The University of Warwick **Pension Scheme**

Defined Benefit Section

Explanatory Booklet

THE UNIVERSITY OF WARWICK

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Contents

Introduction

The University of Warwick Pension Scheme (the **“Scheme”**) is one of the most important and valuable benefits the University offers you. It has been designed with your future financial security in mind.

The Scheme not only provides you with a regular income after you stop working, but your family or other Dependants may also be eligible to receive certain benefits if you die.

There are different sections in the Scheme which provide different benefits:

- the defined benefit section (the **"DB Section"**); and
- the defined contribution sections (the **"DC Sections"**), which from 1 March 2013 will have two DC Sections – Heritage DC Section and Enterprise DC Section.

The benefits provided by each section are as set out in the formal trust deed and rules which govern the Scheme (the **"Trust Deed and Rules"**). This booklet is intended to give a summary of the benefits provided by the DB Section. It does not cover everything in the formal Trust Deed and Rules and in the event of any conflict the Trust Deed and Rules will override this booklet.

The Pensions Act 2008 places an obligation on the University, as your Employer, to ensure it complies with its automatic enrolment duties in respect of eligible jobholders. The DB Section is a "qualifying scheme" under the legislation and so the University meets its obligations to potential eligible jobholders, by such persons being Active members of the DB Section. If you opt-out of active membership or leave Pensionable Service you will no longer be able to join the DB Section. If you remain an employee of the University it will comply with its Pensions Act 2008 obligations in respect of you (if any) by offering membership of one of the DC Sections.

If there is anything in this booklet which you are not clear about or if you would like further information about the Scheme and your benefits as a Member of the DB Section, you should contact Human Resources Pensions at University House, University of Warwick, Coventry, CV4 8UW.

A separate booklet applies for individuals who are Members of either of the benefit sections within the DC Section. Please contact Human Resources Pensions for further details if this applies to you.

February 2013

Explanation of Pension Terms

This booklet uses special words which may require further explanation. The following definitions should help you understand any technical terms used which may be unfamiliar to you.

Active Member

A Member who is currently paying member contributions to and accruing benefits in the DB Section (this includes Members who participate in PensionsPlus and pay contributions by way of salary sacrifice).

Actuary

A person professionally qualified to advise the Trustee regarding the financing of the Scheme.

Additional Voluntary Contributions (AVCs)

AVCs are extra contributions which you can choose to pay if you wish to increase your benefits. AVCs will be paid into an AVC Account which the Trustee will set up and maintain on your behalf. If you participate in PensionsPlus, any monthly AVCs you choose to make will be paid by way of salary sacrifice.

Annual Allowance

The limit, set by legislation, on the amount of pensions contributions and benefits that may be built up in any single tax year without incurring a tax charge.

Child or Children

Any child, step-child or legally adopted child or any other child, however, normally the Trustee will need to be satisfied that the child was dependent upon you at the time of your death.

Civil Partner

The person with whom you are, or were at the date of death, in a registered civil partnership under the Civil Partnership Act 2004.

Guaranteed Minimum Pension

This corresponds to the pension you would have earned under the former State Earnings Related Pension Scheme had you not been contracted-out of that arrangement as an Active Member of the Scheme during your period of Pensionable Service (if any) prior to 6 April 1997.

HMRC

Her Majesty's Revenue & Customs (formerly the Inland Revenue).

Family Leave

Maternity, paternity and adoption leave.

Final Pensionable Earnings

For a Member in Pensionable Service on or after 1 April 2010, this is the highest average of your annualised Pensionable Earnings in any period of 36 consecutive months during the 10 years immediately before the date you retire (or leave Pensionable Service or die, if earlier).

For a Member who left Pensionable Service before 1 April 2010, this is the highest total of your Pensionable Earnings in any period of 12 consecutive months during the last three years immediately before the date you retire (or leave Pensionable Service or die, if earlier).

In either case a Member's Final Pensionable Earnings may be restricted to the Scheme Earnings Cap.

Lifetime Allowance

The limit, set by legislation, against which the value of a Member's benefits from all registered pension schemes will be tested at retirement (or in the event of death).

Member

A member of the DB Section.

Normal Retiring Date

Your 65th birthday.

PensionsPlus

This is the salary sacrifice arrangement currently operated by the University, via the Scheme, which allows Members to pay contributions to the Scheme, including monthly AVCs, by way of salary sacrifice. For further information about PensionsPlus please contact Human Resources Pensions. You will have been automatically be entered into PensionsPlus unless you actively choose not to be and notify Human Resources Pensions of your decision.

Pensionable Earnings

For a Member in Pensionable Service on or after 1 April 2010, this means in any month your basic salary plus contractual overtime and certain other pay supplements as determined by the University from time to time and notified by the University to Members in writing.

For a Member who left Pensionable Service before 1 April 2010, this means in any month your basic salary plus shift allowances (including contractual overtime), fixed bonuses and enhancements. Overtime and other occasional payments are not included.

However, for any period when you participate in PensionsPlus or any other salary sacrifice or flexible benefits arrangement operated by the University, your Pensionable Earnings during that period will be treated as the amount they would, in the University's opinion, have been but for such participation.

Pensionable Service

This is the period of continuous service with the University in complete years and months as an Active Member of the Scheme and is limited to 40 years.

Scheme Administrator

This is the administrator of the DB Section of the Scheme appointed by the Trustee from time to time. You can check the Scheme Administrator's contact details by contacting Human Resources Pensions.

Scheme Earnings Cap

The Scheme Earnings Cap limits the level of earnings on which your pension and contributions may be based. It applies to Members who joined the Scheme on or after 1 June 1989. The Scheme Earnings Cap will increase each year as set out in the Rules, broadly in line with inflation. The Scheme Earnings Cap for 2013/14 is £141,000.

State Pension Age

This is the date from which you can draw your State pension benefits. It is determined under legislation by reference to your date of birth. To check your State Pension Age go to www.direct.gov.uk.

Trustee

Means the Trustee or Trustees of the Scheme from time to time.

Outline of the Scheme

DB Section is closed to new Members

The DB Section closed to new Members on 30 June 2010.

Contributions

The Scheme is paid for by both you and the University. Contributions are paid into the Scheme which are invested and used to provide benefits when they become payable. In addition to the normal contributions you pay to the Scheme, you may pay AVCs to increase your benefits.

Benefits on Retirement

If you leave Pensionable Service before 1 April 2010 when you retire, you will receive a pension, which is a regular income based on your earnings close to your date of leaving and is paid for the rest of your life. You may be able to exchange part of your pension for a tax-free cash sum.

If you leave Pensionable Service on or after 1 April 2010 when you retire, you will receive a pension, which is a regular income based on your earnings close to your date of leaving or retirement and is paid for the rest of your life. You will also receive a Compulsory Lump Sum in addition to your pension in relation to your period of active membership of the Scheme on or after 1 April 2010. The lump sum is currently payable tax-free. You may also be able to exchange part of your pension for an additional tax-free cash sum.

In each case, you may be able to retire early (with a smaller pension) or retire late (with a larger pension).

Leaving Service

If you cease to be in Pensionable Service as an Active Member of the DB Section before you retire then the benefits you will be entitled to will depend on your length of Pensionable Service and whether you have participated in PensionsPlus.

2 years+ Pensionable Service

- If you have completed two years' Pensionable Service, you will have the option of either a preserved pension left in the Scheme or a transfer value to a new employer's scheme, to a personal pension scheme of your choice or to an individual policy in your own name.

Less than 2 years' but at Least 3 months' Pensionable Service

- If you have completed less than two years' but at least 3 months' Pensionable Service you will be entitled to either a transfer value or a refund of your contributions. However, the transfer value is only on offer if the Member notifies the Trustee of a receiving vehicle both capable and willing to take the transfer value within a reasonable period of leaving Pensionable Service. It is not possible to take a refund in respect of contributions you paid by way of salary sacrifice whilst participating in PensionsPlus.

Death Benefits

The Scheme provides certain benefits for your Dependants in the event of your death while working for the University.

Contracted-in

With effect from 1 April 2010, the DB Section became contracted-in to the State Second Pension (also known as "S2P"). Previously the Scheme was contracted-out of S2P and its predecessor the State Earnings Related Pension Scheme (also known as "SERPS").

If you were in Pensionable Service prior to 6 April 1997, the contracted-out benefits you accrued in that period are referred to as your "Guaranteed Minimum Pension" or "GMP". Special rules apply to these benefits. Please refer to page 31 for further details.

Tax Advantages

The Scheme became a Registered Scheme for the purposes of the Finance Act 2004 on and from 6 April 2006. This means that:

- you get full tax relief on your contributions to the Scheme;
- you may take part of your pension as a tax-free cash sum; and
- any lump sum death benefit paid to your beneficiaries is normally tax-free.

The tax benefits provided by the Scheme are, however, subject to certain conditions and limits laid down from time to time by HMRC.

The Scheme's investments are also largely free from income and capital gains taxes.

Contributions

What You Pay

Active Members of the DB Section must pay Member contributions of 5.5% of Pensionable Earnings from 1 April 2012.

These contributions will continue to your Normal Retiring Date for a maximum of 40 years, or if earlier, up to your date of retirement or leaving Pensionable Service. You have the option to continue contributing after Normal Retiring Date if you remain in active membership and defer your retirement from the University (see page 15).

Please note that if you joined the Scheme after 1 June 1989, the Scheme Earnings Cap will limit the amount of your Pensionable Earnings for contributions and Scheme benefits.

Method of Payment

If you are participating in PensionsPlus your Member contributions will be paid by way of salary sacrifice in accordance with the terms of PensionsPlus. For further details about PensionsPlus contact Human Resources Pensions or take a look at the PensionsPlus booklet provided to you by the University. If you do not participate in PensionsPlus, your Member contributions will be deducted from your earnings each pay day through payroll.

University Contributions

The cost of providing the benefits under the Scheme is calculated by the Actuary. After deducting the Members' contributions, the University pays the balance of the cost. The University usually contributes substantially more than all the Members put together, although the exact amount varies from time to time. The University also pays the cost of the benefits payable if you die before retirement (see page 16) and most of the administration costs of the Scheme.

Additional Voluntary Contributions (AVCs)

In addition to the normal contributions you pay to the Scheme, you may also pay AVCs to increase your benefits.

Amount of AVCs

You can choose how much you want to pay. You can pay anything you like from a few pounds a month up to a maximum of 100% of your UK taxable earnings. AVCs may be made either monthly or as single contributions.

If you are participating in PensionsPlus, any regular monthly AVCs you choose to pay will be paid by way of salary sacrifice in accordance with the terms of PensionsPlus. However, any single cash sum payments will need to be made through the payroll system notwithstanding that you are participating in PensionsPlus.

If you do not participate in PensionsPlus, any AVCs you choose to pay (both monthly and one-off) will be made through payroll in the usual way.

You will need to give advance notice the Scheme Administrator if you wish to pay AVCs, to make any changes to your monthly AVCs, or if you intend to make a single cash sum payment. Whilst you are participating in PensionsPlus you will only be able to start and stop making AVC payments or change the rate at which you make regular AVCs in accordance with the terms of PensionsPlus.

Tax Relief

You will normally receive tax relief on your total contributions to all of your pension arrangements (not just to the Scheme) up to 100% of your UK taxable earnings. However, HMRC places limits on the amount of pension benefits that you can build up each tax year without incurring a tax charge. See page 9 for further details.

The Trustee is not liable to meet any tax charges which may arise as a result of the level of AVCs which you choose to pay to the Scheme.

Investment of AVCs

The AVCs you pay will be paid into your individual AVC Account and invested in accordance with your instructions until you retire. The investment returns on your AVCs are largely free of income and capital gains taxes.

The Trustee can change the fund options available for future or past contributions, on investment advice, without Member consent.

You may also have the opportunity to choose to invest your AVCs within the funds available within the DC Section of the Scheme.

Benefits and Annual Statements

When you retire or die, the total amount in your AVC Account will be available to increase your benefits. You may be able to take part or all of your AVCs as a cash lump sum – see page 11 for further details. Each year the Trustee will send you a statement showing the value of your AVC Account, including details of contributions paid.

More Information

Full details of the Scheme's AVC arrangements (including the facility to invest AVCs in the funds available under the DC Section of the Scheme) can be obtained by contacting Human Resources Pensions.

You should consider taking independent financial advice before deciding whether to make AVCs. There are various alternative ways of saving for your retirement (for example, Individual Savings Accounts (ISAs)) which may be more appropriate for your individual circumstances.

Annual Allowance

HMRC places a limit on the amount of pension benefit that you can build up each year without incurring a tax charge.

This limit is called the Annual Allowance. It is determined by legislation and is set at £50,000 for the tax year 2013/14, reducing to £40,000 for the tax year 2014/15. Any contributions that you pay or benefits that you build up above the Annual Allowance will be taxed, currently at the same maximum rate that you pay on your income (e.g. 20%). However, you will be able to carry forward any unused Annual Allowance in the three previous tax years to offset against any excess savings.

The Annual Allowance takes into account all of your UK pension benefits, including those built up with other employers or in other pension schemes so it is important that you keep track of all the benefits you are building up, not just those in the Scheme.

Each pension arrangement will have its own reference period ("Pension Input Period") by which your pension savings in that arrangement will be measured for the purpose of testing against the Annual Allowance. The Scheme's PIP for all purposes (including the AVC arrangement) is currently the period from 1 April to 31 March ending in the relevant tax year.

For this purpose pension savings in a DB arrangement such as the DB Section are calculated by multiplying the increase in your annual pension entitlement over the PIP by a factor set out by HMRC. This factor is 16 for the tax year 2013/14. If you pay AVCs you will need to add the total amount of AVCs paid in the PIP to give your total pension savings in the Scheme for that tax year.

Ultimately, you are responsible for checking your benefits against the Annual Allowance because neither the Trustee nor the University will have details of your other pension arrangements. If you have lost track of any benefits you have built up in other pension schemes, the Pension Tracing Service may be able to help you find them. See page 29 for details.

Retirement Benefits

Retirement at Normal Retiring Date

The benefits provided to you at Normal Retiring Date will depend whether you leave Pensionable Service in the DB Section before or after 1 April 2010.

- If you leave Pensionable Service before 1 April 2010, when you retire and take your benefits from the Scheme, you will receive a pension and you may be able to exchange part of your pension for a tax-free cash sum (see pages 10-11 below).

- If you are in Pensionable Service on or after 1 April 2010, when you retire, you will receive:

- a pension; and

- a compulsory tax free cash sum in relation to the post 1 April 2010 benefits you have earned (the **"Compulsory Lump Sum"**) (see below); and

- you may also be able to exchange part of your pension (over any Guaranteed Minimum Pension) for an additional tax-free cash sum (see pages 10-11 below).

Please note that HMRC places a limit on the total value of pension benefits that you can build up tax efficiently during your lifetime. This is called the Lifetime Allowance. Please see page 15 for further details.

Pension Formula

At Normal Retiring Date your pension will be calculated in two parts as follows:

(a) 1/60 x Final Pensionable Earnings x Pensionable Service on or before 31 March 2010 (if any); and

(b) 1/100 x Final Pensionable Earnings x Pensionable Service on and from 1 April 2010 (if any).

Any pension which you earned prior to 1 April 2010 i.e. ((a) above) is subject to an underpin which means it will not be less than it would have been had you left the DB Section as at 31 March 2010 (i.e. prior to the changes to the definitions of Final Pensionable Earnings and Pensionable Earnings), increased in accordance with statutory requirements during the period between 31 March 2010 and the date on which your benefits are calculated on retirement or death (whichever is earlier).

Please note that if you joined the Scheme after 1 June 1989, the Scheme Earnings Cap will limit the amount of your Final Pensionable Earnings for contributions and Scheme benefits.

Compulsory Lump Sum Formula

If you have been in Pensionable Service on or after 1 April 2010, in addition to your pension you will receive a Compulsory Lump Sum calculated as follows:

3/80ths x your Final Pensionable Earnings as defined for post 1 April 2010 Pensionable Service x your Pensionable Service on and from 1 April 2010

Under current legislation, this cash sum can be paid tax-free.

Payment of Your Pension

You will receive your pension from the date you retire and it will be paid for the rest of your life.

Increases to Pensions in Payment

Your pension will be increased on each 1 April following retirement.

The guaranteed levels of increase are:

- for pensions earned in respect of Pensionable Service on or after 1 April 2010, the percentage increase in the Retail Prices Index for the 12 months ending on the preceding 31 January or 2.5% if that is less;
- for pensions earned in respect of Pensionable Service between 6 April 2006 and up to and including 31 March 2010, the percentage increase in the Retail Prices Index for the 12 months ending on the preceding 31 January or 3% if that is less;
- for pensions earned in respect of Pensionable Service between 6 April 1999 and up to and including 5 April 2006, the percentage increase in the Retail Prices Index for the 12 months ending on the preceding 31 January or 5% if that is less;
- for pensions earned in respect of Pensionable Service between 6 April 1997 and up to and including 5 April 1999, the percentage increase in the Retail Prices Index for the 12 months ending on the preceding 31 January, or 5% if that is less, subject to a minimum of 3% per annum compound; and
- for pensions earned in respect of Pensionable Service before 6 April 1997, 3% per annum compound.

If your pension has been paid for less than 12 months when the increase is first due, a proportionate increase will be paid.

These increases do not apply to any pension provided from any AVCs you have paid or any pension that is converted into a lump sum or surrendered to provide a dependant's pension.

The Trustee reviews all pensions in payment from the DB Section, at intervals not exceeding 3 years, and may, subject to the advice of the Actuary, grant discretionary increases in addition to those described above but are under no obligation to do so.

State Benefits

Remember that from State Pension Age you will also receive any State Pension to which you are entitled in addition to your pension from the DB Section. See page 31 for more information about the State Pension scheme.

Tax-free Cash Sums

On retirement you may be able to exchange some of your pension (including your AVCs) for a cash sum. For Members with Pensionable Service on or after 1 April 2010, this lump sum will be in addition to the Compulsory Lump Sum described above.

Under current legislation, this cash sum can be paid tax-free and can be used in any way you wish, making it a valuable benefit.

How Much Cash?

You can choose how much cash you would like to take up to the applicable Scheme Limit (see page 30 for further details) which is currently, broadly, 25% of the overall value of your Scheme benefits.

The total cash sum you take from the Scheme including, where applicable, your Compulsory Lump Sum, and, or any lump sum you take from the DC Section and, or from your AVCs must not exceed this limit.

The Trustee will confirm the maximum lump sum you will be entitled to take when you come to draw your benefits.

Reduced Pension

If you take a tax-free cash sum (in addition to your Compulsory Lump Sum), your pension will be reduced accordingly. The amount of the reduction will depend on which part of your pension is used to provide the cash sum.

- If part of your pension accrued in relation to Pensionable Service prior to 1 April 2010 is commuted to provide the lump sum, that part of your pension will be converted at a rate decided by the Trustee and which the Actuary has confirmed is reasonable.
- If part of your pension accrued in relation to Pensionable Service on or after 1 April 2010 is commuted to provide the lump sum, that part of your pension will be converted at a guaranteed conversion rate of £12 for every £1 of pension exchanged.

If you have both pre and post 1 April 2010 Pensionable Service, the Trustee will determine the order in which any elements of your accrued pension are given up for the cash lump sum.

Extra Money for Your Family – Surrender of Pension for a Dependant

When you retire, you have the option of taking a lower pension for yourself in exchange for providing a higher level of pension payable on your death for your widow, widower, Civil Partner or other dependant of your choice. However, you should seek independent advice before making any decision as there are a number of things to consider before you set aside benefits in this way.

Level Pension Option

When you retire, part of your pension will be provided from the Scheme and part will be provided from State benefits.

You may be able to choose to take your Scheme pension before you reach Normal Retiring Date (see page 13 for details). However, you cannot choose to draw your State pension benefits early.

In order to give you more flexibility, the Trustee may be able to provide you with an adjusted pension from the Scheme so that your total pension income (i.e. before and after your State benefits come into payment) will remain broadly level. This option may be available at the request of a Member but is subject to compliance with applicable legislation and HMRC's requirements.

If you would like further information about this option, please contact Human Resources Pensions. However, you should consider seeking independent advice before making any decision as there are a number of things to consider before you adjust your benefits in this way.

Trivial Commutation

If your benefits in the Scheme are very small, it may be possible to commute all of your benefits for a cash lump sum when you retire. You will be informed if this option might be available for you. However, you should consider seeking independent advice before deciding to commute your benefits.

Early Retirement

Early Retirement (Not on Grounds of Ill-health)

You may draw your pension from age 60 or, with the University's consent, from age 55. However, if you joined the Scheme before 6 April 1997, early payment of your pension may not be possible to comply with contracting-out requirements.

Please note, if you joined the Scheme before 6 April 2006, you may be able to take your benefits from age 50 if you opt out of the Scheme and become a deferred member before drawing your benefits. See page 21 for details.

Early Retirement (Not on Grounds of Ill-health) - Benefits

If you retire early, your pension and Compulsory Lump Sum (if any in relation to your Pensionable Service) will be worked out as described on page 9 and then adjusted as follows depending on your age when you draw your benefits -

If you are **aged 60 or above** when you draw your benefits –

- the part of your pension and Compulsory Lump Sum (if any) attributable to Pensionable Service on or after 1 April 2010 will be reduced by the Trustee for early payment. The reduction will normally be of an amount agreed by the Trustee with the Actuary to be reasonable and approved by the University; and
- no reduction will be applied to the part of your pension (if any) attributable to Pensionable Service **up to and including 31 March 2010**.

If you have **not reached age 60** when you draw your benefits –

- the part of your pension and Compulsory Lump Sum (if any) attributable to Pensionable Service on or after 1 April 2010 will be reduced by the Trustee for early payment by an amount agreed with the Scheme Actuary to be reasonable; and
- the part of your pension (if any) attributable to Pensionable Service up to and including 31 March 2010 will be reduced by the Trustee for early payment usually by an amount agreed with the Actuary to be reasonable.

Early Retirement on Grounds of Ill-health

Provided you have been in Pensionable Service for at least 2 years, you may retire at any age before your Normal Retiring Date with the Trustee's consent if you have left Service because of Ill-health. However, no pension may be paid before age 55, unless the Trustee has received independent medical advice that you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment.

Early Retirement on Grounds of Ill-health - Benefits

If you retire early on grounds of ill-health, the amount of your pension and Compulsory Lump Sum (if any) will depend on the severity of your ill-health or Incapacity in the opinion of the University and the Trustee, based on medical evidence. The Trustee may ask the Member to undergo a medical examination at any time or times in relation to such pension both before and after such pension starts.

- **Partial Incapacity** - if your ill-health or Incapacity is such, in the opinion of the University and Trustee, that you are permanently unable to perform your own job or comparable employment, you may be granted a "Partial Incapacity Pension" and a Compulsory Lump Sum. The Partial Incapacity Pension is calculated in the same way as your pension at Normal Retiring Date but based on your Final Pensionable Earnings at the date of leaving Pensionable Service and the Pensionable Service you have completed at that date. The Compulsory Lump Sum is worked out as described on page 10 but based on your Final Pensionable Earnings and Pensionable Service on or after 1 April 2010 as at the date of leaving.

- **Total Incapacity** – if your ill-health or Incapacity is such, in the opinion of the University and Trustee, that you are permanently unable to do any job, you may be granted a "Total Incapacity Pension" and a Compulsory Lump Sum. The Total Incapacity Pension is calculated in the same way as your pension at Normal Retiring Date but based on your Final Pensionable Earnings at the date of leaving Pensionable Service and the Pensionable Service you would have completed had you remained in Pensionable Service until your Normal Retiring Date. The Compulsory Lump Sum is worked out as described on page 10 but based on your Final Pensionable Earnings as at the date of leaving and Pensionable Service on and from 1 April 2010 until your Normal Retiring Date (had you remained in Pensionable Service to that date).

Neither a Partial incapacity Pension or a Total Incapacity Pension will be reduced for early payment.

Review of Your Health and Continuing Pension Payments

The continued payment of any Partial Incapacity Pension or Total Incapacity Pension is subject to review by the Trustee. For this purpose the Trustee may call for any independent medical advice or evidence they consider appropriate.

If your health improves to the extent that, in the Trustee's opinion based on independent medical advice, you are no longer suffering from the infirmity or illness which gave rise to your early retirement pension, the Trustee may reduce (including potentially changing a Total Incapacity Pension to a Partial Incapacity Pension or otherwise), suspend or terminate your pension until your Normal Retiring Date. If this applies to you, you will be immediately advised of the amount and timing of the benefits which will become payable to you.

Options at Early Retirement

You have the option at early retirement of giving up part of your pension for a tax-free cash sum (see below) or to provide extra pension for a Dependant (see page 12).

Increases on Early Retirement Pension

Your pension payable on early retirement will be increased each year in the same way as your pension would have been if it had been payable at Normal Retiring Date (see page 11).

Serious Ill-Health – Commutation of Benefits

In exceptional cases of ill-health it may be possible to commute all of your benefits for a cash sum provided the applicable conditions under legislation are satisfied. Currently this is only possible in circumstances where the Trustee has received medical evidence that the Member is expected to live for less than one year.

Late Retirement

With the agreement of the University, you may continue working after your Normal Retiring Date.

Late Retirement Benefits

If your retirement is delayed, you will not normally receive any benefits from the Scheme until you actually retire, when an increased pension and Compulsory Lump Sum (if any is appropriate i.e. you have Pensionable Service on or after 1 April 2010) will be paid. You may either -

- cease to contribute at Normal Retiring Date in which case your benefits will be increased for each complete year of deferment (see below); or
- continue to contribute and earn extra years of Pensionable Service (up to the 40 years' maximum).

If you choose to continue contributing for a period after Normal Retiring Date but then choose to stop contributing before leaving Service with the University, you will earn extra years of Pensionable Service until the date you ceased contributions. From that date until you actually leave Service and retire, your deferred benefits will be increased for each complete year by which your actual retirement is later than the date you ceased contributions.

If your benefits are deferred:

- Your pension will be increased by 12% for each year of deferment; and
- Your Compulsory Lump Sum (if any) will be increased by an amount determined by the Trustee having taken advice from the Actuary.

Options at Late Retirement

You will be able to exercise the option to give up part of your pension for a tax-free cash sum (see pages 10-11) or to provide extra pension for a Dependant (see page 11) when you actually retire.

Inflation Protection

Your pension payable on late retirement will be increased each year in the same way as it would have been had it become payable at your Normal Retiring Date (see page 11).

The Lifetime Allowance

As mentioned, HMRC sets a limit on the total value of pension benefits that you can build up tax efficiently during your lifetime. This is called the Lifetime Allowance. It is determined by the Government and was set at £1.5m from 6 April 2012 and will decrease to £1.25m in 2014/15.

It is possible to build up benefits above the Lifetime Allowance but these would be subject to a tax charge.

When checking your benefits against the Lifetime Allowance, your benefit will be valued under legislation as:

- your defined benefit pension from the DB Section multiplied by a specified factor (currently a factor of 20), plus
- any funds held in defined contribution pension plans (eg AVCs, personal or stakeholder pensions etc or if applicable any benefits within the DC Section); and
- any tax-free cash you receive when you start to receive a pension.

It is important to keep track of your total benefits (including those built up in other pension arrangements), especially if you think you may be affected by the Lifetime Allowance. If you have lost track of benefits the Pension Tracing Service may be able to help you. Please see page 29 for their contact details.

When you come to retire you will be asked to provide confirmation to the Trustee of your available Lifetime Allowance before your benefits can be paid.

Death Benefits

Death in Pensionable Service

If you die in Pensionable Service in the DB Section before your Normal Retiring Date the benefits below will be payable. If you die in Pensionable Service in the DB Section after your Normal Retiring Date your benefits will be worked out as if you had retired the day before you died. See page 18 for details.

Lump Sum Death Benefit

A lump sum of three times your Final Pensionable Earnings (as defined in relation to post 1 April 2010 Pensionable Service) will be paid, at the Trustee's discretion, to your beneficiaries or estate. Your beneficiaries include your family, Dependants, anyone you have nominated in writing to the Trustee and anyone who benefits under your will.

A further sum equal to the total contributions (including any AVCs) you have made to the DB Section will also be paid. If you have participated in PensionsPlus, this sum will include the amount of contributions (including where applicable any AVCs) you would have paid to the DB Section but for your participation in PensionsPlus as well as the contributions you have paid directly.

Tax-free

Normally under current legislation, any lump sums payable on your death will be tax-free. The Trustee will decide at its discretion who receives the money but it will consider your wishes provided it has been notified of them beforehand. You should let the Trustee know how you would like any lump sums to be paid by completing an Expression of Wish Form which is available from Human Resources Pensions. You should make sure that your Expression of Wish Form is kept up to date by filling in a new form if your circumstances change. Additional copies are available if you change your mind at any time.

A Pension for Your Widow, Widower or Civil Partner

If you are married at the date of your death, your widow or widower will receive a pension. For the first 3 months the pension will be equal to your monthly Pensionable Earnings at the date of your death and it will then reduce to one-half of your prospective pension. Your prospective pension is the pension you would have received at Normal Retiring Date based on your Pensionable Earnings in the 12 months prior to the date of your death and the Pensionable Service you could have completed to Normal Retiring Date. This pension will be paid for the rest of your widow's or widower's life.

If you are in a registered civil partnership at the date of your death a pension may be payable to your Civil Partner. See page 19 for details.

It may be possible, with the consent of the University, for a pension to be paid on your death to another Dependant other than your Spouse or Civil Partner, for example, a person with whom you were co-habiting. Where you are married or in a registered civil partnership at the date of your death it will be necessary to pay at least a minimum pension to your Spouse or Civil Partner to satisfy the contracting-out requirements (applicable for benefits accrued in respect of Pensionable Service up to and including 31 March 2010). Further details will be supplied on request.

A Pension for Your Children

If you die leaving a Child or Children, an allowance will be payable (in addition to the Spouse's pension, or Civil Partner's pension, as applicable) for each Child until that Child reaches the age of 18 (age 23 if the Child is in full time education or vocational training which is not given during the course of employment, or later if in the Trustee's opinion the Child is mentally or physically disabled).

The amount of each Child's allowance will be equal to half of the Spouse's or Civil Partner's pension (assuming your Spouse is not more than 10 years younger than you) subject to a maximum of the amount of the Spouse's or Civil Partner's pension. If there are more than two eligible Children, the Trustee has discretion to apportion this amount between them. However, if no Spouse's pension or Civil Partner's pension is payable or your Spouse or Civil Partner subsequently dies, these Children's allowances will be increased to two thirds of the Spouse's or Civil Partner's pension where there are two Children or fewer and, where there are more than two Children, a maximum of one and one-third of the Spouse's or Civil Partner's pension to be apportioned between them.

The allowances will normally be paid by monthly instalments commencing on the day following the date of your death.

Are There Any Restrictions?

Under normal circumstances you will be covered for the full lump sum death benefit without any enquiry into your state of health. Sometimes, however, restrictions are placed on this death benefit and you will be told if this applies to you.

If your widow, widower or Civil Partner is more than 10 years younger than you, the pension may be reduced to take account of the longer period for which it will be paid.

Inflation Protection

Your widow's, widower's or Civil Partner's pension (and any pension paid for the benefit of Children) will be increased each year in the same way as your own pension (see page 11).

Insured Benefits

The lump sum death benefit described on page 16 is insured under a policy specifically to provide this benefit. Payment of this benefit is subject to acceptance by and any terms and conditions imposed by the insurer.

Death After Retirement

Once you retire, your pension is paid for the rest of your life. On your death in retirement, the following benefits are payable.

Lump Sum

If you die within five years of your retirement, your beneficiaries or estate will usually receive the unpaid balance of the five years' pension payments at the rate in force when you died as a lump sum.

A Pension for Your Widow, Widower or Civil Partner

If you are married on your death, your widow or widower will receive a pension equal to one-half of your own pension including any increases since your retirement and any pension given up to provide other benefits such as a tax-free cash sum (see page 11). This pension will be paid for the rest of your widow's or widower's life.

If you are in a registered civil partnership at the date of your death a pension may be payable to your Civil Partner in respect of parts of your membership of the Scheme. See page 19 for details.

It may be possible, with the consent of the University, for a pension to be paid on your death to another Dependant.

A Pension For Your Children

If you die leaving a Child or Children, an allowance will be payable (in addition to the Spouse's pension, or Civil Partner's pension, as applicable) for each Child until that Child reaches the age of 18 (age 23 if the Child is in full time education or vocational training which is not given during the course of employment, or later if in the Trustee's opinion the Child is mentally or physically disabled).

The amount of each Child's allowance will be equal to half of the Spouse's or Civil Partner's pension (assuming your Spouse or Civil Partner is not more than ten years younger than you) subject to a maximum of the amount of the Spouse's or Civil Partner's pension. If there are more than two eligible Children, the Trustee has discretion to apportion this amount between them. However, if no Spouse's pension or Civil Partner's pension is payable or your Spouse or Civil Partner subsequently dies, these Children's allowances will be increased to two thirds of the Spouse's or Civil Partner's pension where there are two children or fewer and, where there are more than two Children, a maximum of one and one-third of the Spouse's or Civil Partner's pension to be apportioned between them.

The allowances will normally be paid by monthly instalments commencing on the day following the date of your death.

Inflation Protection

Your widow's or widower's or Civil Partner's pension (and any allowance paid for the benefit of Children) will be increased each year in the same way as your own pension (see page 11).

Are There Any Restrictions?

If your widow or widower or Civil Partner is more than ten years younger than you, the pension may be reduced to take account of the longer period for which it will be paid.

Extra Money for Your Family

When you retire you may have the option of taking a lower pension for yourself in exchange for providing a higher level of pension for your widow, widower or Civil Partner or other Dependant of your choice. However, you should seek advice before making any decisions as there are a number of things to consider before you set aside benefits in this way. If you joined the Scheme before 6 April 1997, this option may need to be restricted to comply with contracted-out requirements.

Civil Partnerships

With effect from 5 December 2005, certain death benefits payable from the Scheme are paid to registered Civil Partners in a similar way to legal Spouses. If you are in a registered civil partnership (under the Civil Partnership Act 2004) at the time of your death, a pension will be payable to your Civil Partner. The pension payable is the same as would have been payable to your Spouse had you been married at the date of death in respect of:-

- all of your contracted-out benefits that you earned in the Scheme from 6 April 1988; and
- all of your benefits earned in the Scheme from 5 December 2005.

It will be subject to the same terms and conditions as the pension that would have been payable to your Spouse had you been married. For example, it will increase in the same way in payment and may also be subject to a reduction for each year that you are more than 10 years older than your Civil Partner.

Leaving the Scheme

Leaving the Scheme

You will automatically leave Pensionable Service if you cease to be employed by the University or if you cease to be eligible to remain in the DB Section, for example, because your employment arrangements change.

You may also decide to leave the DB Section at any time while continuing to work for the University, provided you give the Trustee one month's notice of your intention to do so. Your Pensionable Service will normally cease from the end of the month after your notice expires. If you leave the Scheme in this way, your benefits will be treated in the same way as if you had left the University and you will cease to be covered for any other benefit under the Scheme.

Rejoining the Scheme

If you leave the DB Section, you will not be able to rejoin the DB Section at a later date. However, while you remain employed by the University, you may be able to join the DC Section of the Scheme for future service.

Benefits

If you left the DB Section before retirement, the benefits you will be entitled to will depend on your length of Pensionable Service (and whether you have participated in PensionsPlus).

- **Leaving the DB Section with at least 3 months' but less than 2 years' Pensionable Service**

  If you left the DB Section with at least 3 months' but less than 2 years' Pensionable Service, you will be able to choose to receive either:

  (i) a refund of your contributions to the Scheme including the value of your AVC Account; or

  (ii) to transfer your benefits to an appropriate arrangement – see page 22 for details.

  In either case, you will not be entitled to any further benefits from the Scheme.

  If you joined the Scheme prior to 31 March 2010, and opt for a refund, a payment will be made from the Scheme to the State to reinstate you into S2P in respect of that period of Pensionable Service and your share of this payment will be deducted from your refund. The amount refunded to you will then be subject to tax (currently at the rate of 20%).

  The transfer value option is only available if the Member notifies the Trustee of a receiving vehicle both capable and willing to take the transfer value within a reasonable period determined by the Trustee.

Please note: If you have participated in PensionsPlus at anytime whilst a Member of the DB Section, no refund may currently be paid in respect of contributions (either Compulsory Contributions or AVCs) paid by way of salary sacrifice.

- **Leaving the DB Section with 2 or more years' Pensionable Service**

  If you leave the DB Section before Normal Retiring Date after completing at least two years' Pensionable Service, you will be entitled to a preserved pension payable from Normal Retiring Date. If you have been in Pensionable Service on or after 1 April 2010, you will also be entitled to a Compulsory Lump Sum.

  Your preserved pension will represent the pension you earned up to the date you left calculated in the usual way (see page 9) using your Final Pensionable Earnings and completed Pensionable Service at the date you leave (provided it is not less than any Guaranteed Minimum Pension).

  Your Compulsory Lump Sum (if any) will be an amount as worked out on page 10 using your Final Pensionable Earnings and completed Pensionable Service at the date you leave.

As an alternative to receiving a preserved pension, you may be able to transfer your preserved pension to a suitable alternative arrangement before Normal Retiring Date (see page 22 for full details).

Inflation Protection

To help offset the effects of inflation your preserved pension (in excess of any Guaranteed Minimum Pension) and Compulsory Lump Sum (if any) will be increased each year between the date you leave Pensionable Service and the date you retire in accordance with statutory requirements.

(For Pensionable Service up to and including 5 April 2009 the benefits will increase in line with the percentage increase in prices up to a maximum of 5% a year. For benefits earned on and after 6 April 2009, the applicable increase is currently an increase in line with the percentage increase in prices up to a maximum of 2.5% a year. The percentage increase in prices will be determined on the basis required under statute.)

Guaranteed Minimum Pensions for Members contracted-out under the Scheme before 6 April 1997 are increased as described on pages 31.

Retirement

Your preserved pension and Compulsory Lump Sum (if any) will normally be paid from Normal Retiring Date. However you may, by written notice to the Trustee, choose to take these benefits from an alternative date provided that you have left service with the University. The alternative date must not be earlier than your 55th birthday (although Members who joined the Scheme before 6 April 2006 may be able to take their benefits from age 50 – see below for further details) and normally it must not be later than the date you cease to be in employment or, if earlier, your 75th birthday (or your 70th birthday if you joined the Scheme before 1 June 1989).

However, if you joined the Scheme prior to 6 April 1997 you can only take your pension at an alternative earlier date if this would not result in your pension being less than the Guaranteed Minimum Pension.

If you draw your preserved benefits prior to your Normal Retiring Date:

- your pension may be reduced to reflect the fact that it is being paid early; and
- your Compulsory Lump Sum (if any) will be reduced by an amount agreed by the Trustee and the Actuary to be reasonable because it is being paid early.

If you are unsure about when you can draw your benefits, please contact Human Resources Pensions for further information.

Drawing Benefits From Deferment Before Age 55 – Members Who Joined the Scheme Before 6 April 2006

The statutory minimum age from which individuals can draw their pension (other than in cases of ill-health) was increased with effect from 6 April 2010 from age 50 to age 55. The legislation does provide some transitional protection for Members who joined their scheme before 6 April 2006 and had an unqualified right to draw their benefits before age 55 i.e. they may be treated as having a "protected pension age" however, this protected pension age is subject to various conditions and restrictions and can be lost in certain circumstances.

If you joined the Scheme before 6 April 2006, it may be possible to draw your benefits from deferred member status only before age 55 provided all applicable legislative conditions are met. If you would like further information about "protected pension ages" and whether this could apply to you, please contact Human Resources Pensions.

Retirement Options

If you leave your benefits in the Scheme you will still have the normal options of giving up part of your pension in exchange for a tax-free cash sum (see page 11) or providing extra pension for a Dependant (see page 12). Your pension will be payable, and increased each year after retirement, in the same way as if you had remained in Pensionable Service until your Normal Retiring Date (see page 11).

Death in Deferment

If you die before your preserved benefits become payable, a refund of your contributions to the DB Section including your accumulated AVC Account will be made to your estate. If you have participated in PensionsPlus for any period this will include an amount in respect of the contributions you would have paid but for your participation in PensionsPlus.

If you have been in Pensionable Service on or after 1 April 2010, a Compulsory Lump Sum will be payable to one or more of your beneficiaries as the Trustee shall decide. The Compulsory Lump Sum is calculated as described on page 10 but using your Final Pensionable Earnings at the date you left Pensionable Service and will be increased during deferment until the date you died as set out on page 21 (under the section, 'Inflation Protection').

In addition, if you are married your widow or widower will receive a pension equal to half of your preserved pension, including any increases made up to the date you died.

If you are in a registered civil partnership at the date of your death a pension may be payable to your Civil Partner. See page 19 for details.

Death After Retirement

If you die after your preserved pension has come into payment, benefits will be paid as described on page 18 (Death after Retirement) based on your preserved pension.

Inflation Protection

Your widow's, widower's or Civil Partner's pension, as applicable, (and any pension paid for the benefit of Children) on your death, either before or after retirement, will be increased each year in the same way as your own pension (see page 11).

Transfer Value Option

If you leave Pensionable Service before your Normal Retiring Date, instead of leaving your preserved benefits in the Scheme (page 20), you may transfer the cash equivalent of them to your new employer's scheme, provided those trustees are willing and able to accept it. Your new employer will be able to tell you what benefits can be provided with the cash equivalent under his scheme.

The benefits you may have earned in respect of any Pensionable Service before 1 April 2010 have an element of contracted-out benefit which you need to bear in mind if you want to take a transfer value as it will need to be paid to a contracted-out scheme.

You also have the option of transferring the cash equivalent of your preserved benefits to a personal pension scheme or stakeholder scheme of your choice or to an individual insurance policy in your own name (known as a 'buy-out' policy).

Any transfer will include your AVC Account.

At any time, whether you have left Pensionable Service or not, you may ask the Trustee for an estimate of the cash equivalent available to you on a particular date. Where the estimate of the cash equivalent is needed because of a divorce settlement (or dissolution of a civil partnership), you should tell the Trustee this when asking for the estimate as the Trustee may need further information from you. Within three months of your request, the Trustee will give you a written statement of entitlement. This will show your cash equivalent, which is guaranteed for three months from the date on which it has been calculated (the 'guarantee date'). The statement will be given to you normally within ten days of the guarantee date.

If you want to transfer the cash equivalent to another scheme or buy-out policy, you must apply in writing to the Trustee within three months from the guarantee date shown on the statement of entitlement.

The Trustee is not required to provide you, for free, with more than one statement in any 12 month period.

Calculation of the Cash Equivalent

The cash equivalent is an estimate by the Actuary of the value, at the date of calculation, of the preserved benefits which will be payable at your Normal Retiring Date (or death, if earlier), allowing for any guaranteed and statutory increases to be applied between the date you leave Pensionable Service and your Normal Retiring Date. The cash equivalent does not take account of any discretionary pension increases.

Further details will be provided by Human Resources Pensions when you leave the Scheme.

Absence from Work

Temporary Absence

Most absences from work are for a relatively short time and do not affect your membership of the Scheme. However, if you are absent for a long time your membership may be affected.

If you are away from work for any reason except family leave or illness, the University may treat your membership as continuing for a limited period. You will be notified of the terms if this applies to you.

Illness

If you are away due to illness or injury, the University may extend the initial period by such longer period as it decides.

What Happens After the Time Limit?

If at the end of the appropriate period you have not returned to work, you will normally be treated as having left employment and your benefits will be dealt with as described on page 20, as applicable, depending on your circumstances.

Do I Continue to Contribute?

With the University's consent your contributions to the Scheme may be continued in whole or in part or be suspended during your absence. The University will decide to what extent your benefits will be maintained while you are away.

Family Leave

If you are away from work on Family Leave (e.g. maternity leave, paternity leave, adoption leave), your membership and benefits under the Scheme will continue for all of your statutory Family Leave and any further period of paid Family Leave.

Unpaid Family Leave (which is not statutory leave) will normally not count as Pensionable Service except for the purposes of death benefits. If you return to work at the end of such leave, with the University's consent you may be able to "buy back" the missing period of Pensionable Service by paying, within a reasonable period (determined by the University) after you return, the contributions you would have paid had you been working normally during that period.

If you are participating in PensionsPlus immediately before going on such leave, you will need to contact Human Resources Pensions for guidance on the impact of PensionsPlus and to help you decide whether you should continue.

Benefits

The benefits you accrue during such period will be based on the Pensionable Earnings which would have applied to you had you been working normally (your "notional" Pensionable Earnings).

Contributions

During paid Family Leave, you will continue to contribute to the Scheme at the same rate as described on page 8. Your contributions, however, will be based on the pay you actually receive during Family Leave (rather than on your Pensionable Earnings). You will not be required to contribute to the Scheme during any unpaid statutory Family Leave.

During paid Family Leave and unpaid statutory Family Leave, the University will continue to pay its contributions in respect of you to the Scheme. The University's contributions will be based on your notional Pensionable Earnings. In addition, the University will pay the contributions (based on your notional Pensionable Earnings) you would have paid to the Scheme had you been working normally. However, during paid Family Leave, the University will pay the difference between your contributions based on actual pay and those based on notional Pensionable Earnings. The University will not, however, pay any of your AVCs.

Leaving the University

If you decide not to return to work, you will be treated as having left the University. The date of leaving will be taken as the later of the date when statutory maternity, paternity or adoption pay or other contractual pay stops or when any unpaid statutory Family Leave ends. In either case, your benefits will then be dealt with as described on page 20.

Other Information You Should Know

HMRC and Scheme Limits

The Scheme is a Registered Scheme under the Finance Act 2004 for tax purposes. This brings important tax advantages for the Scheme but the benefits provided are subject to certain restrictions and limits laid down by HMRC. Benefits payable from the Scheme are also subject to various Scheme Limits (see page 30 for further details). You will be advised if any limitation applies in your case.

Trustee

The Scheme's benefits are paid from a special fund which is built up by investing the University's and the Members' contributions. The Scheme's assets are entirely separate from those of the University.

The Trustee of the Scheme is responsible for its administration and for the investment of the money in the fund. It is the Trustee's duty to ensure that Members' interests under the Scheme are protected. Details of the Trustee and its advisers are published annually in the Trustee's Annual Report. A copy of the Annual Report is available on request from Human Resources Pensions.

Trust Deed and Rules

Your rights to benefit under the Scheme arise from the Trust Deed and Rules which are designed to meet the requirements of HMRC and other Government authorities and applicable legislation.

This booklet does not provide full details of your benefits under the Scheme. If you require further clarification of your benefits you should, in the first instance, contact Human Resources Pensions. For more details of your benefits under the Scheme you may request Human Resources Pensions to provide you with, or arrange for you to inspect, a copy of the Trust Deed and Rules.

Annual Statement

Each year whilst you remain in Pensionable Service you will receive a statement detailing your individual benefits.

Income Tax

Your Scheme pension will be subject to income tax.

Inheritance Tax

Under present legislation your lump sum death benefit will not normally be subject to Inheritance Tax. To avoid this possible tax liability and the delays which can occur when payments are made through an estate, the Scheme is arranged so that the Trustee has discretion to decide who receives the death benefits. The Trustee will consider your wishes so you should let it know what these are. If you change your mind at any time you can notify the Trustee by completing an Expression of Wish Form.

Transfers-in

The Scheme does not currently accept transfers-in from other pension arrangements.

Giving Up Your Benefits

Except in the limited circumstances allowed by law and by the Trust Deed and Rules, you are not allowed to give up, cash in or forfeit your benefits or use them as a security for a loan.

Divorce or Dissolution of Civil Partnership

In the event of your divorce or annulment, or, in Scotland, declarator of nullity, of your marriage, or dissolution of civil partnership, the Trustee reserves the right to pay retirement or death benefits under the Scheme to your ex-Spouse or ex-Civil Partner (as applicable) in order to comply with any court order which requires this (attachment or earmarking order).

Alternatively, if the court makes a Pension Sharing Order, the Trustee may be required to use part of the cash equivalent of your benefits to provide benefits for your ex-Spouse or ex-Civil Partner.

You should note that when a Pension Sharing Order is made against your benefits, the Trustee's normal practice will be to transfer the value required to another pension scheme or arrangement. Your benefits would be appropriately reduced as a result of any Court Order and the costs that the Trustee incurs in complying with the Order will be met by you and/or your ex-Spouse or ex-Civil Partner.

Part-time Work

During any periods of part time employment, your contributions will be based upon the part-time equivalent of your Pensionable Earnings and in calculating the benefits payable to, or in respect of you, your part-time salary and service will be converted to their full-time equivalent. For further information about how your Scheme benefits will be calculated if you work part-time, please contact Human Resources Pensions.

Amendment or Discontinuance

The University intends to keep the Scheme in force but reserves the right to amend or discontinue it. If the Scheme is discontinued the Trustee will use the assets of the Scheme in the way set out in the Trust Deed and Rules and applicable legislation. Benefits may be reduced if assets are insufficient. You will be informed how your benefits will be dealt with in the event the Scheme is discontinued.

Personal Information

The Trustee and the University have both a legal obligation and a legitimate interest to process data relating to you for the purpose of administering and operating the Scheme. This may include passing on data about you to the Scheme Administrator (whom the Trustee has appointed to provide administrative services in relation to the Scheme), the Scheme's Actuary, the Scheme's auditors and such other third parties as may be necessary for the administration and operation of the Scheme. The Trustee and the University are regarded as Data Controllers in relation to the Data Protection Act 1998.

Your information is kept secure and is only disclosed in limited circumstances, for example to the University in connection with benefits under the Scheme, or to insurance companies to arrange particular benefits, to actuaries to arrange and administer your benefits and to government or regulatory organisations if the Trustee is legally obliged to do so.

The information may be used to conduct statistical analysis in connection with both the Scheme and surveys of similar schemes but, should this happen, you would not be identified personally.

It is important that you tell the Trustee of any changes in your personal details, especially your marital status and address, to help the Trustee to provide your benefits quickly.

Other Pension Schemes

Since April 2006, HMRC has relaxed the restrictions on the number of pension schemes to which a person could contribute at any one time. You may now choose to pay into as many pension schemes as you like, however, the new HMRC allowances (i.e. the Annual Allowance and the Lifetime Allowance) will apply to all of your pension schemes. However, if you wish to consider pension arrangements in addition to the Scheme you should consider taking independent advice.

Help and Advice

Queries and Problems

The Trustee aims to ensure that the Scheme is administered and managed to high standards but there may be times when you are concerned about your benefits or another matter relating to your membership of the Scheme.

Although the Trustee has set procedures for resolving complaints and disputes about matters relating to the Scheme (i.e. the internal dispute resolution procedures described below), any query or problem should initially be referred to the Scheme Secretary at Human Resources Pensions. Most queries and problems stem from a misunderstanding of information and normally can be quickly and informally sorted out without the need for the formal procedures to come into play.

If, after referring your query or problem to the Scheme Secretary, you are still concerned about the matter, you may then wish to consider making a formal complaint through the internal dispute resolution procedures.

Internal Dispute Resolution Procedures (IDRP)

If you have a complaint or dispute about any matter relating to the Scheme, there are set procedures for resolving it. Full details of the procedures can be obtained from the Scheme Secretary, The University of Warwick, University House, University of Warwick, Coventry CV4 8UW.

The internal dispute resolution procedures consist of two stages. Under the first stage, your complaint or dispute is fully considered and a decision made by the Scheme Secretary. The second stage is an appeal procedure under which, if you are not satisfied with the first stage decision, you can apply directly to the Trustee to reconsider the decision. A decision under either stage must normally be made within two months.

Complaints and appeals must be made in an appropriate manner. Special application forms are available for these purposes. If you are unable to make the complaint or appeal yourself, or if you prefer not to do so, you can nominate someone as your representative to make it for you.

The internal dispute resolution procedures only apply to matters concerning the Scheme which affect Members and prospective Members and others who have, or who claim to have, a beneficial interest in the Scheme or who ceased to be within any of the 'complainant' categories in the six months before making a complaint.

The procedures do not apply to complaints and disputes between employees and the University or between the University and the Trustee. Nor do they apply to complaints or disputes where court proceedings have started or which are being investigated by the Pensions Ombudsman (see below).

The Pensions Advisory Service

The Pensions Advisory Service (TPAS) is available to help you (and other beneficiaries under the Scheme) with any pensions query you may have or any difficulties you may have in connection with the Scheme which you have failed to resolve with the Trustee. You can use this service at any time but it may be of particular use to you if you cannot resolve a problem through the internal dispute resolution procedures.

If you want to contact TPAS, you can do so through the local Citizens Advice Bureau or directly as follows:

Address: 11 Belgrave Road, London, SW1V 1RB

Telephone: 0845 601 2923

Email: **enquiries@pensionsadvisoryservice.org.uk**

Pensions Ombudsman

The Pensions Ombudsman, appointed under the Pension Schemes Act 1993, may investigate and decide upon any complaint or dispute of fact or law in relation to an occupational pension scheme made or referred to him. Complaints or disputes may be referred directly to the Pensions Ombudsman or be referred to him by TPAS (although he normally insists that they initially be raised with TPAS).

Generally the Pensions Ombudsman will expect individuals to follow the Scheme's IDRP before making a complaint to the Pensions Ombudsman.

The Pensions Ombudsman can be contacted as follows:

Address: 11, Belgrave Road, London SW1V 1RB (the same as for TPAS).

Telephone: 020 7630 2200

Email: **enquiries@pensions-ombudsman.org.uk**

The Pensions Regulator

The Pensions is the regulatory body which oversees the running of occupational pension schemes. The Pensions Regulator is able to intervene in the running of pension schemes if trustees, employers or professional advisers fail in their duties.

The Pensions Regulator can be contacted as follows:

Address: Napier House, Trafalgar Place, Brighton BN1 4DW.

Telephone: 0870 606 3636

Email: **customersupport@thepensionsregulator.gov.uk**

Pensions Tracing Service

If you have changed jobs in the past or a previous employer has been taken over, you may have money on schemes you have lost track of. The Pension Tracing Service aims to help you to locate these schemes so that you can claim your pension rights.

The Pension Tracing Service can be contacted as follows:

Address: The Pension Tracing Service, The Pensions Service, Tyneview Park, Whitley Road, Newcastle-upon-Tyne, NE98 1BA.

Telephone: 0845 6002 537

Website: **www.thepensionservice.gov.uk**

Scheme Limits

The Scheme was previously an exempt approved arrangement for tax purposes. Following the Finance Act 2004 it is now a registered pension scheme. The University and the Trustee retained, subject to certain flexibilities (i.e. tax free cash), old Revenue Limits as Scheme Limits. Your benefits and contributions are restrained by the Scheme Limits.

Scheme Earnings Cap

The Scheme sets an upper limit on the amount of earnings to be used for calculating contributions and benefits from employers' pension schemes. This limit increases each year in accordance with the provisions of the Trust Deed and Rules, broadly in line with prices. For the tax year beginning 6 April 2012 the Scheme Earnings Cap is £137,400 a year. You will be notified if your contributions or benefits are affected.

If you joined the Scheme before 1 June 1989, the Scheme Earnings Cap will not apply to you.

Pension

The maximum pension you can receive at your Normal Retiring Date is the lesser of two-thirds of your earnings near retirement or two-thirds of the earnings limit (if this applies to you) provided you complete 20 years' service or more. If you joined the Scheme before 17 March 1987 the maximum pension at your Normal Retiring Date of two-thirds of your earnings near retirement can be provided on completion of ten years' University service or more.

Tax-Free Cash Sum

Subject to certain exceptions, the maximum tax-free cash sum that you can take from the Scheme on retirement is broadly 25% of the value of your benefits in the Scheme. This includes any cash sums paid from AVCs and, if you have been a member of the DC section as well as the DB Section, any cash payable from the DC Section. Some Members who were in service prior to 6 April 2006 may be entitled to take a higher lump sum if certain conditions are met.

Lump Sum Death Benefit

The maximum lump sum benefit payable on death before retirement is four times your earnings up to a maximum of four times the Scheme Earnings Cap (if this applies to you), plus a refund of your own contributions (or those contributions you would have paid in relation to any period during which you were in PensionsPlus) to the Scheme.

Members who joined the Scheme before 6 April 1997 – Guaranteed Minimum Pension

Contracting-out prior to 6 April 1997

If you were a Member of the Scheme before 6 April 1997 and were contracted-out of the State Earnings Related Pension Scheme (SERPS), your Scheme pension at your Normal Retiring Date would have been at least equal to your Guaranteed Minimum Pension (or 'GMP'). The GMP is roughly equal to the SERPS pension you would have received if you had stayed in SERPS.

From 6 April 1997, a GMP will no longer be provided for the future but any GMP you built up before that date will be paid as if the contracting-out conditions had not changed.

Normal Retirement (see page 10)

When you retire at your Normal Retiring Date, that part of your pension in respect of your Pensionable Service up to 5 April 1997 will not be less than your GMP. Once in payment, your GMP will be increased each year in line with inflation. These increases will be provided partly by the Scheme and partly by the State.

Tax-Free Cash Sum (see pages 11)

On retirement you may, with the Trustee's consent, exchange some of your pension for a cash sum. However, you cannot exchange any of your GMP for a cash sum as it must be paid as a pension.

Early Retirement (see page 13)

At State Pension Age, that part of your pension in respect of your Pensionable Service up to 5 April 1997 must not be less than your GMP. Therefore it may be necessary to restrict the early retirement option and the options to give up part of your pension for cash or extra dependant's pension.

Late Retirement (See page 15)

If you retire after State Pension Age, your GMP will be increased between State Pension Age and the date you actually retire in accordance with statutory requirements.

Death in Pensionable Service (see page 16)

If you are married at the date of your death, that part of the pension payable to your widow or widower in respect of your Pensionable Service up to 5 April 1997 will not be less than the widow's or widower's GMP. The widow's GMP is a pension of not less than one half of the Member's GMP and the widower's GMP is a pension of not less than one half of the Member's GMP earned from 6 April 1988 up to 5 April 1997. (See page 21 regarding the benefits payable to Civil Partners.)

Death After Retirement (see page 18)

If you are married at the date of your death, that part of the pension payable to your widow or widower in respect of your Pensionable Service up to 5 April 1997 will not be less than the widow's or widower's GMP.

Leaving Service (see page 20)

If you leave the University before Normal Retiring Date and are entitled to a preserved pension payable from Normal Retiring Date, that part of your pension in respect of your Pensionable Service up to 5 April 1997 will not be less than your GMP.

The GMP at the date you leave the Scheme will be increased in accordance with statutory requirements for each tax year up to State Pension Age.

If you die before your preserved pension becomes payable, that part of the pension payable to your widow or widower in respect of your Pensionable Service up to 5 April 1997 will not be less than the widow's or widower's GMP.

Increases to a Widow's or Widower's GMP

Once in payment, any widow's or widower's GMP will be increased each year in line with inflation. These increases will be provided partly by the Scheme and partly by the State.

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