

The Flagship Housing Group ex-SHPS Scheme

A Guide for Members

Defined Benefit for CARE and Final Salary

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The Flagship Housing Group ex-SHPS Scheme (the Scheme) has been designed to provide security for you during your retirement and for your dependants in the event of your death.

This Guide provides information about the 'Defined Benefit' (DB) structures of the Scheme. For information about the 'Defined Contribution' (DC) structure of the Scheme, please refer to the Flagship Housing Group DC Member Guide on the DC section of the website www.members.tpt.org.uk/schemes/scheme-information

This Guide gives general guidance only, and it should not be regarded as a complete or authoritative statement on the formal Trust Deed and Rules. It is provided to all members and consolidates and replaces previous scheme booklets, announcements and leaflets.

This Guide consists of this booklet and loose leaf inserts describing the DB structures available under the Scheme

The Scheme is administered by the Administration Team at TPT Retirement Solutions. Should you have any other queries or require further clarification or detailed information about your own benefits you should contact:

Retirement Solutions Team 2
TPT Retirement Solutions
Verity House
6 Canal Wharf
Leeds
LS11 5BQ
Telephone: **0113 394 2551**

Email: enquiries@tpt.org.uk

www.tpt.org.uk

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Contributing to the scheme

Which benefit structure can I join?

This Guide applies to the DB structures. Your employer will tell you which DB structure is available for you to join.

How much do I pay?

The Scheme Actuary reviews contribution rates every three years and a total contribution rate is calculated.

Your employer decides what proportion of the total you will need to pay. Please contact the individual who deals with pension matters in your organisation for this information.

Contributions are deducted from your gross pay (before any tax is deducted) by your employer. This is known as a Net Pay arrangement. If you do not pay income tax, you will be unable to benefit from this tax relief.

The table below provides some examples of the gross and net cost of membership.

You may, if you wish, pay extra contributions in order to boost your pension. These extra contributions are known as Additional Voluntary Contributions (AVCs).

Example Contribution Rates Pensionable Earnings of £15,000	5%	6%	7%
Gross Contributions	£750.00 a year	£900.00 a year	£1,050.00 a year
You receive tax relief at 20%* and save	£150.00 a year	£180.00 a year	£210.00 a year
The actual cost to you will be	£600.00 a year	£720.00 a year	£840.00 a year

*Subject to change. Members in the higher tax brackets currently receive tax relief at 40% or 50%.

Please note: If you joined the Scheme before October 1997, please see the enclosed insert(s) applicable to your membership.

How much does my employer pay?

Your employer pays the balance of the cost of the Scheme, which will vary from time to time and includes the cost of providing life assurance benefits and all administration costs.

How your contributions are calculated

Your pension contributions will be calculated and deducted by your employer through payroll and therefore tax savings are immediate. Your actual contributions will be the member contribution percentage multiplied by your pensionable earnings (see Definitions) each pay period.

The total cost of funding the Scheme is shared between you and your employer. Your employer determines how the contributions will be split.

Can I transfer previous benefits into the DB structure?

The Scheme has not accepted transfers into the CARE and Final Salary benefit structures since 1 April 2010. It may be possible to transfer benefits into the Defined Contribution benefit structure. Please contact TPT (details can be found on page 2) if you want to investigate this further.

Neither your employer nor staff at TPT are registered to provide financial advice. Transferring pension benefits is a complex area and it is recommended that you seek advice from an independent financial adviser. You can find details of local registered independent financial advisers on www.unbiased.co.uk.

Leaving the scheme

What happens if I leave the Scheme?

You may leave the Scheme for a number of reasons, including changing your job, or because you decide to leave the Scheme (opt out) and continue to work for your employer. In these cases you can choose to:

- have a deferred pension; or
- transfer your benefits to another pension arrangement; or
- take a refund of any contributions you may have paid to the Scheme subject to deductions, but only if you leave the Scheme with less than two years' qualifying service.

More details about opting out are provided below.

What happens if I opt out of the Scheme?

You may already be a member who pays contributions into the Scheme and who wishes to opt out of the Scheme. In these circumstances, you must give your employer one month's written notice of your intention to opt out. Please note: you will not be able to rejoin the scheme

What is a deferred pension?

A deferred pension is a benefit calculated for you on leaving service, based on the service you have completed as a member of the Scheme and your pensionable earnings. This pension will remain in the Scheme and become payable at Normal Pension Age (NPA). You can apply for early payment of the deferred pension any time after age 55. See 'Retirement' for further details.

The actual amount of your deferred pension will depend on the benefit structure(s) you have been a member of during your membership of the Scheme. Please refer to the enclosed

insert(s) applicable to your membership for further details.

How does my deferred pension increase?

If you joined the Scheme before 6 April 1997 part of your deferred pension will be a Guaranteed Minimum Pension (GMP). The GMP part of your pension is increased by statutory revaluation (3.5% from April 2017) for each complete tax year until you retire.

The pension remains in the scheme and any deferred pension in excess of GMP will continue to increase each year, prior to retirement. This increase is based on either the Retail Price Index (RPI) or the Consumer Price Index (CPI) as follows:

- For pensions built up before 1 April 2013, the increases will be based on the RPI increase, with a maximum increase of 5%.
- For pensions built up between 1 April 2013 and 31 March 2016, the increase will be based on the CPI increase, with a maximum increase of 5%..
- For pensions built up after 1 April 2016, the increases will be based on the CPI increase, with a maximum increase of 2.5%.

The measure of inflation used in the future may be changed but any such change would not apply retrospectively.

It is the aim of the Scheme to ensure that pensions built up before 1 April 2008 keep pace with inflation, if resources are available.

Transfer of your benefits

You may transfer your benefits to another pension arrangement (such as your new employer's pension scheme or to a personal or stakeholder pension plan) at any time after you leave the Scheme, but before you take your pension.

Defined Benefit transfer values are calculated as the best estimate of the cash sum that would need to be invested in order to reproduce your benefits at retirement. A Statement of Entitlement to a guaranteed cash equivalent transfer value of your benefits will be provided on request. You will need to pass the information provided to the administrator of your new pension arrangement to investigate if the transfer can proceed.

Following the changes introduced by the Government in the 2014 Budget, transfers from defined benefit schemes to defined contribution (money purchase) schemes, will continue to be allowed. However, from 6 April 2015, members will have to receive independent financial advice before any transfer can proceed (unless the transfer value is less than £30,000). TPT will seek evidence that this advice has been received before proceeding with a transfer to a defined contribution arrangement

Refund of your contributions

If you have less than two years' qualifying service you will have the option to take a refund of your own contributions to the Scheme (but not your employer's) plus interest (see Definitions). Qualifying service includes your period of membership of this Scheme and other schemes of TPT, plus service in a previous scheme where you have transferred these benefits into the Scheme. If you have transferred benefits from a personal pension plan to the Scheme you cannot take a refund of your contributions.

There are two deductions from the refund:

- Tax will be deducted at a rate of 20% (or 50% on any refund amount in excess of £20,000); and
- an amount which will buy you back into the additional State Pension (known as State Second Pension) if you joined the scheme before the 6 April 2016.

Please note: If interest is included with your refund, you will need to notify your tax office of the amount of interest you receive. This is because the law requires that gross interest is paid. Your tax office will subsequently notify you of any tax charge applicable to this sum.

Retirement

You don't have to leave your job in order to draw your pension. With the exception of ill health early retirement and Protected Pension Age (see Definitions) retirements, any reference to retirement in this Guide includes those members who choose to receive their pension benefits and continue working, as well as those members retiring in the more traditional sense (i.e. stopping work).

When can I retire?

The Normal Pension Age (**NPA**) under the Scheme is 67. This is the age that will be used for normal funding purposes for scheme benefits. If your pension does not start until after NPA, it could be more – and if it starts before NPA, it will be less than the normal retirement pension.

The information below explains when you can take your pension. However, the age at which you choose to retire is an employment issue, and you should discuss this with your employer.

What will I get?

The calculation of your pension depends on which benefit structure(s) you have been a member of, for how long, and your pensionable earnings. For Final Salary benefit structures, benefits are based on your Final Pensionable Earnings at your date of retirement. For CARE benefit structures, you will have built up pension amounts based on your pensionable earnings each year. Please see the enclosed Benefit Structure Insert(s) applicable to your membership for further details.

Can I take a cash sum at retirement?

Yes, when you retire you can give up part of your pension and exchange it for a Pension Commencement Lump Sum (PCLS) which is usually tax free under current legislation. This will leave you with a smaller pension.

The maximum lump sum available is 25% of the value of your pension benefits.

Taking a PCLS at retirement will leave you with a reduced pension. The calculation is not straightforward. The table on page 8 shows comparisons between a full pension (option 1) or a PCLS with a reduced pension (option 2) for an individual aged 67

Please note: These figures are provided only as examples.

Option 1 Full Pension	Option 2 Maximum Cash Lump Sum	Reduced Pension
£5,000 per year	£21,500	£3,224 a year
£10,000 per year	£43,000	£6,449 a year
£15,000 per year	£64,490	£9,674 a year

Flexible retirement

In most cases members are able to take part of their pension whilst continuing to work. If they wish to, they can remain a member of the Scheme and accrue further pension benefits.

Exceptions to this are ill health retirements, and from those members with a Protected Pension Age (see Definitions) who retire before age 55. The option to draw some pension is only available once in a 12-month period. Enquiries in the first instance should be directed to the Administration Team at TPT (contact details can be found on page 2).

Please note: This should not be confused with the right to have your pre 1 April 2002 benefits paid with no reduction from age 60 or the right to have your pre April 2016 benefits paid with no reductions from age 65.

Pension choice

The Defined Benefit structures provide for a survivor's pension, payable in the event of your death. (Where members, who joined before October 1997, have paid reduced contributions, the survivor's benefit payable will be the statutory minimum.) If you do not wish to provide for a survivor's pension, when your pension starts you may have the option to give up part of the survivor's benefit and take an increased pension for yourself. Details are provided to all eligible members at retirement. A statutory minimum pension must be paid to

a legal spouse or civil partner.

Are there any other options?

You can give up part of your own pension to provide a higher level of dependants' pension payable following your death. If you are interested in this option, you should request a quotation from the Administration Team before starting your pension.

Can I contribute after NPA?

Yes, if your employer agrees to you continuing to work after NPA, you may continue as a member and contribute to the Scheme until your 75th birthday. You must take your pension by age 75, even if you continue to work.

If you work beyond NPA your pension from the Scheme at age NPA will be increased by a late retirement factor, and you will receive additional benefits based on your pension earned after age NPA.

Death benefits will continue to be provided on the same basis as they were before NPA.

Can I retire early?

Yes, you can take early retirement from age 55 even if you choose to continue working. You may take your pension benefits between ages 50 and 55 if you have a Protected Pension Age (see definitions) and have left the employment to which your membership relates, or at any age if you are retiring on grounds of ill health (subject to approval). Your pension will usually be lower than at NPA because it will be reduced to allow for the fact that pensions paid early are expected to be paid for longer.

What happens if I am too ill to continue working?

Provided there is satisfactory medical evidence that you are and will continue to be unable to work again in any capacity, your pension can be paid immediately regardless of your age. Guidance on eligibility is available on request and your doctor will be asked to provide medical evidence for consideration.

Your ill health pension will be calculated based on the benefit structure(s) you have been a member of, the period of membership up to your date of retirement, plus an additional amount of service equal to half of the prospective service that you would have completed from that date to age 62. The pension is calculated using your Final Pensionable Earnings (see Definitions) at the actual date of retirement.

If your pension starts early due to ill health, you still have the option to take a Pension Commencement Lump Sum (PCLS).

If a pension is awarded under these provisions, the Trustee will monitor any earnings you receive and may adjust your pension if your health improves or you are later able to take other employment. The Trustee may periodically request updated medical evidence on your state of health and has the discretion to reduce or suspend your pension if your eligibility changes.

Can my deferred pension be paid early?

You may also apply for early payment at any age if you are too ill to continue working and have a deferred pension. If your application is successful, your deferred pension will not be reduced for early payment.

You can apply for early payment of your deferred pension at any time after age 55 (50 if you have a Protected Pension Age – see Definitions).

The pension remains in the scheme and any deferred pension in excess of Guaranteed Minimum Pension (GMP) if applicable will continue to increase each year, prior to retirement. This increase is based on either the Retail Price Index (RPI) or the Consumer Price Index (CPI) as follows:

- For pensions built up before 1 April 2013, the increases will be based on the RPI increase, with a maximum increase of 5%.
- For pensions built up between 1 April 2013 and 31 March 2016, the increase will be based on the CPI increase, with a maximum increase of 5%.
- For pensions built up after 1 April 2016, the increases will be based on the CPI increase, with a maximum increase of 2.5%.

It would then be reduced to take account of the fact that your pension would be payable for longer than if it had started at NPA. Certain restrictions may apply and you may not be able to take your deferred pension early if it is not sufficient to cover the statutory minimum pension the Scheme is obliged to pay. You will be advised if your application is unsuccessful.

You may have the option to take a PCLS and reduced pension subject to the minimum pension conditions being satisfied. You will be advised of your options once your application for early payment of your deferred pension is processed.

Death Benefits

What benefits are payable if I die before retiring?

If you die while in employment and have not opted out or left the Scheme, as a member of a Defined Benefit structure the benefits payable are:

Lump sum death benefits

- three times your pensionable earnings at the date of your death; and
- a refund of your own contributions, with interest (see Definitions).

Survivor's pension

- 50% of the pension you would have received, calculated based on the pension earned up to the date of death, plus the prospective pension from that date to NPA. The pension is calculated using your Final Pensionable Earnings (see Definitions) as at your date of death

Children's pensions

- 12.5% of the pension you would have received, calculated based on the pension earned up to the date of death, plus the prospective pension from that date to NPA. The pension is calculated using your Final Pensionable Earnings (see Definitions) as at your date of death
- This would be paid to each of up to four dependent children. If no survivor's pension is payable the children's pensions are doubled.

What if I die after leaving the scheme

If you die after leaving the Scheme but before you start receiving your pension the benefits payable are:

Lump sum

- A refund of your own contributions with interest (see Definitions).

Survivor's pensions

- **50%** of the pension you would have received, based on the value of your deferred pension at the date of your death.

Children's pensions

- **12.5%** of the pension you would have received, based on the value of your deferred pension at the date of your death, would be paid to each of up to four dependent children. If no survivor's pension is payable the children's pensions are doubled.

What benefits are payable if I die after retiring?

If you die after your pension has started, the benefits are:

Lump sum

If you die within five years of retiring, a lump sum death benefit is payable equal to the unpaid balance of the five years' pension payments, at the rate applicable at the date of death.

Survivor's pension

- **50%** of your pension, calculated on your full pension before you took any Pension Commencement Lump Sum (**PCLS**) and including increases in your pension.

Children's pensions

- **12.5%** of your pension (calculated on your full pension before you took any PCLS and including increases in your pension) would be paid to each of up to four dependent children. If no survivor's pension is payable the children's pensions are doubled.

Important notes

- If you joined the Scheme before 1 October 1997 a full survivor's pension will only be provided if you paid full-rate contributions. For any period when you paid reduced rate contributions only the statutory minimum spouse's pension will be payable.
- If you opted to give up part of the survivor's pension when your own pension commenced only the statutory minimum spouse's pension will be payable.
- The regulations governing schemes which were contracted-out of the additional State Pension prior to April 2016 require that any spouse's/civil partner's GMP, or Reference Scheme pension for service up to 5 April 2016, must be paid to your legal spouse or civil partner at the date of your death.
- If your survivor is more than ten years younger than you, the pension will be reduced by 2.5% for each year in excess of ten that he/she is younger.
- Except for legal spouses and civil partners, it will be necessary for the Trustee to receive confirmation that the nominee for a pension is eligible at the date of the member's death

Who will receive the benefits payable on my death?

The lump sum death benefits are payable at the discretion of the Trustee. Under current legislation, this means that they do not form part of your estate for inheritance tax purposes. You can help the Trustee by completing a Nomination Form, detailing the beneficiaries you would like to be considered.

Nominations

- Your nominations should be provided in writing, preferably on a Nomination Form.
- Separate nominations are required for lump sums and pensions (even if you have nominated the same person to receive both).
- You should ensure your nominations are kept up-to-date if your personal circumstances change. If you wish to make any changes to your nomination or a nominee's address, please notify TPT in writing by completing a new Nomination Form.
- Nomination Forms are available from the Administration Team at TPT (contact details can be found on page 2) or can be downloaded from the website at www.tpt.org.uk.

Please note: Upon marriage/entering into a civil partnership, or upon divorce/dissolution of a civil partnership, any existing nomination will be revoked. Additionally, if you have nominated a partner who lives with you and at a later date you cease cohabiting, the nomination will be revoked. If you wish to re-nominate a person whose nomination was revoked in any of the circumstances outlined above, please contact TPT to check whether that person is eligible. If they are, a further signed Nomination Form must be provided.

Who can I nominate?

Lump sum

- you can nominate one or more persons or organisations;
- if you choose more than one you must state the percentage you want each person or organisation to receive;
- you should not use the words 'Executor', 'Administrator', 'In Trust for' or 'Estate' for your nomination, but the proper names of persons or organisations.

Survivor's pension may be paid to:

- your spouse or civil partner; or
- a child who is disabled and is unable to earn a living (in this case the child would be paid the survivor's pension, but not the child's pension); or
- you may nominate a dependent child to receive the survivor's pension, but this would stop when he or she ceased to be treated as a 'Child' as described below (Please note: The child would receive the survivor's pension in place of the child's pension); or
- anyone who lives with you and shares living expenses; or
- anyone who is largely financially dependent on you.

Children's pensions may be paid to:

- any child who is aged under 18; or
- any child below age 22 if in full-time education; or
- a child of any age who is disabled and unable to earn a living, unless the child is already receiving a survivor's pension.

Children's pensions stop on reaching age 18 or 22 as described, unless the child is disabled and unable to earn a living, when the pension can continue for the rest of that child's life.

Paying Your Pension

How will my pension be paid?

Your first payment will be made shortly after either the date your pension was due to start, or the date TPT receives the appropriate forms if later, and will cover the period from your retirement date to the next quarterly payment date. Payment is subject to receiving all necessary forms, including a Withdrawal Form from your employer and relevant certificates. Your first pension payment will include any lump sum you have elected to receive.

After this pensions are paid quarterly in advance on 6 January, 6 April, 6 July and 6 October. They will be paid direct to your bank or building society account. It is not usually possible to pay your pension to a bank or building society account that is not in your name.

If tax is due on the pension then it will be deducted under the PAYE system. Details of the PAYE reference number and relevant tax office dealing with the Scheme pension payments will be provided with confirmation of your pension at retirement

Will my pension increase?

Pensions are reviewed each year and any increase granted is applied on 6 April. Increases are based on the rise in the Pensions in Payment Index each January. If the change in that index is zero or negative then the pension will remain the same; it will not be reduced.

How does my pension increase?

The increases explained below apply to your own retirement pension, your survivor's pension and any children's pensions.

Once in payment, your pension will be reviewed each year and will increase as follows:

Before State Pension age

- Your pension will increase by the lower of 5% or the rise in the Consumer Prices Index (see definitions) for pension built up prior to 31 March 2016 and by the lower of 2.5% or the rise in the CPI for pension built up after 1 April 2016.

After State Pension age

- The GMP part of your pension (applicable for benefits earned between April 1988 and April 1997), if any, is guaranteed to increase each year by the rise in the Consumer Prices Index measured each September.
- Pension built up prior to 31 March 2016 in excess of the GMP will increase by the lower of 5% or the rise in the Consumer Prices Index and for pension built up after 1 April 2016 the increase will be the lower of 2.5% or the rise in CPI. This increase is paid by the Scheme.

It is the aim of the Scheme to ensure that pensions built up before 1 April 2008 keep pace with inflation, if resources are available. Please note: Pension earned in respect of service from 6 April 2005 is increased on the first increase date following your retirement on a pro-rata basis. For example, if you retire on 1 October (six complete months before the increase date of 6 April), the increase to your post April 2005 pension will be 6/12ths of the full rate of increase awarded. Any pension earned in respect of service prior to 6 April 2005 will receive the full rate of increase.

What if?...

What if I work part-time?

If you work part-time your employer would have provided details of the hours you worked, and when, whilst you were a member of the Scheme. Your pension contributions will be based on your actual part-time pay. When your benefits are calculated the service and pensionable earnings will be converted to full-time equivalent amounts so that each period of part-time and full-time working is included proportionately. Further details are included on the enclosed insert(s) applicable to your membership. Whilst you work part-time any death benefits will be based on your actual part-time pay and any prospective service will be included assuming no change to the hours you worked at the date of your death.

What if I divorce?

The courts may order that your pension rights must be shared with your ex-spouse. An information leaflet is available on request or from the Scheme website at www.tpt.org.uk. Full contact details are provided on the back cover of this booklet. Members should take appropriate legal advice. On the dissolution of a civil partnership, the same pension sharing rules as those used for divorce will apply.

What if I take maternity leave?

You will pay contributions on the pensionable earnings you receive from your employer during the first 39 weeks of maternity leave.

Your employer will pay its full contribution as normal and, as your pay gradually reduces, an additional amount to cover any shortfall in the contributions you pay. For example, if your pay has halved after 10 weeks' maternity leave, at that point you will pay contributions based on half your normal pay; your employer will pay its normal amount, plus an amount equal to half

your normal contribution in order to bring the total contribution up to the normal level (i.e. as though you were at work).

Please note: If you return to work before 39 weeks' absence, your normal contributions must resume immediately.

During weeks 40 to 52, unless you are still receiving pay from your employer, no contributions are due and no benefits will accrue.

On your return to work your employer should resume deducting contributions as normal.

If you wish to pay arrears of contributions to cover any period of unpaid maternity leave, your employer has discretion over whether or not to pay its contributions. Please note: If your employer declines to pay, you may, if you wish, pay the employer's share. If anything less than the full amount is paid, your benefits will be adjusted to reflect the proportion of the full contributions that has been paid.

If you die while on maternity leave the full range of death benefits will be paid. This would be based on the rate of earnings you would be receiving if you were not on maternity leave.

If you decide not to return to work your membership will continue up to week 39 of your maternity leave or later where you have continued to be paid.

What if I take family leave?

In the Scheme rules, family leave means leave that men and women are entitled to take by law, such as paternity leave, adoption leave or parental leave (used to care for a child).

If such leave is paid, the rules apply as for maternity leave. If the leave is unpaid, the rules apply as for any other temporary absence (see below). Please note: The above applies to any periods of 'additional paternity leave' which may be granted to members whose babies were born on or after 3 April 2011.

If you die whilst on family leave, the full range of death benefits will be paid. These would be based on the rate of earnings you would have been receiving if you were not on family leave.

What if I am absent from work

If your absence is due to illness or injury, or you are on family leave as allowed by law, and your pay ceases, contributions will stop. When you return to work you will have the option to pay the contributions missed. If you opt to do so, your employer may, at its discretion, also choose to pay the employer contributions missed.

If both you and your employer pay full contributions, you will have full benefits for the period of absence. Please note: Should your employer decline to pay arrears, you may, if you wish, pay the employer's share to provide full service.

If anything less than the full amount is paid, your benefits will be adjusted to reflect the proportion of the full contributions that has been paid.

Should you choose not to pay the contributions missed, you will not accrue any pension benefits for that period.

Where your absence lasts for less than three years the full range of death benefits will be payable. If your employer approves any other leave of absence you may be able to continue your membership of the Scheme for a period of up to three years. This is subject to the agreement of the Trustee.

After three years' absence you will be treated as a leaver, as described in the Leaving section of this booklet. Your date of leaving the Scheme will be the earlier of the date at which your pension

contributions stopped or the date you had been absent for three years. The only exception to this is where your absence is due to illness or injury, in which case you may remain in the Scheme indefinitely subject to your employer agreeing to make the necessary payments.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you had the option to pay reduced contributions in return for giving up some of the dependants' pension benefits that would be payable on your death.

Please see the enclosed insert(s) applicable to your membership for further details.

Further Information

Who looks after the Scheme?

The day-to-day administration is entrusted to TPT which has been administering pension schemes since 1946. TPT is directly answerable to its members- the employers who choose their pension schemes and the active members, pensioners and deferred members who belong to these schemes. TPT is not an insurance company

Scheme registration

From 6 April 2006, the Scheme is a registered pension scheme for the purposes of Part 4 of the Finance Act 2004. The Pension Scheme Tax Reference is 00281218RV.

Are there any restrictions on benefits?

HM Revenue & Customs no longer impose limits on the pension benefits you can receive. However, if the value of your benefits from all tax-registered schemes exceeds the Lifetime Allowance, tax charges will apply to the excess. It should be noted that both the Lifetime and Annual Allowances (see Definitions) are only likely to affect those with very high earnings and/or significant pension benefits held elsewhere. For example, if your pensions from all tax-registered schemes do not exceed £50,000 a year, you are unlikely to be affected.

Can I assign my pension?

No, except where permitted by law on divorce, you cannot sign away your pension rights, even temporarily, for example as security for a loan.

The Trustee Company

The Scheme is governed by a Trustee Company called Verity Trustees Limited. Directors are non- executive, three nominated by members, three nominated by employers and up to three co- opted by the member nominated and employer nominated Directors. Investments are managed independently by external authorised fund managers. Investment performance is reviewed regularly by TPT's Investment Committee.

The State Pension

Prior to 6 April 2016 the State Pension was made up of two parts: the basic State Pension and the additional State Pension (this is also called the State Second Pension or SERPS).

If you were a member of a Defined Benefit structure of the Scheme (except CARE 120ths structure) prior to 6 April 2016, your employment was contracted out of the State Second Pension and as a result, you paid lower National Insurance contributions. This meant that you did not accrue the full State Second Pension during your period of membership to 6 April 2016.

From April 2016, there is a single tier State Pension for people reaching State Pension age on or after this date. This has replaced the basic and additional State Pension and also ends contracting out (of the additional State Pension) and the National Insurance rebate.

The amount of State Pension you receive after 6 April 2016 will take account of any time that you have been contracted-out and paid National Insurance at a lower rate.

To find out more about the State Pension visit

www.gov.uk/state-pension.

Contracting-out prior to April 2016

Between 6 April 1997 and 5 April 2016 a contracted-out scheme had to provide benefits for members which were broadly equivalent to, or better than, those that would have been provided under a 'Reference Scheme'. The requirement was for the benefits overall to be as good as those under this Reference Scheme, although there is no guarantee that every member's own benefits would pass that test.

For any period of membership between 6 April 1978 and 5 April 1997 a Guaranteed Minimum Pension (GMP) had to be provided for each member who was contracted out. The GMP is payable to women from age 60 and men from age 65, or the date of retirement, if later. At that age, the pension payable has to be at least as much as the GMP, which for the majority of members is usually the case. The main impact the GMP has on retirement pensions is the way that pension increases after it starts to be paid. Please refer to the section 'How does my pension increase?', earlier in this guide, for details of how the GMP affects the annual increase in your pension.

Pension Tracing Service

Details of TPT (and all its pension schemes) have been registered with the Pension Tracing Service and the address is:

Pension Tracing Service

400 Pavilion Road

Northampton

NN4 7PA

Telephone: **0800 731 0193**

Text Phone: **0800 731 0176**

Reference: 10170418

The purpose of this registration is to help

individuals trace their pension rights. If you think you have pension benefits with a previous employer's scheme, but have lost contact, the Pension Tracing Service may be able to help.

Rights, obligations and limitations

The rights and obligations of members of TPT are set out in the Trust Deed and Rules and the Scheme Document which are the formal documents of the Scheme. This Guide is intended to provide a clear and simple explanation of the main benefits you are entitled to under the Scheme.

If there is any conflict between the interpretation given in this Guide and the formal Trust Deed and Rules or the Scheme Document, the legal interpretation of the formal documents will prevail. Copies of the Trust Deed and Rules and Scheme Document are available from TPT. Full contact details are provided on the back cover of this booklet, or from the websites at www.tpt.org.uk.

Before making any financial commitment on the basis of any information provided in respect of retirement benefits, please contact TPT for final confirmation of the expected level of benefits. Staff will be pleased to provide any further information or assistance you may need.

TPT is not registered under the Financial Services and Markets Act 2000 to give financial advice. Any information that is provided to members or prospective members should therefore be taken to constitute information and not be taken to constitute advice.

When providing information to members or prospective members, TPT takes care to provide an accurate service but the decision and choice remain the individual's, for which TPT cannot be responsible.

General Data Protection Regulation (GDPR)

For more detailed information on how we use and disclose personal information, the protections we apply, the legal basis for our use of personal information and your data protection rights under the General Data Protection Regulation, see our privacy notice at www.tpt.org.uk/privacy-policy.

If you would like a copy of the privacy notice to be sent to you, please email privacy@tpt.org.uk or call 0113 394 2779.

The Trustee takes appropriate measures to ensure that your personal data is held securely.

Annual Report and Financial Statements

Members receive a summarised version of the Annual Report and Financial Statements each year, but are entitled to the full version that will be provided on request. Alternatively, a copy can be viewed on TPT's website at www.tpt.org.uk.

Pension Protection Fund (PPF)

1. The PPF is a fund designed to protect members' rights under company Defined Benefit pension schemes should the employer become insolvent.
2. The PPF is funded by a levy on company pension schemes that are potentially eligible to benefit from it. The levy on the Scheme will not result in a reduction to your pension.
3. Benefits payable under the PPF are, briefly, as follows:
 - your full pension if you have reached your scheme's NPA or receive an ill-health pension (regardless of your age);
 - **90%** of the expected scheme pension for all other members, subject to

a current maximum of **£41,461 (2020/21)** a year at age 65. This maximum figure is reduced actuarially for those under age 65;

- widow/ers' or survivors' pensions of **50%** of the members' pensions; and
 - pension earned from April 1997 will increase each year in line with CPI up to a maximum of **2.5%**. Pension relating to service before April 1997 will not be increased under the PPF.
4. In general, benefits will be paid from the PPF, as opposed to your own scheme, when:
 - your employer becomes insolvent, or in circumstances where the Trustee or The Pensions Regulator consider this likely; and
 - the assets of its pension scheme are insufficient, (i.e. there is not enough money to pay at least the level of PPF benefit described in point 3 above).

Complaints

Complaints Procedure

If you have a problem or complaint in connection with your pension, we recommend that you initially discuss this with your usual contact at TPT. If they are unable to resolve the matter you may find it helpful to speak to the Executive Administration Manager and/or the Head of Pension Administration Services.

If your complaint cannot be resolved informally and you remain dissatisfied you may at any time follow the formal complaints procedure; this has two stages and is summarised below.

Disputes – Formal Resolution: If you remain dissatisfied, you may request (in writing) a formal resolution from the Head of Trustee Services. A decision should be provided within two months of your formal request.

Appeal: If you remain unhappy or disagree with the formal resolution from the Trustee Services Director, within six months of the decision you have the right to appeal to the Trustee. The result of your appeal should be provided within two months of your request.

The Pensions Ombudsman Early Resolution Team)

The Pensions Ombudsman Early Resolution Team is available if you need help raising your concerns, or wish to discuss a potential complaint. They provide a quick, informal and streamlined process, and you do not need to have first used the scheme's internal complaints process to use this service. The address is:

The Pensions Ombudsman
Early Resolution Team
10 South Colonnade
Canary Wharf
E14 4PU

The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to the Scheme where TPAS has not resolved the issue.

The Office of the Pensions Ombudsman
11 Belgrave Road

London
SW1V 1RB

Telephone: **020 7630 2200**

Email:

enquiries@pensions-ombudsman.org.uk

Or visit: **www.pensions-ombudsman.org.uk**

The Pensions Regulator (TPR)

TPR is able to intervene in the Scheme administration where the Trustee, employers or professional advisers have failed in their duties.

The Pensions Regulator

Napier House
Trafalgar Place

Brighton
BN1 4DW

Telephone: **0345 600 0707**

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

Or visit: **www.thepensionsregulator.gov.uk**

Definitions

Additional Voluntary Contributions (AVCs)

Is the name given to any contributions you pay above your 'normal' contributions to the Scheme to secure extra benefits.

Annual Allowance

This is the amount by which the value of your pension benefits may increase in any one year period without you having to pay a tax charge. From April 2016 the Scheme's pension saving year has been aligned to the tax year and is called the pension input period.

There is a maximum amount which can be put into your pension plan (£40,000) called the Annual Allowance. This is reviewed each year and more details can be found by visiting

www.gov.uk/tax-on-your-private-pension/annual-allowance.

Please inform your employer if you think you will exceed the Annual Allowance.

Benefits

Are the pensions and other payments made to members and their dependants on death, retirement and after leaving the Scheme.

Deferred Pension

Is the pension secured for you on leaving service and is payable on retirement.

Final Pensionable Earnings

Is the yearly average of your last three years' pensionable earnings. This is increased by the rise in the Retail Prices Index in the year ending six months before you retire.

Guaranteed Minimum Pension (GMP)

Is that part of your pension, or your legal spouse's or civil partner's pension, which is roughly the equivalent of the SERPS pension for membership before 6 April 1997. The Scheme pays a GMP to you during retirement or to your legal spouse or civil partner after your death as part of the Scheme pension, to replace the

SERPS pension. The Scheme must provide at least this level of pension.

Interest

Means compound interest calculated annually on the amount of the members' contributions at the end of the preceding September. The rate of interest will vary from time to time. For refunds of contributions on death, interest only accrues up to the date of death.

Lifetime Allowance

Each individual in the UK is allowed to accumulate pension benefits up to a value of £1,073,000 (20/21) without incurring any tax charge.

Each year, your Benefit Statement will show the value of the pension benefits you have accrued as a percentage of the current Lifetime Allowance. You must also take into account the value of any pension benefits you have from previous pension arrangements in estimating whether you have scope to pay AVCs without any danger of breaching the Lifetime Allowance.

If the Lifetime Allowance is exceeded, a tax charge of **55%** will be levied on the excess fund if the benefits are taken as a cash lump sum. If the excess benefits are taken as pension then a tax charge of **25%** will be levied, as well as the usual income tax payable on the pension instalments.

If you are concerned that your benefits from all sources may breach the Lifetime Allowance you should consult an Independent Financial Adviser (**IFA**) as to your best course of action.

Please note: TPT and its representatives are not permitted to give financial advice.

Limited Price Indexation (LPI)

Is a requirement under the Pensions Act 1995 to pay specified increases on pensions in payment. For pension accrued before 6 April 2005, LPI is currently defined as the rise in the Consumer Prices Index up to a maximum of **5%**. For pension accrued from 6 April 2005, the law requires (as a minimum) that the Scheme pays increases in line with the Consumer Prices Index, capped at **2.5%**. However, the Scheme pension increases continued to be paid on the pre 6 April 2005 basis (i.e. capped at 5%) for pension accrued up to 31 March 2016 and for pension accrued after 1 April 2016 the Scheme will pay pension increases based on the rise in CPI up to a maximum of **2.5%**.

Normal Pension Age (NPA)

Is age 67 for payment of full scheme benefits.

Pensionable Earnings

Is normal gross pay received each year including London Weighting (where applicable), shift pay, contractual bonuses, overtime, allowances and such other emoluments as agreed with the Trustee, but excluding non-contractual overtime or other such emoluments agreed with the employer. A 'pre-sacrifice' amount may be used by your employer if you participate in a salary sacrifice arrangement (eg. a childcare voucher scheme).

Pensionable Service

Is your period of membership of the Scheme (in years and completed months).

Protected Pension Age

Members who joined the Scheme before 6 April 2006 will have a Protected Pension Age of 50 from 6 April 2010. This will allow these members to retire from age 50 after 5 April 2010, but if they retire before age 55 they will be required to leave the employment to which the pension relates.

Reference Scheme Test

To contract-out, from 6 April 1997 and 5 April 2016 the Scheme had to provide benefits at least equal to the Reference Scheme (as defined by legislation for contracting-out purposes)

These definitions are provided as a summary. Please see the formal Trust Deed and Rules if further clarification is required.

Benefit Insert Appendix

Defined Benefit for CARE and Final Salary

CARE 1/60th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme (including your service as a member of the scheme). If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies only to periods of membership in the CARE **1/60th** benefit structure.

Calculation of pension

For your period of membership in this benefit structure, you will receive a pension of:

1/60th x total career averaged revalued earnings.

In practice your pension is built up from blocks of pension calculated each year, based on **1/60th** of your Pensionable Earnings each year.

The pension earned each year up to 31 March 2016 is then increased by the rise in the Consumer Prices Index (CPI), up to a maximum

of 5%, for each subsequent complete year up to your retirement date. The pension earned each year after 1 April 2016 is then increased by the rise in the CPI, up to a maximum of 2.5% for each subsequent complete year up to your retirement date.

Please note: Pension earned in this benefit structure before 1 April 2013 will continue to increase by the rise in the Retail Prices Index, up to a maximum of **5%**.

- Revaluation under the rules is for complete years and is effective from 1 April each year.
- The pension earned during your last complete year of membership (April to March) plus the pension earned from 1 April to the date you leave or retire is not revalued under the rules of the Scheme.

Example:

If, at retirement, you have been a member of the CARE 1/60th benefit structure for five years and your earnings history is as shown in the table below, your pension would be calculated as follows: The assumed value of the Consumer Prices Index for each year is shown in the table.

Table A – Example Data (please read in conjunction with Table B)

Pension	Assumed Earnings	Pension (1/60th of earnings)	Assumed Inflation	CPI Inflation Awarded
Year 1	£13,500	£225.00	n/a	n/a
Year 2	£14,000	£233.33	3.0%	3.0%
Year 3	£14,500	£241.67	2.5%	2.5%
Year 4 (post April 2016)	£15,000	£250.00	2.4%	2.4%
Year 5 (post April 2016)	£15,500	£258.33	2.7%	2.5%*

*capped at 2.5%

Table B – Revalued Pension

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total
Year 1	£225.00	x1.03	x1.025	x1.024	x1.027	= £249.81
Year 2		£233.33	x1.025	x1.024	x1.027	= £251.52
Year 3			£241.67	x1.024	x1.027	= £254.15
Year 4 (post April 2016)				£250.00	x1.025*	= £256.25
Year 5 (post April 2016)					£258.33	= £258.33
Total pension after end of Year 5						= £1,270.06

*capped at 2.5%

Please note: If you have had a transfer into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find explanations of the terms used in the ‘Definitions’ section of the booklet.

What if I work part-time?

In the CARE benefit structure, your pension is calculated each year based on your actual Pensionable Earnings. Therefore, the number of hours you work are already taken into account, as your Pensionable Earnings will reflect the hours you have worked during the year.

Please refer to the section entitled Leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service.

This booklet explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

Deferred pension

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on your actual Pensionable Earnings for each year of service up to your date of leaving.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you had the choice of paying:

- full contributions to provide for a full survivor's pension.
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution is 2.4% lower than the full contribution rate for this benefit structure. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision. If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to members who left before 6 April 1992).

Moving between benefit structures

If your employer operates a different open Defined Benefit structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the Scheme website at www.tpt.org.uk.

If you elect to switch benefit structures you will not be able to switch back to CARE 1/60th in the future.

Final Salary 1/60th Benefit Structure

The calculation of your pension on leaving or retirement will depend on the benefit structure(s) of which you have been a member during your period of membership of the Scheme. If you have been a member of a number of different benefit structures, each element of pension will be calculated separately and then added together to arrive at your total benefit from the Scheme.

The information included in this insert applies to periods of membership in the Final Salary 1/60th benefit structure.

Calculation of pension

For your period of membership in this benefit structure you will receive a pension of:

$1/60\text{th} \times \text{pensionable service} \times \text{earnings}$

For example, if you had completed 20 years' service in this benefit structure when you left and your earnings were £25,000 your pension would be calculated as follows:

$1/60\text{th} \times 20 \text{ years} \times £25,000 = £8,333.33 \text{ a year}$

If you were a member of the Scheme before 6 April 2016, this pension includes the minimum pension the Scheme is obliged to pay as a result of your membership being contracted-out of the State Second Pension.

If you have transferred previous benefits into the Scheme, the benefits secured by the transfer will have been notified to you at the time and will be paid in addition to those calculated for your period of membership in the Scheme.

You will find explanations of the terms used in the definitions section of this booklet.

What if I work part-time?

If you have worked the same part-time hours in your employment for the whole period of your membership of the Scheme, your pension benefits will be calculated using the method shown above using your part-time earnings.

The calculation is more complex if the number of hours you have worked has changed during your membership of the Scheme, or if your membership is made up of full-time and part-time periods. In these circumstances your service and Pensionable Earnings will be converted to full-time equivalent values in order to calculate your pension benefits.

Retirement benefits

Your retirement benefits in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your actual retirement date.

For all pensionable service the earnings used to calculate your pension will be your Final Pensionable Earnings. This booklet explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

Deferred pension

If you leave the Scheme and choose to receive a deferred pension, your deferred pension in respect of membership of this benefit structure will be calculated as described above based on service and earnings at your date of leaving.

For pensionable service before 1 April 2007 the earnings used to calculate your pension will be the better of:

- your Final Pensionable Earnings; and
- your actual Pensionable Earnings during the 12 months before you leave.

For pensionable service from 1 April 2007 the earnings used to calculate your pension will be your Final Pensionable Earnings.

Please refer to the section entitled leaving in this booklet for information on how your deferred pension will increase prior to you retiring.

It also explains further the options available at retirement and the impact on your benefits of retiring before or after Normal Pension Age.

What if I joined the Scheme before 1 October 1997?

If you joined the Scheme before 1 October 1997 you had the choice of paying:

- full contributions to provide for a full survivor's pension; or
- reduced contributions and giving up part of the survivor's pension.

The reduced contribution is 2.6% lower than the full contribution rate for this benefit structure. If you are already a 'Reduced Rate Member', the option to pay reduced contributions continues to apply to this benefit structure.

You may have elected to pay full contributions in order to provide for a survivor's pension later in your membership. In this event, the pension for your nominated survivor will be calculated from the date on which you started to pay the full rate of contributions. Once you decide to pay the full contribution, you will not be able to reverse your decision.

If you have paid the full contribution, at retirement you can elect not to provide for a survivor's pension, and take an enhanced pension for yourself. Details will be provided to eligible members on retirement.

(These options do not apply to deferred members who left before 6 April 1992.)

Moving between benefit structures

If your employer operates a different open Defined Benefit structure for new employees, you are able to elect to switch to the open benefit structure. You should complete the Transfer to New Benefit Structure Form which is available on request or to download from the TPT website at www.tpt.org.uk.

If you elect to switch benefit structures you will not be able to switch back to Final Salary 1/60th in the future.

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Email: enquiries@tpt.org.uk **www.tpt.org.uk**

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Retirement Solutions