

A Guide for Members



Flexible Retirement Plan



The Pensions Trust

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The Flexible Retirement Plan

Choosing your pension plan is one of the most important decisions you ever make.

This booklet describes the occupational pension plan which your employer offers you through The Pensions Trust. Your employer has to contribute, you cannot contribute by yourself if your employer does not participate.

Many different charities, voluntary organisations, housing associations, independent schools and other not-for-profit organisations can participate in the Flexible Retirement Plan. Different organisations pay different amounts. Because of this, and also because it is impossible to know future investment returns, we are unable to show in this booklet how much your pension will actually be. However, an estimate is provided each year on your Benefit Statement.

We hope that the following information will help you with the choices you make for yourself and your family.

Should you have any other queries or require further clarification or detailed information about your own benefits you should contact, the Flexible Retirement Plan Team (contact details are on page 12).

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Introduction

This booklet gives general guidance only; you should not regard it as a complete or authoritative statement of the formal Trust Deed and Rules.

To join, you should speak to your employer who will enrol you online through The Pensions Trust's eBusiness system. Once enrolled, you will be required to complete and return the form generated by eBusiness to confirm your authority to join the Scheme and your investment options.

If any contributions are deducted and paid prior to your investment options being returned, the monies will be invested in the Cash Fund. Please note failure to complete and return the form within six weeks will result in your membership being terminated and any monies being returned to your employer.

Flexible Retirement Plan

The Pensions Trust's Flexible Retirement Plan (the Plan) is a low-cost occupational defined contribution scheme designed for the 21st century.

What is a defined contributions scheme?

A defined contribution pension scheme works by investing all the money you and your employer contribute over your period of membership.

The final amount of pension you receive at retirement will depend on a number of factors including:

- the level of contributions paid in;
- how well the investments have performed; and
- what it costs to secure a pension when you retire.

Remember that, because the Plan is an occupational pension scheme, you benefit from immediate tax-relief. You do not pay tax on the contributions. Money grows in a very tax-efficient way. Only the UK dividend income is taxed – any other income and capital growth is completely free of UK taxes.

What are my options?

The Plan enables you to save for your retirement through a number of different investment funds which should be selected on the Employee Application Form*.

Further information on each of the investment funds and the lifestyling option can be found on our website at www.thepensionstrust.org.uk

*You can select your own funds or opt for the Default Fund.

Can I change my choice of investment funds?

Yes. You can choose:

- to have your future contributions invested in different funds; or
- to have your past contributions switched into different funds; or both.

If you wish to alter your choice, simply download the Fund Switch Form, available on our website at www.thepensionstrust.org.uk and then complete and return it to The Pensions Trust. Please note that if you wish to change your funds within a year of last having done so, a charge will be payable.

How does the Default Fund work?

Contributions paid up to five years before your selected retirement date will purchase units in the Managed Fund. Five years (i.e. 60 months) before your selected retirement date we will begin the automatic process of switching your account into the Pre-Retirement Fund to provide more stability to the value of your fund as you approach retirement.

On a monthly basis a proportion of your assets will switch from the Managed Fund to the Pre-Retirement Fund. The proportion of your investments in the Managed Fund will decrease in a straight line over the five year switching period and the proportion in the Pre-Retirement Fund will increase.

For example, if you are four years (i.e. 48 months) from retirement 80% of your personal fund will be invested in the Managed Fund and 20% in the Pre-Retirement Fund.

In addition, the value of all future monies received (i.e. from further contributions or transfers in) will be switched on a monthly basis in the same way as your fund (e.g. if you contribute £100 when you are 48 months from retirement, £80 will be invested in the Managed Fund and £20 will be invested in the Pre-Retirement Fund).

Flexible Retirement Plan - Investment

Fund Name	Asset Class(es)	Management Type
<i>Core Funds</i>		
Managed Fund Option	53.3% Global Equities 19.2% Alternative Growth Assets 27.5% Bonds and Cash	Active & Passive
Pre-Retirement Fund Option	75% Bonds 25% Cash	Active & Passive
Socially Responsible Investment Fund Option	60% Overseas Equities 40% UK Equities	Passive
Diversified Ethical Fund	28.9% UK Equities 36.1% Overseas Equities 21.0% UK Corporate Bonds 14.0% UK Government Bonds	Active
<i>Guest Funds</i>		
Global Equity Fund Option	50% UK Equities 50% Overseas Equities	Passive
Property Fund Option	100% Property	Active
Bond Fund Option	100% UK Government Bonds	Active
Index-Linked Gilts Fund Option	100% Index-Linked Gilts	Active
Cash Fund Option	100% Cash & Other Short-term Assets	Active

Please refer to the Fund Fact Sheets online at www.thepensiontrust.org.uk for more detailed information on each of the eight investment funds.

How much do I pay?

Your employer will tell you the rate of contributions which you have to pay into the Plan should you wish to become a member. You will also be told how much your employer will pay into the Plan on your behalf.

You may, if you wish, pay more than your normal contributions to provide yourself and your family with higher benefits (see 'Boosting Your Pension - Extra Contributions').

Full tax-relief (at the highest rate of tax that you pay) is given immediately. You only pay tax on your net pay after pension contributions have been deducted.

Member charges

A charge of 0.6% of your unit total (0.9% for Property Fund) will be deducted each year, on a monthly basis to cover expenses and investment costs.

What happens to my contributions?

The contributions paid by you and your employer each month are paid to The Pensions Trust after the end of each month. These amounts are then used to buy units in the investment funds which you have chosen.

Benefit Statements

Each year you will receive a statement showing:

- the units purchased at the end of the previous year;
- the units purchased and sold during the latest year;
- any deductions to cover administration charges;
- the current value of your units; and
- an illustration of the pension that could be provided.

Leaving

What happens when I leave the Flexible Retirement Plan?

Whether you stop contributing because you are leaving your employer or for any other reason, you have the options shown below. Please be aware that we will notify you of your leaving benefits as soon as possible, but delays can be caused if contribution payments from your employer have not been fully reconciled (i.e. the total monthly payments received from your employer must match the contributions that have been notified to us). Also depending on the fund options you have chosen, the units in your fund may be provided monthly. If this is the case there may be a minor delay while we wait for a new unit price. The Administration Team will let you know if they anticipate any delay. Please ensure that your employer advises The Pensions Trust of your withdrawal via their eBusiness payment submission to initiate the withdrawal process with our Administration Team. Once the Team are aware of your withdrawal they will contact you direct to advise you of your leaving options.

Deferred benefit

- If you have been a member for at least two years, you can leave your personal fund in the Flexible Retirement Plan.
- Although no more contributions will be made on your behalf, your retirement savings will continue to be invested in the funds chosen by you.
- You can convert your fund into a pension at any time of your choosing once you have reached the Normal Minimum Pension Age (See 'Definitions') or earlier on the grounds of ill-health.

- As an alternative to the deferred benefit, you may have a transfer value paid to another pension scheme. This option must, of course, be exercised before you commence drawing your pension. Payment of a transfer value will, of course, result in no further benefits being paid from that membership.

Refund

If you have been a member of the Flexible Retirement Plan for less than two years when you leave you may take a refund of the value of the units purchased with your own contributions (but not your employer's). This refund will be taxed at a rate of 20% (or 50% on any refund amount in excess of £20,000).

If your refund includes any investment return on the contributions made by you, you will need to notify your tax office of the amount. This is because the law now requires that a gross payment is made by the pension scheme. Your tax office will subsequently notify you of any change applicable to this sum.

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

- A refund is not available if a transfer value has been received for you from another occupational scheme and the length of your membership of both the previous scheme and the Flexible Retirement Plan exceeds two years. A refund is not available if a transfer value has been received for you from a personal pension or a stakeholder pension plan. Also, you will **not** be entitled to a refund if you have other benefits from previous employers with The Pensions Trust, and combined service exceeds two years.
- As an alternative to the refund, if you have been a member of the Flexible Retirement Plan for less than two years, but at least three months, you may have a transfer value paid to another pension scheme. This option lapses three months after leaving and a refund will automatically be paid. Payment of a refund will result in no further benefits being payable from that membership.

Retirement

Approaching retirement

Please advise the Administration Team as far in advance as possible of your retirement plans especially if you wish to retire earlier than the 'Normal Retirement Date' or 'Selected Retirement Date' shown on your annual Benefit Statement.

If you select your own fund options you may wish to consider moving your fund from investments with high volatility (high risk) to less volatile investments funds (less risk) or opting for the default option to protect your fund as you near your selected retirement age.

If you have chosen the lifestyled default option you do not need to do anything as your fund will automatically be switched to less volatile funds on a proportional basis over the five years leading up to your selected retirement date.

When can I receive my pension?

You can convert your fund into a pension at any time of your choosing from the Normal Minimum Pension Age (see 'Definitions'), or earlier on the grounds of ill-health.

The age for actual retirement from work is an employment issue for agreement with your employer.

Please be aware that we will pay out your fund as soon as possible, but delays can be caused if contribution payments from your employer have not been fully reconciled (i.e. the total monthly payments received from your employer must match the contributions that have been notified to us).

If it is important to you that your pension payments start on a certain date, e.g. your 65th birthday, you may wish to contact the Administration Team well in advance to discuss how this may best be achieved. It may be possible for you to take a pension earlier than your Normal Minimum Pension Age (see 'Definitions') if you are too ill to work, provided there is satisfactory medical evidence that you are, and will continue to be, unable to work again in any capacity.

If you wish to apply for early payment of your pension on health grounds you should contact The Pensions Trust. If your application is approved you still have the option to take a pension commencement cash sum which will be tax-free. These provisions also apply if you have a deferred pension.

Who will pay my pension?

Your pension will be paid to you by a provider of your choice.

On retirement, your Flexible Retirement Plan investment units will be cashed-in and the proceeds paid to a pension provider of your choice.

The Pensions Trust has engaged a firm of financial advisers who can assist you in the purchase of your pension, if required. There is a charge for this service which will be deducted from your fund value.

Can I take part of the proceeds as a lump sum?

Yes. A member can take one-quarter of the proceeds as a tax-free lump sum.

How much will my pension be?

This will depend on how much both you and your employer have paid into the Plan: your age, gender, investment returns and expenses, what it costs to secure a pension when you retire and the benefits you choose to provide. Because these factors vary for each member of the Plan we cannot show you here how much you are likely to receive personally. However, you will receive an annual Benefit Statement showing, where appropriate, a projected pension as a broad estimate.



What benefits will be payable after my death?

Once again, this depends on the type of pension bought from your chosen provider. Your pension may be payable for your own lifetime only.

Alternatively, you might choose a pension which continues to be paid at the same or a lower rate to a spouse or dependant after your death. Of course, if you choose a pension which may continue to be paid to someone else after your death, it will be payable at a lower rate during your own lifetime.

Flexible retirement

Provided that you have reached Normal Minimum Pension Age (see 'Definitions'), you can ask for your pension to be paid whilst continuing to work, perhaps on different terms, with the same employer.

If your pension commences whilst you continue to work, you may continue to contribute to the Plan.

Death Benefits

What happens when I die?

If you die after joining the Plan and before payment of your pension has commenced, your Flexible Retirement Plan investment units will be cashed-in to become payable as a lump sum to your chosen beneficiary or beneficiaries (see 'Nominations'). Any additional lump sum benefit offered by your employer will be included.

If you die after payment of your pension has commenced, the benefits payable will depend on the type of pension bought from your chosen provider.

Boosting your Pension - Extra Contributions

Should I pay extra contributions?

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.

How much can I pay?

You will 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 you contribute 7%, to your main scheme, this will give you scope to pay up to a further 93% of your earnings as tax-free contributions to schemes of your choice. 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.

How do I pay extra contributions?

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

If you wish to pay extra contributions, you need to ask your employer to increase the deductions from your pay. 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 Department in the same way as we receive your main contributions.

What do my extra contributions buy?

Your extra contributions will be used to purchase units in the Flexible Retirement Plan's investment funds in the same way as your normal contributions.

Are there any restrictions?

You can accrue pension benefits from all sources up to the Lifetime Allowance (see 'Definitions') without incurring tax charges.

There are some restrictions for very high earners that may affect you if you earn £130,000 or more and wish to pay additional contributions. Please contact The Pensions Trust for further information if you think you may be affected.

What if....

What if I am absent from work?

If your absence is due to illness or injury and you are in receipt of full **or** reduced pay, you will pay contributions at your normal percentage rate on whatever pay you receive. Therefore if you receive full pay, you will pay your usual (full-rate) contribution, but if your pay drops to half-rate the contribution deducted must also be reduced to half your normal amount. If your pay stops, your pension contributions will also stop.

When you return to work you will have the option to pay the contributions missed. If you opt to do so, your employer may, at its discretion, also choose to pay the employer contributions missed.

If you do not return to work within 12 months of the date your pay was first reduced you will be treated as a leaver.

What happens if I take maternity leave?

The first 39 weeks

You are entitled to up to 39 weeks' scheme membership regardless of whether you receive pay during this period.

If you are receiving pay from your employer, contributions should be deducted from this at your usual percentage rate, but only on the actual pay you receive. Your contributions may therefore be lower than normal.

Your employer is required to pay its full contribution, i.e. as though you were working normally, plus any shortfall in your contribution. Therefore in cases where you receive no pay, your employer must pay the full combined (member plus employer) contribution.

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

Weeks 40 – 52

During this period, unless you are still receiving pay from your employer, no contributions are due.

Return to work

Your employer should resume deducting contributions as normal. If you wish to pay arrears of contributions to cover any period of unpaid maternity leave, your employer has discretion over whether or not to pay its contributions.

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.

The conditions above regarding contributions during paid and unpaid Family Leave will also apply to members with babies due on or after 3 April 2011 who qualify for Additional Paternity Leave.

What if I divorce/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 have a previous pension scheme?

It may be possible to have a transfer value paid from a previous pension scheme to the Flexible Retirement Plan. If you wish to consider this possibility, an information pack is available on our website at www.thepensiontrust.org.uk. The Flexible Retirement Plan cannot receive transfers which include pension benefits from contracting-out of the additional State Pension (known as Second State Pension) see page 10.

What if I am already contributing to another pension scheme?

You may contribute to two or more pension schemes (of any type) at the same time. The only restriction will be that you will only receive tax-relief on contributions up to the Annual Allowance. (see 'Definitions'.)

Nominations

Lump sum on death

When you join the Plan you will be able to nominate who you wish to receive the lump sum benefit on your death.

Should you wish to make alterations for the payment of lump sum death benefits you should complete a new Nomination Form stating who you would like to receive the lump sum.

Nomination Forms are available on our website at www.thepensiontrust.org.uk Please note:

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

Further Information

What is The Pensions Trust?

The Pensions Trust is an occupational pension scheme providing pension arrangements solely for employees of organisations involved in social, educational, charitable, voluntary and other similar work. This means that membership is related to employment with an eligible employer who participates and at present is not open to other individuals. Your employer is one of over 4,000 organisations participating in The Pensions Trust. The Pensions Trust is a not-for-profit organisation. It is **not** an insurance company.

Data Protection Act 1998

The Act is designed to give individuals rights and protection in request 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, 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.

The Trustee Company

The Pensions Trust is governed by a Trustee Company called 'Verity Trustees Limited'. There are currently 13 Directors of the Company (all non-executive) - six elected by members and six elected by employers and one co-opted by the elected Directors.

Investments are managed by independent external authorised fund managers.

Trustee elections

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

The State Pension Scheme

The State provides pensions on two levels:

- the basic State Pension; and
- the additional State Pension (known as Second State Pension).

Your entitlement to these pensions is not affected in any way by joining the Plan.

Combined pension forecasting

As one of its aims, The Pensions Trust wishes to enhance its service to members of the Plan by providing them with projections of not only their benefits under the Plan but also their State Pension Scheme benefits.

So that we can do this, we need to obtain some information about you from the Department for Work and Pensions (DWP). To do so, we need first to tell the DWP the following information about you:

- Surname or Family Name, and Forenames;
- Date of Birth;
- National Insurance Number; and
- Membership Number.

The information obtained from the DWP will be used only for the purposes of providing you with a forecast of your pension rights.

If you do not wish us to provide information about you to the DWP, you should let us know by writing to the Flexible Retirement Plan Team (contact details are on Page 12). If you do this, the pension forecast you receive from us will not include State Pension information.



Eligibility

- **People eligible:** all employees of a participating employer unless otherwise advised by the employer.
- **Method of joining:** on completion of an Employee Application Form. You will be advised separately by your employer if joining is automatic.
- **Membership conditions:** you can withdraw from current membership on giving written notice to your employer.

Tax approval

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

Transfers In

It may be possible to transfer previous pension benefits into the Flexible Retirement Plan. Information is in the benefit booklet 'Transferring Your Pension Benefits' which is available on our website.

Transfers Out

An estimate of the transfer value of your benefits will be provided on request once each year. The Pensions Trust may respond to more frequent requests but is not obliged to do so.

The transfer value will represent the value of your units at the date of transfer. You will be advised of the value of your units on your annual Benefit Statement.

Literature

The latest documents are available online at www.thepensiontrust.org.uk

Once in the website please use the navigation bar on the left-hand side of the screen, and access literature via either of the following links:

Our Services & Products > Multi-Employer Defined Contribution Schemes > The Flexible Retirement Plan

or

Document Library > Scheme Literature > Flexible Retirement Plan

Contact Details

Flexible Retirement Plan Team
The Pensions Trust
Verity House
6 Canal Wharf
Leeds
LS11 5BQ
Tel: 0113 394 2765
Fax: 0113 394 2699
Email: frp@thepensionstrust.org.uk

Disclosures and Technical Information

Restrictions

An individual's total tax privileged savings from all sources is limited to the Lifetime Allowance. It should be noted that both the Lifetime and Annual Allowances (see 'Definitions') are only likely to affect those with very high earnings or significant pension benefits held elsewhere. For example, if your pensions from all tax-registered schemes do not exceed £60,000 per year, you are unlikely to be affected.

Members cannot assign their own pensions (except where pension sharing on divorce is permitted) to another person or organisation.

Rights, obligations, limitations

The rights and obligations of members of the Plan are set out in the Trust Deed and Rules which are the formal documents of the Plan. By applying for membership, you agree to be bound by the terms and conditions set out in the Trust Deed and Rules including, if appropriate, the deduction of contributions from your earnings.

This booklet is intended to provide a clear and simple explanation of the main benefits you are entitled to under the Plan. If there is any conflict between the interpretation given in this booklet and the formal Trust Deed and Rules, the legal interpretation of the formal documents will prevail. A copy of the Trust Deed and Rules is 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 your expected benefits. 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 Pensions Trust takes care to provide a professional, well informed accurate service but the decision and choice remains the individual's, for which The Pensions Trust cannot be responsible.

Pension 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
NE98 1BA
Telephone: 0845 600 2537
Reference: 10170418

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

Annual Report and Financial Statements

Members receive a summarised version of the Annual Report and Financial Statements each year but are entitled to the full version on request.

A copy of the Annual Report and Financial Statements can be requested or alternatively downloaded from our website at www.thepensionstrust.org.uk

Further information about the Plan, or your individual benefits, is available from The Pensions Trust. Please write to The Pensions Trust (contact details are on page 12). In the first instance, your enquiry should be referred to the Team Leader or Pensions Administration Manager who is responsible for your pensions administration at The Pensions Trust.

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 Pensions Administration Manager and/or the Head of Customer Services.

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

Disputes – Formal Resolution

If you remain dissatisfied, you may request (in writing) a formal resolution from the 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 (TPAS)

The Pensions Advisory Service is available at any time to assist members and beneficiaries 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 7592 7000
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 your pension where The Pensions Advisory Service has not resolved the issue. The address is:

The Office of the Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: 020 7630 2200
Fax: 020 7821 0065
Email: enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator is able to intervene in the administration where Trustee, employers or professional advisers have failed in their duties. 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

Annual Allowance

The annual allowance came into effect on 6 April 2006. From 6 April 2011, the Annual Allowance will reduce to £50,000 a year (from £255,000), although there will be provision to carry forward unused Annual Allowance from the previous three years. However, unused Annual Allowance is calculated at the new £50,000 limit and not the higher, actual, Annual Allowance amounts in place before April 2011. Please contact The Pensions Trust if you require further information.

If the amount by which the value of your pension benefits increase in any one year (known as the 'input value' – explained below) exceeds the annual allowance, you will be liable for an 'annual allowance tax charge', even if your contributions are less than 100% of your earnings. This tax charge is payable (through self assessment) at your marginal rate of income tax on any increase in benefits above the annual allowance.

In defined contribution schemes such as the Flexible Retirement Plan the input value is the total annual contribution made by you and your employer. The input value does not take account of transfers into the Scheme or debits or credits from pension sharing arrangements following divorce.

You will be responsible for reporting any excess growth on your annual tax self-assessment return and may also be responsible for paying the annual allowance tax charge. If you are concerned about this we recommend that you seek independent financial advice. The Pensions Trust will, on request, supply you with information on the increase in the value of any pension rights held with us. We will contact you automatically should the increase in your pension rights in the Scheme exceed the Annual Allowance.

The input value in the final tax year before your retirement will not count towards the Annual Allowance if you should die or are retiring on the grounds that you will be unable to work again on medical grounds.

Lifetime Allowance

Each individual in the UK is allowed to accumulate pension benefits up to a value of £1.8m (the limit for the 2010/11 and 2011/12 tax years) without incurring tax charge.

From 6 April 2012 the Lifetime Allowance will reduce to £1.5 million.

Each year your Benefit Statement from the Plan 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 Additional Voluntary Contributions (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 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 as to your best course of action.

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

Normal Minimum Pension Age

Normal Minimum Pension Age is the earliest age from which you can take your pension, except on the grounds of ill-health. The Normal Minimum Pension Age is age 55.

Selected Retirement Age (SRA)

This is the age that you expect to retire at and can be any age from age 55. You should inform The Pensions Trust if you wish to change your SRA especially if you are in the Default Fund.



The Pensions Trust

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