

MPN News...

For Money Purchase members of the Kingfisher Pension Scheme

April 2012



Changes to the Kingfisher Pension Scheme for Money Purchase members

As advised in February 2012, following an extensive review, we (Kingfisher plc) put forward a proposal to change our existing UK retirement arrangements, and embarked on a 60 day consultation period with active members of the Kingfisher Pension Scheme – Final Salary section (FSS) and active members of the Kingfisher Pension Scheme – Money Purchase section (MPS). The consultation has now ended.

We have listened and considered all of the feedback received during the consultation period, in liaison with the informal Consultation Group and Kingfisher Pension Trustee Limited (the Pension Trustee). A decision has now been reached.

This document sets out details of the changes and aims to give you the information you need to make an informed decision about your future retirement arrangements.

We have discussed these changes with the Pension Trustee, who together with the administrators of the MPS will be writing to you in the next few days with full details of the implications these changes will have on your retirement arrangements and your options.

Ian Cheshire
Group Chief Executive
Kingfisher plc

Background to the changes

We are committed to providing you with access to retirement provision that is:

- a valuable benefit which is fair to all colleagues;
- sustainable in the long term; and
- affordable for colleagues and Kingfisher.

Our desire to provide a benefit structure that is fair to all colleagues has been the main driver for these changes. In addition, we recognise that the FSS is now significantly more expensive to provide than the MPS. This is the case with most other UK companies, and it's generally believed that the cost of providing final salary arrangements will continue to escalate in the future.

The changes and how they

Closure of the FSS

We will close the FSS to future build up of benefits on 30 June 2012. This means that it will not be possible for FSS members to build up any benefits in the FSS after this date. Benefits earned to this date will be protected and retained in the FSS.

All active FSS members will be automatically enrolled into the MPS with effect from early July 2012.

Improvements to the MPS

We are substantially improving the existing MPS, making the MPS more competitive when compared to companies similar to Kingfisher and operating in the UK retail sector. The new improved MPS will be available to all employees from 1 July 2012.



affect you

Contributions

We are pleased to introduce the following new higher contribution levels.

Member contribution	Company contribution	Total contribution
3%	3%	6%
4%	4%	8%
5%	5%	10%
6%	6%	12%
7%	10%	17%
8%	14%	22%

Life assurance

The life assurance benefit paid from the MPS will also be improved from 1 July 2012. Currently, if you were to die in service whilst a member of the MPS your beneficiaries receive a death benefit of 2x salary. From 1 July 2012, if you were to die in service whilst a member of the MPS, the death benefit will be increased to 4x salary.

SMART Pensions

The Company is introducing a more cost-effective way of making contributions to the MPS that could mean you pay less National Insurance (NI). This arrangement is called SMART Pensions.

More information about SMART Pensions and the savings you could make will be included within your individual option pack that you will receive in the next few days.



What happens next?

The Pension Trustee, together with the administrators of the MPS will be writing to you in the next few days with full details of your options, and the actions required.



What information is available?

There is a wide range of information still available to view on both pensions websites:

www.kingfisherpension.com

www.kingfisherpensionchange.com

You'll need to enter the password **pensionchange12**.

On this website you can find:

- frequently asked questions
- a short presentation and a video
- a copy of this newsletter
- a copy of the previous newsletter

The MPS Member Guide detailing the improved MPS with effect from 1 July 2012 will also be available shortly.

You may write to the Group Pensions Department at

**Kingfisher plc, Group Pensions Department,
3 Sheldon Square, Paddington, London W2 6PX**

You may also contact the Kingfisher pension change helpline on

0330 330 9427

Calls will be charged at your local rate (calls from mobiles will be charged at your provider's rate). Or you can email the helpline at:

pensionchange@kingfisher.com

