Sally also has a defined benefit pension of £8,000 a year from a previous employer’s pension scheme that is not yet in payment.
- As Sally is taking her benefits after 5 April 2016, the value of her pension benefits is tested against the LTA of £1 million.

### Working out the Lifetime Allowance

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964 Pension Scheme annual pension (£35,000 x 20)</td>
<td>£700,000</td>
</tr>
<tr>
<td>Tax-free cash</td>
<td>£200,000</td>
</tr>
<tr>
<td>Afterwork Total Account</td>
<td>£75,000</td>
</tr>
<tr>
<td>Total value of retirement savings from the UKRF</td>
<td>£975,000</td>
</tr>
<tr>
<td>Total value of retirement savings from other pension sources (£8,000 x 20)</td>
<td>£160,000</td>
</tr>
<tr>
<td>Total value of retirement savings from all sources</td>
<td>£1,135,000</td>
</tr>
<tr>
<td>The value of Sally’s UKRF retirement savings as a percentage of the LTA</td>
<td>97.5%</td>
</tr>
<tr>
<td>The value of Sally’s other pension scheme retirement savings as a percentage of the LTA</td>
<td>16%</td>
</tr>
<tr>
<td>The total value of Sally’s retirement savings from all sources as a percentage of the LTA</td>
<td>113.5%</td>
</tr>
</tbody>
</table>

Therefore, Sally’s retirement savings will be subject to the Lifetime Allowance charge unless she takes action. This assumes that Sally takes all her retirement savings at the same time. If she were to take her retirement savings at different times, they would be tested against the LTA on each occasion. Sally has the option of applying for Fixed Protection 2016 or Individual Protection 2016 in order to protect the retirement savings she has built up. See page 23 for more detail on these options.
What can I do to protect my retirement savings?

The Government has introduced two new types of tax protection which allow individuals to safeguard their current retirement savings against changes in the Lifetime Allowance. These protections are known as Fixed Protection 2016 and Individual Protection 2016. (Please note that the legislation on Fixed Protection 2016 and Individual Protection 2016 has yet to be passed by Parliament and is subject to change.)

The key characteristics of the two types of protection are summarised opposite:

<table>
<thead>
<tr>
<th><strong>Fixed Protection 2016</strong></th>
<th><strong>Individual Protection 2016</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of benefits at 6 April 2016</td>
<td>Value of benefits does not have to exceed £1m at 6 April 2016. This protection is aimed at people that expect their benefits to exceed £1m at retirement.</td>
</tr>
<tr>
<td>Level of protection</td>
<td>This provides protection for benefits already valued at over £1m at 6 April 2016.</td>
</tr>
<tr>
<td>Future retirement savings</td>
<td>Allows you to keep an LTA that is the higher of £1.25m and the standard LTA at the time of retirement (£1m from April 2016).</td>
</tr>
<tr>
<td>Application process for both Fixed Protection 2016 and Individual Protection 2016</td>
<td>Allows you to keep an LTA that is the lower of the value of your benefits at 6 April 2016 and £1.25m. This is effectively a ‘personalised LTA’ that reflects the value of your retirement savings at 6 April 2016.</td>
</tr>
<tr>
<td>Deadline for applying for protection</td>
<td>To retain this protection you cease all future retirement savings in UK-registered pension schemes on or before 5 April 2016.</td>
</tr>
<tr>
<td></td>
<td>There is no restriction on accruing future retirement savings, however if your retirement savings exceed your personalised LTA when you choose to take your retirement savings, you will incur an LTA tax charge.</td>
</tr>
</tbody>
</table>

Which Protection to apply for

Please note that it is possible for you to apply for both forms of protection if you wish. If you already have protection from a previous tax change (Primary Protection, Enhanced Protection, Fixed Protection or Individual Protection), you should consult an impartial financial adviser to determine the effect of the 2016 changes on your personal situation.
What are my options if I have retirement savings in excess of the Lifetime Allowance as at April 2016?

As a member of Afterwork you have the following options if your retirement savings exceed the LTA:

- Stay in Afterwork, apply for Individual Protection 2016 and incur a tax charge on benefits over your personal LTA.
- Switch to the BPSP with an age-related contribution (based on your age as at 1 April 2016), apply for Individual Protection 2016 and incur a tax charge on retirement savings over your personal LTA. You may also flex down Barclays contribution to the BPSP to mitigate LTA tax.
- Opt out of Afterwork and apply for Fixed Protection 2016 and/or Individual Protection 2016.
- At Barclays’ discretion, if you have applied for Individual Protection 2016 and/or Fixed Protection 2016, or the value of your retirement savings is 90% or more of the LTA, you may be able to receive cash in lieu of pension (at a rate to be determined by Barclays at its sole discretion and notified to you from time to time; currently the standard rate is 10%). Cash in lieu of pension is payable with your salary and is subject to tax and National Insurance Contributions. It is separate to your basic salary.
- Opt out of the discretionary investment-related increases applied to your deferred Afterwork Credit Account. You will have to do this if you apply for Fixed Protection 2016.

You can use the calculator to work out if you are likely to have retirement savings that exceed the LTA.

If you choose to opt out of Afterwork, there will be an impact on your non-pension benefits such as life assurance and income protection. The table on page 25 shows the effect of your choices.

If you do not do anything, you will be required to pay the Lifetime Allowance tax charge on retirement savings in excess of the Lifetime Allowance.
Effect on non-pension benefits if you opt out of Afterwork

If you choose to opt out of Afterwork or switch to the BPSP, there will be an impact on your non-pension benefits, such as your life assurance and income protection, and it will affect your eligibility to be considered for ill-health early retirement benefits, as shown in the table opposite.

You should also be aware that if you are currently away from work due to sickness, you will not be eligible for income protection if you opt out of Afterwork or switch to the BPSP.

<table>
<thead>
<tr>
<th>Benefits if you stay in Afterwork</th>
<th>Benefits if you opt out of all Barclays pension schemes or switch to the BPSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death in service cover of 4 x basic salary (plus an additional 8 x basic salary if you have dependants)* plus 2 years’ income protection (50%) plus Eligible to be considered for ill-health retirement and/or enhanced ill-health retirement pension, payable for life (see the Afterwork scheme booklet for details)</td>
<td>Switch from Afterwork to the BPSP, or opt out of Afterwork during the My Rewards annual enrolment window; or Opt out of Afterwork for cash in lieu of pension</td>
</tr>
<tr>
<td>Death in service cover of 12 x basic salary, capped at £1.8m** 50% or 65% income protection capped at £500k, payable to State pension age ***</td>
<td>Death in service cover of 8 x basic salary, capped at £1.8m** 50% or 65% income protection capped at £500k, payable to State pension age ***</td>
</tr>
</tbody>
</table>

* The total benefit is inclusive of the payment of any death in service lump sums and the value of any other death in deferment pension benefits which are provided by the UKRF for members of a Barclays legacy scheme.

** Death in service cover up to the internal earnings cap (currently £125,000) is paid via a separate trust (the Barclays Life Assurance Scheme). Any unregistered cover above the internal earnings cap is paid as a lump sum via a separate trust (the Barclays Unapproved Death Benefit Scheme), and is not subject to the LTA. If you have previously applied for protection and have Enhanced, Fixed or Primary Protection, death in service cover is also paid as a lump sum via the Barclays Unapproved Death Benefit Scheme, and is not subject to the LTA.

***The level of income protection is subject to grade: grades below VP are eligible for 50% income protection after two years’ service and subject to benefit eligibility criteria. Grades VP and above are eligible for 65% income protection (with no service requirement) subject to benefit eligibility criteria. This may be flexed up to 75% through My Rewards.
Notes on income protection and ill-health benefits

Afterwork
If you become ill while an active member of Afterwork and are unable to work, the following ill-health benefits will be provided:

• An ill-health income protection benefit of 50% of your basic salary for up to two years

• After two years, you can be considered for an ill-health retirement benefit from Afterwork. There are two levels that you could be considered for

  • If you are permanently unable to carry out your current occupation and any other occupation that you could, in the opinion of the bank, reasonably be expected to carry out, you could receive a pension of 40% of your Pensionable Salary. You will be able to take your Investment Account as cash instead of applying it towards your ill-health pension (there may be tax implications)

  • If you are permanently unable to carry out your current job, you will be able to use your Total Account (Credit Account plus Investment Account) to provide an income. You will be able to take your Total Account as cash (there may be tax implications).

You cannot flex your income protection benefit. If you are currently on long term sick leave you should be aware that you will not qualify for the income protection insurance if you opt out of Afterwork or switch to the BPSP. You should also be aware that any eligibility for legacy income protection schemes will fall away on joining the Barclays Income Protection Scheme.

BPSP
If you opt out or join the BPSP, income protection will be provided separately by an insurance company.

Provided you meet the eligibility criteria for cover, your Benefits Allowance will include funding for income protection insurance of at least 50% of your basic salary until State Pension Age, subject to your grade and medical evidence.

You will be able to flex your income protection insurance, i.e. choose cover of 50%, 65% or 75% of your basic salary, if you wish.

To assess your eligibility to receive the income protection benefit, the insurer will initially assess your ability to perform the material and substantial duties of your insured occupation, and after two years will then assess your ability to follow any occupation with any employer for which you are reasonably suited by reason of training, education or experience.

You will be able to access your BPSP retirement savings from age 55. If you are currently on long term sick leave you should be aware that you will not qualify for the income protection insurance if you switch to the BPSP or opt-out of Afterwork.
Action checklist

Before you take action, we recommend that you obtain pension information in respect of your Barclays and non-Barclays pension plans, read this guide, use the calculator and consult an impartial financial adviser (if appropriate to your circumstances) in order to assess your personal situation against the Annual Allowance and the Lifetime Allowance.

Annual Allowance: your options if you think your Pension Input amount will exceed the Annual Allowance

<table>
<thead>
<tr>
<th>Your options</th>
<th>When you need to do and when</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do nothing</td>
<td>You do not have to do anything but you may be liable to a tax charge when you submit your Self Assessment Tax Return.</td>
</tr>
<tr>
<td>Reduce or stop your contributions to your Afterwork Investment Account</td>
<td>You can change your contribution rate via the My Rewards website at any time. Changes made by the end of the month will be effective the next month. Therefore, if you would like your new contribution rate to take effect at the start of the 2016/2017 tax year you will need to submit your election during March 2016.</td>
</tr>
<tr>
<td>Start receiving your Executive top-up as cash, instead of a pension contribution</td>
<td>This change can be made at any time. Please contact the Barclays Team at Towers Watson at: <a href="mailto:barclaysteam@towerswatson.com">barclaysteam@towerswatson.com</a></td>
</tr>
<tr>
<td>Switch to the Barclays Pension Savings Plan</td>
<td>You can switch to the BPSP during the My Rewards annual enrolment in March each year. Go to Savings and Retirement/Your Pension Option on the My Rewards website. Visit the Pension Journey website (<a href="http://www.yourpensionjourney.com">www.yourpensionjourney.com</a>) to find out more about the differences between Afterwork and BPSP.</td>
</tr>
</tbody>
</table>
### Annual Allowance: your options if you think your Pension Input amount will be *below* the Annual Allowance

<table>
<thead>
<tr>
<th>Your options</th>
<th>What you need to do and when</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do nothing</td>
<td>You will not have to do anything but you will not be maximising your pension contributions.</td>
</tr>
<tr>
<td>Increase your regular contributions to your Afterwork Investment Account</td>
<td>You can change your contribution rate via the My Rewards website at any time. Changes made by the end of the month will be effective the next month. Therefore, if you would like your new contribution rate to take effect at the start of the 2016/2017 tax year you will need to submit your election by March 2016.</td>
</tr>
<tr>
<td>Pay an additional lump sum contribution to your Afterwork Investment Account</td>
<td>You can pay an additional lump sum contribution via the My Rewards website at any time. Your pension contributions are normally limited to a maximum of 75% of your salary (taking account of your other benefit choices), but you will be able to sacrifice up to 100% of any cash incentive into Afterwork. (If you are a Material Risk Taker you will not be able to sacrifice any cash incentive into Afterwork.)</td>
</tr>
</tbody>
</table>
## Lifetime Allowance: your options if you think your total retirement savings will exceed the Lifetime Allowance

<table>
<thead>
<tr>
<th>Your options</th>
<th>What you need to do and when</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do nothing</td>
<td>You do not have to do anything but you may be liable to a tax charge when you come to take your retirement savings.</td>
</tr>
<tr>
<td>Stay in Afterwork and apply for Individual Protection 2016</td>
<td>HMRC is introducing a new online self-service process for members to apply for protection which will be available from July 2016. If the application for protection is successful, the online service will provide a reference number. For details of the process, see the HMRC website.</td>
</tr>
<tr>
<td>Switch to the Barclays Pension Savings Plan</td>
<td>You can switch to the BPSP during the My Rewards annual enrolment in March each year. Go to Savings and Retirement/Your Pension Option on the My Rewards website. Visit the Pension Journey website (<a href="http://www.yourpensionjourney.com">www.yourpensionjourney.com</a>) to find out more about the differences between Afterwork and BPSP.</td>
</tr>
<tr>
<td>Opt out of Afterwork with effect from 1 April 2016 and apply for Fixed Protection 2016 (see below) and/or Individual Protection 2016 (see above)</td>
<td>To opt out of Afterwork you should complete a Lifetime Allowance opt out form and return it by 26 February 2016 to the address shown on the form. You should also consider opting out of the discretionary investment-related increase applied to your deferred Afterwork Credit Account (see below). Completion and return of the Lifetime Allowance opt out form will trigger the process to set up payment of cash in lieu of pension.</td>
</tr>
<tr>
<td>Apply for Fixed Protection 2016</td>
<td>To apply for Fixed Protection you must cease all future pension contributions to UK-registered pension schemes (including Afterwork) on or before 5 April 2016. HMRC is introducing a new online self-service process for members to apply for protection which will be available from July 2016. If the application for protection is successful, the online service will provide a reference number. In order to benefit from Fixed Protection 2016, you will need to have successfully applied for and received your reference number before you take your retirement savings.</td>
</tr>
<tr>
<td>Opt out of the discretionary investment-related increase applied to your deferred Afterwork Credit Account</td>
<td>You should complete a Cessation of Discretionary Increases form and return it to the address shown on the form by 26 February 2016. You will need to do this if you are applying for Fixed Protection 2016 and should also consider this if you decide to opt out of Afterwork.</td>
</tr>
</tbody>
</table>
For more information

Further information on the Annual Allowance and the Lifetime Allowance is available on the HM Revenue and Customs website.

This is a complex area. If you want to explore your personal situation in more detail you should consider seeking impartial financial advice. If you wish to take advice and do not already use a financial adviser, you can learn more about finding one at the Money Advice Service website (https://www.moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser).

For further information about Afterwork and any legacy Barclays pension benefits, you should visit the ePA website. You can access ePA via the My Rewards link on the Barclays intranet or at www.barclays.com/myrewards, or at https://epatowerswatson.com/doc/BCL/login.htm

Alternatively, you can contact the Barclays Team at Towers Watson for information on your Pension Input amounts (which you will need to assess your position in relation to the Annual Allowance) or general information about Afterwork:

Email: barclaysteam@towerswatson.com
Phone: +44 (0)1737 227567 (from 9am to 5pm, Monday to Friday)
Write to: The Barclays Bank UK Retirement Fund, PO Box 709, Redhill RH1 9EG

For further information about the option to switch from Afterwork to the BPSP, you should visit the Your Pension Journey website: www.yourpensionjourney.com
Glossary of terms

**Adjusted income** – this is your total taxable income (all taxable income, e.g. salary, bonus, role-based pay, additional fixed pay, investment and property income, dividends) plus your employer related pension accrual which includes your contributions paid via salary sacrifice. Your adjusted income is used to determine your Annual Allowance.

**Annual Allowance** – the maximum amount of pension contributions on which you receive tax relief each year.

**Afterwork** – the Afterwork section of the Barclays Bank UK Retirement Fund.

**BPSP** – the Barclays Pension Savings Plan. This is a group personal pension plan provided by Legal & General on behalf of Barclays.

**Carry forward** – the amount of unused Annual Allowance that you can carry forward to future tax years.

**Consumer Prices Index (CPI)** – the main domestic measure of UK inflation. The CPI tracks the average change from month to month in the prices of consumer goods and services.

**Fixed Protection 2016** – tax protection granted by HM Revenue & Customs that allows you to retain the higher of the Lifetime Allowance of £1.25 million and the standard LTA at the time of retirement. If you intend to apply for Fixed Protection 2016, you will need to stop all retirement saving after 5 April 2016.

**Individual Protection 2016** – tax protection granted by HM Revenue & Customs that allows you to have your own personal Lifetime Allowance between £1 million and £1.25 million.

**Lifetime Allowance** – the total value of retirement savings from all sources that you can take at retirement without incurring a Lifetime Allowance excess tax charge.

**Pension Input amount** – the value of your pension contributions each year.

**Pension Input Period** – the period of time over which your Pension Input amount is measured. From the 2016/17 tax year, the Pension Input Period for all pension schemes will be the tax year.

**Post-alignment tax year** – 9 July 2015 to 5 April 2016.

**Pre-alignment tax year** – 6 April 2015 to 8 July 2015.