Adding a bit extra

Your guide to investing your additional contributions

ONE itv

You'll find a handy glossary at the back of this guide

About this guide

This guide explains how additional pension savings work, your investment choices and your options when you come to retire.

If you have any questions about saving for retirement or the information in this guide, please call ITV Pensions on *01772 884488*.

A word of advice

ITV Pensions can help explain how additional pension savings work and your investment options, but they're not allowed to give you advice or tell you what choices to make. If you need specific advice, you should speak to an impartial financial adviser. You can find the name of a local impartial financial adviser by visiting *www.moneyadviceservice.org.uk/en/categories/financial-help-and-advice*

A quick guide

Additional pension savings work differently to defined benefit (DB) pensions. They are defined contribution (DC) savings which means you choose how your savings are invested, your additional pension savings are then invested by the Scheme on your behalf and, when you come to retire, you can use your additional pension savings to provide extra benefits.

You can choose from 2 investment approaches:

- *hands off* which offers 4 pre-packaged options, and
- *hands on* which lets you choose from a range of investment funds. This lets you be as actively involved in investing your savings as you like.

Use the easy online tool *Help Yourself* to help choose your investments
www.itv-pensions.com > Tools > DB section

Here's a quick summary of what you need to decide and your options.

Decide how much extra to save

Choose your investment approach

Hands off	OR	***Hands on***
If you choose *hands off*, select one of the 4 *hands off* options		If you choose *hands on*, select the fund(s) you want to invest in
Focused *(mainly pension)* ***Focused*** *(cash at retirement)* ***Blended*** *(mainly pension)* ***Blended*** *(cash at retirement)* Choose your *hands off* completion date		Company bonds Emerging markets (index tracker) Global shares excluding UK (index tracker) Global shares (index tracker) Global shares (index tracker) & mixed selection Mixed selection Money markets Property and infrastructure Shariah law (index tracker) Social conscience UK government bonds (index tracker) UK government inflation-linked bonds (index tracker) *UK shares (this fund is closed to new investors)* UK shares (index tracker)

Your hands off completion date

This can be any birthday from your 55th to your 75th birthdays. Ten years before your *hands off* completion date, your additional pension savings start to move from the **growth phase** to the **protection phase**. Your *hands off* completion date will usually be the date you want to start receiving your benefits. If you decide to receive your main ITV pension at a different date, you can change your *hands off* completion date at any time as it's for investment purposes only.

Choose your investment approach

You decide how to invest your additional contributions. It's an important decision. How your investments perform will directly affect the amount of pension or pension and cash you can provide with your additional pension savings. So it makes sense to spend time thinking about your investment options.

The first step is to choose your investment approach. The Scheme lets you take a *hands off* or a *hands on* approach, so you can get actively involved as much or as little as you want. The approach that suits you will depend on how much time you're prepared to spend managing your investments, and how confident you are about making investment decisions. Here's how your options work:

Think about...

- How actively involved you want to be
- How much time you're prepared to spend managing your investments
- How interested you are in investments
- How confident you feel about making investment decisions

Hands off

A structured approach that lets you choose from 4 pre-packaged options

How it works. You choose 1 of 4 pre-packaged options. Your additional pension savings are invested automatically in pre-selected funds.

Why it's good. Your additional pension savings are invested automatically for you and changes are made to your investments as you get older.

Why it might not be right for you. The funds that make up each *hands off* option are pre-selected and might not suit your circumstances as your goals change throughout your career.

See pages 6 to 8 for more about *hands off*

Hands on

A pick-your-own approach that lets you choose from a range of investment funds

How it works. You pick the funds to invest in and decide how much to invest in each.

Why it's good. It lets you choose the investments that are right for your circumstances and change them when it suits you.

Why it might not be right for you. You need to decide how to invest your additional pension savings at the outset, keep a check on how they're invested, and manage your investments regularly so they remain suitable as your goals change throughout your career (including as you get closer to retirement).

See pages 9 to 11 for more about *hands on*

You can change how your additional pension savings are invested as often as you like – it's not a once only decision. However, you can only invest your savings in one option at a time (either *hands off* or *hands on*). If you've made both regular additional contributions and one-off additional contributions you can choose to invest them differently if you want.

Pre-packaged: hands off

How it works

Hands off invests your additional pension savings automatically in a pre-defined way. There are 4 *hands off* options to choose from: *Focused (mainly pension)*, *Focused (cash at retirement)*, *Blended (mainly pension)* and *Blended (cash at retirement)*.

With each option, your additional pension savings are invested in 2 phases:

- **Growth phase:** during this phase, *hands off* aims to build up your additional pension savings by investing in funds that have the potential for good growth but, because of this, are typically more risky.
- **Protection phase:** during this phase (which lasts for 10 years), *hands off* aims to protect the value of your additional pension savings from sudden falls in value by gradually moving your savings into what are expected to be less risky funds.

This approach is adopted because, generally, if your additional pension savings go up and down in value when you're younger, it's less likely to have an impact on your benefits than if they suddenly fall in value when you're approaching retirement.

You decide when you want the *hands off* option to complete. This date is known as your *hands off* completion date and can be any birthday between your 55th and 75th birthdays. Ten years before your *hands off* completion date, your additional pension savings start to move from the **growth phase** to the **protection phase**. For example, if your *hands off* completion date is your 60th birthday, your additional pension savings would start to move to less risky funds when you reach age 50.

You must use your additional pension savings to provide pension or a mixture of pension and cash at the same time as you take your main ITV pension. Because of this, your *hands off* completion date will usually be the date you want to start receiving your main ITV pension. If you decide to receive your main ITV pension at a different date, you can change your *hands off* completion date at any time as it's for investment purposes only.

Help Yourself

Help Yourself is an online tool that may help you decide how to invest your additional pension savings. Answer a few simple, multiple choice questions and *Help Yourself* will make a suggestion based on your answers. As it's a generic tool, it isn't a substitute for reading this guide or taking financial advice, but it'll get you thinking about the issues that matter.

Visit ***www.itv-pensions.com > Tools > DB section*** to use *Help Yourself*.

Choose your hands off option

There are 4 *hands off* options to choose from:

- *Focused (mainly pension)*
- *Focused (cash at retirement)*
- *Blended (mainly pension)*
- *Blended (cash at retirement)*

They're explained on the following pages. As well as describing how each option works, we've given examples of why you might want to consider investing in each option. These examples may help you decide which option is right for you, but bear in mind that these are broad categorisations and can't cover every situation.

Focused (mainly pension) | *Focused (cash at retirement)*

Targets higher growth by taking more investment risk than the blended options

May suit you if some or all of these points apply:

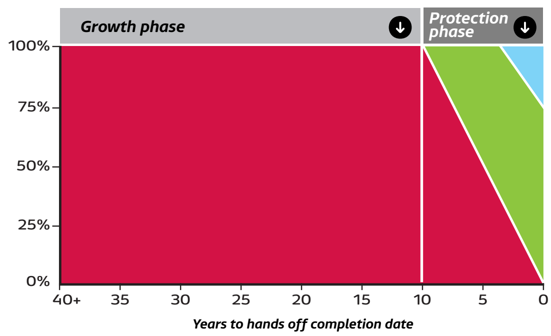
- you're looking for the potential for high growth and are willing to accept more investment risk in return,
- you expect your additional pension savings to make up only a small part of your benefits in retirement,
- you could afford to save more towards your retirement if your additional pension savings fall in value near to retirement, and/or
- you could delay taking your pension benefits (including your main ITV DB pension) or would be willing to work for longer (perhaps several years), where permitted, if your additional pension savings fall in value near to retirement.

Focused (mainly pension)

You're planning to use your additional pension savings at retirement to provide pension.

How it works

- During the **growth phase**, it aims to maximise the potential for growth over the longer term by investing in more risky funds (■ shares) until you're 10 years from your *hands off* completion date. The value of your additional pension savings is likely to go up and down significantly during this phase.
- During the **protection phase**, it starts to switch to lower risk funds (■ bonds and ■ money markets) 10 years before your *hands off* completion date.

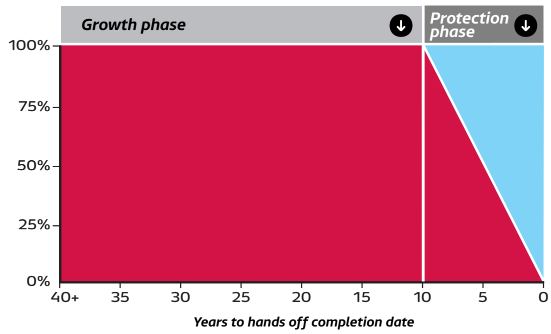


Focused (cash at retirement)

You're planning to use your additional pension savings at retirement to provide a mixture of pension and cash.

How it works

- During the **growth phase**, it aims to maximise the potential for growth over the longer term by investing in more risky funds (■ shares) until you're 10 years from your *hands off* completion date. The value of your additional pension savings is likely to go up and down significantly during this phase.
- During the **protection phase**, it starts to switch to a lower risk fund (■ money markets) 10 years before your *hands off* completion date.



Growth phase: ■ Global shares (index tracker) ■ Global shares (index tracker) & mixed selection

Protection phase: ■ Company bonds / ■ UK government bonds (index tracker) ■ Money markets

Blended (mainly pension)	Blended (cash at retirement)

Targets medium growth by taking less investment risk than the focused options

May suit you if some or all of these points apply:

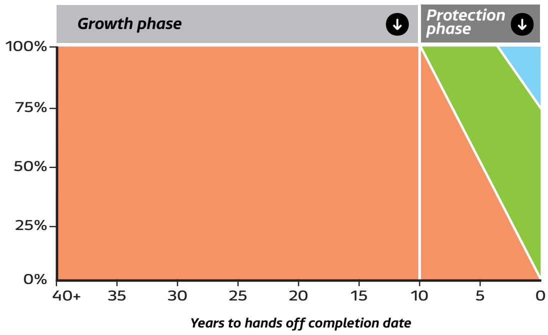
- you're looking to spread investment risk by investing in a wide range of assets and are willing to accept lower potential for growth in return,
- you expect your additional pension savings to make up a reasonable part of your retirement benefits,
- you might find it a strain on your finances to save more towards your retirement if your additional pension savings fall in value near to retirement, and/or
- you have less flexibility to delay taking your pension benefits (including your main ITV DB pension) or would be less willing to work for longer (perhaps several years) if your additional pension savings fall in value near to retirement.

Blended (mainly pension)

- You're planning to use your additional pension savings at retirement to provide pension.

How it works

- During the **growth phase**, it aims to achieve good growth over the longer term by investing in a combination of shares and other investments (global shares (index tracker) & mixed selection) until you're 10 years from your *hands off* completion date.
- During the **protection phase**, it starts to switch to lower risk funds (bonds and money markets) 10 years before your *hands off* completion date.

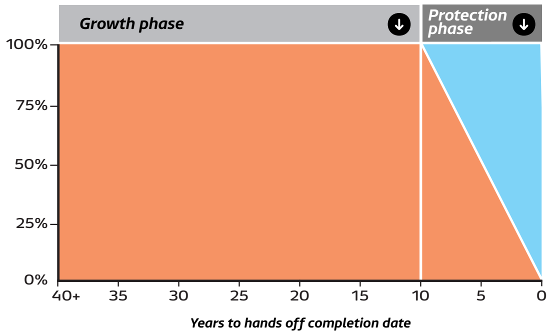


Blended (cash at retirement)

- You're planning to use your additional pension savings at retirement to provide a mixture of pension and cash.

How it works

- During the **growth phase**, it aims to achieve good growth over the longer term by investing in a combination of shares and other investments (global shares (index tracker) & mixed selection) until you're 10 years from your *hands off* completion date.
- During the **protection phase**, it starts to switch to a lower risk fund (money markets) 10 years before your *hands off* completion date.



Find out about the investment funds on pages 11 and 12.

How to decide

Use the easy online tool *Help Yourself* to help choose your investments
www.itv-pensions.com > Tools > DB section

To decide which of the 4 *hands off* options is suitable for you, think about:

- how much potential growth you want and how much risk you're willing to accept in return, and
- how you want to use your additional pension savings when you retire.

Deciding between the *Focused* and *Blended* options: growth vs risk

Everyone wants their additional pension savings to grow, but it's not quite as simple as that. All investments involve some risk. The more potential there is for your savings to grow, generally the more investment risk you have to take. Your personal and financial circumstances will affect how much risk you're in a position to take, and your attitude will influence how much risk you're comfortable taking. The approach that suits you may not suit someone else. Ultimately, it's about working out what kind of investor you are.

Because of the way they're invested:

- the 2 *Focused* options target high growth; although they have more potential for growth than the *Blended* options during the growth phase, they achieve this by taking more investment risk, and
- the 2 *Blended* options target medium growth; although they take potentially less risk during the growth phase than the *Focused* options, they also have less potential for growth.

Deciding between the *mainly pension* and *cash at retirement* options

You should also consider how you plan to use your additional pension savings at retirement. When you retire, you can choose whether to use your additional pension savings to provide extra income (a pension) or a mixture of cash and income (a pension) (within certain allowances).

How you plan to use your savings at retirement may affect how you wish to invest them as you approach retirement. For example:

- If you plan to use all your additional pension savings to **buy a pension**, you may want to consider investing in bonds near to retirement. This is because the price of bonds generally reflects the rate of converting your savings into pension. If so, either the *Focused (mainly pension)* or *Blended (mainly pension)* option may suit you.
- If you plan to **take some of your savings as cash**, you may want to consider investing in money markets near to retirement. If so, either the *Focused (cash at retirement)* or *Blended (cash at retirement)* option may suit you.

If you're not familiar with the pension and investment terms we've used, turn to the glossary at the end of this guide.

Pick your own: hands on

How it works

Hands on gives you full control of your investments by letting you choose from a range of funds. You can invest in one or more funds and can decide which funds to invest in, how much to invest in each fund, and when to change your investments.

You'll find a brief summary of each fund on pages 11 and 12. More details, including the historic performance and management charges of each fund, are available on the ITV Pensions website at *www.itv-pensions.com > Library > DB section > Investment updates & factsheets (for DB AVC payers)*.

Helping you decide

One of the most important things to think about when deciding how to invest your additional pension savings is how much risk you're in a position to take. Generally, the more investment risk you're able to take (the risk that your additional pension savings will fall in value), the greater the potential to grow your savings over the longer term. Factors that will affect your ability to take investment risk include:

- ***The importance of your additional pension savings.*** If you expect your additional pension savings to make up only a small part of your retirement benefits, you may be able to take more investment risk with them. Conversely, if you expect your additional pension savings to form a significant part of your retirement benefits, you may prefer to take less investment risk.
- ***Your earnings and disposable income.*** The amount you can afford to save towards your retirement and whether you could afford to pay more if your savings fall in value will influence how much investment risk you're willing to take. The more disposable income you have, the more you could contribute to another pension and the easier it should be to make up any shortfalls.
- ***How much flexibility you have about when you retire.*** The more flexibility you have about when you receive your ITV pension (including your additional pension savings), the more investment risk you may be able to take with those savings. This is because if your additional pension savings fall in value near to retirement, you might be able to work for longer or delay receiving your pension, hopefully giving your savings time to recover. This will also depend on whether your additional pension savings form a significant part of your retirement benefits.
- ***Your attitude to risk.*** Your attitude to taking investment risk will also influence your decision, although the amount of risk you're able to take may not be the same as how much risk you're comfortable taking; you may have to rein in your inner gambler, or step outside of your comfort zone to try to achieve the results you want.

The 3 panels on page 9 show some circumstances that might indicate whether you have a *high*, *medium* or *low* ability to take investment risk. These are broad categorisations but will get you thinking about how much investment risk you're in a position to take.

Remember...

You can only invest your additional pension savings in one option (either *hands on* or *hands off*) at a time, although if you have made both regular and one-off additional contributions you can choose to invest them differently if you want (although if you choose to invest them both through *hands off*, you must choose the same *hands off* completion date).

How much investment risk you may be able to take

You may have a ***high ability*** to take risk if some or all of these points apply...

- ***Pension savings:*** You've significant retirement income from other sources and expect your additional pension savings to make up only a small part of your retirement benefits.
- ***Contributions*:** You expect to make significant contributions to another pension scheme and would find it easy to top up your savings if they fall in value.
- ***Retirement flexibility*:** You've flexibility to delay taking your savings or would be willing to work for longer (perhaps several years) if your savings fall in value near to retirement.
- ***Investment risk*:** You're a risk-taker by nature; you're comfortable investing in the most risky funds and are prepared for the value of your additional pension savings to go up and down in value sometimes quite sharply. You accept this could mean losing out, but it could also mean making big gains.

You may have a ***medium ability*** to take risk if some or all of these points apply...

- ***Pension savings*:** You've retirement income from other sources but expect your additional pension savings to make up a reasonable part of your retirement benefits.
- ***Contributions*:** You expect to contribute to another pension scheme early on in your career and would find it easier to top up your savings when you're younger.
- ***Retirement flexibility*:** You've some flexibility to delay taking your savings and would be able to work for longer (perhaps a few years) if your savings fall in value near to retirement.
- ***Investment risk*:** You're willing to take some risks with your money but prefer to spread the risk. You accept this could mean losing out on the potential for high gains, but you're willing to trade some potential gains in return for the expectation of more stability.

You may have a ***low ability*** to take risk if some or all of these points apply...

- ***Pension savings*:** You're relying on your additional pension savings as a large part of your retirement benefits.
- ***Contributions*:** You expect to contribute to another pension scheme later in your career and would find it difficult to top up your pension savings if they fall in value.
- ***Retirement flexibility*:** You've little or no flexibility to delay taking your savings and would be unwilling to work for longer if your savings fall in value near to retirement.
- ***Investment risk*:** You're cautious by nature and are willing to trade the potential for high gains in return for the expectation of more stability.

What you need to do

- Decide how much ability you have to take risk: *high*, *medium* or *low*.
- Choose the funds you want to invest in.
- Decide how much to invest in each fund: 1% to 100%.
- Keep an eye on your investments and decide if, and when, to change the mix.

If you're not familiar with the pension and investment terms we've used, use the glossary on pages 16 and 17 as a quick reference.

Growth and protection

Once you decide how much investment risk you're able to take and are comfortable with, you can decide which funds to invest in and how much to invest in each. Whether you have a *high*, *medium* or *low* ability to take investment risk, you'll probably want to think about investing your additional pension savings in 2 phases:

- ***A growth phase*** during which you'll be aiming to grow your additional pension savings and may be willing to take more investment risk.
- ***A protection phase*** during which you may be more concerned with protecting your additional pension savings from sudden falls in value.

The **protection phase** is normally considered to help most in the run up to the date you want to retire, for example, the last 10 years or so before retirement.

Remember that when you're younger, if your investments don't grow in line with inflation, the real value of your additional pension savings will be eroded over time. This may be as much a risk as the value of your additional pension savings falling, so you'll need to think carefully about if and at what point you move your additional pension savings from investments that focus on growth to ones that focus on protection. You'll also need to think about whether you switch your investments gradually or all at once.

You should also consider how you plan to use your additional pension savings at retirement. When you retire, you can use your additional pension savings to provide extra income (a pension) and/or cash (within certain allowances). It's up to you whether you use all of your additional pension savings to provide pension or use them to provide a mixture of pension and cash where permitted.

How you plan to use your savings at retirement may affect how you wish to invest them as you approach retirement. For example, if you plan to use them to buy a pension, you may want to consider investing in bonds near to retirement. This is because the price of bonds generally reflects the rate of converting your savings into pension.

Once you've thought about these issues, you should be ready to choose your fund(s). The table on the next page shows your choices.

Use the easy online tool *Help Yourself* to help choose your investments

www.itv-pensions.com > Tools > DB section

The investment funds: a summary

This table summarises each investment fund currently offered by the Scheme (including those that make up the *hands off* options), explaining the aim of each fund and what assets it invests in. It also shows which funds might be suitable for the **growth phase** and the funds you may consider moving away from as you enter the **protection phase**. These are suggestions only. The combination of funds you choose and the amount you invest in each fund will affect your investment approach significantly. You should make sure you understand how each fund works before deciding how to invest your additional pension savings.

What the coloured bars mean

- May be suitable if your ability to take investment risk is ***high***
- May be suitable if your ability to take investment risk is ***medium***
- May be suitable if your ability to take investment risk is ***low***
- May be suitable at certain times if your ability to take investment risk is ***high*** but it may not necessarily be the right investment choice for 100% of your additional pension savings
- May be suitable at certain times if your ability to take investment risk is ***medium*** but it would typically provide too much risk for investing 100% of your additional pension savings
- May not be suitable *or* funds you should be moving away from during this investment phase

Fund name	Aims to provide...	Invests in...	Suitability...
Global shares (index tracker) & mixed selection	Good growth over the longer term by investing in a number of different types of investments	A combination of the Global shares (index tracker) fund and the Mixed selection fund; this means it's made up of predominantly shares of UK and overseas companies, together with a wide variety of other investments including bonds, private equity, commercial property, currency hedge funds and commodities	**Growth phase** / **Protection phase**
Mixed selection	Good growth by investing in a number of different types of investment	A wide variety of investments including shares, bonds, private equity, commercial property, currency hedge funds and commodities	**Growth phase** / **Protection phase**
Money markets	Low growth at a similar rate to short-term government interest rates, and a high degree of protection to the value of your additional pension savings although even with this fund the value could fall	A wide range of Sterling investments including short-term bank deposits, UK government bonds, and promissory notes such as bankers' drafts and Treasury bills which allow money to be borrowed and lent for short periods	**Growth phase** / **Protection phase**
Property and infrastructure	Good growth from rental income as well as increases in the values of property and infrastructure companies	Commercial properties, which includes retail, office and warehousing property. Real Estate Investment Trusts; these own and manage commercial and residential properties on behalf of shareholders, and infrastructure companies that supply energy, operate airports and other utilities	**Growth phase** / **Protection phase**

Fund name	Aims to provide...	Invests in...	Suitability...
Company bonds	Modest to good growth at a fixed rate for a set number of years	Bonds (loans) issued by companies in Sterling (even those issued by overseas companies)	Growth phase / Protection phase
UK government bonds (index tracker)	Modest growth for a set number of years that matches the returns of an index of government securities	Government bonds (loans) issued by the UK government with a long-term repayment period	Growth phase / Protection phase
UK government inflation-linked bonds (index tracker)	Modest growth in line with inflation for a set number of years	Government bonds (loans) issued by the UK government with a long-term repayment period	Growth phase / Protection phase
Emerging markets (index tracker)	Good growth over the longer term in line with the returns of the chosen index	Shares of emerging market economies including South America, Russia, India and China	Growth phase / Protection phase
Global shares excluding UK (index tracker)	Good growth over the longer term in line with the returns of an index of global shares	Shares of overseas companies	Growth phase / Protection phase
Global shares (index tracker)	Good growth over the longer term in line with the returns of an index of global shares	Shares of UK and overseas companies	Growth phase / Protection phase
Social conscience	Good growth over the longer term through active investment in socially responsible and sustainable companies	Shares of companies that have social responsibility and sustainability at the centre of their business	Growth phase / Protection phase
UK shares *(this fund is closed to new investors)*	Good growth over the longer term by actively choosing which shares to buy, sell or hold onto	Predominantly shares of UK companies, although it may invest a small percentage in overseas shares from time to time	Growth phase / Protection phase
UK shares (index tracker)	Good growth over the longer term in line with the returns of an index of UK shares	Shares of UK companies	Growth phase / Protection phase
Shariah law (index tracker)	Good growth over the longer term in line with the returns of the Dow Jones Islamic Titans 100 Index	Shares of companies that comply with the principles of Islamic Shariah law	This is a specialised fund for members who want to invest in line with the principles of Islamic Shariah law

The Trustees keep the funds offered under review and may add new funds to the list (or remove existing funds); they're also able to change the underlying managers of each fund. All the funds offered by the Scheme are invested using an active approach unless labelled as index tracker. There's more information about the funds on the ITV Pensions website at *www.itv-pensions.com > Library > DB section > Investment updates & factsheets (for DB AVC payers).*

Protecting your investments

The *hands off* options switch your additional pension savings slowly over time from higher risk to lower risk investments. This means they remain partly invested in *high* or *medium* risk funds during the **protection phase**. When thinking about which *hands on* investments may be suitable for you during the **protection phase**, you may want to consider adopting a similar approach; this will reduce the risk of switching into lower risk investments earlier than needed and missing out on potential returns.

Staying in control

Changing how your savings are invested

You can change how your additional pension savings are invested as often as you like. The first 2 changes each year are currently free of charge. You may be charged a fee to cover administration for other changes you make during the year.

To change how your additional pension savings are invested, just complete an *Adding a bit extra* form. Copies are available at *www.itv-pensions.com > Library > DB section > Forms* or from ITV Pensions.

How the funds are managed

The investment funds are provided by a number of investment managers. The Trustees monitor the performance and suitability of the managers regularly and make changes when they consider it appropriate.

Charges

There is a charge for investment management. These charges are built into the price of the investments you buy and sell. Charges vary for each fund and between fund managers. Details of the individual investment charges can be found in the *Annual fund charges* sheet available at *www.itv-pensions.com > Library > DB section > Investment updates & factsheets (for DB AVC payers).*

Protection for your investments

The funds we offer for you to invest in are currently provided through Zurich Assurance Limited. We don't invest in the assets directly, but Zurich arranges this for us under an insurance policy we have with them. This is a common way of investing under UK pension schemes and helps us give you easy access to a range of investment funds.

The Trustees' policy with Zurich is currently covered by the Financial Services Compensation Scheme (FSCS).

The FSCS is a compensation fund of last resort for customers of financial services firms. In the unlikely event that Zurich is unable to meet its financial obligations the Trustees would be able to make a claim to the FSCS for at least 90% of the value of the policy with Zurich. As an alternative, we would also expect the industry Regulator to seek to find another provider to take on the policy.

In practice, the investment funds provided through Zurich include funds run by fund managers and other organisations outside the Zurich group. In the unlikely event those other fund managers or other organisations are unable to meet their financial obligations, the FSCS would not provide protection. Zurich would make a claim against the fund manager or other organisation in an attempt to recover the money. There's a risk that some or all of your investment would not be recovered in these circumstances. However, the underlying investment funds and the arrangements to access them are structured to minimise the risk of this happening, and the funds are subject to strict financial regulation.

We keep the way we provide you access to investments under the Scheme under regular review. We're satisfied our current arrangements are in line with the industry norm at the moment and, although it's a complicated arrangement, it's worth it to enable us to offer you the range of funds we do, which we hope in turn encourages you to save for your benefits.

Keeping track of your savings

Each year, you'll be sent a personal statement letting you know the value of your additional pension savings. It'll also show the investments you've bought and sold during the year and the funds in which your savings are invested.

Your statement is very useful for helping you to plan for retirement. When you receive your statement, it may be a good time to review your investment choices and, if applicable, how much you're contributing to other pension arrangements you might have.

You can also access details about your additional pension savings online at any time by logging on through the ITV Pensions website *www.itv-pensions.com.* All Scheme members are sent a member ID and PIN, which you need to log in. If you need your ID or PIN reissued, please contact ITV Pensions on *01772 884488*.

If you don't tell the Trustees how you want your savings invested

You are strongly advised to play an active part in deciding how to invest your additional pension savings. However, if you don't tell the Trustees how you want your additional pension savings to be invested, they'll invest them automatically in the *hands off Focused (mainly pension)* option.

So effectively, the *Focused (mainly pension)* option will be your choice of investment. This doesn't mean the Trustees recommend this option, or that it's suitable for everyone. You're still responsible for deciding which investment option best suits your circumstances. The Trustees will also treat your normal pension age as your *hands off* completion date unless you notify them of a different date between your 55th and 75th birthdays.

If you need financial advice

By law neither the Scheme nor anyone connected with it can give you financial advice. If you're not sure about what pension and investment decisions to make, you should speak to an impartial financial adviser (IFA).

You can find the name of a local impartial financial adviser by visiting www.moneyadviceservice.org.uk/en/categories/financial-help-and-advice. Remember that you may have to pay for the services of an IFA.

If you've got a question

If you have any questions about this guide, please contact ITV Pensions:

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Fulwood
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PR2 9NZ

If they can't answer your query, it'll be referred to the Head of Pensions if necessary. Remember to quote your National Insurance number and the Scheme name in any written correspondence.

Your pension tax allowances

The Scheme is a tax-registered pension scheme. You can save as much as you like into any number and type of registered pension schemes and get tax relief on your contributions up to 100% of your earnings each year (or £3,600 a year if greater), provided you pay the contribution before age 75. However, there are allowances on the amount of retirement savings you can build up tax efficiently over your working life.

Annual Allowance

This is the amount of pension savings you can build up tax efficiently in any tax year. The standard Annual Allowance for the 2018/19 tax year is £40,000. However, the Annual Allowance will reduce if your 'Adjusted Income' exceeds £150,000 in a tax year. Your Adjusted Income includes all your UK taxable income (such as salary, bonus and other taxable benefits, bank interest, dividend income and taxable rental income), plus any pension contributions made by you and your employer. For every £1 of Adjusted Income over £150,000, the Annual Allowance will reduce by 50p from £40,000 to a minimum of £10,000. If you think you may be affected please contact ITV Pensions to discuss further.

Currently, any allowances you do not use in one year can be carried forward for up to 3 years. All pension savings made into UK registered pension schemes for the period 6 April to 5 April are measured against the Annual Allowance. This includes:

- broadly, the increase in the capital value over the 12-month period of any defined benefit pension you may have, although not all increases count. For example, increases to your ITV DB pension wouldn't count; and
- any contributions you or any employer have made to any registered defined contribution pension arrangements such as the ITV Defined Contribution Plan or personal pensions.

Any pension savings you make above the Annual Allowance will be subject to the Annual Allowance charge. The amount of tax you would have to pay depends on the income tax rate that applies to you.

Money Purchase Annual Allowance

If you take any defined contribution savings (including savings you've built up by paying additional contributions) as cash (other than the 25% tax-free cash sum) or through flexible drawdown, you'll have a lower Annual Allowance (called your Money Purchase Annual Allowance) of £4,000 from April 2017. This allowance applies to both your own and ITV's contributions and any other contributions paid on your behalf. You won't be able to carry forward any unused allowance for the previous 3 tax years. If you're currently contributing to the ITV Defined Contribution Plan and access defined contribution savings from another pension scheme in this way, you need to let ITV Pensions know within 91 days of accessing your benefits that the Money Purchase Annual Allowance applies.

Lifetime Allowance

This is an allowance on the amount of pension benefits you can build up tax efficiently over your lifetime. This includes pension benefits you've built up away from ITV but excludes any State benefits and any pension benefits you've not built up in your own right (for example spouse's pension). The Lifetime Allowance is £1.03 million. All pension savings from UK registered pension schemes are measured against the Lifetime Allowance. This includes:

- the capital value of the defined benefit pension you've built up in the Scheme and any other DB pension you've built up with a previous employer. This is your annual pension times an HMRC factor of 20;
- any cash sums payable from a defined benefit pension arrangement; and
- the fund value at retirement of any ITV defined contribution savings you've built up, including any additional contributions you've paid to the Scheme and savings you've paid to any other DC arrangement, including a personal pension.

Any pension savings you have in excess of the Lifetime Allowance will be subject to the Lifetime Allowance charge. This is 25% for any excess benefits taken as pension (this applies in addition to any income tax deducted from your pension under PAYE) and 55% for benefits paid as a lump sum.

You're responsible for monitoring how your pension benefits from all pension schemes measure up against these allowances. ITV Pensions can help you understand how your benefits are building up, but if you'd like advice about saving tax efficiently for retirement you'll need to speak to an impartial financial adviser (see page 14 for details).

What does that mean?

We've tried to keep things simple, but sometimes using certain pension and investment words and phrases is unavoidable. Here's a quick look-up list of some of the words you might need explained to you.

Active A way of managing investments. The investment manager uses his/her expertise to decide which investments to buy, sell or hold onto. The aim is to beat the return of a particular index. Funds managed in this way may do better than the index, but they can also under-perform if the manager makes the wrong choices. Active management fees are generally higher than for other types of investment management.

Additional pension savings The savings you've built up in the ITV Pension Scheme from the additional contributions you made (and any additional pension savings you've transferred in), plus or minus the investment returns on those contributions (less any investment charges that apply).

Bonds Loans issued by organisations or governments for different lengths of time (that is, the investor loans the organisation or government money for a period of time in return for a regular payment). Bonds are traded in a similar way to shares so their value rises and falls, but not usually as sharply as the value of shares. Investors normally expect bonds to produce steady returns over the medium term.

Commodities Investments in raw materials such as oil, natural gas, minerals and food produce.

Company (or corporate) bonds Bonds issued by private and public companies.

Emerging markets Investments in geographical areas which are still considered to be developing economically, including Eastern Europe, Latin America, Africa and parts of Asia.

Hands off The name of the Scheme's investment approach which lets you choose from 4 pre-packaged options.

Hands off completion date The date you want your hands off investment option to complete. It's usually the date you want to start receiving your pension.

Hands on The Scheme's investment approach which allows you to choose how your additional pension savings are invested from a range of investment funds.

Index tracker A way of managing investments. The investment manager chooses a market index and invests in broadly the same investments as that index (for example, the Financial Times Stock Exchange (FTSE) All-Share Index is made up of all the shares quoted on the UK stock exchange). Returns follow (or track) the returns for that index. Funds managed in this way should not do much better or worse than the index they are tracking. Management fees are generally lower than for actively managed investments.

Mixed selection A wide range of investments usually including shares, bonds, cash, commodities, property and other investments. Funds invested in this way aim to reduce risk by investing in lots of different assets, geographical regions and business sectors (and, because of this, are sometimes called diversified growth funds).

Money markets Sterling investments including short-term bank deposits, UK government bonds, and promissory notes such as bankers' drafts and Treasury bills. Investors can expect these investments to produce interest-rate like returns overall, although in certain market conditions investments can fall in value.

Property and infrastructure Investments in commercial properties and infrastructure; they aim to provide returns from any increase in property and infrastructure company values as well as from rental income. Investors normally expect property and infrastructure to produce good returns in the long term, although their values can rise and fall.

Risk Usually refers to the risk that the value of your additional pension savings will fall, but it can also be the risk that your savings won't grow in line with the cost of living, which means that the real value of your savings is eroded over time.

Shariah law Investments that abide by the principles of Islamic Shariah Law which prohibit the payment of interest or fees for loans of money.

Shares A share in the ownership of a company. The value of a share changes, largely depending on the performance of the issuing company and market conditions. Investors normally expect shares to produce good returns over the long term, although their value can rise and fall (sometimes quite sharply) on a daily basis.

Social conscience Investments in companies which pass a set of socially responsible criteria, for example, by avoiding companies involved in certain products or industries such as alcohol, tobacco, gambling, pornography and weapons. They typically invest in companies that seek to protect the environment, or promote human rights and diversity, and invest in creating a more sustainable future.

UK government bonds Bonds issued by the UK government, also referred to as gilts.

UK government inflation-linked bonds Bonds issued by the UK government that provide returns linked to the rate of inflation.

This guide provides an overview of how investments work and your investment options and is for general guidance only. You're responsible for carrying out your own investigations before deciding how to invest your ITV pension savings, and should speak to an impartial financial adviser if you're not sure what to do or want specific advice about your own personal circumstances.

Every effort has been made to ensure this guide is accurate. However, the Scheme is governed by detailed terms set out in its Trust Deed and Rules. If there is any conflict between this guide and the Trust Deed and Rules, then the Trust Deed and Rules will take priority.

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