THE UNIVERSITY OF DUNDEE
SUPERANNUATION & LIFE ASSURANCE SCHEME

MEMBERS' BOOKLET

2011 EDITION

Applicable to former members of the University of Dundee (Former CNM Staff) Pension Scheme

THE UNIVERSITY OF DUNDEE
SUPERANNUATION & LIFE ASSURANCE SCHEME

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WELCOME TO THE UNIVERSITY OF DUNDEE SUPERANNUATION & LIFE ASSURANCE SCHEME

The aim of this booklet is to give you an outline of the benefits available to you as a member of the **Scheme**. It applies to members who were previously members of the University of Dundee (Former CNM Staff) Pension Scheme.

Whilst we have tried to keep it as straightforward as possible, it does contain a lot of information. This reflects one of the Government's aims that members of occupational pension schemes should be given full details about their scheme and the way it works.

You can find the full provisions in the formal documents constituting the **Scheme** (see section 9.3). If there are any differences between this booklet and the formal documents, the provisions in the formal documents will override those in this booklet.

The University of Dundee feels that running the **Scheme** and making substantial contributions to it on your behalf, is the best way of providing retirement and death benefits for you and your family. Because of this, the University will not contribute to an alternative personal pension plan.

As a member of the **Scheme** you are contracted-out of the State Second Pension ("S2P"), the earnings-related part of the State pension scheme. Please refer to section 8 for further details.

If you have any queries about the **Scheme**, or wish to discuss your entitlement to benefits, please contact

Pensions Officer
University Pensions Office
The University
Dundee
DD1 4HN

Telephone: **01382 384044**
e-mail: **pensionsofficer@dundee.ac.uk**

Note: This booklet is issued by the **Trustees** of the **Scheme** and includes all changes made to the **Scheme** up to the date of issue.

Date of Issue: December 2011

MAIN FEATURES OF THE SCHEME

YOUR CONTRIBUTIONS

You pay 7.75% of **Pensionable Pay**. You can also pay AVCs if you wish.

YOUR PENSION

1/60th of **Final Pensionable Pay** for each year of **Pensionable Service** up to 1 August 2011

plus

1/80th of revalued **Pensionable Pay** in each year of **Pensionable Service** on and after 1 August 2011.

PENSION COMMENCEMENT LUMP SUM

3/80ths of revalued **Pensionable Pay** in each year of **Pensionable Service** on and after 1 August 2011.

You will normally be able to give up part of your pension to provide a further pension commencement lump sum

LEAVING THE SCHEME

Deferred benefits payable at **Normal Pension Date**, or as an alternative you can usually take a transfer payment to another scheme or to a suitable pension policy.

DEATH IN PENSIONABLE SERVICE

- A life assurance benefit of four times your **Pensionable Pay**
- A spouse's pension, paid for life
- A return of the contributions you have paid.

Children's or dependant's pensions may also apply.

DEATH AFTER RETIREMENT

- A spouse's pension, paid for life.
- Normally a lump sum, if you die within 5 years of your pension starting.

Children's or dependant's pensions may also apply.

PENSION INCREASES

Your pension will increase each year during payment.

Any pension paid to your spouse, children or dependants will also increase.

MEANING OF WORDS

You will find that a number of words and phrases in bold type are used throughout this booklet. Their meanings are as follows:

CAREER AVERAGE REVALUED EARNINGS (CARE) is the name of the way your benefits are calculated in respect of **Pensionable Service** from 1 August 2011.

CONSUMER PRICES INDEX (CPI) is the Government's Index of Consumer Prices.

EMPLOYER means the University of Dundee and any associated or subsidiary employer which employs members of the **Scheme**.

FINAL PENSIONABLE PAY is the greater of:

- your basic pay (before any **Salary Sacrifice**) received in the 12 months preceding your **Normal Pension Date** or the earlier date on which you leave **Pensionable Service,** together with the annual average of fluctuating emoluments received in the 36 months preceding that date, or

- the highest annual average of three consecutive years' total earnings (before any **Salary Sacrifice** and inclusive of any remuneration which was pensionable under the NHS Pension Scheme) in the thirteen years preceding your **Normal Pension Date** or earlier date of leaving **Pensionable Service**.

FINAL SALARY Is the name for the way your benefits are calculated in respect of Pensionable Service up to 1 August 2011.

GUARANTEED MINIMUM PENSION ("GMP") is the minimum pension which the **Scheme** has to provide for you (and your spouse) for any **Pensionable Service** completed before 6 April 1997 while you were contracted-out of SERPS (see section 8).

NORMAL PENSION DATE is your 65th birthday. But you have the right to take your benefits at age 60 without reduction to those applicable to **Pensionable Service** before 1 August 2011.

PENSIONABLE PAY is determined each time you receive a payment of earnings from your **Employer** and is the amount of your basic earnings (excluding any special pay such as (but not restricted to) bonus, commission or non-contractual overtime, but including contractual overtime) on that date.

Where **Pensionable Pay** is used to calculate benefits payable on death in **Pensionable Service**, it will be the annual rate calculated as at the date of your death, before any **Salary Sacrifice**.

PENSIONABLE SERVICE is the period of service you complete with the **Employer** after you join the **Scheme**. It normally ends on your **Normal Pension Date**, or when you leave the **Scheme** if earlier. **Pensionable Service** includes your previous membership of the University of Dundee (former CNM Staff) Pension Scheme.

You can be treated as continuing in **Pensionable Service** while you are temporarily absent from work, although this is normally at the **Employer's** discretion (see also section 9.4). **Pensionable Service** can be continued for up to 10 years; or longer if you are absent due to ill-health.

RETAIL PRICES INDEX (RPI) is the Government's Index of Retail Prices.

SALARY SACRIFICE is a method of making savings on national insurance contributions by reducing the amount of contractual pay. Employees give up a proportion of their salary equal to the amount of their pension contribution and the University makes additional contributions to the Scheme of the same amount. The reduction in salary means that the national insurance contributions paid by both the employee and employer are reduced. As a result, an employee's take home pay is usually increased.

SCHEME means The University of Dundee Superannuation & Life Assurance Scheme.

SCHEME YEAR is a period of twelve months commencing on 1 August each year.

STATE PENSIONABLE AGE has traditionally been 65 for men and 60 for women.

However, **State Pensionable Age** is being progressively raised from 60 to 65 for women born after 5 April 1950. For some women, this means that **State Pensionable Age** depends on the exact date of birth. If you are affected and would like further details, please ask the Pensions Officer – see details on page 1.

The Government intend to raise **State Pensionable Age** to age 66 and beyond, although the exact timing of this has still to be confirmed.

TRUSTEES. The **Trustees** are responsible for the management and administration of the **Scheme** and also for the safekeeping of the money and investments used to pay benefits. Some of their other duties and powers are described in various sections of the booklet.

A number of the **Trustees** are appointed by the **Employer**. However, legislation requires that at least one third of the **Trustees** are nominated by the **Scheme's** active and retired membership. These **Trustees** are known as Member Nominated Trustees.

If you would like further information about this, or wish to know the names of the current **Trustees** or how to contact them, please ask the Pensions Officer – see details on page 1.

1. MEMBERSHIP OF THE SCHEME

1.1 Membership

You became a member of the **Scheme** when the University of Dundee (former CNM Staff) Pension Scheme merged with the **Scheme**.

No further employees are permitted to join this section of the **Scheme.**

1.2 Nomination of Beneficiaries Form

If you have not already completed one, you should consider completing the Nomination of Beneficiaries Form which you can find at the back of this booklet (please also read section 6.4 for details of why this is a good idea).

1.3 Benefits from other schemes and transfers-in

You must tell the Pensions Officer – see details on page 1 if you have any benefits under other arrangements. You may need to provide further details of those benefits.

You may be able to transfer the cash value of such benefits into this **Scheme**, although this is subject to the **Trustees**' approval.

The **Scheme** participates in the "Public Sector Transfer Club" arrangement which means that transfer values paid to (and from) the **Scheme** and other pension arrangements which are in the Public Sector Transfer Club are determined on the basis used for all Public Sector schemes. You may only transfer your benefits via the Public Sector Transfer Club within the first two years of joining the **Scheme**. Please contact the Pensions Officer – see details on page 1 if you are interested in transferring benefits from another scheme via the Public Sector Transfer Club.

Where the final salary benefit structures for your old scheme and your new scheme are the same your pensionable service in the old scheme will, on payment of the transfer value, match the service qualifying for retirement benefits in your new scheme.

Any benefits which are not based on your final salary will be transferred between your old and new schemes on non-Club terms.

For transfer payments into the **Scheme**, additional benefits will be granted to reflect the value of the benefits transferred from earlier schemes.

The **Trustees** are not obliged to accept a transfer. If the **Trustees** are advised by the **Scheme's** actuary that the sum to be transferred would not be enough to secure the benefits that the **Scheme** must then provide by law, they may not accept the transfer.

You should note that at the current time the **Trustees** will only accept transfers from other pension arrangements which are in the Public Sector Transfer Club.

If you are interested in a transfer, you should ask for an illustration of the benefits which could be provided.

1.5 Opting out of the Scheme

You can opt to leave the **Scheme** at any time, even though you are staying with the **Employer**, but you must give one month's notice in writing. You should send your notice to the Pensions Officer – see details on page 1.

If you opt to leave the **Scheme**:

- cover for the life assurance benefit (and, where applicable, the spouse's and children's pensions) described in section 5.2 will stop, and

- you will not be entitled to any benefits in respect of your continuing service.

The **Employer** is not required to offer you a chance to re-join the **Scheme** at a later date if you opt to leave.

2. CONTRIBUTIONS

2.1 Your contributions

You will contribute 7.75% of your **Pensionable Pay**.

Most employees participate in the University's **Salary Sacrifice** scheme where your salary is reduced by the amount of your pension contribution. In most cases, this arrangement leads to a small increase in take home pay for employees. An example showing how this works can be found in section 7.

If you do not participate in **Salary Sacrifice**, then your contributions are deducted from your pay each time you receive a payment of earnings from your Employer. They normally continue until your **Normal Pension Date** or until you leave the **Scheme** if earlier.

You do not normally pay tax on the amount you pay in contributions. Your contributions are deducted from your pay before you are assessed for income tax. This means that you immediately get tax relief, normally at your highest rate.

2.2 Employer's contributions

The **Employer** pays whatever is needed to cover the balance of the cost of providing the **Scheme's** benefits and its administration. The amount of the **Employer's** contribution can change from time to time, depending on the **Scheme's** financial position.

The **Trustees** decide how much the **Employer** should pay, based on the expert advice of the **Scheme's** actuary. Details of how much the **Employer** has paid each year are included in the **Trustees**' annual report (see section 9.3). Details of the contributions required from the **Employer** are shown in the Schedule of Contributions, a copy of which is available from the **Trustees** on request.

2.3 National Insurance contributions

You also pay National Insurance contributions at a lower rate, until you reach **State Pensionable Age**. This is because you are contracted-out of S2P (see section 8.2 for more details).

2.4 Additional voluntary contributions ("AVCs")

This booklet only describes the benefits paid for by your and the **Employer's** contributions described under sections 2.1 and 2.2. If you want to increase your benefits under the **Scheme**, you can normally do so by paying AVCs.

You can pay AVCs on either a regular or lump sum basis, by deduction from your earnings. You normally get tax relief immediately on AVCs in the same way as on your normal contributions, as detailed in section 7.

Your AVCs will build up in your own individual retirement account and at retirement will be available to provide benefits on a "money purchase" basis. At retirement you will be able to exercise what is known as an "open market option" in relation to your AVC account. This allows you to “shop around” and select the provider of an annuity who will give the best deal for you.

The **Scheme** rules limit your total contribution to the **Scheme** (including both your normal contributions and any AVCs) to 15% of your total gross earnings in that year. However, if on 31 July 2006 you were paying AVCs at a rate of 7.25% or more of your earnings and have continued to do so, this higher rate may continue even though this would take your total contributions over 15%.

You can change the amount of your AVCs (and how often you pay them) at any time, to take account of your financial circumstances.

As with any financial decision, you may wish to seek advice before starting to pay (or increasing) AVCs. The Trustees are not authorised to give such advice.

Notes:

- If you were paying AVCs before 1 August 2011 on the basis of securing “added years” of **Final Salary** pension, those contributions will continue on that basis.

- If, before you joined the University of Dundee (former CNM Staff) Pension Scheme, you were a member of the NHS Pension Scheme and you participated in (or were entitled to participate in) a shared AVC arrangement, then this arrangement will continue under the **Scheme**. Your **Employer** will pay contributions at the same rate as applied under the CNM Scheme, or at the rate that you had the right to require your **Employer** to pay into the shared AVC arrangement of the NHS Pension Scheme.

3. YOUR BENEFITS ON RETIREMENT

3.1 If you retire at your Normal Pension Date

If you retire at your **Normal Pension Date**, your benefits will be the aggregate of two parts.

A. Final Salary Element

The first part of your benefits will be calculated in respect of your **Pensionable Service** completed up to 1 August 2011.

This part of your pension will be 1/60th x **Final Pensionable Pay** x number of years **Pensionable Service** you have completed before 1 August 2011. Complete months and days of **Pensionable Service** also count proportionately.

For example, a member who has completed thirty years and six months of **Pensionable Service** before 1 August 2011 and whose **Final Pensionable Pay** is £20,000 will have this part of their pension calculated as follows:

$$\frac{£20{,}000 \times 30.5}{60} = £10{,}166.67 \text{ per annum (or } £847.22 \text{ per month)}$$

B. CARE Element

The second part of your benefits will be calculated in respect of your **Pensionable Service** completed on and after 1 August 2011.

This part of your pension will be 1/80th x your **Pensionable Pay** in each **Scheme Year** of **Pensionable Service** you have completed on and after 1 August 2011. Complete days of **Pensionable Service** also count proportionately. The amount earned in each **Scheme Year** will be revalued each year in line with the **CPI** (subject to a maximum increase each year of 5%) until you cease to be in **Pensionable Service**.

When you retire you will also receive a pension commencement lump sum which is tax-free. Your pension commencement lump sum will be 3/80$^{\text{ths}}$ x your **Pensionable Pay** in each **Scheme Year** of **Pensionable Service** you have completed on and after 1 August 2011. Complete days of **Pensionable Service** also count. The amount earned in each **Scheme Year** will be revalued each year in line with the **CPI** (subject to a maximum increase each year of 5%) until you cease to be in **Pensionable Service**.

For example:

A member's **Pensionable Pay** in the 2011 **Scheme Year** (1 August 2011 – 31 July 2012) is £18,000. During that **Scheme Year t**he member earns

- a pension of £225 pa (1/80$^{\text{th}}$ of £18,000)
- a pension commencement lump sum of £675

The member's **Pensionable PAy** in the 2012 **Scheme Year** (1 August 2012 – 31 July 2013) is £18,500. During that **Scheme Year** the member earns

- a pension of £231.25 pa (1/80th of £18,500)
- a pension commencement lump sum of £693.75

Supposing the increase in the **CPI** was 3%, then the benefits earned in the 2011 Scheme Year would increase on 1 August 2012 to

- a pension of £231.75 pa (£225 x 1.03)
- a pension commencement lump sum of £695.25 (£675 x 1.03)

So at the end of the 2012 **Scheme Year**, the member has earned CARE benefits totaling

- pension £463 pa (£231.25 + 231.75)
- pension commencement lump sum of £1389 (£693.75 + 695.25)

Each year the member remains in **Pensionable Service** up to **Normal Pension Date**, the member will continue to build up pension and pension commencement lump sum in this way.

The **Final Salary** element and **CARE** element are added together to form the member's total benefits.

Approximately 25% of the value of your benefits can be taken as a pension commencement lump sum. It will therefore normally be possible for you to give up part of your pension to provide an additional pension commencement lump sum.

If you have paid AVCs on a money purchase basis, up to 25% of the value of your AVC account may count towards your additional pension commencement lump sum. Within these limits, if you started paying AVCs on this basis before 8 April 1987, you will continue to be able to take all these AVC as tax-free cash in the form of a pension commencement lump sum.

For some members, the 25% limit may represent a reduced maximum figure compared to the corresponding limit that applied before 6 April 2006. However, there are arrangements where the rights to tax-free cash you have built up before 6 April 2006 can be protected. To calculate this figure, we may need to ask you for details of any other pensions you may have. We will let you know if this is the case.

If you do give up part of your pension it will not reduce the amount of any spouse's pension payable if you die after retirement (see section 5.5).

You will be given full details of this option shortly before you retire.

As with any financial decision, you may wish to seek advice before exercising an option to take an additional pension commencement lump sum instead of pension.

If you have not paid your contributions for the entire period you were in **Pensionable Service** (for example, because you were temporarily absent from work), the **Trustees** may reduce your pension and pension commencement lump sum to take this into account. Please refer to section 9.4 for more information.

Note: If you are a part-time employee and the contractual hours you work remain at the same level during your membership of the **Scheme**, your benefits will be calculated as set out above. However, if during your membership your employment has changed from part-time to full-time service (or vice versa) or your contractual hours of part-time employment changed, special provisions may apply to the calculation of your **Final Salary** benefits.

Further details and example calculations are provided in Appendix 2 to this booklet but, in general, the formulae above are used to calculate your benefits, with your **Final Pensionable Pay** increased to its full-time equivalent and **Pensionable Service** reduced to take into account the fewer hours worked.

3.2 If you take early retirement

You may be able to retire and take your benefits immediately:

- when you reach age 60
- before age 60, if you are aged 55 or over and you are retiring early with the agreement of the **Employer**; or
- at any time if the reason for your leaving is, in the opinion of the **Trustees**, due to ill-health. (Retirement in these circumstances will require written evidence from a registered medical practitioner and a second opinion that you are, and will continue to be, incapable of carrying out your current occupation due to ill-health).

Early retirement benefits will be calculated in the same way as deferred benefits on leaving the **Scheme** (as described in section 4.2), including increases on a similar basis to that described in that section. However, after the increases have been added, the total amount will be reduced to take account of the fact that your pension is starting sooner and is likely to be paid for a longer period (and therefore costs more) than if it had started at your **Normal Pension Date**, and your pension commencement lump sum is being paid early.

Notes:

(a) If you retire at age 60, the **Final Salary** pension you earned in respect of **Pensionable Service** before 1 August 2011 will **not** be reduced for early payment.

(b) If you retire after age 60, then the **Final Salary** pension you earned in respect of **Pensionable Service** before 1 August 2011 will be increased to take account of the fact that it is starting later than age 60 and is likely to be paid for a shorter period.

(c) If you had special class status in the NHS Pension Scheme when your employment transferred to the **Employer** as a nurse, midwife, physiotherapist, occupational health worker or health visitor, then special provisions may apply to you on early retirement.

(d) Special terms apply if you have to retire early on the grounds of ill health, subject to the medical evidence mentioned above and further evidence from your **Employer's** medical adviser that you are suffering from a permanent illness or a permanent incapacity. Your pension would then be based on the **Pensionable Service** you would have completed had you remained in the service of the **Employer** up to **Normal Pension Date**, plus five years.

If you retire on the grounds of ill-health as described in the previous paragraph then your pension will not be reduced to take account of early payment.

If you joined the University of Dundee (former CNM Staff) Pension Scheme on or after 17 March 1987 and are granted enhanced ill-health retirement benefits the lump sum cash benefit may have to be reduced. Further details will be provided if this applies to you.

3.3 If you retire after your Normal Pension Date

If your retirement is delayed until after your **Normal Pension Date**, your benefits will not normally be payable until you actually retire. Your pension will be increased to take account of the fact that it is starting later and is likely to be paid for a shorter period, and your pension commencement lump sum increased because it is being paid late.

It might indeed be possible for you to remain in **Pensionable Service** and continue to earn extra benefits, and remain covered for the death in service benefits described in section 5.2. Your **Employer** will discuss the options available to you should you carry on working after your **Normal Pension Date**.

Note: You cannot delay payment of your benefits beyond age 75.

3.4 Additional pension for a dependant

Your spouse or civil partner will receive a pension if you die after retirement (section 5.5).

However, you may be able to provide additional pension for your spouse or civil partner, or for another dependant, by giving up part of your own pension when you retire.

Note: If you choose somebody other than your spouse or civil partner to receive a pension, there may be a liability for inheritance tax.

You can ask for further details of this option shortly before you retire.

4. LEAVING THE SCHEME BEFORE NORMAL PENSION DATE

4.1 Deferred Benefits

If you leave the **Scheme**, you will be entitled to deferred benefits. Payment of your deferred benefits will normally begin on the day following your **Normal Pension Date**.

4.2.1 Calculation of deferred benefits

Your deferred benefits will be calculated in the following way:

To start with, a pension and pension commencement lump sum are calculated by the method described in section 3.1. The **Final Salary** element is calculated using your **Final Pensionable Pay** when you leave the **Scheme**. The **CARE** element is the amount which has built up for you at the time you leave the **Scheme**.

These benefits are then increased to take account of the period between your leaving and retirement date. The increase is in three parts:

- Your **GMP** (which you earned for any contracted-out service before 6 April 1997) is increased by 4% compound. This increase applies for each complete tax year (6 April - 5 April) following the one in which you ceased to be contracted-out; ending with the last complete tax year before you reach age 65 if you are a man, or age 60 if you are a woman. If you are a woman, your **GMP** will be subject to an additional increase between the ages of 60 and 65.

- The rest of your deferred pension earned before 1 August 2009 is increased by the smaller of:

  - 5% compound for each complete year from the date you leave the **Scheme** until your **Normal Pension Date**; and

  - an increase in line with the rise in prices* over the same period.

- Your deferred pension earned on and after 1 August 2009 and deferred pension commencement lump sum earned on and after 1 August 2011, are increased by the smaller of:

  - 2.5% compound for each complete year from the date you leave the **Scheme** until your **Normal Pension Date**; and

  - an increase in line with the rise in prices* over the same period.

* Before 1 January 2011, the rise in prices was calculated by reference to the **RPI**; since 1 January 2011, the rise in prices has been calculated by reference to the **CPI**.

These increases will not apply to any money purchase AVC account. However, your AVC account will remain invested until your deferred pension starts.

4.2.2 Early payment of deferred benefits

When you reach age 60, you can take payment of your deferred benefits. The **Final Salary** pension you earned in respect of **Pensionable Service** before 1 August 2011 will **not** be reduced for early payment. The remainder of your benefits will be reduced.

If you are aged 55 or over you may be able to take your benefits early, but only if the **Trustees** agree. The amount of your benefits would be reduced to take account of the fact that your pension is starting sooner and is likely to be paid for longer and your pension commencement lump sum is being paid early.

You can obtain further information from the Pensions Officer – see details on page 1.

4.2.3 Transfer payment instead of deferred benefits

Once you have left the **Scheme**, you can choose, at any time before your **Normal Pension Date**, to take a transfer payment. The transfer payment can be paid to a suitable alternative pension arrangement, such as:

- a new employer's scheme
- a stakeholder scheme
- a personal pension scheme, or
- a retirement savings policy, taken out in your own name with an insurance company of your choice.

However, the alternative arrangement must be willing to accept the transfer payment.

If you take a transfer payment, no benefits will subsequently be payable either, to you or your dependants from the **Scheme**. The benefits available to you following the transfer will depend on the type of pension arrangement chosen and the options available under it when you retire.

Notes on transfers:

- Should you ever wish to take a transfer payment, you will be provided with a written statement of the amount available. This amount will be guaranteed for 3 months from the date on which it is calculated, to allow you to reach a decision whether to transfer or not. You will also receive written details of any other terms and conditions which apply.
- If you decide to proceed with the transfer payment, the law says that your written request for it to be paid must normally be carried out within 6 months of the date on which the amount was calculated. Unless there are exceptional circumstances, payment will usually be made well within this period.
- The transfer payment must be paid directly to the other pension arrangement. It cannot be paid to you.
- Transfer payments are calculated on a basis set by the **Trustees** after obtaining advice from

the **Scheme's** actuary, and will comply with the relevant legislation and Regulatory Guidance. The transfer payment will normally include the value of any AVCs you have paid.

- When deciding on the amount of the transfer value, the **Trustees** (who must have consulted the **Scheme's** actuary) will not take into account the value of any increases to benefits under the **Scheme** which the **Employer** might, in the future, choose to grant. This means that you will not benefit from any discretionary increases to pensions in payment that might apply if you had left your deferred pension to be paid by the **Scheme**.

- Where the transfer payment includes an amount in respect of any **GMP** or benefits for contracted-out service after 5 April 1997, certain conditions must be met by the receiving arrangement. Further information is available on request from the Pensions Officer – see details on page 1.

- If you leave the **Scheme** but continue working for the **Employer**, you will need the **Trustees**' agreement to take a transfer in relation to any benefits earned in respect of **Pensionable Service** before 6 April 1988. You will in any event be able to take a transfer in respect of those benefits as well if you subsequently leave the **Employer**.

The Trustees strongly recommend that you consider taking financial advice before going ahead with a transfer. The Trustees are not authorised to give such advice.

You can obtain further details of your options on leaving the **Scheme** from the Pensions Officer – see details on page 1.

5. DEATH BENEFITS

Any benefits under this section which are described as being paid to your spouse, will be paid to your wife or husband to whom you were legally married, or to a civil partner (as defined under the Civil Partnership Act 2004), at the date of your death.

Broadly this means a surviving civil partner will receive the same benefits as would be payable to the surviving widow or widower of a married member but only in respect of

(i) pension earned after 4 December 2005 and

(ii) contracted-out rights earned under the **Scheme** since April 1988.

5.1 General

Your cover for the life assurance benefit and any pension payable to your spouse and children under section 5.2 may depend on you providing evidence of good health. You will be told if you are required to provide this, and if any limitations or special conditions apply to you as a result. The spouse's pension will not in any event be less than the minimum necessary to satisfy contracting-out requirements.

You should read section 9.4 for details of the terms which apply if you are temporarily absent from work.

5.2 Death in Pensionable Service

If you die while you are in **Pensionable Service**:

- A life assurance benefit of four times your **Pensionable Pay** at the date of your death will be paid.

- Your contributions will be refunded (with interest in respect of contributions paid after 1st August 1974). If you participated in **Salary Sacrifice** then the sum paid on your behalf as an **Employer** contribution will be refunded with interest.

- The accumulated value of any money purchase AVC account will be refunded.

- Your spouse will receive a pension equal to half the pension you would have received had you survived and retired on your **Normal Pension Date**.

  This pension is based on

  (a) your **Final Salary** pension earned up to 1 August 2011 based on your **Pensionable Pay** at the date of your death, plus

  (b) your **CARE** pension built up between 1 August 2011 and the date of your death, plus

  (c) the **CARE** pension you would have earned between the date of your death and **Normal Pension Date**, assuming your **Pensionable Pay** at the date of your death remained unchanged.

- In addition, if you die leaving a child or children under age 18 (or age 21 if in full-time education or approved vocational training) who were dependent on you when you died a pension of 50% of the spouse's pension as described above will be payable.

5.3 Death in service after Normal Pension Date

If you die in service after your **Normal Pension Date** but before your pension starts and you are not in **Pensionable Service**, the benefits payable will be calculated as if you had retired and then died on the same day.

- A lump sum, equal to the pension commencement lump sum you would have received had you retired on the date of your death calculated as described in section 3.1 will be payable.

- A lump sum equal to the discounted value of 60 monthly payments of the pension which would have been payable. However, this will not include any pension which could have been purchased by any money purchase AVC account.

- The accumulated value of any money purchase AVC account will be refunded.

- Your spouse will receive a pension equal to half the pension you would have received if you had retired on the date of your death.

  The part of your spouse's pension which is in excess of your spouse's **GMP** may be reduced if you were more than 10 years older than your spouse.

- In addition, if you die leaving a child or children under age 18 (or age 21 if in full-time education or approved vocational training) who were dependent on you when you died a pension of 50% of the spouse's pension as described above will be payable to each child.

5.4 Death before deferred benefits become payable

If you leave the **Scheme** with deferred benefits (see section 4) but then die before they become payable:

- A lump sum will be payable equal to the value of your deferred benefits reduced by the cost of providing the spouse's pension described below.

- The accumulated value of any money purchase AVC account will be refunded.

- Your spouse will receive a pension equal to half your deferred pension, including half of the increases described in section 4.2.1 calculated up to the date of your death.

5.5 Death of a pensioner

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

- If you die within the five years following the start of your pension then

- If you are under age 75 when you die, a lump sum equal to the discounted value of the further payments you would have received had you survived until you received your 60th monthly payment of pension, based on the pension at the date of your death.

- If you are aged 75 or over when you die, the **Trustees** will continue to pay your pension until the 60th monthly payment had been made to your dependants, normally your spouse (this will be payable in addition to, and will not affect the amount of any spouse's pension which also becomes payable).

- Your spouse will receive a pension equal to half your pension.

  The part of your spouse's pension which is in excess of your spouse's **GMP** may be reduced if you were more than 10 years older than your spouse.

- In addition, if you die leaving a child or children under age 18 (or age 21 if in full-time education or approved vocational training) who were dependent on you when you died a pension of 50% of the spouse's pension as described above will be payable to each child.

5.6 Discretionary Dependent's Pension

If you are not married or not in a civil partnership, the **Trustees** may use their discretion to provide a pension for a member's surviving dependent partner irrespective of sex or marital status.

The total amount of pension payable cannot be more than the spouse's pension, but it can be divided among more than one dependant.

You should include the details of any potential dependants on the Nomination of Beneficiaries Form included at the back of this booklet to help the **Trustees** decide if a dependant's pension can be paid. However, the **Trustees** will make their decision taking into account your individual circumstances at the time of your death.

A dependant's pension may be payable if:

- you are married but not living with your spouse at the time of death. The scheme must pay a minimum level of pension to your spouse in accordance with legislation, but in addition the Trustees may choose to pay a pension to a dependant.

- you are not married at the time of death. Under HM Revenue & Customs rules, unmarried partners must be financially dependent on a member prior to death to enable a dependent's pension to be paid. Financial interdependence where there is joint financial commitment is usually considered to be financial dependence.

If you are married and living with your spouse at the time of your death then your spouse will receive the full spouse's pension.

6. PAYMENT OF BENEFITS

6.1 General

All pensions are paid in advance, normally by monthly instalments. They are taxed in the same way as earnings. Payment will usually be made to a bank or building society account, after any tax due has been deducted.

Your own pension, and any spouse's pension, will be paid for life. Any pension paid to your children will stop when your youngest or only child reaches age 18, or age 21 if they are in full-time education or approved vocational training.

Your pension will start on the day following the date of your retirement. Any spouse's pension will start on the day following the date of your death.

6.2 Increases to pensions

All pensions under the **Scheme** (including spouse's and children's pensions but excluding any pension in respect of **GMP** earned before 6 April 1988) are increased each year when in payment. Each increase will be made on 1 August (with a proportionate increase on the 1 August immediately following your retirement)~~.~~

The increases that apply to the pension are as follows:

- The part of the pension which is in respect of GMP earned before 6 April 1988 will not increase in payment
- The part of the pension which is in respect of GMP earned on and after 6 April 1988 and before 6 April 1997 will increase by 3% per annum compound
- The part of the pension which is in excess of GMP and in respect of **Pensionable Service** you completed before 1 August 2011 will increase in line with the **RPI**, subject to a maximum increase of 5%
- The part of the pension earned in respect of **Pensionable Service** you completed on and after 1 August 2011 will increase in line with the **CPI**, subject to a maximum increase of 5%.

Notes on increases:

- Increases in the **RPI** or **CPI** for the purpose of this section relate to the RPI or CPI increase over a specific 12 month period. For RPI, this will normally be the 12 months ending on 30 April in the calendar year prior to the date the increase is due. For CPI, this will normally be the 12 months ending on 30 September in the calendar year prior to the date the increase is due.
- These increases will not apply to any pension bought by your money purchase AVC account; but you can decide to provide increases to such a pension at the time you retire.

6.3 Discretionary increases

The **Employer** can decide under the terms of the **Scheme** to provide further increases to pensions in payment.

6.4 Payment of lump sum benefits on death

The **Trustees** can choose to pay any lump sum death benefits which arise under sections 5.2, 5.3 or 5.5 to any one or more of a wide class of people, including your relations, dependants, persons named in your will, and your estate. Alternatively, they can pay a benefit to your spouse/civil partner or to your estate if you are single.

Paying a benefit in this way can speed up the process and normally avoids inheritance tax.

You can nominate who you would like to receive any benefit payable on your death under those sections by completing a Nomination of Beneficiaries Form. One is included at the back of this booklet. You should complete the form and return it to the Pensions Officer – see details on page 1.

Your nominated beneficiaries may, but need not, fall within one of the classes mentioned above, and can include a charity.

You should note that the **Trustees** cannot be bound by your wishes. This is because they must be free to decide who will receive the benefit; otherwise the payment may be liable to tax.

If you have already completed a nomination form and you are happy that it still reflects your wishes you need do nothing further. However, it is your responsibility to ensure that your form is kept up to date, particularly if your personal circumstances change.

You can obtain a new form from the Pensions Officer – see details on page 1. Your old form will be returned to you.

Note: A lump sum payable on your death in the circumstances described in section 5.4 will be paid to your estate. The **Trustees** will not be able to choose a beneficiary.

7. PENSIONS AND TAX

This is a complicated subject and the following is just a very brief summary.

The **Scheme** is a Registered Pension Scheme. This means it has been registered for tax purposes with HM Revenue & Customs (HMRC) giving it valuable tax advantages in respect of contributions, investments and benefits.

Some words and phrases in this section are in bold type. They have special meanings that are set out at the end of this section.

7.1 Your Contributions

You do not normally pay tax on the amount you pay in contributions to the **Scheme** (whether these are any contributions you are required to pay or AVCs).

Your contributions are deducted from your pay before you are assessed for income tax. This means that you immediately get tax relief at your highest rate. If you are paying tax at a rate of 20%, you save 20p in tax for every £1 you pay in pension contributions.

If you participate in the **Salary Sacrifice** arrangement, your salary is reduced by the amount of your pension contribution and the amount of your contribution is paid to the **Scheme** by the **Employer**.

An example of the actual cost to you is set out below.

Pensionable Pay	£20,000 a year
Notional pension contribution (7.75%)	£1,550 a year
Less tax relief at 20%	£310 a year
Less national insurance saving	£146
What it effectively costs you	£1,094 a year (£66.67 a month).

You will normally get tax relief both on your contributions to the **Scheme**, and to any other Registered Pension Scheme of which you are a member, up to 100% of your earnings in each tax year. Contributions in excess of this limit will not receive tax relief.

See also **Annual Allowance** below

7.2 Benefits

7.2.1 Your benefits on retirement

Your pension under the **Scheme** is taxed in the same way as your earnings. A pension commencement lump sum is normally paid tax-free.

Your overall benefits under the **Scheme** will be tested against the **Lifetime Allowance** when they become payable. If they exceed the **Lifetime Allowance**, they will be subject to the **Lifetime Allowance Charge**.

The **Trustees** will pay any **Lifetime Allowance Charge** due and recover this by reducing your pension and, if appropriate, your pension commencement lump sum.

7.2.2 Death benefits

Any lump sum when paid on your death (such as the life assurance benefit under section 5.2) counts towards your **Lifetime Allowance.** If the amount, when added to any other lump sum death benefits from any other Registered Pension Scheme, exceeds the **Lifetime Allowance** a **Lifetime Allowance Charge** will arise.

Any lump sum death benefit must be paid within 2 years of the **Trustees** becoming aware of your death. If this is not possible, the lump sum may be taxed at 55% (even if it is less than the **Lifetime Allowance**).

Any pension payable to your spouse, civil partner or children will not count towards your **Lifetime Allowance**.

7.3 Pension Input and Pension Input Period

Pension Input under the **Scheme** is calculated by working out the increase in the total **Final Salary** and **CARE** benefits from one year to the next, and then, after an allowance for inflation, putting a monetary value on that increase.

The monetary value of the increase in pension is determined by multiplying the increase by a factor of 16.

AVCs count as **Pension Input**. If you are paying contributions into another pension arrangement (such as a personal pension for example), then contributions into that arrangement will also count as **Pension Input**.

If your **Pension Input** under the **Scheme** is ever likely to exceed the **Annual Allowance**, the **Trustees** must tell you and provide full details.

A **Pension Input Period** is the period over which the amount of pension saving or increase in pension value is measured.

The **Trustees** can nominate the **Pension Input Period** that will apply to the calculation of the increase in **Final Salary** and **CARE** benefit values.

The **Pension Input Period** for the **Scheme** is the period commencing on 7 April and ending on 6 April.

Unless you have already advised the **Trustees** in writing of a different period, then the **Pension Input Period** quoted above will also apply to any additional voluntary contributions you make to the **Scheme**.

7.4 Annual Allowance and Annual Allowance Charge

The **Annual Allowance** is the total amount of **Pension Input** that can be built up in a tax year without incurring a tax charge. When first introduced in 2006, the **Annual Allowance** was

£215,000 and was increased each year up until 2010/11. For the tax year 2011/12, the **Annual Allowance** was, however, reduced to £50,000.

If your total **Pension Input** for all **Pension Input Periods** ending during a tax year is greater than the **Annual Allowance**, you will be subject to an **Annual Allowance Charge** of 40% on the excess.

You should note that if you are paying into other pension arrangements, then those arrangements will also have a **Pension Input Period** which may well be different to that for our **Scheme**. When testing against the **Annual Allowance** for any tax year, pension savings that are taken into account are all those which have **Pension Input Periods** ending during that tax year.

You should however note that it may be possible to carry forward unused **Annual Allowance** from previous tax years if your **Pension Input** in any year would exceed the **Annual Allowance**.

If you think you may be affected by the Annual Allowance limit and end up with an Annual Allowance Charge, you are strongly urged to seek independent financial advice. Although the Trustees will provide you with information about your level of Pension Input under the Scheme, they are not allowed to give you financial advice.

In certain circumstances, that there will be a facility for an **Annual Allowance Charge** to be paid from the **Scheme**, with your benefits being reduced appropriately.

7.5 Lifetime Allowance and Lifetime Allowance Charge

Whenever benefits are paid from a Registered Pension Scheme, to or in respect of you, the value of the benefits is tested against your **Lifetime Allowance**. For most people this will be the "Standard" **Lifetime Allowance** which was set at £1,500,000 in 2006 and has been increased annually until 2011. It is however reverting back to £1,500,000 from April 2012.

In certain circumstances a member may be entitled to a personal **Lifetime Allowance** of a higher amount, or an exemption where this has been registered with HMRC. Such a member is sometimes referred to as having "primary protection", "enhanced protection" or "fixed protection".

If, when you take benefits from the **Scheme**, the value when added to the value of benefits previously taken from any Registered Pension Scheme exceeds the **Lifetime Allowance,** a **Life time Allowance Charge** is payable. If the excess is used to provide a pension it will be taxed at 25% (in addition to the rate of income tax payable on the pension). If it is taken as a lump sum it will be taxed at 55%.

If any lump sum payable on your death, either before or after retirement, exceeds your **Lifetime Allowance** there will be a tax charge of 55% on the excess. No **Lifetime Allowance Charge** will be payable if the benefit is paid as a dependant's pension.

7.6 Your responsibilities

Whilst the **Trustees** will assist you in providing the relevant information, you are responsible (where necessary) for:

- maintaining records showing the proportion of the **Lifetime Allowance** that has been used

- monitoring whether your contributions are eligible for tax relief, and
- notifying HMRC where your total **Pension Input** for all **Pension Input Periods** ending in a tax year, exceeds the **Annual Allowance**.

8. STATE PENSION SCHEME AND CONTRACTING-OUT

The following State pensions are potentially payable depending on the amount of National Insurance contributions paid:

- the basic State pension (the old age pension)

- the State earnings-related pension (SERPS) which could have been earned between 1978 and 2002

- the State Second Pension (S2P) which was introduced in April 2002

Further information on State pensions can be obtained by contacting your local Department for Work and Pensions office or by visiting https://www.gov.uk/browse/working/state-pension/

8.1 Contracting-out

The **Employer** holds a contracting-out certificate for the **Scheme**. You will be contracted-out of S2P while you are in **Pensionable Service**, up to **State Pensionable Age**.

This means that you will still receive your basic State pension, but the earnings-related parts (SERPS and S2P) will be replaced by pension earned under the **Scheme**. How this affects your **Scheme** benefits is described briefly below. Additional details are included in other sections of the booklet.

8.1.1 Service up to 6 April 1997

For contracted-out service up to 6 April 1997 you must receive, as part of your **Scheme** pension, a **GMP**. This was built up in broadly the same way as the SERPS pension you would have earned if you had not been contracted-out during that period.

Your **GMP** must be inflation-proofed when in payment after **State Pensionable Age**. The **Scheme** must provide the first 3% of any increase on **GMP** earned after 5 April 1988. The Government provides the rest, by increasing your State pension. However, if your **GMP** is greater than the amount of the SERPS pension you would have earned had you not been contracted-out, the State increases will not start until that notional SERPS pension has increased above your **GMP**.

The change in **State Pensionable Age** for women will not affect payment of any **GMPs** under the **Scheme**. However, for a woman who is affected by the change, any inflation proofing increases on your **GMP** which the State scheme is responsible for providing will not start until after your new **State Pensionable Age**.

If you die leaving a spouse or civil partner, the **Scheme** must also provide a **GMP** for them equal to half your **GMP** at the date of your death (**GMP** earned after 5 April 1988, if you are a woman or if you leave a civil partner). This pension will also be inflation-proofed in a similar way.

The need to provide **GMP** may mean that some options available under the **Scheme** have to be restricted. Also, adjustments may have to be made to some benefits in order to meet complex legal requirements. You will be notified at the appropriate time if you are affected.

8.1.2 Service from 6 April 1997

However, for contracted-out service from 6 April 1997 onwards, the **Scheme** has to meet a different benefits test, called the "Reference Scheme Test".

Under the Reference Scheme Test, the **Scheme's** actuary has to confirm that the **Scheme** provides benefits which are broadly equivalent to, or better than, those under a "reference scheme" described in legislation. The reference scheme benefits are designed to compare favourably with the pension provided by SERPS and S2P; but there is no guarantee that each member will receive better benefits, as the **Scheme's** actuary has to look at the benefits of the **Scheme** membership as a whole, not at each individual. Members' benefits and spouses' benefits are tested separately.

The **Scheme** must pay yearly increases on all pensions earned from 6 April 1997, as explained in section 6.2. However, the State will not top-up the **Scheme** pension if inflation is higher than these increases.

The **Employer** and the **Trustees** are pleased to confirm that the **Scheme's** actuary has certified that the **Scheme** meets the contracting-out requirements. The actuary is required to review his certificate periodically.

8.2 National Insurance contributions

You pay National Insurance contributions until you reach **State Pensionable Age**. While you are contracted-out of S2P you pay lower National Insurance contributions on your earnings between certain amounts. Similarly, the **Employer** pays lower National Insurance contributions in respect of you.

9. OTHER IMPORTANT INFORMATION

9.1 Information and documents

Before making any payment, the **Trustees** may require you to supply whatever information and documents they consider relevant to eligibility for payment of benefits and any appropriate tax charge.

9.2 Benefit information

Each year you will receive statement of benefits showing the benefits (based on your current earnings) which you can expect to receive if you remain in **Pensionable Service** until your **Normal Pension Date**. The statement also shows the benefits that would apply if you die before that date, while in **Pensionable Service**.

You have the right at any time to ask the **Trustees** for details of your accrued benefits i.e. the deferred benefits and an estimate of the transfer value which would be available if you left **Pensionable Service**. However, the **Trustees** are only obliged to supply this information once every 12 months.

9.3 Documents available on request

A number of documents connected with the **Scheme** are available on request. These include:

- The **Trustees**' annual report and accounts. These are prepared following the end of each **Scheme Year** and contain additional, general information about the **Scheme**, mainly of a financial nature.

- The **Scheme's** Trust Deed and Rules. The **Scheme** is constituted by a Trust Deed and the **Trustees** administer it in accordance with its Rules.

- The latest actuarial valuation (including that produced for the purposes of the minimum funding requirements) and certain other reports produced for the **Trustees** by the **Scheme's** actuary.

- The contribution schedule showing the contributions the **Employer** has agreed to pay to the **Trustees**.

- The latest statement of investment principles describing the **Trustees'** investment strategy.

You will not be charged for inspecting any of these documents. However, the **Trustees** reserve the right to make a charge to cover costs, where a copy of a document is provided for personal use.

9.4 Temporary absence

9.4.1 General

If you are temporarily absent from work, in circumstances other than those set out in sections 9.4.2 or 9.4.3, your benefits will be affected as follows:

- You will continue to be covered for the life assurance benefit and the spouse's and childrens' pensions in section 5.2, so long as the **Employer** confirms that you are still in **Pensionable Service**. Cover can continue for up to 2 ½ years if your absence is due to ill-health or injury (up to one year in other circumstances). While cover continues it will be fixed by reference to the pay you would have received had you not been absent.

- Your pension may be reduced to take account of the period of absence unless you continue paying contributions during your absence, or pay any arrears on your return.

9.4.2 Maternity, adoption or paternity leave

If you are on maternity, adoption or paternity leave you will be treated as continuing in **Pensionable Service**, and your benefits will be calculated as if you had been working normally, for as long as you receive statutory maternity, adoption or paternity pay, or any contractual pay from the **Employer**. This means that:

- You will continue to earn pension benefits based on full pay, and

- You will continue to be covered in full for the life assurance benefit and spouse's and children's pensions.

However, your contributions will be based only on the amount you are actually paid during this period.

If you are not entitled to any pay whilst on maternity, adoption or paternity leave, then you will not accrue any **Pensionable Service** for this period. However, if the University agrees, you can, on returning to work, pay any contributions in respect of the period of unpaid absence. The **Trustees** will decide the terms of payment and the benefits that apply.

If you only receive statutory payments during your absence then you may choose whether or not to pay contributions. If you choose not to pay contributions then your absence will be ignored for the purposes of calculating **Pensionable Service**.

9.4.3 Family leave

If you are absent on parental leave or other leave for family reasons and receiving contractual pay from the **Employer**, similar provisions to those in 9.4.2 above will apply. However, your benefits may be reduced, according to the amount you are paid during that period.

9.5 Funding

All benefits under the **Scheme** are funded. This means that the contributions needed to provide them are paid into a fund which is held and invested by the **Trustees**. This ensures that the money and investments belonging to the **Scheme** are kept totally separate from those of the **Employer**. This fund is then used to provide members' benefits as they become due.

The lump sum life assurance benefit and spouse's and children's pensions in section 5.2 are provided under an insurance policy taken out by the **Trustees**.

Trustees of occupational defined benefit schemes are required to prepare a Statement of Funding Principles. The Statement is available on request and summarises the funding strategy, including the assumptions on which the **Employer** contributions are calculated.

9.6 Pension Protection Fund

The Pension Protection Fund (PPF) is designed to protect members of defined benefit schemes meeting certain criteria whose employer becomes insolvent and cannot meet its pension promises. In the past, scheme members may have lost a significant slice of their pension but the PPF aims to ensure that they will receive most of their benefits.

The PPF is run by the Board of the Pension Protection Fund. The Board of the Pension Protection Fund is an independent, non-departmental public body, and is independent of the Pensions Regulator.

The Board's role includes

- Taking over the running of schemes
- Paying pension compensation
- Paying fraud compensation (the Board of the Pension Protection Fund took over the functions of the former Pensions Compensation Board)
- Managing the calculation and application of the levies that pension schemes like ours are required to pay
- Managing and overseeing the investment strategy of the PPF itself

9.7 Scheme limitations

Some of the benefits under the **Scheme** are subject to limitations restricting the amount of the benefit which will be paid.

Normally, you will not be affected by these limits and your benefits will be calculated as described in this booklet. However, in exceptional circumstances, you may be affected (particularly if you have a high level of earnings). If this applies to you, you will be advised of the position and of any restrictions that are to be applied to your benefits or contributions.

9.8 Title to benefits

Your benefits under the **Scheme** are personal. You cannot promise them to anybody else, or offer them as security for a loan.

9.9 Changes to or termination of the Scheme

The **Trustees** can make changes to the **Scheme** at any time, subject to the agreement of the

Employer. The Trust Deed and Rules describe the way in which changes can be made. You will be notified in writing of any changes which affect you.

The **Employer** intends to continue the **Scheme** indefinitely. However, the **Employer** does reserve the right to terminate it at any time, in accordance with the provisions set out in the Trust Deed and Rules.

If the **Scheme** is terminated in circumstances where the fund is not large enough to meet the **Scheme's** liabilities, the **Employer** must make good the deficiency to the extent required by law.

If the **Employer** is unable to meet the deficiency in full, or becomes insolvent, the **Scheme** may be eligible for entry to the Pension Protection Fund (PPF). The PPF would then become responsible for paying benefits up to a limit prescribed by legislation. The PPF would undertake to provide most, but not all, of the benefits that you would expect to receive under the **Scheme**.

If the **Scheme** is terminated you will no longer be covered for the death benefits in section 5.2.

9.10 Change of address

You must ensure that the **Trustees** know of any change in your address. This is particularly important if you leave the **Scheme** before retirement; and also at retirement, when benefits are due to be paid. If the **Trustees** are not aware of your correct address, they will not be able to pay your benefits.

9.11 Internal dispute resolution procedure

Complaints or disputes concerning the **Trustees** are rare and are generally resolved informally. However, there is a formal procedure for the resolution of disagreements.

If you have a dispute with the **Trustees** which you are unable to resolve informally, you should follow the procedure described in Appendix 1 to this booklet.

9.12 Pension on Divorce

There are three ways in which pension rights can be dealt with in the event of a divorce. Which one applies will depend on what is agreed as part of the divorce proceedings. Your solicitor will be able to advise you about this.

Offsetting

This is where the value of a member's pension rights is counted as part of a couple's assets. The pension itself is not divided but is offset against other assets (e.g. house, car, etc) in such a way as to achieve overall financial neutrality.

Earmarking

A proportion of the member's pension on retirement or lump sum benefit (on death) is earmarked for the ex-spouse. When the benefit eventually comes into payment, a proportion will be paid directly to the ex-spouse by the **Trustees**.

Pension Sharing

Under this option, a member's pension rights are valued and then split between the couple. This means that the ex-spouse can acquire immediate and separate rights over pension benefits. These pension credit rights belong to the ex-spouse, so that he or she will be entitled to transfer their share of the pension to another arrangement or, if the **Trustees** allow it, become a member of the **Scheme** in their own right.

As a result of pension sharing, the member's pension entitlement under the **Scheme** will be reduced. Most members will, however, be able to rebuild all or part of their reduced pension by paying AVCs.

Legislation allows the **Trustees** to charge certain administrative costs associated with pension sharing to either or both of the divorcing couple. At present the **Trustees** do not intend to make a charge for day to day administration costs, but reserve the right to pass on other charges incurred. They will review this decision in the light of experience.

On divorce, you should tell the **Trustees** about changes in your personal details. You may also wish to consider whether any Nomination of Beneficiaries Form held by the **Trustees** reflects your wishes.
If you request a benefit quotation for divorce purposes, you should make this clear to the **Trustees**.

Similar provisions apply in the event of the dissolution of a civil partnership.

9.13 Data Protection Information

As a member of the **Scheme**, personal information about you will be held by the **Scheme Trustees**, Prudential (UK) Services Limited (and its group companies* and business partners) and any insurer of benefits provided by the **Scheme**.

This information (together with other information held for the purposes of the **Scheme**) will be used for administration and servicing. Your information may be passed to the **Trustees**' advisors and Prudential's service providers and agents for these purposes. In certain instances, it may be necessary to process sensitive personal data (such as health data) in this way. Your information may also be passed by the **Trustees** or Prudential to any legal or regulatory body, if they are required to do so.

It may also be necessary, for the above purposes, for Prudential to transfer your information to countries that provide a different level of data protection from the UK. In such circumstances, Prudential will put a contract in place to ensure your information is protected.

You have a right to obtain a copy of your personal information (for which a fee may be charged) and to have any inaccuracies corrected by contacting the **Trustees**, or by writing to:

The Data Protection Department
Prudential
3 Sheldon Square
London W2 6PR

To make sure your instructions are followed correctly, and to improve service to you through training of staff, Prudential may monitor or record communications.

*	Prudential (UK) Services Limited is part of the Prudential group of companies which at the time of printing includes Prudential UK & Europe, the M & G Investments Group, Prudential Corporation Asia, Jackson National Life and PPM America Inc (indirect wholly owned subsidiary).

10. HELP AND ASSISTANCE

10.1 The Pensions Advisory Service ("TPAS")

TPAS provides a free and confidential service which is available at any time to assist members and beneficiaries in connection with:

(a) any pensions query they may have, or

(b) any difficulty they have failed to resolve with the **Trustees**.

TPAS may be contacted at:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB.

Telephone: 0845 601 2923
Fax: 0207 592 7000
Email: enquiries@pensionsadvisoryservice.org.uk

10.2 Pensions Ombudsman

The Pensions Ombudsman can investigate and determine any complaint or dispute of fact or law in relation to a scheme made or referred to him. The Pensions Ombudsman should only be contacted if TPAS has been unable to settle the dispute. The Pensions Ombudsman may be contacted at:

The Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB.

Telephone: 020 7630 2200
Fax: 020 7821 0065
Email: enquiries@pensions-ombudsman.org.uk

10.3 Pension Tracing Service

A register of work based pension schemes has been established as part of a pension tracing service. Its purpose is to help individuals who have lost touch with their previous employers' pension arrangements to trace their pension rights.

In response to enquiries from individuals, information contained on the register is used to determine the most likely location of their benefits.

Our **Scheme** has been registered for this purpose. The Registry has been supplied with details of the **Scheme**; in particular, the address at which the **Trustees** may be contacted.

If you wish to use this service you should telephone or write to:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne NE98 1BA

Telephone: 0845 600 2537

Alternatively, online at www.direct.gov.uk/en/Pensionsandretirementplanning/index.htm

10.4 The Pensions Regulator

The Pensions Regulator is the statutory regulator of work-based pension schemes in the UK. Its main objectives are:

- to protect the benefits of members of work-based pension schemes

- to promote, and improve understanding of, the good administration of work-based pension schemes, and

- to reduce the risk of situations arising which may lead to claims for compensation from the Pension Protection Fund.

The Pensions Regulator aims to support schemes and help trustees to get things right. It provides education and information to those running schemes to help reduce the likelihood of problems occurring.

However, if things do go wrong and trustees, employers or professional advisers have failed in their duties, it can intervene in the running of schemes and use its powers to ensure that matters are put right.

The address of the Pensions Regulator is:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Telephone:	0870 606 3636
Fax:	0870 241 1144
Email:	customersupport@thepensionsregulator.gov.uk

APPENDIX 1

The University Of Dundee Superannuation & Life Assurance Scheme

Internal Dispute Resolution Procedure

Stage 1

Put your case in writing to the Pensions Officer who can be contacted at the following address:

University Pensions Office
The University
Dundee
DD1 4HN

Telephone: 01382 384044
e-mail: pensionsofficer@dundee.ac.uk

Please include the subject of your complaint, an outline of the facts and your full name, address, date of birth and National Insurance number.

The Pensions Officer will make a decision on the dispute. You should expect a written reply within 2 months. If this is not possible you will be notified as to why there is a delay and when a reply can be expected.

You may, if you wish, nominate someone to represent you in making your complaint - for example a union official, solicitor or colleague. Your representative should include their full name and address as well as your personal details, the subject of your complaint and an outline of the facts.

Stage 2

If you disagree with the reply from the Pensions Officer, you may write directly to the **Trustees** within 6 months of receiving that reply asking for the complaint to be reconsidered by the **Trustees**. You should send your letter to the **Trustees** at the following address:

University Pensions Office
The University
Dundee
DD1 4HN

Telephone: 01382 384044
e-mail: pensionsofficer@dundee.ac.uk

Please give the reasons why you disagree with the response from Stage 1, and also include the same personal details as in Stage 1. You should expect a written reply within 2 months. If this is not possible you will be notified as to why there is a delay and when a reply can be expected.

If you transfer out of the **Scheme** then this procedure is only available to you for 6 months after you transfer out.

The procedure may also be used by a spouse or dependant of a deceased member, or anyone else who is or could be a potential beneficiary under the **Scheme**.

EXCLUSIONS

Please note that the internal dispute resolution procedure does not cover:

- any dispute which has nothing to do with the **Trustees**; for example, a dispute which is solely with the **Employer**; or

- a dispute which is already being investigated by the Pensions Ombudsman or where proceedings have started in a Court or Industrial Tribunal.

You will, therefore, need to refer disputes relating to employment matters to the **Employer**. These could include, for example, questions concerning eligibility for continued membership of the **Scheme** or the amount of your **Pensionable Pay**.

TPAS AND THE PENSIONS OMBUDSMAN

The procedures described above are in addition to your rights:

- to consult The Pensions Advisory Service ("TPAS")

- to contact The Pensions Ombudsman.

See section 10 for more information on these organisations.

APPENDIX 2

The University Of Dundee Superannuation & Life Assurance Scheme

Part-time Service

If, during membership of the **Scheme**, your employment has changed from part-time to full-time service (or vice versa) or your hours of part-time employment have changed, special provisions will apply concerning the calculation of your **Final Salary** benefits.

If at any time up to 1 August 2011 you have been a part-time employee then in calculating your **Final Salary** benefits payable to you or your dependants under the **Scheme**, your part-time salary will be converted to its full-time equivalent and your service pro-rata'd. according to your FTE.

Pensionable Service

Your period of part-time **Pensionable Service** needs to be reduced to calculate its full-time equivalent. If you change your hours worked, each period of service will be converted separately to its full-time equivalent before determining your total period of **Pensionable Service**. The calculation is as follows:

Period of part-time **Service** x $\frac{\text{part-time working hours}}{\text{full-time working hours}}$ = full-time equivalent **Pensionable Service** **Pensionable Service**

(rounded down to the nearest complete month)

Example

In this example you have altered your hours worked on two occasions while a member of the **Scheme** before 1 August 2011 and your service history is recorded as follows:

9 years at full-time, 35 hours per week
11 years part-time, 20 hours per week
1 year part-time, 15 hours per week

The last two periods of service are converted to the full-time equivalent and added to the rest of your service.

		full-time equivalent **Pensionable Service**
9 years working 35 hours per week	=	9 years
11 years working 20 hours per week	=	6 years and 3 months
1 year working 15 hours per week	=	5 months
		15 years and 8 months

Final Pensionable Pay

Any earnings used to calculate **Final Pensionable Pay** attributable to your period of part-time employment need to be increased by calculating what they would have been if you worked full-time. The calculation is as follows:

$$\textbf{Final Pensionable Pay} \times \frac{\text{full-time working hours}}{\text{part-time working hours}} = \text{full-time equivalent } \textbf{Final Pensionable Pay}$$

Example

For the purposes of this example, we have taken one **Final Pensionable Pay** attributable to each period of service and converted it to its full-time equivalent.

Final Pensionable Pay of £12,000 per year (working 35 hours per week)
Final Pensionable Pay of £8,000 per year (working 20 hours per week)
Final Pensionable Pay of £7,000 per year (working 15 hours per week)

Your **Final Pensionable Pay** record for each of those years would be as follows:

£12,000.00 per year
£14,000.00 per year
£16,333.33 per year

For actual cases, all salary details applicable to periods of part-time employment will be converted in line with the principles shown in the above example.

The above may seem rather complicated, but it is intended to ensure that **Final Salary** benefits are calculated fairly. For example, if you joined the **Scheme** in full-time employment and then chose to work part-time in the last few years (or reduced your part-time hours) before retirement it would be unfair to calculate your total benefits using your lower part-time salary.

Notes:

- The life assurance benefit payable on your death in **Pensionable Service** (see section 5.2) is based on your actual **Pensionable Pay**, not the full-time equivalent of your **Pensionable Pay**.

- The **Final Salary** element of any spouse's or children's pensions payable on your death in **Pensionable Service** (see section 5.2) will be based on the full-time equivalent of your **Pensionable Pay** at the date of your death.

NOMINATION OF BENEFICIARIES FORM – PLEASE READ THE NOTES ON THE BACK

TO: THE TRUSTEES OF THE UNIVERSITY OF DUNDEE SUPERANNUATION & LIFE ASSURANCE SCHEME

1. Payment of Lump Sum benefits on Death

While I understand that the application of certain lump sum death benefits arising on my death is at your complete discretion, I would like you to consider the person or persons named below as possible recipients:

Full Name

Address

Relationship

Proportion of benefit

Full Name

Address

Relationship

Proportion of benefit

2. Payment of any spouse's pension if there is no legal spouse or civil partner at the date of my death

Whilst I understand that the choice of a recipient of any spouse's pension that is to be payable if I do not have a legal spouse or civil partner at the date of my death is at your complete discretion, I would like you to consider the person or persons named below (who is a dependant of mine) as a possible recipient:

Full Name

Address

Relationship

Proportion of benefit

Full Name

Address

Relationship

Proportion of benefit

Full Name of Member

Signature

Date

Notes:

- If you have named more than one recipient, you should ensure that the proportions of benefit in total equal 100%.

- This Nomination Form should be completed and returned in a sealed envelope to the **Trustees** of the **Scheme** at the University Pensions Office. On the front of the envelope please print clearly

  - Your name
  - Your National Insurance Number
  - The name of the **Scheme**
  - The date you completed the form
  - The words "Death Benefits – to be opened only on my death"

- Any person nominated by you in Section 2 above will (in the event of such a benefit potentially becoming payable) need to be verified by the **Trustees** as someone who was dependent on you – see section 5.6 of the member's Booklet.

- If you wish to alter any of the details given here you should complete a new Form which can be obtained from the University Pensions Office. Your earlier Form should be returned to you.

- Please keep a copy of this Form for your own records.