

a brighter future



**The Oxfam Pension Scheme
A Guide for Members**



The Pensions Trust

The Oxfam Pension Scheme

The Scheme has been designed to provide security for you during your retirement and for your dependants in the event of your death. The Scheme provides benefits related to your earnings and the length of your membership of the Scheme.

Administration is carried out by The Pensions Trust.

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

If you have any enquiries about the Scheme, you should contact:

The Oxfam Pension Scheme
The Pensions Trust
Verity House
6 Canal Wharf
Leeds
LS11 5BQ
Telephone: 0845 608 5252
Email: enquiries@thepensionstrust.org.uk

If you are not a member of the Scheme, which is now closed to new entrants, but would like information on Oxfam's current pension options, please contact:

Corporate Human Resources
Oxfam GB
Oxfam House
John Smith Drive
Cowley
Oxford
OX4 2JY
Telephone: 0870 333 2444

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Membership of the Scheme

Can I join the Scheme?

No, the Oxfam Pension Scheme was closed to new entrants from 1 February 2003. This does not affect existing members of the Scheme. If you wish to enquire about Oxfam's current pension options please contact Corporate Human Resources.

How much do I pay?

Your contributions will be 5% or 7% of your 'Pensionable Salary' (see 'Definitions'). Oxfam will advise you of the rate which will apply to you. However, the actual cost to you is less because you get tax relief on your contributions.

You may, if you wish, pay extra contributions in order to boost your retirement benefits. These extra contributions are known as Additional Voluntary Contributions (AVCs). Further details are given later in this booklet.

If you choose to join Oxfam's salary sacrifice scheme then you will not pay pension scheme contributions; in return your salary is reduced by the annual amount of contributions you would have paid. Please refer to Oxfam's salary sacrifice booklet (available from the Human Resources Department) for more details.

How much does Oxfam pay?

Oxfam pays the balance of the cost of the Scheme. This means that from time to time Oxfam's contribution rate will change.

If you are a salary sacrifice member, Oxfam pays the full cost of the Scheme. This will change from time to time.

Scheme investment

The assets and contributions to the Scheme are invested in a Socially Responsible Investment (SRI) fund rather than in other investments which may be equally justifiable on financial grounds, but do not meet SRI criteria. Therefore, the return achieved by the Scheme may be much better or worse, and probably more variable, than a fund which does not have the limitations imposed on SRI. The SRI fund will absolutely exclude companies involved in certain business sectors, such as the manufacture of military goods, tobacco production and nuclear power generation. In addition, it will selectively exclude companies with major environmental and social impacts that cannot demonstrate a specified minimum commitment to managing these impacts effectively.

Can I arrange to contract-out?

Yes, as you are not contracted-out of the additional State Pension as a member of the Oxfam Pension Scheme, you can (if you wish) arrange an appropriate personal pension or Stakeholder plan. This would mean that you would continue to pay full National Insurance, but a proportion would be transferred by the State to your personal pension account. Should you wish to consider this option, we recommend that you seek independent financial advice.

Can I transfer previous benefits into the Scheme?

Yes, subject to certain criteria and the transfer not affecting the Scheme's tax-registered status, transfers from previous pension arrangements (excluding contracted-out rights) are accepted at your request. This is subject to your written agreement to the alternative rights offered.

The transfer value will secure additional 'Pensionable Service' (see 'Definitions') for you in the Scheme, on a basis agreed by the Actuary.

If you would like to consider a transfer of previous benefits, you should write to The Pensions Trust giving details of your previous scheme.

The Pensions Trust does not currently permit transfers-in by members who are no longer contributing to the Scheme.

Leaving

What happens if I leave the Scheme?

If you leave the Scheme, this will normally be because you change jobs. You may also leave the Scheme and continue to work for your employer. In both cases you can choose to:

- have a deferred pension; or
- transfer your benefits to another scheme; or
- you can have a refund of any contributions you may have paid to the Scheme but only if you leave the Scheme with less than two years' qualifying service (see explanation following).

Note: If you choose to opt-out of the Scheme, you must give your employer one month's written notice, and you will not be permitted to rejoin.

Deferred pension

Your deferred pension is calculated using your 'Final Pensionable Salary' (see 'Definitions') and the 'Pensionable Service' (see 'Definitions') you have completed to the date you leave the Scheme. Your deferred pension will continue to increase in value prior to retirement as follows:

- Pension accrued before 1 January 2000 will increase each year by 5%.
- Pension accrued from 1 January 2000 to 31 March 2010 will increase each year by the lesser of 5% or the rise in the Pensions in Deferment Index (see 'Definitions').
- Pension accrued from 1 April 2010 will increase each year by the lesser of 2.5% or the rise in the Pensions in Deferment Index.

For women, and for those men who left after 1 August 1988, the deferred pension accrued before 1 May 2002 is payable from age 60 without reduction for early payment. AVC pension is reduced if taken before age 65. Pension accrued from 1 May 2002 onwards is payable from age 65, and will be actuarially reduced if taken before this age.

You may apply for early payment of your pension at any time from when you become eligible (see 'Retirement').

Transfer of your benefits

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

The amount transferred will be the cash value of your deferred pension, calculated as the best estimate of the cash sum required to be invested in the Oxfam Pension Scheme to reproduce your benefits. A Statement of Entitlement to a guaranteed cash equivalent transfer value of your benefits will be provided on request at anytime. Transfer payments take into account the value of any discretionary benefits awarded by established custom.

Retirement

When can I retire?

The Normal Pension Age (NPA) under the Scheme is 65. However, the age for actual retirement from work is an employment issue for agreement with your employer.

What will I get?

At retirement you have the option to take a pension, or a lump sum and a reduced pension. Lump sums are covered later in this section.

If you retire at age 65 you will get a pension of:

- $1/80 \times \text{Final Pensionable Salary} \times \text{Pensionable Service}$.

For example, if you have been a member of the Scheme for 20 years and your 'Final Pensionable Salary' (see 'Definitions') is £15,000, your pension will be:

- $1/80 \times £15,000 \times 20 \text{ years} = £3,750 \text{ a year}$.

The longer you are a member of the Scheme, the larger your pension will be. AVC pension is reduced if taken before age 65.

Can I retire early?

Yes, you can take early retirement from age 55 even if you choose to continue working. However, you may only take your pension benefits before age 55 if you are retiring on grounds of ill-health, or have a 'Protected Pension Age' (see 'Definitions') and have left your current employment. Your pension will be calculated as shown above but will then be reduced to allow for the fact that:

- you will have been a member of the Scheme for a shorter time; and
- pensions paid early are expected to be paid for longer.

If you retire early, you still have the option to take a lump sum. This sum will also be smaller than it would be if you retired at NPA.

Can I take a cash sum when I retire?

Yes, you can give up part of your pension and exchange it for a pension commencement lump sum (PCLS); this will leave you with a smaller pension, reduced according to your age.

The maximum lump sum available is 25% of the value of your pension benefits. Unfortunately the calculation is not straightforward, however, as an indicator, some examples are shown below of the cash sums available to individuals at age 65. Note: These figures are only provided as examples and commutation rates may vary.

Option 1	Option 2	
Full Pension	Maximum Cash Lump Sum	Reduced Pension
£5,000 per year	£21,440	£3,216 per year
£10,000 per year	£42,881	£6,433 per year
£15,000 per year	£64,322	£9,650 per year

Taking a PCLS at retirement will leave you with a reduced pension. The above table shows comparisons between a full pension (Option 1) or a PCLS with a reduced pension (Option 2) for an individual aged 65.

Can I retire after I am 65?

Yes, provided your employer agrees. If you are still working for the employer, you may continue to contribute to the Scheme up until your 75th birthday. You must take your pension by age 75, even if you continue to work.

Your pension from the Scheme at age 65 will be increased by a late retirement factor, and you will receive additional benefits based on your pension accrual past age 65.

The death-in-service lump sum benefit stops at age 65, and benefits are paid as described on page 10 of this guide.

Flexible retirement

In most cases members are able to take part of their pension whilst continuing to work and, should they wish to, accrue further pension benefits. Exceptions to this

are ill-health retirements, and for those members with a 'Protected Pension Age' (see 'Definitions') who retire before age 55. This option is only available once in a 12 month period. Enquiries in the first instance should be directed to the Oxfam Pension Scheme at The Pensions Trust.

Note: This should not be confused with the right to have your pre-1 May 2002 benefits paid with no reduction from age 60. This option is also sometimes referred to as 'flexible retirement'.

Are there any other options?

You can provide a higher level of pension for a dependent person by giving up part of your own pension at retirement. If you are interested in this option you should request a quotation when you are nearing retirement.

What happens if I am too ill to continue working?

Provided there is satisfactory medical evidence that you are and will continue to be unable to work again in any capacity, your pension can be paid immediately regardless of your age.

If such a pension is granted, it will be calculated based on your 'Final Pensionable Salary' (see 'Definitions') at the date of retirement and 'Pensionable Service' (see 'Definitions') to the date of early retirement plus 50% of the Pensionable Service you would have completed between the date of retirement and age 60. There will be no reduction for early payment.

If you retire early due to ill-health, you still have the option to take a PCLS. You may also apply for early payment if you are too ill to continue working and have a deferred pension after leaving your employment or leaving the Scheme; however, Pensionable Service will not be increased to the date of retirement.

If tax is due on the pension then it will be deducted under the PAYE system.

Note: If you were a member of the Scheme on 31 March 1996 and on that date aged 55 or over, see page 19; or if you were a member of the Scheme on or before 1 July 1988, see page 19.

Death Benefits

What happens if I die before retiring?

If you die before you retire while employed by Oxfam and contributing to the Scheme, the benefits are:

Lump sum

- A refund of your own contributions, with interest.
- Four times your salary (as advised by Oxfam) in the event of there being a dependant's pension payable, i.e. survivor's or child's pension.
- Three times your salary (as advised by Oxfam) for all other members.

Note: The additional 1 x salary in the event of there being a dependant's pension may only be paid to any person(s) in receipt of a dependant's pension, and not to any other person/organisation nominated.

Survivor's pension

- 50% of the pension you would have received calculated on full 'Pensionable Service' (see 'Definitions') to age 65 and your 'Pensionable Salary' (see 'Definitions') at the date of your death.

Children's pensions

- 12½% of the pension you would have received calculated on your Pensionable Service to age 65 and your Pensionable Salary at the date of your death. This is payable to a maximum of four dependent children.

Note: If you die in service after age 65, a lump sum death benefit is paid in place of the three or four times salary (as advised by Oxfam) which is payable in the event of your death-in-service before age 65. The lump sum is the equivalent of five years' pension payments, based on the pension you would have received had you retired on the date you died.

What happens if I die after leaving the Scheme?

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

Lump sum

- A refund of your own contributions with interest.

Survivor's pension

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

Children's pensions

- 12½% of the pension you would have received calculated on the value of your deferred pension at the date of your death. This is payable to a maximum of four dependent children.

What happens when I die after retiring?

When you die after retirement the benefits are:

Lump sum

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

Survivor's pension

- 50% of your pension (calculated on your full pension before you took any tax free cash and including increases to your pension since retirement).

Children's pensions

- 12½% of your pension (calculated on your full pension before you took any tax free cash and including increases to your pension) to a maximum of four dependent children.

Important notes

- If your partner or survivor is more than ten years younger than you, the pension will be reduced by 2.5% for each year in excess of ten that he/she is younger than you (this reduction does not apply if the survivor's pension is paid to a child).
- Where a survivor's pension is not paid, children's pensions will be doubled for a maximum of four dependent children. If there is only one dependent child, and no survivor's pension is paid, he/she will receive a pension equivalent to the survivor's pension.
- Except for legal spouses and civil partners, it will be necessary for the Trustee to receive confirmation that the nominee for a pension is eligible at the date of the member's death.

Nominations

- You must complete a Nomination Form or put your nominations to us in writing.
- Separate nominations are required for lump sums and pensions (even if you have nominated the same person to receive both).
- You should ensure your nominations are kept up to date. If you wish to make any changes to the nomination or a nominee's address, please notify The Pensions Trust in writing.

Who gets what?

Lump sum

- you can nominate one or more persons or organisations;
- if you choose more than one, you must state how much you want each person or organisation to receive;

- you should not use the words 'Executor', 'Administrator', 'In Trust for', or 'Estate' for your nomination, but the proper names of persons or organisations.

Survivor's pension may be paid to:

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

Children's pensions may be paid to:

- any child who is aged under 18; or
- any child under age 22 if in full-time education; or
- a child of any age who is disabled and unable to earn a living.

'Child' will have the meaning defined in the formal rules.

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

Your Pension

How will my pension be paid?

You will receive your first pension payment on the day of your retirement or by seven working days after receipt of appropriate forms. Thereafter pensions are paid quarterly in advance, on the 6th of January, April, July and October. They will be paid direct to your bank account, building society account or Giro account.

If tax is due on the pension, it will be deducted under the PAYE system.

When will my pension increase?

Pension increases are applied on 6 April each year. Increases are either at a fixed rate, or at 'LPI' (see 'Definitions') (or a combination of these rates if you have pre and post-2000 'Pensionable Service' (see 'Definitions')) based on the rise in the Pensions in Payment Index in the January of the same year, as detailed below.

Pension accrued from 6 April 2005 will only receive a partial increase on the first increase date following your retirement. The rate will be in proportion to the full increase, based on the number of months your date of retirement falls before the increase date. For instance, if your pension starts on 1 October (six months before the increase date of 6 April), the increase to your post April 2005 pension will be 6/12 of the full rate of increase awarded.

How does my pension increase?

Pensions in payment will increase as follows:

- Pension accrued before 1 January 2000 will increase each year by 5%.
- Pension accrued from 1 January 2000 will increase by 'LPI' (see 'Definitions').

These increases apply to your own retirement pension or, where applicable, your survivor's pension and children's pensions.

How to boost your pension - Additional Voluntary Contributions (AVCs)

Should I pay AVCs?

Firstly, remember that these contributions are for extra provision for retirement. You should not pay them if your circumstances are such that you cannot afford to wait until retirement to have access to your contributions.

There are various reasons for choosing to pay AVCs. These include:

- increasing the pension you will receive at NPA; or
- to offset the reduction which is applied to pensions paid early; or
- to boost your pension in order to reduce the impact of previous breaks in employment or periods where you didn't have access to a pension scheme.

The Pensions Trust cannot give financial advice and the decision to pay AVCs is your responsibility. You may wish to discuss this with an Independent Financial Adviser.

The AVC pension is usually paid from the same date as your main scheme benefits. If you paid AVCs to buy 'added years' (see below) or to the Growth Plan before October 2001, the additional pension secured will be reduced if it is taken before age 65.

How much can I pay?

You receive full tax relief on contributions to as many different tax-registered pension arrangements as you choose, provided that the total paid in each year does not exceed your annual earnings or the 'Annual Allowance' (see 'Definitions').

As long as the total increase in your benefits in any one year does not exceed the Annual Allowance, you will receive tax relief on up to 100% of your earnings. For example, if your normal contribution rate (to your main scheme) is 5%, this will give you scope to pay up to a further 95% of your earnings as tax-free AVCs.

If your contributions exceed 100% of your earnings in any tax year, tax on the excess, at your marginal rate, is payable through self-assessment.

A further charge may apply if you earn £130,000 or more a year. Please contact The Pensions Trust for more information if you think you may be affected.

Who do I pay AVCs to?

You can pay AVCs to The Pensions Trust or, if you prefer, you can arrange a personal pension or Stakeholder contract with a provider of your choice.

If you choose to pay them to The Pensions Trust you may choose:

- to buy additional years and months in the Scheme;
- to pay into the Growth Plan;
- to pay into the Ethical Fund.

AVCs paid to the Growth Plan or the Ethical Fund are invested in those funds and not in the SRI fund (see 'Scheme investment' on page 5).

How do I pay AVCs?

Your AVCs to The Pensions Trust will be deducted from your salary in the same way as your 'normal' contributions, thereby gaining tax relief immediately.

They are usually a percentage of your salary and can be stopped, started, increased and decreased on request.

The Pensions Trust can accept lump sum payments of AVCs/extra contributions instead of regular monthly payments. However we can only accept these payments via your Payroll Team in the same way as we receive your main contributions.

If you choose to pay AVCs to The Pensions Trust, you will need to complete an AVC Application Form and hand it in to your Corporate Human Resources.

Can I take my AVCs cash?

You are entitled to take up to approximately 25% of the value of your AVCs as a lump sum. This will be tax-free provided your overall benefits do not exceed the 'Lifetime Allowance' (see 'Definitions').

What do my AVCs buy?

Your AVCs, if paid to the Growth Plan or the Ethical Fund, will be used to provide additional pension benefits on a defined contribution basis. This means the amount of pension will depend on variable factors such as:

- how much you pay;
- the investment return; and
- the cost of pensions when you retire.

Because of these variables, it is not feasible, before contributions commence, to project what pension might be expected. After you start paying AVCs you will receive an annual statement which will include, where appropriate, a pension projection on stated assumptions.

How can I find out more

Further information about AVCs is available on request from The Pensions Trust.

What if ...

What if I work part-time?

If you have consistently worked the same part-time hours in your employment, you can calculate your pension using the method shown in the 'Retirement' section of this booklet.

The calculation is more complex if the number of hours you work part-time has changed during your membership of the Scheme, or if your membership is made up of full-time and part-time periods. For part time service, your retirement benefits will be reduced proportionately to the equivalent full-time service.

What if I divorce or end a civil partnership?

The courts may order that your pension rights must be shared with your ex-spouse/civil partner. An information leaflet is available on request. Members should take appropriate legal advice.

What if I take maternity leave?

Where you have statutory entitlements you will be covered for benefits from the Scheme for 39 weeks, or the date you return to work if earlier. This applies to all members including salary sacrifice scheme members.

Provided that you are paid during maternity leave, you will:

- pay your normal rate of contributions but based on the pay you actually receive during maternity leave; and
- your 'Pensionable Service' (see 'Definitions') will continue, based on the salary you would be receiving if you were not on maternity leave (Oxfam pays the shortfall).

If you are on maternity leave without pay (including statutory maternity pay or maternity allowance):

- Your Pensionable Service and any contributions will stop until you return to work. On your return to work you will have the option to pay the contributions missed to cover any period of unpaid maternity leave. If you opt to do so, your employer may, at its discretion, also choose to pay the employer contributions missed.

Note: Should you die during paid or unpaid maternity leave, the full range of death benefits will be paid based on your normal salary (not your maternity pay, if any).

What if I take family leave?

In the rules 'family leave' means leave that men or women are entitled to take by law – either paternity leave when a child is born or adopted, or parental leave to care for a child. If such leave is **paid**, the rules apply as for maternity leave. If **unpaid**, the rules apply as for any other temporary absence.

If you die:

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

What if I am absent from work?

If your absence is due to illness or injury, or you are entitled to some form of statutory leave (such as unpaid family leave), and your pay ceases, your contributions (or the contributions Oxfam makes on your behalf, if you are a salary sacrifice member) will stop. You will have the option to pay the contributions missed on your return to work.

- If you choose to pay the contributions missed, your employer may choose whether or not to pay its share.
- If contributions are paid at a different level from your normal rate, for example, on half-pay, 'Pensionable Service' (see 'Definitions') will be adjusted accordingly.
- If the contributions missed are not paid, a break in service will be added to your record.
- Where your absence lasts for less than three years, or any greater period agreed by your employer, the full range of death benefits will be payable.

If your employer approves any other leave of absence, there is no option to pay the contributions missed, and a break in service will be added to your record. However, the full range of death benefits will apply during the absence.

After three years (or other agreed period), if you do not resume employment, you will be treated as a leaver, as described in the 'Leaving' section.

Note: Where the absence is due to illness or injury and a successful Permanent Health Insurance (PHI) claim has been made, the total period of absence will count as Pensionable Service and your pension benefits will therefore be unaffected.

Further Information

Who looks after the Scheme?

The day-to-day administration is entrusted to The Pensions Trust for Charities and Voluntary Organisations which has been administering pension schemes since 1946.

The Trustee Company

The Pensions Trust is governed by a Trustee Company called 'Verity Trustees Limited'. There are currently fourteen Directors of the Company (all non-executive) – six elected by members and six elected by employers and two co-opted by the elected Directors.

There is a vacancy for one Member Nominated Director each year and invitations for nominations will be published each October.

Investments are managed by independent external authorised fund managers.

Scheme registration

The Scheme is a registered pension scheme for the purposes of Part 4 of the Finance Act 2004. The Pension Scheme tax Reference is 00281218RV.

Benefit limits

There are no limits on the pension benefits you can receive. However, if the value of your benefits from all tax-registered schemes exceeds the Lifetime Allowance, tax charges will apply to the excess. It should be noted that both the 'Lifetime' and 'Annual Allowances' (see 'Definitions') are likely to affect those with very high earnings and/or significant pension benefits held elsewhere. For example, if your pensions from all tax-registered schemes do not exceed £60,000 per annum, you are unlikely to be affected.

Can I assign my pension?

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

The State Pension Scheme

The State provides pensions on two levels:

- **Basic State Pension**
The basic State Pension is a flat rate pension and is based on your National Insurance contributions. It is payable from age 65, except that a lower age applies to women born before 6 April 1955. State Pension Age will increase in stages from 65 to 68, for both men and women, between 2024 and 2046.

- **Additional State Pension**
Before April 2002, the additional State Pension was known as the State Earnings Related Pension Scheme (SERPS).

From April 2002, it is the State Second Pension (S2P). If you wish to consider contracting-out of this part, see page 5.

Your entitlement to these pensions is not affected in any way by your being a member of the Scheme.

Previous scheme rights

If you were a member of the Scheme on 31 March 1996 and on that date aged 55 or over, and if you retire between ages 60 and 65, then:

- For each year (and proportionate for complete months) you contribute to the Scheme between ages 60 and 63 your pension will be calculated as $1/48^{\text{th}}$ of 'Final Pensionable Salary' (see 'Definitions').
- You are not required to pay contributions after age 63.
- You will not accrue further 'Pensionable Service' (see 'Definitions') after age 63, but will remain an active member and therefore still qualify for death-in-service benefits.
- Should you continue to work past age 65, you may resume your contributions and accrue further benefits in the Scheme from your 65^{th} birthday.

Members with accrual rates of $1/60^{\text{th}}$ and $1/48^{\text{th}}$ for Pensionable Service prior to 1 July 1988 have been awarded additional Pensionable Service to reflect the standard accrual rate of $1/80^{\text{th}}$.

Pensions Tracing Service

Details of The Pensions Trust (and all pension schemes) have been lodged with the Pension Tracing Service and the address is:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle-upon-Tyne
NE8 1BA
Telephone: 0845 600 2537
Reference: 10170418

The purpose of this registration is to help individuals trace their pension rights.

Rights, obligations, limitations

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

If there is any conflict between the interpretation given in this Booklet and the formal Trust Deed and Rules, or the Scheme Document, the legal interpretation of the formal documents will prevail. Copies of the Trust Deed and Rules and Scheme Document are available from The Pensions Trust.

Before making any financial commitment on the basis of any information provided, please contact The Pensions Trust for final confirmation of the expected amount. Staff will be pleased to provide any further advice or assistance you may need on request.

The Pensions Trust is not registered under the Financial Services Act to give financial advice. Any information that is provided to members or prospective members should therefore be taken to constitute information and **not be taken to constitute advice**. When providing information to members or prospective members, the Trust takes care to provide an accurate service but the decision and choice remains the individual's for which The Pensions Trust cannot be responsible.

Data Protection Act

The Act is designed to give individuals rights and protection in respect of the use of personal data concerning them.

Data Controller: The Trustee is the data controller for the purposes of the Act.

Use of personal data: The data provided by individuals or their employers, or obtained with the consent of individuals, will be used by The Pensions Trust or its Actuary and any necessary third parties are required to enable the Trustee to properly administer the Scheme. Data will be held for as long as necessary to allow the Trustee to answer questions relating to members' benefits.

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

Annual Report and Financial Statements

Members receive a summarised version of The Pensions Trust's Annual Report and Financial Statements each year, but are entitled to the full version on request. A copy can be viewed on the Trust's website www.thepensionstrust.org.uk under the 'General' section of the 'Document Library'.

Amendment or discontinuance

While Oxfam intends to continue the Scheme indefinitely it reserves the right to amend or discontinue the whole, or any part of it, at any time.

However, no amendment will be made which will reduce the benefits you have built up to the date of the amendment.

Pension Protection Fund (PPF)

The PPF is a fund designed to protect members' rights under company defined benefit pension schemes should the employer become insolvent.

The PPF will be funded by a levy on company pension schemes that are potentially eligible to benefit from it. The levy on the Scheme will not result in a reduction to your pension.

Benefits payable under the PPF are, briefly, as follows:

- Your full pension if you have reached your scheme's NPA or receive an ill-health pension (regardless of your age).
- 90% of the expected pension (scheme pension) for all other members, subject to a maximum of £29,897 a year at age 65. This maximum figure is reduced actuarially for those under 65.
- Widow/ers' or survivors' pensions of 50% of the members' pensions.
- Pension earned from April 1997 will increase each year in-line with CPI up to a maximum of 2.5%. Pension relating to service before April 1997 will not be increased under the PPF.

In general, benefits will be paid from the PPF, as opposed to your own scheme, when:

- your employer becomes insolvent, or in circumstances where the Trustee or The Pensions Regulator consider this likely; and
- the assets of its pension scheme are insufficient, i.e. there is not enough money to pay at least the level of pension described in point 3 above.

Complaints

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

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

Disputes – Formal Resolution

If you remain dissatisfied, you may request (in writing) a formal resolution from the Chief Executive. A decision should be provided within two months of your formal request.

Appeal

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

The Pensions Advisory Service

The Pensions Advisory Service is available at any time to assist members and beneficiaries of the Scheme in connection with difficulties they have failed to resolve. The address is:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Telephone: 0845 601 2923
Fax: 020 7233 8016
Email: enquiries@pensionsadvisoryservice.org.uk

Pensions Ombudsman

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

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: 020 7834 9144
Fax: 020 7821 0065
Email: enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator is able to intervene in the Scheme administration where the Trustee, employers or professional advisers have failed in their duties. It replaces the previous regulator, the Occupational Pensions Regulatory Authority (Opra), which ceased to exist on 6 April 2005. The Pensions Regulator inherited all the previous powers held by Opra along with some new ones to give it wider scope. The address is:

The Pensions Regulator

Napier House

Trafalgar Place

Brighton

BN1 4DW

Telephone: 0870 606 3636

Fax: 0870 241 1144

Email: customersupport@thepensionsregulator.gov.uk

Definitions

Additional Voluntary Contributions (AVCs)

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

Annual Allowance

From 6 April 2011, the Annual Allowance is £50,000, although there will be provision to carry forward unused Annual Allowance from the previous three years. Please contact The Pensions Trust if you require further information.

In defined benefit schemes, such as Final Salary or CARE Schemes, the input value is measured by the increase in the value of the pension over the year. The input value is calculated as the increase in the annual pension amount, allowing for inflation, multiplied by 16.

In defined contribution schemes, such as The Pensions Trust's Growth Plan Series 3 or Series 4, Ethical Fund, Flexible Retirement Plan or Social Housing Pension Scheme defined contribution structure, the input value is the total of all contributions paid in by the member and the employer.

If the amount by which the increase in your input value in any one year exceeds the Annual Allowance of £50,000, and you do not have sufficient unused Annual Allowance from the previous three tax years to cover the excess, you will be liable for an 'Annual Allowance tax charge', even if your contributions are less than 100% of your earnings.

The tax charge on any increase in benefits above the Annual Allowance is payable either through self-assessment, or via a deduction from the benefit where the charge is greater than £2,000.

You will be responsible for reporting any excess growth on your annual self-assessment tax return. You are also responsible for paying the Annual Allowance tax charge, where this charge is less than £2,000. If the charge is greater than £2,000, you can opt for this to be deducted from your benefit by the scheme.

If you should die, become entitled to a serious ill-health lump sum, or retire on the grounds of ill-health where you are not likely to work again, then the input value of the tax year in which the event occurs will not count towards the Annual Allowance.

Benefits

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

Deferred Pension

is the pension secured for you on leaving Pensionable Service and is payable on retirement.

Final Pensionable Salary

is the greater (a) of the highest Pensionable Salary received in any 12 consecutive months in the last five years or (b) the average of the best three consecutive years in the last ten years. Your final pensionable salary is not affected by membership of Oxfam's salary sacrifice scheme.

Lifetime Allowance

During the 2011/2012 tax year, each individual in the UK is allowed to accumulate pension benefits up to a value of £1.8 million without incurring any tax charge. From 6 April 2012, the Lifetime Allowance will be reduced to £1.5 million.

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

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

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

Please note: The Pensions Trust and its representatives are not permitted to give financial advice.

Limited Price Indexation (LPI)

is a requirement under the Pensions Act 1995 to pay specified increases on pensions in payment. For pension accrued from 6 April 2005, LPI is defined as the rise in the Pensions in Payment Index, up to a maximum of 2.5%. For pension which was earned before 6 April 2005, LPI is the rise in the Pensions in Payment Index, capped at 5%.

Normal Pension Age (NPA)

is age 65.

Pensionable Salary

Oxfam will advise you of your salary for the purposes of the Scheme. Your contributions and any employer contributions to the Scheme will be based upon that salary.

Pensionable Service

is your period of membership of the Scheme (in years and completed months). It will include any additional Pensionable Service you may have been granted as a result of transferring the value of benefits from a previous pension arrangement (including the previous Oxfam Pension and Life Assurance Scheme) into the Scheme.

Pensions in Deferment Index

RPI (Retail Prices Index) is used to calculate the pensions in deferment index.

Pensions in Payment Index

CPI (Consumer Prices Index) is used to calculate the pensions in payment index.

Protected Pension Age

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

Retirement

There is no longer the requirement to have left the employment to which the pension relates. With the exception of ill-health early retirement, and Protected Pension Age retirements, any reference to retirement in this booklet includes those members who choose to receive their pension benefits **and** continue working, as opposed to retiring in the more traditional sense (i.e. stopping work).

The Scheme

is The Pensions Trust – Oxfam Pension Scheme.

<p>These definitions are provided as a summary. Please see the formal Trust Deed and Rules, as appropriate, for further clarification.</p>



The Pensions Trust

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tel: 0113 234 5500 fax: 0113 234 5599

email: enquiries@thepensiontrust.org.uk
or visit www.thepensiontrust.org.uk