

- **You will provide security for your family** – if you die whilst contributing to one of the DB structures of the Scheme, a pension of 50% of your prospective pension at age 65 is payable to your survivor. In addition, a lump sum benefit of three times your earnings is also payable to an eligible nominated beneficiary.

If you die whilst contributing to the DC structure of the Scheme, a lump sum benefit of six times your earnings is payable to your nominated beneficiary. There is no survivor's pension.

- **Your money will be in safe hands** – your employer has chosen a pension scheme operated by The Pensions Trust, which specialises in providing pensions to the charitable, educational, voluntary and not-for-profit sectors. The Scheme is overseen by the democratically elected Trustee Board, who are responsible for the security of your benefits and ensuring that your interests are properly protected.
- **Your DB pension will grow** – as your pension builds up each year, it will increase in line with inflation (up to a maximum of 5% for service from 1 April 2011). This continues up until retirement, even if you choose to leave the Scheme. Your DC pension will rise or fall in line with investment returns.

Reasons
to Join



The Pensions Trust

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The CARE Scheme

Defined Benefit and Defined Contribution



Benefits of CARE

What is CARE?

CARE stands for 'Career Average Revalued Earnings'. In the defined benefit (DB) structure of The CARE Scheme (the Scheme), your pension is calculated from your earnings throughout your membership of the Scheme, with those earnings increased each year to offset the effects of inflation.

Alternatively, your employer may offer you membership of the defined contribution (DC) structure of the Scheme. In the DC structure, your pension will depend how much there is in your 'pension pot' when you decide to retire.

The 'A Guide for Members – Defined Benefit' and 'A Guide for Members – Defined Contribution' booklets provide further details.



The Benefits:

- **Your employer will contribute towards your retirement** – your employer is offering you the chance to join The CARE Scheme and will contribute to the Scheme at a rate of your earnings (as shown below) whilst you are a contributing member.

10% = DB 80ths structure
8.5% = DB 100ths structure
8.5% (minimum) = DC structure

- **It will cost less than you think** – you pay an age-related contribution rate, as shown below.

Age / 10 = DB 80ths structure
(Age / 10) – 1 = DB 100ths and DC structure

For example, a member aged 35 would pay a contribution rate of 3.5% in the DB 80ths structure and a contribution rate of 2.5% in the DB 100ths and DC structure.

Paying money into a pension reduces the amount of tax you pay. Additionally, if you are in the DB 80ths structure, you will pay lower National Insurance Contributions because this structure is contracted-out of the State Second Pension.

- **You can opt for a lump sum when you retire** – you can choose to receive a lump sum of up to 25% of the value of your total pension. Your pension would then be reduced to reflect this payment. The lump sum will be tax free unless your total pension benefits exceed (currently) £1.8 million.

- **Your DB pension is guaranteed to increase during retirement** – during retirement your pension is guaranteed to increase in line with inflation up to a maximum of 2.5%. At retirement, each DC member can decide whether or not they want a pension that increases in payment.
- **You can plan when to retire** – you can currently retire at any time after age 55. It is also possible to start to receive your pension, or part of it, whilst you are still working. Please be aware that the earlier you take your pension, the smaller it will be (refer to the 'A Guide for Members' booklets for further information).
- **You are covered if you have to retire early** – should you have to retire early due to ill-health a pension can be paid immediately, subject to satisfactory medical evidence. Your pension will not be reduced for early payment if you are unable to work again.



Should you require further information about The CARE Scheme, please contact us on 0113 394 2553 or email us at enquiries@thepensiontrust.org.uk