

# The Baptist Pension Scheme

## Defined Benefit Plan

Explanatory Booklet  
April 2016

The Baptist Pension Scheme, c/o Broadstone Consultants & Actuaries, Canard Court, 23-25 St George's Road, Bristol, BS1 5JU

Telephone: +44 (0)117 937 8700      Email: [baptistpensions@bbs-actuaries.co.uk](mailto:baptistpensions@bbs-actuaries.co.uk)

Baptist Pension Trust Ltd - A company limited by guarantee. Registered in England No 3481942

---

# INTRODUCTION

This Booklet summarizes the main features of the closed Defined Benefit (DB) Plan of the Baptist Ministers Pension Fund (the Ministers' Fund) which is now called the Baptist Pension Scheme.

If you were a member of the Baptist Union Staff Pension Scheme (the Staff Scheme) before it closed, please read the separate booklet about the main features of that scheme.

The Baptist Pension Scheme consists of:

- the Defined Contribution (DC) or "money purchase" plan, which provides benefits for ***service from 1 January 2012***. It is divided into the Ministers' section, the Staff section and the Basic section (note that the Basic Section provides benefits ***for service from 1 January 2013***). If you are (or have been) a member of the Defined Contribution (DC) Plan, please read the separate booklets which summarize the main features of the DC Plan.
- the closed Ministers' Fund Defined Benefit (DB) or "final salary" plan, which provides benefits for ***service up to 31 December 2011***.

## Notes

1. A DC plan operates like a savings scheme. You and your employer make contributions which are invested on your behalf and the accumulated fund is used to provide your retirement benefits.
2. The DB Plan provides a pension which is normally related to Final Minimum Pensionable Income at the date you stop being a contributing member of the DC Plan and DB Pensionable Service up to the end of 2011. This pension is increased by supplementary benefits secured by contributions paid before the end of 2011 on income in excess of the Minimum Pensionable Income. Additional benefits will have been acquired by any member's additional voluntary contributions
3. Accounts are prepared and audited annually and an actuarial valuation is made every three years, with annual actuarial reviews in the intermediate years, to monitor the financial progress of the Scheme and estimate the contributions required from employers to enable the Scheme to pay the benefits promised.
4. The Scheme is not contracted-out of the State Second Pension (S2P) and was not contracted-out of its predecessor the State Earnings Related Pension Scheme (SERPS), so that benefits provided from the Scheme are paid in addition to the Basic State Pension and the pension from S2P and SERPS.
5. Throughout this booklet certain phrases are used which have particular meanings and these are explained in the 'Glossary' section.
6. Members are provided with precise details of their benefits and options, on retirement or on leaving service. This booklet provides only an outline of those benefits.
7. Further details about the Scheme and your entitlements are available from the Scheme Administrators:

Broadstone Consultants & Actuaries Ltd  
Canard Court,  
23-25 St George's Road,  
Bristol  
BS1 5UU

Telephone: +44 (0)117 937 8700  
Email: [baptistpensions@bbs-actuaries.co.uk](mailto:baptistpensions@bbs-actuaries.co.uk)

8. As the Scheme is a 'registered' pension scheme, benefits are subject to the requirements of HM Revenue & Customs (HMRC) and the Pensions Regulator. Tax and legislative requirements change on a regular basis.
  9. Every effort has been made to ensure the accuracy of the information provided in this booklet. However it does not override any requirements of the Scheme's Trust Deed and Rules or any legislative requirements. Your legal rights under the Scheme are governed by the Rules. The Scheme's formal documents are available for inspection on application to the Trustee.
-

## CONTENTS

Glossary	1
Summary of benefits, Contributions and Eligibility	2
Retirement Benefits	3
Death Benefits before Retirement	5
Death Benefits after Retirement	6
Early, Flexible and Late Retirement	7
Leaving the Scheme	9
General Information	10
Examples	12

---

## GLOSSARY

**Accredited List** means the Union's Register of Covenanted Persons Accredited for Ministry.

**Broadstone** means the Scheme Administrators, Broadstone Consultants & Actuaries Ltd.

**DB Pensionable Service** is normally the period up to 31 December 2011 as a Member of the Ministers' Fund during which contributions have been paid to the Ministers' Fund and includes any other period of service recognised by the Trustee as pensionable which has been secured by a special payment, or is being secured by additional voluntary contributions. However, if you left service or opted out of the Ministers' Fund before 31 December 2011, your DB Pensionable Service will have ended at that time.

**Employer** means the church or other organisation with which you are in service.

**Final Minimum Pensionable Income** means the Minimum Pensionable Income for the twelve month period ending on the last day of the calendar month immediately preceding the month in which you cease to be a Member in service or attain Normal Pension Date whichever is the earlier.

**Lifetime Allowance (LTA)** is the overall amount of tax advantaged pension scheme savings an individual may have in all registered pension schemes. This amount is set by HMRC and may change over time. For the tax year 2016/2017 it is £1m.

**Ministers' Fund** means the Baptist Ministers' Pension Fund.

**Member** means a person who has been admitted into membership of the Scheme.

**Minimum Pensionable Income** means for any calendar year the aggregate of the Home Mission Stipend and the Manse Allowance in force on 1 January in that year.

**Normal Pension Date** means the date when you reach age 65.

**Pensionable Income** during your service prior to 1 January 2012 is your total remuneration in respect of your employment in a Qualifying Office during a calendar year including any rent or allowance in respect of your residence or, where you occupy living accommodation rent-free, an assessed Manse Allowance, any payment in respect of heating, lighting or cleaning of that residence. For the avoidance of doubt the 'cleaning' must be paid to the member and not to the spouse.

**Qualifying Office** means any one of the following offices, namely the pastorate of a Baptist Church, employment by a Baptist theological college in membership with the Union, employment by the Union or an Association in membership with the Union, employment as a chaplain, employment in an ecumenical organisation or trust recognised by and with the approval of Council or employment in any other external organisation with the agreement of Council and subject to the approval of HMRC.

**Qualifying Service** means service as a member of the Fund or of the DC Plan, plus service in any previous pension scheme from which you have brought a transfer into the Scheme.

**Scheme** means the Baptist Pension Scheme.

**Spouse** means your widow, widower or civil partner who you married or entered into a civil partnership before you left service or retired.

**Standard Annuity** means the annuity payable to pensioners in respect of Pensionable Service prior to 1 January 1985. It is a rate determined from time to time by the Trustee.

**Trustee** means the Baptist Pension Trust Limited which is responsible for the Scheme's administration and the investment of its assets.

**Union** means the Baptist Union of Great Britain.

# SUMMARY OF BENEFITS, CONTRIBUTIONS AND ELIGIBILITY

The DB Plan provides:-

## **Retirement Pension**

- at your Normal Pension Date, with the opportunity to retire before (with the permission of the Trustee) or after that date.

## **Tax Free Cash Sum**

- in exchange for part of your pension.

## **Spouse's Pension and Children's Pensions**

- on your death in service or after you retire (please see the DC Plan booklet for information about the lump sum benefit payable on death in service).

## **Incapacity Pension**

- should you become too ill to continue in service (but please see also the separate leaflet in respect of the income protection policy).

## **Deferred Pension or Transfer Value**

- if you leave the Scheme after more than 2 years' membership, you are entitled to a deferred pension or transfer payment.

Examples of Benefits are included at the back of this Booklet.

## **Contributions**

From 1 January 2012 onwards, members' contributions are payable into the DC Plan and there are no members' contributions to the Staff Scheme. However, churches and other participating employers are still required to pay contributions to the DB Plan, as well as contributions to the DC Plan, as there is a shortfall in the finances of the DB Plan. These shortfall contributions are reviewed at each actuarial valuation.

## **Eligibility**

Membership of the DB Plan is restricted to those who were members of the Baptist Ministers' Pension Fund on 31 December 2011. While you remain in service, you will also be a member of the DC Plan, unless you opt out of the Scheme as a whole, so please see the DC Plan booklet for more details of the contributions and benefits under that Plan.

# RETIREMENT BENEFITS

## Your Pension

Your main pension from the DB Plan will be calculated as follows:

$$\frac{1}{420} \times \text{Standard Annuity at retirement or leaving} \times \text{Complete months of Pensionable Service prior to 1 January 1985}$$

plus

$$\frac{1}{1200} \times \text{Final Minimum Pensionable Income} \times \text{Complete months of Pensionable Service from 1 January 1985 to 31 December 1990}$$

plus

$$\frac{1}{960} \times \text{Final Minimum Pensionable Income} \times \text{Complete months of Pensionable Service from 1 January 1991 to 31 December 2011}$$

Your pension will be payable monthly and will be taxed as 'earned income'.

If the capital value of your total pension benefits from all arrangements exceeds the Lifetime Allowance set by the Government, then the excess benefits would be subject to an additional tax charge.

## Pension Increases

Pensions (other than Supplementary Benefits) will be increased annually on 1 January by the annual increase in the UK Index of Retail Prices (or such other index as may be determined by the Trustee) for the 12 months ending on the previous 30 September but subject to the following maximum annual increases:

- Benefits earned prior to 6 April 2006 - 5%
- Benefits earned on or after 6 April 2006 - 2.5%

Supplementary Benefits do not attract pension increases, unless they are referable to contributions paid between 6 April 1997 and 5 April 2006 on Pensionable Income in excess of Minimum Pensionable Income. This element of Supplementary Benefits accrued between 6 April 1997 and 5 April 2006 will be increased annually in line with statutory pension increase requirements, which are currently based on the increase in the consumer prices index and are subject to a cap of 5% in respect of benefits earned during this period.

Additional increases may be awarded at the discretion of the Trustee if the finances of the Scheme permit.

## Alternative Pensions for your family

In addition to the spouse's benefits described on page 6, when you retire you can elect in writing with the consent of the Trustee to give up part of your pension in order to provide a pension or an additional pension for your spouse or one or more named Dependents, payable for their remaining lifetime following your death. If you are interested in this option you should apply to Broadstone before your retirement for full details.

## **Supplementary Benefits**

Your main pension benefits will be increased by any Supplementary Benefits earned in respect of

- contributions paid for Supplementary Benefits prior to 1 January 1985
- any transfer payments to the Fund which have been applied to secure Supplementary Benefits
- any additional voluntary contributions which have been applied to secure Supplementary Benefits
- contributions paid up to 31 December 2011 on Pensionable Income in excess of the Minimum Pensionable Income

Contributions to Supplementary Benefits before 6 April 2006 purchased an additional pension payable from Normal Pension Date. Contributions to Supplementary Benefits between 6 April 2006 and 31 December 2011 purchase a lump sum, which is normally converted to additional pension, payable from Normal Pension Date.

Supplementary Benefits can be exchanged at retirement to provide a member's pension, a spouse's pension and/or a lump sum. You will be provided with details at the time of your retirement.

## **Tax Free Cash Sum**

When you retire, you may elect in writing to exchange some of your pension benefits for a tax free cash sum and receive a reduced pension.

The maximum cash sum will broadly be the capital value of 25% of your pension. In some situations you may be able to exchange more than 25% of your pension for a tax-free lump sum. You will be given full details before you retire.

The actual amount of cash sum payable and the resulting reduced pension will be determined by the Trustee at the time of your retirement. If you are also a member of the DC Plan, any cash sum you take at retirement will come firstly from your DC Plan account.

## DEATH BENEFITS BEFORE RETIREMENT

If you should die in service before your Normal Pension Date whilst a member of both the DB Plan and the DC Plan, the following benefits would be payable from the DB Plan. Further benefits, including a lump sum, are payable from the DC Plan and these are described in the booklet for that Plan.

### Spouse's Pension

A pension will be paid to your Spouse equal to one half of your pension from the DB Plan, based on:

- the full period of your potential Pensionable Service to your Normal Pension Date (not just DB Pensionable service to the end of 2011)
- your Final Minimum Pensionable Income at the date of your death
- (where applicable) the Standard Annuity at the date of your death

### Supplementary Benefits

Any Supplementary Benefits payable on your death before Normal Pension Date will take the form of a lump sum, calculated on the basis that you had retired on grounds of incapacity on the day before you died.

### Dependent Children's Pension

In addition, if you have a child or children under the age of 16 (or 23 if still receiving full-time education) a pension will be payable in respect of each child of one third of the level of the Spouse's pension. Where there are more than three qualifying children the pension payable to each child will be reduced by an amount decided by the Trustee. These pensions will stop once the children cease to meet the eligibility criteria.

### Dependent's Pension

If you do not have a Spouse or a dependent child, the Trustee has discretion to pay a pension, which would not exceed the Spouse's pension otherwise payable, to one or more person(s) who the Trustee agrees was financially dependent on you.

### Pension Increases

A Spouse's pension or a dependent child's pension or a Dependent's pension will be increased in a similar way to the member's pension, as described earlier in this Booklet (page 3).



## DEATH BENEFITS AFTER RETIREMENT

Once you retire, your pension from the DB Plan will be paid for the rest of your life. On your death after retirement the following benefits are payable from the DB Plan:

### **Pension Guarantee**

If you die before age 75 and within five years of the commencement of your pension, a lump sum will be paid equal to the unpaid balance of five years' pension payments at the rate in force at the date of your death.

If you die after early retirement due to permanent disability but before Normal Pension Date, a lump sum equal to twice the Minimum Pensionable Income at the date of your death will be paid in addition.

The Trustee has complete discretion as to whom these lump sum benefits will be paid. However, you are advised to complete a death benefit nomination form (also called an Expression of Wish form) to assist the Trustee in this decision.

### **Spouse's Pension**

A pension is payable immediately to your surviving Spouse (to whom you were married at the time you ceased to be a contributing Member in service) for her or his remaining lifetime. This pension will be equal to one half of the pension you would have been receiving at the date of your death, ignoring any Supplementary Benefits or any reduction because you took a tax free cash sum or gave up part of your pension to provide extra pension for a dependent. If your Spouse is more than 15 years younger than you, the amount of the spouse's pension will be reduced to take account of your spouse's longer life expectancy.

### **Dependent Children's Pensions**

In addition, if you have a child or children under the age of 16 (or 23 if still receiving full-time education) a pension will be payable in respect of each child of one third of the level of the Spouse's pension. Where there are more than three qualifying children the pension payable to each child will be reduced by an amount decided by the Trustee. These pensions will stop once the children cease to meet the eligibility criteria.

### **Dependent's Pension**

If you do not have a Spouse or a dependent child, the Trustee has discretion to pay a pension, which would not exceed the Spouse's pension otherwise payable, to one or more person(s) who the Trustee agrees was financially dependent on you.

### **Pension Increases**

A Spouse's pension or a dependent child's pension or a dependent's pension will be increased in a similar way to the Member's pension, as described earlier in this Booklet (page 3).

# EARLY RETIREMENT, FLEXIBLE RETIREMENT AND LATE RETIREMENT

## Early Retirement

### a) Due to permanent incapacity

If you retire before Normal Pension Date because of permanent incapacity you will be entitled to receive an immediate pension from the DB Plan (but please see the Important Notes below). The amount of pension payable will depend on when you joined the Fund and, if you joined the Fund before 6 April 2006, the extent of your incapacity.

If you joined the Fund before 6 April 2006 and you:

- are incapable of any work, your pension will be based on:
  - the full period of your potential Pensionable Service to your Normal Pension Date (not just DB Pensionable service to the end of 2011)
  - your Final Minimum Pensionable Income at the date of your incapacity retirement
  - (if applicable) the Standard Annuity at the date of your incapacity retirement.
- do not satisfy the criterion of being incapable of any work, but you are incapable of any ministerial work, your pension will be based on:
  - your Pensionable Service to the date of your incapacity retirement (not just DB Pensionable service to the end of 2011)
  - your Final Minimum Pensionable Income at the date of your incapacity retirement
  - (if applicable) the Standard Annuity at the date of your incapacity retirement.

If you joined the Fund on or after 6 April 2006 and you are incapable of any ministerial work, your pension will be based on:

- your Pensionable Service to the date of your incapacity retirement (not just DB Pensionable service to the end of 2011)
- your Final Minimum Pensionable Income at the date of your incapacity retirement
- (if applicable) the Standard Annuity at the date of your incapacity retirement

The incapacity pension will not be subject to actuarial reduction because you have had to retire early.

Eligibility to receive an incapacity pension will be subject to medical evidence which demonstrates that you meet the relevant criteria and to the agreement of the Trustee. Incapacity pensions are subject to review (including possible reduction or termination of payment) by the Trustee from time to time to ensure that the recipient is still eligible to receive an incapacity pension.

### **IMPORTANT NOTES:**

1. If you are an active Member of the ministers' section of the DC Plan for service from 1 January 2012 and are eligible for benefits from the income protection policy, then you must have been in receipt of Income Protection payments for at least 12 months prior to applying for early retirement due to permanent incapacity.
2. In any event, it may be more advantageous for you to receive the income protection benefit than to take incapacity retirement from the scheme. Please see the leaflet about the income protection plan or contact Broadstone for more details. You will not be able to receive both the income protection benefit and an incapacity pension from the staff scheme simultaneously. Members of the basic section are not eligible for the income protection scheme.

### b) Otherwise than due to permanent incapacity

You may retire from service at any time after attaining the age of 55, with the agreement of the Trustee. In these circumstances your pension will be based on your DB Pensionable Service and on Final Minimum Pensionable Income and the Standard Annuity at the date you actually retire. It will then be reduced to take account of the longer period for which it is expected that it will be paid. The rate of reduction will be determined by the actuary at the time of retirement, but as an approximate guide the reduction as at July 2011 is of the order of 5% for each year by which retirement is before Normal Pension Date. This reduction may be varied from time to time. Any Supplementary Benefits you have built up will also be reduced on early payment.

## **Flexible Retirement**

Once you reach age 55 you are able to start to receive some or all of your pension whilst remaining in service and continuing to build up benefits in the DC Plan. It is envisaged this will be a particularly helpful facility for Members who wish to reduce their working hours prior to full retirement, by taking up a part-time position and supplementing income through their pension.

The following guidelines apply to flexible retirement:

- retirement taking a partial pension is permitted only with the agreement of the Trustee and you should apply for retirement at least 3 months before you wish to start drawing your pension
- you will only be permitted to receive your pension in 20% bands ie you may start to receive 20%, 40% etc of your accrued pension
- you can only increase the proportion of your pension taken once a year or when you reach your Normal Pension Date (or if you need to retire early due to incapacity).

Broadstone will provide you with quotations for retiring with only part of your pension coming into payment. However, only one calculation quotation will be provided each year free of charge. A charge will be made to you for any additional quotations requested (Broadstone will provide details of the current charges on request).

You should note that the provisions of paragraph (b) on early retirement above will apply to any pension taken before Normal Pension Date.

## **Late Retirement**

If you remain in service after Normal Pension Date, you have the option to start to receive your pension or to defer receipt of your pension until you actually retire (or your 75<sup>th</sup> birthday if this is earlier). If you defer your retirement your pension will be increased between your Normal Pension Date and the date you actually retire. The rate of increase will be determined by the actuary and will be advised to you before you make a decision about your retirement options. If you have deferred your pension and die whilst still in service, your pension benefits will be calculated as if you had retired the day before you died.

## LEAVING THE SCHEME

If you are a Member with DB accrual and you leave the Scheme before retirement, the benefits you have built up during your membership will be calculated and you will be advised of your entitlements. The following options will be available:

### Deferred Benefits

You will be entitled to a deferred pension from the DB Plan in respect of benefits retained in the scheme. This will be payable from your Normal Pension Date and calculated by reference to Final Minimum Pensionable Income and the Standard Annuity, if applicable, at the date you left and to your period of DB Pensionable Service.

The deferred pension will increase for each complete year over the period from your date of exit from the Scheme to Normal Pension Date in line with the increase in the UK Index of Retail Prices over this period (or such other index as may be determined by the Trustee), but subject to the following maximum increases:

- Benefits earned prior to 6 April 2009 - 5% per year
- Benefits earned on or after 6 April 2009 - 2.5% per year

A member who has left service and opted for deferred benefits and who has attained the age of 55 may request payment of the deferred pension benefit from the DB Plan before Normal Pension Date. Payment of a deferred pension may commence before age 55 if the member would, in the opinion of the Trustee, have had to retire on grounds of permanent incapacity for remunerative employment. Any deferred pension which comes into payment before Normal Pension Date will be reduced to allow for its early payment.

If you die after leaving service but before your deferred pension comes into payment, a lump sum will be payable to your Dependents at the discretion of the Trustee. This lump sum would be equal to the value of the transfer payment which would have been made to another scheme if you had transferred out on the day immediately prior to your death.

### Transfer to another Scheme

As an alternative to deferred benefits you may, at any time prior to retirement, request that a transfer payment in respect of your benefits is made to another occupational scheme (if it is willing and able to accept the transfer), to a personal pension, or to an appropriate insurance policy.

The transfer payment represents the value of the deferred pension which would remain in the DB Plan if you did not transfer it to another arrangement. Transfer values are calculated on the advice of the actuary. The value of all your guaranteed benefits and guaranteed increases to pensions are included in the transfer value. The amount of your transfer payment will depend on market conditions and so may go up or down over time.

If you want to investigate the possibility of transferring your benefits, please apply to Broadstone for a quotation. If you request your transfer payment to be paid within 3 months of the quotation then the amount paid is guaranteed to be the amount of the quotation. If more than 3 months have passed then a new transfer value will be calculated and this may be higher or lower than the first quotation. You are entitled to request a quotation of your current transfer payment up to once every 12 months. Before requesting a transfer you should seek independent financial advice as to whether such a transfer would be in your best financial interests.

### Opting out of the Scheme

You must give the Trustee one month's written notice to leave the Scheme whilst remaining eligible for membership. In this case you will be entitled to the benefits on leaving service described above, along with any benefits you have earned in the DC Plan.

You should seek independent financial advice before choosing to opt out. Please notify your employer immediately if you give notice to opt out of the Scheme. This is important, since if you are the only member of the Scheme in service with your employer, they will need to contact Broadstone rapidly to avoid potentially serious financial implications for them.

## GENERAL INFORMATION

The Scheme is administered by a Corporate Trustee, Baptist Pension Trust Limited, with Directors nominated by Members and by the Union. The assets of the Scheme are kept separate from other Baptist Union funds and are invested on the advice of professional investment managers.

Accounts are prepared and audited annually and an actuarial valuation is made at least once every three years, with annual actuarial reviews in the intermediate years, to monitor the financial progress of the Scheme and estimate the contributions required from Employers to enable the Scheme to pay the defined benefits promised from the DB Plan.

Each year the Trustee produces an annual Report on the Scheme. The Report contains audited accounts, a statement from the actuary, a review of the year's investment performance and various other items of information. Copies of the report are available from Broadstone. An annual funding statement giving up-to-date funding information is also provided to members.

Pensions Sharing on Divorce - legislative requirements to enable pensions sharing on divorce have been incorporated into the Scheme rules. Further information, if required, can be obtained from Broadstone.

Pensions and Tax - Information regarding pensions and tax is included in the Baptist Pension Scheme DC Plan booklets

The Scheme is a pension scheme registered in accordance with Section 153 of the Finance Act 2004.

State Pensions - The Scheme is not contracted-out of the State Second Pension (S2P) and neither the Ministers' Fund nor the Staff Scheme was contracted-out of its predecessor, the State Earnings Related Pension Scheme (SERPS). This means that benefits provided from the Scheme are paid in addition to the Basic State Pension and the pension from S2P and SERPS.

Disputes - Any complaints about the Scheme are usually resolved informally. However, if you are unhappy with the result of the informal process, there is a formal procedure for resolving complaints. Details are available from Broadstone.

### **TPAS (The Pensions Advisory Service)**

If you are not satisfied with the Trustee's response to a complaint, you can contact TPAS (The Pensions Advisory Service). TPAS is a free and confidential service which acts as a conciliation service between Members and their pension schemes. You should put your case in writing to them, together with correspondence from the Scheme's formal process.

TPAS can be contacted at:

The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB

Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

## **The Pensions Ombudsman**

For disputes that cannot be settled with the assistance of TPAS, a Pensions Ombudsman has been established which has the power to investigate and determine any complaint or dispute of fact or law concerning occupational and personal pension schemes. A complainant may appeal to the Pensions Ombudsman if they believe that they have been unfairly treated by the trustees or managers of an occupational or personal pension scheme.

The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman  
11 Belgrave Road  
London  
SW1V 1RB

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## **The Pensions Regulator**

The Pensions Regulator has been established to monitor the running of occupational pension schemes. The Regulator can intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties.

The Pension Regulator can be contacted at:

Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## **Pension Schemes Registry**

The Scheme has been registered at the Pension Schemes Registry and information concerning the Scheme has been provided, including an address where the Trustee may be contacted.

The purpose of the Registry is to help individuals who have lost touch with their previous pension scheme to trace their rights. Extracts from the register relating to a particular scheme are available to any person entitled to benefit under the scheme, on written request to:

Pension Schemes Registry  
PO Box 1NN  
Newcastle-Upon-Tyne  
NE99 1NN

## **The Pensions Tracing Service**

The Department for Work and Pensions offers a service to help people trace pensions with which they have lost touch, provided you have at least the name of your previous employer or pension scheme.

The Pensions Tracing Service can be contacted at:

The Pensions Service  
Tyneview Park  
Whitley Road  
Newcastle-upon-Tyne  
NE98 1BA

Website: [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

## EXAMPLES

In all the examples, the Member may be able to elect to exchange part of his or her pension for a tax free cash sum, in accordance with HMRC rules applicable at the time

### Example 1: Retirement at Normal Pension Date (service in both DB Plan and DC Plan)

A Member retires at age 65 after 10 years' service. The personal and DB Pensionable Service details are as follows:

Date of birth	31 December 1951
Date joined Fund	1 January 2007
Normal Pension Date	31 December 2016
DB Pensionable Service	60 months (up to 31 December 2011)
Assumed Final Minimum Pensionable Income	£28,000 (assumed, as at 31 December 2016)

The pension at Normal Pension Date based on an assumed Final Minimum Pensionable Income of £28,000 would be as follows

$$\frac{60}{960} \times 28,000 = \text{£}1,750 \text{ pa}$$

In addition a Supplementary Benefits lump sum may be payable. The Member may convert all or part of this lump sum into an additional pension.

The benefits built up under the DC Plan for service from 1 January 2012 would also be payable.

### Example 2: Retirement at Normal Pension Date (service all before 1 January 2012)

A Member retired at age 65 on 31 December 2006 after 30 years' service. Final Minimum Pensionable Income at retirement was £22,250 and the Standard Annuity was £4,082. The personal and Pensionable Service details are as follows:

Date of birth	31 December 1941
Date joined Fund	1 January 1977
Pre 1985 service	96 months
1985 – 1990 service	72 months
Post 1990 service	192 months

Pension entitlement is

$$\left[ \frac{96}{420} \times 4,082 \right] + \left[ \frac{72}{1,200} \times 22,250 \right] + \left[ \frac{192}{960} \times 22,250 \right] = \text{£}6,718 \text{ pa}$$

In addition, Supplementary Benefits may have accrued for each year that the member's Pensionable Income has exceeded the Minimum Pensionable Income. In respect of Supplementary Benefits contributions before 6 April 2006 the Member is entitled to a Supplementary Benefits pension. Supplementary Benefits contributions on or after 6 April 2006 would have purchased a Supplementary Benefits lump sum, which may be converted into an additional pension.

### Example 3: Retirement before Normal Pension Date (service in both DB Plan and DC Plan)

A Member retires at age 63 on 31 December 2014 after 8 years' service. Final Minimum Pensionable Income at retirement is assumed to be £27,000. The personal and DB Pensionable Service details are as follows:

Date of birth	31 December 1951
Date joined Fund	1 January 2007
DB Pensionable Service	60 months (up to 31 December 2011)
Assumed Final Minimum Pensionable Income	£27,000 (assumed, as at 31 December 2014)

Accrued pension is

$$\frac{60}{960} \times 27,000 = \text{£}1,687 \text{ pa}$$

This accrued pension is reduced for early payment by  $2 \times 5\%$  (example reduction) = 10% ie to £1,519 pa.

In addition Supplementary Benefits may be payable. The member may exchange part of this pension for a lump sum payable at retirement.

The benefits built up under the DC Plan for service from 1 January 2012 would also be payable.

### Example 4: Incapacity benefit - incapable of any ministerial work (service in both DB Plan and DC Plan)

A Member retired 2 years early on 31 December 2014 at the age of 63 on account of ill health. The Member is incapable of any ministerial work. Final Minimum Pensionable Income at the date of retirement is assumed to be £27,000.

Pension entitlement is based on membership completed up to the date of incapacity retirement. The personal and DB Pensionable Service details are as follows:

Date of birth	31 December 1951
Date joined Fund	1 January 2007
DB Pensionable Service	96 months (up to 31 December 2014)
Assumed Final Minimum Pensionable Income	£27,000 (assumed, as at 31 December 2014)

Pension entitlement is

$$\frac{96}{960} \times 27,000 = \text{£}2,700 \text{ pa}$$

In addition Supplementary Benefits may be payable. The member may exchange part of this pension for a lump sum payable at retirement.

The benefits built up under the DC Plan for service from 1 January 2012 would also be payable.



**Example 5: Incapacity benefit - incapable of any work and joined Scheme before 6 April 2006 (service in both DB Plan and DC Plan)**

A Member retired 2 years early on 31 December 2014 at the age of 63 on account of ill health. The Member is incapable of any work and is not expected to be able to work again. Final Minimum Pensionable Income at the date of retirement is assumed to be £27,000.

Pension entitlement is based on membership already completed plus the membership which could have been completed between the date of retirement and Normal Pension Date (ie the 65<sup>th</sup> birthday). The personal and DB Pensionable Service details are as follows:

Date of birth	31 December 1951
Date joined Fund	1 January 2006
Pensionable Service	132 months (up to 31 December 2016)
Assumed Final Minimum Pensionable Income	£27,000 (assumed, as at 31 December 2014)

Pension entitlement is

$$\frac{132}{960} \times 27,000 = \text{£}3,713 \text{ pa}$$

In addition Supplementary Benefits may be payable. The member may exchange part of this pension for a lump sum payable at retirement.

The benefits built up under the DC Plan for service from 1 January 2012 would also be payable.

### Example 6: Payments on death in service (whilst a member of both the DB Plan and DC Plan)

A Member dies in service on 31 December 2014 at the age of 63. Final Minimum Pensionable Income at the date of death is assumed to be £27,000. The personal and DB Pensionable Service details are as follows:

Date of birth	31 December 1951
Date joined Fund	1 January 2007
Normal Pension Date	31 December 2016
Pensionable Service	120 months (up to age 65)
Assumed Final Minimum Pension Income	£27,000 (assumed, as at 31 December 2014)

The member left a Spouse entitled to a Spouse's pension.

#### Spouse's pension

A pension equal to half the pension the member would have received had membership continued until Normal Pension Date, but based on Final Minimum Pensionable Income at the date of death.

$$\frac{1}{2} \times \frac{120}{960} \times 27,000 = £1,687 \text{ pa}$$

#### Child's pension

A child's pension of

$$£1,687 \div 3 = £562 \text{ pa}$$

may be payable for each child up to a maximum of 3 children. The children's pensions will stop once the children cease to meet the eligibility criteria.

Further benefits, including a lump sum, are payable from the DC Plan and these are described in the booklet for that Plan.

### Example 7: Payments on death after retirement

A retired Member dies 2 years after retirement, before age 75. At retirement the member had elected to commute some of the pension for a tax-free cash lump sum, leaving a residual pension at the date of death of £4,600 pa. The member leaves a Spouse entitled to a full Spouse's pension. The following benefits are payable:

#### Pension guarantee

A cash lump sum is payable equal to the balance of five years' pension instalments

$$£4,600 \times 3 = £13,800$$

#### Spouse's pension

If the Member had not chosen the cash option at retirement, the pension at that time would have been £5,100 pa. Including subsequent pension increases, this would have been £5,600 at the date of death. The Spouse will receive a pension equal to half of this amount.

$$£5,600 \times \frac{1}{2} = £2,800 \text{ pa}$$

In addition, Supplementary Benefits and benefits from the DC Plan may be payable.

## Example 8: Options on leaving the Scheme

### Option 1 - Deferred pension

You will be entitled to a deferred pension at age 65, from the DB Plan in respect of benefits retained in the scheme (or see Option 2 below).

For example:

A Member left the Fund on 31 December 2006. Final Minimum Pensionable Income at the date of leaving was £22,250 and the Standard Annuity was £4,082. The service details are as follows:

Pre 1985 service	12 months
1985 – 1990 service	72 months
Post 1990 service	192 months

The deferred pension is

$$\left[ \frac{12}{420} \times 4,082 \right] + \left[ \frac{72}{1,200} \times 22,250 \right] + \left[ \frac{192}{960} \times 22,250 \right] = \text{£}5,902 \text{ pa}$$

The actual pension payable at age 65 will be higher because of the increases granted before the pension comes into payment. For example, if the member is 50 at the date of exit from the Fund and increases are at the rate of 3% pa, the pension payable at age 65 would be £9,195 pa.

The option of a reduced early pension may be available, at the discretion of the Trustee, at any time from age 55.

In addition, Supplementary Benefits may be payable.

### Option 2 - Transfer of benefits to another pension arrangement

Regardless of the period of membership, the alternative of a transfer value (a cash payment) is available on request. Such a payment can be made to either a new employer's scheme, or a personal arrangement.

The transfer amount will depend on the member's service, deferred pension, age and investment conditions at the time of payment.