



## **Transocean Worksave Retirement Plan Frequently Asked Questions**

February, 2016

**Welcome to the Transocean Worksave Retirement Plan ("TWRP")**, our UK retirement savings plan administered by Legal and General ("L&G").

In this document you will find important information about the TWRP.

### **What is the eligibility to join this Plan?**

In order to be eligible to join the TWRP you must be a current Transocean employee with a UK home address.

### **Why am I eligible to join this plan and not the Transocean International Retirement Savings Plan ("TIRSP")?**

The retirement plan, for which an employee is eligible, is determined based on a number of factors including the country of your home address, employee classification and pay company. The reasons for this are complex but are predominantly based on tax treatment of the different types of Transocean employee.

For example, if you are an Expat Commuter with a home address in the United Kingdom your future plan will be the TWRP. This plan will receive favourable tax treatment in the UK when compared to an offshore plan, such as the Transocean International Retirement Savings Plan (TIRSP). The TIRSP is our offshore plan in which expatriates with an overseas, non-UK home address will participate.

A key benefit is that the TWRP pension plan is a qualifying plan for UK tax purposes. This means that UK tax relief is available for employee contributions made to the plan, subject to certain limitations. In addition, Company contributions to the plan are not taxable at the point of funding. Note: it will be the responsibility of each individual to report the correct taxable values on their tax return and we recommend you engage a local tax professional.

Conversely, the TIRSP is not a UK qualifying scheme, therefore no automatic UK tax relief is available for employee contributions made to the plan. This means that the earnings used to make the contributions are not generally tax deductible and are therefore taxable in the UK. Additionally, any contributions made by Transocean into the TIRSP do not receive tax relief in the UK nor will any withdrawals.

### **How does the TWRP work?**

As a Defined Contribution arrangement, both you and the company will contribute to your retirement savings pot. You can choose how the funds in this pot will be invested – several default target-retirement date oriented investment choices are available should you not feel equipped to make this choice yourself. Your retirement savings pot will accumulate over time depending on how much you and the Company contribute to it and how well your chosen investments perform. At the point of retirement, the total value of your retirement savings pot will determine your pension benefit. It is therefore important to review your retirement savings strategy regularly and ensure that you are on track to achieve your desired level of pension income at your chosen retirement date.

### **Where can I find out more information on the details of the plan?**

The website address for the TWRP website is as follows: [www.legalandgeneral.com/transoceanwrrp](http://www.legalandgeneral.com/transoceanwrrp)

This website should act as your first port of call for any information about the plan. It also provides the portal through which you can manage your retirement savings pot online. Please note the "Manage Your Account" feature of the website for online access to your account will not be available until after your first contribution is invested by L&G during mid-May 2016.



### What can I contribute to my retirement savings pot?

You can choose the employee contribution rate, as a percentage of Pensionable Earnings, that you wish to allocate to the TWRP. Your contribution will be supplemented further by a contribution from Transocean. You can elect to contribute up to almost 100% of your salary (subject to you still receiving the minimum wage as take home pay), however the company's contribution is capped at 9.5% of pensionable earnings. The maximum company contribution may be reached when an employee elects to contribute equal to, or greater than, 5% of pensionable earnings into the plan.

A key feature of investing in the TWRP is that the company makes monthly contributions to your pension arrangement in accordance with the table below. The Company's contribution increases (to a cap of 9.5%) as you increase the level of personal contributions to the plan. You can also contribute additional voluntary contributions to the DC Plan if you wish to do so:

#### Contribution as a % of Pensionable Earnings

Company (%)	Employee (%)
4.5	0
5.5	1
6.5	2
7.5	3
8.5	4
9.5	5

**Pensionable Earnings** are defined as your earnings in each pay period. Our pay structures are different for on- and offshore staff. Therefore, the components of pensionable earnings vary depending on your position, as summarised in the table below.

Elements of Pensionable Earnings for TWRP	
ONSHORE	OFFSHORE
Basic pay	Basic pay
AIP (performance related bonus)	North Sea Premium
Car Allowance	Overtime
Overtime	
On call allowance	



### What happens if I have a temporary absence?

If you are away from work for any reason, your membership of the TWRP will continue as long as you are not treated as having left the Company and you are earning enough to support your contributions. The Company's contributions will continue based on your actual earnings.

### What happens if I go on maternity, paternity, parental or adoption leave?

When you are away on maternity, paternity, parental or adoption leave and receiving maternity, paternity, parental or adoption pay, Company contributions will continue to your retirement savings pot based on your pay before you went on leave. During maternity, paternity, parental or adoption leave, you have the option to either continue contributing to your account or contribute nothing. The level of your contributions will be based on your actual earnings during your leave, rather than your pay before you went on leave. This may mean your own contributions will reduce to zero if your pay reduces to zero.

### Can I transfer benefits into the TWRP from my previous pension plan(s)?

You may be able to transfer the value of the following into your TWRP retirement savings pot:

- If you have benefits in a pension plan from an earlier job, or
- If you have benefits under a personal pension or retirement annuity policy.

You will need to consult your own financial adviser regarding this. You can start the process through the "Manage Your Account" section of the TWRP website.

### How are my contributions to the TWRP invested?

We realise that for some people, choosing where to invest your pension contributions can be daunting, whilst for others it is a familiar decision. Whatever your knowledge, expertise or desire to learn, there is an approach for you. On the TWRP website under the "Useful Documents" section there are fund factsheets that have been designed to help you make an investment decision you feel comfortable with. These can be found under the following headings:

**Default fund information** – this provides information on the TWRP's default Flexible Drawdown lifestyle strategy that, should you not make an active decision about where to invest your contributions, your contributions will be invested in. It will also provide details of the other two lifestyle strategies that are available in the TWRP.

**Core Fund information** – this provides information on the core range of funds that have been selected by Transocean and its investment advisors and which they will continue to monitor going forward.

**Full range of funds** – this is the full range of funds that are available through our partnership with Legal and General – please note however that not all of these funds are going to be monitored by Transocean going forward. Only the Core Fund range and 3 Lifestyle strategies will be monitored going forward.

If you choose any funds from the Full range of funds then you need to remember that these will not be monitored by Transocean going forward therefore you will be responsible for monitoring this yourself.

TWRP website address [www.legalandgeneral.com/transoceanwrp](http://www.legalandgeneral.com/transoceanwrp)

### How do I change my investment strategy?

You can change your investment choice at any time using Legal & General's secure online pension service – Manage Your Account or by calling the Helpline on 0345 070 8686. All switches are currently free of charge, although Legal & General reserve the right to introduce one in the future.



### **What happens if I leave the TWRP?**

If you leave the Company or opt out of the Plan before retirement, your contributions and the Company's contributions to your account will stop. You will need to give one month's notice if you decide to end your membership without leaving the Company. In this case, your membership will cease at the end of the following month.

### **Can I transfer my retirement savings pot out of the TWRP after I leave?**

You will be able to transfer the value of your TWRP retirement savings pot to:

- A new employer's registered pension scheme, provided they are willing and able to accept the transfer.
- A registered pension scheme of your choice, provided they are willing and able to accept the transfer.

If you are unsure about your decision, contact your own financial adviser.

If you:

- Become self-employed or
- Join a new employer who doesn't run a pension scheme

you can carry on paying into your plan, although Transocean's contributions will stop. Unless you elect to change your investment selection at the time of leaving, your retirement savings pot will continue to be invested in the same way as before.

### **What benefits will I get when I retire?**

#### **When can I take my benefits?**

Usually you can take your benefits on your 65th birthday – this is known as your Normal Retirement Date.

#### **Your retirement benefits**

Whenever you retire, the value of your TWRP retirement savings pot will be used to determine your retirement benefits. You can use the whole amount to buy an annuity for the rest of your life, drawdown an income subject to certain limits, or take the whole amount as a cash lump sum less any tax due. The amount of retirement benefits which can be provided will depend on the value of your fund and the cost of buying a pension income for you at that time. The value of your fund will depend on the contributions paid during your membership and the returns received on their investment over the years. More information can be obtained from the TWRP website.

#### **Early or late retirement**

The minimum retirement age is currently 55 and the maximum, 75. The company's normal retirement date is currently age 65; however, while you remain in the company's employment the company will continue to contribute to your Plan. If your future plans include retiring earlier rather than later, your pension fund will have had less time to grow so your benefits may be lower. You can build up extra funds to help increase your benefits by maximising your contributions. The earlier you maximise your contributions, the more scope you will have for improving your benefits. The Manage Your Account section of the TWRP website provides a simple calculator that can give you an idea of what an extra contribution could mean to your retirement savings pot.



### **What happens if I die?**

#### **If you die before retirement**

If you should die before retirement the full value of your TWRP retirement savings pot will normally be paid as a lump sum or used to provide benefits for your dependants.

***Note - if you die before retirement while in active service with Transocean there will also be a lump sum death benefit payable in addition to your retirement savings pot.***

#### **Expressing your wishes**

Any lump sum will normally be tax-free. So that your wishes can be taken into account when deciding who receives any benefits, you should notify Legal & General of the names and addresses of your chosen beneficiaries and their relationship to you. This can be done using the ***Nomination of Beneficiary Form*** on the TWRP website under "Useful Documents" section.

#### **If you die in retirement**

Any benefits payable to your dependants will depend on the options you selected when you retired.

### **What if I have more questions?**

If you have any further questions, please contact Legal and General or your local Transocean HR representative.