

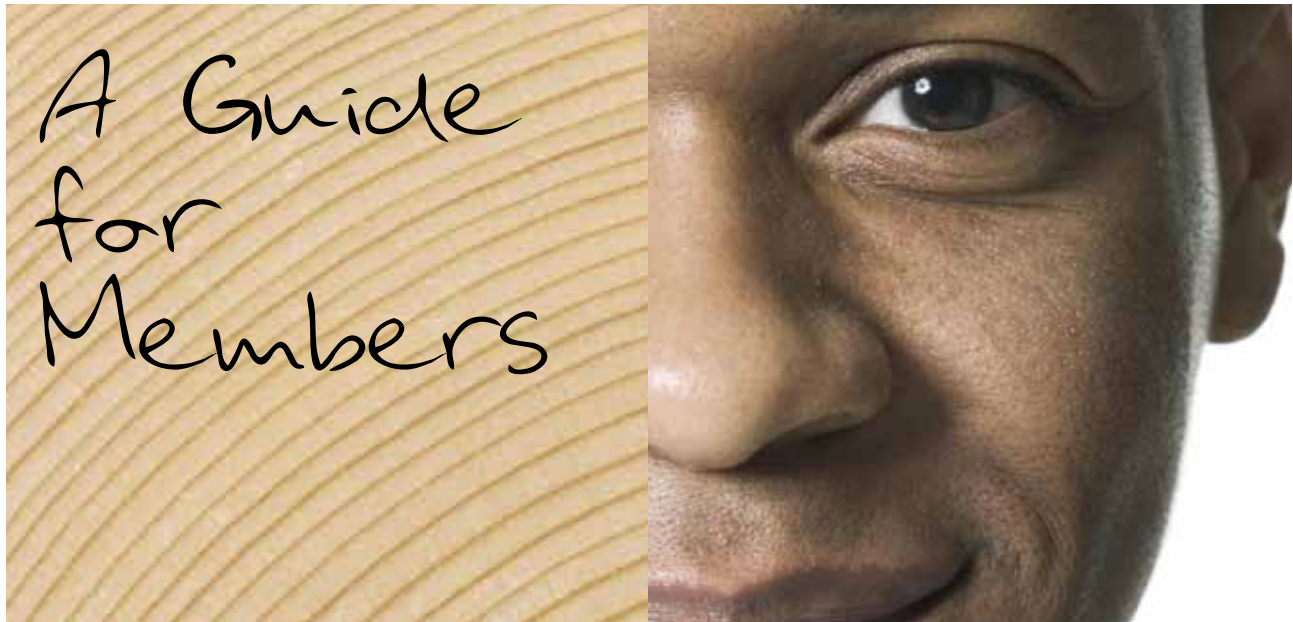


A Guide for Members

The CARE Scheme
Defined Contribution



The Pensions Trust



The CARE Scheme (the Scheme)

The Defined Contribution (DC) structure is new for The CARE Scheme. It started on 1 April 2011 and is very different from the Defined Benefit (DB) structures of the Scheme. This booklet provides an explanation of how the DC structure works and also provides useful website links which you might find helpful.

The Scheme is administered by The Pensions Trust, which is the leading provider of pensions in the voluntary and not-for-profit sector.

This booklet provides general information about the DC structure of 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 (on request) prospective members.

If you have any general enquiries about joining, please contact the person designated by your employer in the first instance. Should you have any other queries, require further clarification, or detailed information about your own benefits you should contact:

The CARE Scheme
Verity House
6 Canal Wharf
Leeds
LS11 5BQ
Tel: 0113 394 2553
Email: enquiries@thepensionstrust.org.uk

March 2011

Contents

Joining the Scheme – Page 4

- Can I join the Scheme?
- When can I join?
- How much do I pay?
- Tax-relief
- National Insurance Contributions (NICs)

During Your Membership – Page 5

- How does it work?
- Why do all these things affect my benefits?
- What happens to my contributions?
- What are my investment options?
- What happens if I don't know what funds to choose?
- What is Lifestyling?
- Where can I find out more about investments?
- Where can I get more information about how DC schemes work?
- What does The CARE Scheme DC structure cost?
- Will I be able to change my choice of investment funds?
- Keeping track of your pension's progress

Retirement – Page 7

- When can I take my pension?
- Who will pay my pension?
- What choices will I have to make regarding my pension?
- Can I have a cash lump sum when I take my benefits?
- Where can I get further information about retirement benefits?

Leaving – Page 8

- What happens if I leave?
- What happens when I die?

Boosting Your pension – Additional Voluntary Contributions (AVCs) – Page 9

- Should I pay AVCs?
- How much can I pay?
- Who do I pay AVCs to?
- How do I pay AVCs?
- What do my AVCs buy?
- Are there any restrictions?

What if...? – Page 10

- What if I am absent from work?
- What if I take maternity leave?
- What if I take family leave?
- What if I divorce or end a civil partnership?
- What if I have a pension from my previous employment?
- What if I also contribute to a personal pension plan?

Further Information – Page 11

Complaints – Page 13

Definitions – Page 14



Joining the Scheme

Can I join the Scheme?

Yes, if your employer has agreed to offer the DC structure of this Scheme, you may join by completing an Employee Application Form which you can get from your employer. The upper age limit is 64. You may have to complete a minimum period of service (specified by your employer) before membership is permitted.

You can withdraw from current membership on providing one month's written notice. If you do withdraw, or do not join within one year of becoming eligible you can only join/rejoin with the agreement of your employer and the Trustee, and subject to a minimum of three months' service unbroken through illness.

When can I join?

You can join on the first day of the month on which the above conditions are fulfilled. If you do not join within one year of becoming eligible, you can only join with the agreement of your employer and the Trustee, and subject to a minimum of three months' service unbroken by illness.

Every member is bound by the obligations of the Trust Deed and Rules.

How much do I pay?

Your contribution rate is worked out by dividing your age by 10 and then subtracting by 1.

For example, if you are 41 years old, your contribution rate for the year will be:

$(41/10) - 1 = 3.1$ i.e. you will pay 3.1% of your salary as pension contributions.

Your employer will also pay 8.5% of your salary into your pension on your behalf. If you want to, you may pay extra contributions to provide higher benefits.

Like all the other CARE Scheme benefit structures, you don't pay tax on your contributions (however, a tax charge will apply if you exceed the Annual Allowance - see 'Definitions'). This is explained in further detail below.

Tax-relief

The Scheme is an occupational pension scheme, so you benefit from immediate tax-relief on your pension contributions as follows:

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

National Insurance Contributions (NICs)

As a member of the DC structure you and your employer will pay full rate NICs. In return, you will build up rights to the State Second Pension (or S2P) on top of your CARE Scheme DC pension. S2P is paid with your basic State Pension at or after you reach State Pension age. This is the same as for The CARE Scheme DB 100ths structure, but different to The CARE Scheme DB 80ths structure (where you and your employer pay reduced rate NICs).

Your State Pension age depends on your date of birth. It will be somewhere between 60 (for women born before 6 April 1950) to 68 (if you were born after 5 April 1978). The Directgov website has a State Pension age calculator at <http://pensions-service.direct.gov.uk/en/state-pension-age-calculator/home.asp>

During Your Membership

How does it work?

All the money (less any charges) that you and your employer contribute during your membership of the DC structure is invested for you.

Your benefits at retirement will depend on:

- the contributions paid in;
- the charges taken out;
- how well the investments have performed;
- your age and gender;
- your state of health at the time you retire;
- the type of pension you want when you retire; and
- what it costs to buy your pension at that time.

Why do all these things affect my benefits?

When you decide to draw your benefits, the pension pot you have built up (your 'personal fund') is cashed-in and used to buy your benefits. The money paid in, the investment returns received and the charges taken out affect the size of your pension pot.

At retirement you can take some of your pot as cash, tax-free under current legislation, but the rest must be used to buy an annuity (a pension) with an insurance company, which is taxed as income once in payment. Insurance companies use your age, gender and state of health to estimate how long you will draw your pension for, and this in turn affects the amount of pension benefit your pot will secure.

Some types of pension cost more than others. If you want a pension that will increase by, say, 3% a year and will continue at half rate to your partner after you die, it will cost more than a pension that doesn't increase and stops when you die. As a result, a pension which includes increases and a survivor's pension would be lower than one paid at a level rate with no survivor's pension.

A Pensions Calculator is available on The Pensions Trust's website at www.thepensionstrust.org.uk > Pension Calculators > CARE Pension Calculator.

There will be two options from here i.e. either click on the CARE DB Calculator or click on the CARE DC Calculator depending on which structure you are interested in.

The calculator will give you an estimate of what you might receive at retirement for different levels of contribution rates.

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 you have chosen.

What are my investment options?

You can select a 'Lifestyle' or 'Selfstyle' investment option. If you select Selfstyle you will be able to choose from the range of eight funds below:

- Managed Fund Option*
- Pre-Retirement Fund Option*
- Socially Responsible Investment (SRI) Fund Option
- Global Equity Fund Option
- UK Property Fund Option
- Bond Fund Option
- Index-Linked Gilts Fund Option
- Cash Fund Option

*Default Funds

Further information regarding the above asset classes is available on The Pensions Trust's website at www.thepensionstrust.org.uk > Document Library > Scheme Literature > CARE > Employee Literature > Fund Fact Sheets.

What happens if I don't know what funds to choose?

If you would prefer not to make your own investment choices, your contributions (and your employer's) will be invested in the 'default' Lifestyle investment option. The Lifestyle investment option uses the two funds indicated with a * in the list above. The proportion of your contributions invested in each fund will depend on how close you are to your selected retirement date (SRD). The Lifestyle investment option is explained in further detail below.

What is Lifestyling?

As people move closer to retirement it is likely that their willingness to take investment risk will reduce. Lifestyling recognises this and as retirement approaches provides automatic switching over a period of time from funds with more risk (like Equities) to funds with less risk (such as Bonds and Money Market Instruments).

If you select the Lifestyle investment option and are more than five years from your SRD your contributions will be invested in the Managed Fund. From five years before your SRD your existing fund and new contributions will be automatically switched in defined portions into the Pre-Retirement Fund.

Where can I find out more about investments?

Further information on each of The CARE Scheme's investment funds, the default option and the Lifestyling investment option is available on The Pensions Trust's website at www.thepensionstrust.org.uk > Document Library > Scheme Literature > CARE > Employee Literature.

For general information, different types of investments and the default Lifestyle investment option are explained on the Pensions Advisory Service's website at http://www.pensionsadvisoryservice.org.uk/personal_and_stakeholder_pensions/investment/

Where can I get more information about how DC schemes work?

The Financial Services Authority has set up an information service called Moneymadeclar. The website address is www.moneymadeclar.fsa.gov.uk

You may also find the following link helpful http://www.moneymadeclar.fsa.gov.uk/products/pensions/types/occupational_defined_contribution_schemes.html

What does The CARE Scheme DC structure cost?

An annual management charge of 0.5% of your unit holding will be deducted each year (with deductions being made month by month) to cover expenses and investment costs.

Your employer will meet other regular costs during your membership, including the cost of your death-in-service lump sum benefit (explained later in this booklet), which will be deducted from the monthly contributions your employer makes on your behalf.

Will I be able to change my choice of investment funds?

Yes. If you have selected the Selfstyle investment option you will be able to choose:

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

If you want to change your funds, known as an investment switch, you will be allowed to do this once a year at no charge. The procedure is simple – you download and complete a Switch Instruction Form and send it to The CARE Scheme Administration Team at The Pensions Trust.

The switch will normally be processed within five days of receiving your instruction. However, please note that at times (for example while the monthly investment cycle is being processed) it will not be possible to process a switch instruction until all monies have been invested. If this is the case your switch instruction will be carried out at the earliest opportunity after completion of the monthly investment cycle.

If you have selected the Lifestyle investment option, and wish to change the funds used to invest your contributions, you can select the Selfstyle investment option and can then choose from any of the eight investment funds. You should note that automatic switching will cease if you move to the Selfstyle investment option and should you wish to switch your funds as you approach retirement you will need to do this by downloading and completing a Switch Instruction Form (www.thepensionstrust.org.uk > Document Library > Scheme Literature > CARE > Employee Literature > Switch Instruction Form) and sending it to The CARE Scheme Administration Team at The Pensions Trust.

Keeping track of your pension's progress

Every year you will receive a benefit statement showing:

- the units held for you at the end of the previous year;
- the units bought and sold during the latest year;
- any units resulting from a transfer in during the latest year;
- any deductions to cover administration and investment charges;
- unit prices and the value of your units at the date of the statement; and
- an illustration of the pension that could be provided.

Retirement

When can I take my pension?

The Normal Pension Age (NPA) in the Scheme is 65 unless a different age has been agreed with your employer. This is the age that will be used for pension estimates unless you have arranged for a different age for calculations. The age for actual retirement from work is an employment issue for agreement with your employer.

You can choose to convert your fund into a pension at any time after the normal minimum pension age of 55 (or earlier on the grounds of ill-health). You don't need to stop work to take your benefits provided you are at least 55 years old. If you joined The CARE Scheme before 6 April 2006, you may have a 'Protected Pension Age' (see 'Definitions') of 50.

If you select the Lifestyle investment option you will be asked to indicate a selected retirement date (SRD). This date will be used as the trigger for the automatic switching to commence so that your units are gradually disinvested in the Managed Fund and invested in the Pre-Retirement Fund. You should note that if you elect to take your benefits at a date other than your SRD the proportion of your investments will not be in line with the Lifestyle investment option.

You can change your SRD at any time by downloading and completing a Switch Instruction Form and sending it to The CARE Scheme Administration Team at The Pensions Trust.

Your investments will then be switched into the relevant proportions to reflect your current age and years from your SRD.

Who will pay my pension?

You will choose who pays your pension. When you decide to take your benefits, your 'personal fund' is cashed-in and the balance after payment of any cash sum you select is paid over to a pension provider of your choice. This is known as an 'open market option (OMO)'

Neither your employer nor The Pensions Trust is authorised to provide financial advice. You should seek independent financial advice if you need help with your annuity choices. The CARE Scheme will use the services of a specialist annuity broker; if you would like assistance when purchasing your annuity. There will be a charge for this which will be deducted from your available tax-free cash lump sum.

You should note that it normally takes around two to three months to arrange an annuity and for payment to commence. You should take account of this when planning your retirement income requirements.

What choices will I have to make regarding my pension?

First of all you will have to decide whether you want to take part of your fund as a cash lump sum and if so, how much (see below). The rest of the fund is used to buy an annuity from the provider you choose (see above). Taking a cash lump sum therefore reduces the amount available to buy an annuity.

You will then need to consider the following questions:

- Do you want your pension to be guaranteed for a number of years? If you were to die within a year or two of retiring, your pension would have represented poor value for money. You can ask for a pension that would continue to be paid to your nominee(s) for the balance of five or ten years were you to die within this period.
- Do you want your pension to increase each year? If so, by how much (e.g. 3% a year, 5% a year, or in line with the Retail Prices Index)?

- Do you want your pension to continue to your spouse or partner if you die before them (and if so, at what rate – 33%, 50%, etc)?

Please bear in mind that there is a cost to each of these options and this will reduce the amount of pension you receive.

Can I have a cash lump sum when I take my benefits?

Yes. You can take up to a quarter of your pension pot as a cash lump sum, which is tax-free under current legislation.

Where can I get further information about retirement benefits?

For further information about retirement benefits from pension arrangements like The CARE Scheme DC structure you may want to refer to the following websites:

The Pensions Advisory Service at www.pensionsadvisoryservice.org.uk. In the section on Personal and Stakeholder Pensions there is a clear explanation of how annuities – pensions – from DC schemes work.

The link is <http://www.pensionsadvisoryservice.org.uk/personal--stakeholder-pensions/annuities>

The Financial Services Authority's, Moneymadeclear website also provides information about retirement options.

The link is www.moneymadeclear.fsa.gov.uk

Leaving

What happens if I leave?

If you leave your employer and The CARE Scheme DC structure, then what happens will depend on how long you have been a member of the Scheme.

- If you have been a member of the Scheme for less than three months then the value of your contributions only will be refunded to you. You will have to pay tax on the refund.
- If you have been a member of The CARE Scheme for between three months and two years, you have the option of a refund or a transfer value payable to another pension arrangement. The transfer value will include

both your and your employers contributions that have been paid on your behalf. You will only have three months to decide – after this a refund will be paid.

- If your pensionable service in The CARE Scheme is two years or more (or if The CARE Scheme has received a transfer value from a personal pension for you) your fund will remain invested and carry on accumulating investment returns until you draw your benefits or transfer your fund to another scheme. You will receive an annual benefit statement and can continue to elect to switch your investments.

Please note: If you were previously a member of one of The CARE Scheme DB structures, the default option will be that your benefits will become deferred upon leaving the Scheme. However, should you choose a different option upon leaving, for instance a refund (where available) or transfer, then your benefits in The CARE DC structure will normally be treated the same as your other CARE benefits.

What happens when I die?

If you die before your benefits have been paid out, your 'personal fund' will be cashed-in and paid as a cash lump sum.

A cash lump sum of six times your pensionable earnings is payable in addition if you die in pensionable service (i.e. whilst still working and contributing to the Scheme).

The Scheme is set up under Trust and as the benefits are paid at the discretion of the Trustee these cash lump sum benefits are not subject to Inheritance Tax under current legislation. Please remember to complete a Nomination Form indicating who you would like to be your beneficiary/ies. The Trustee will then consider your wishes in deciding who will receive the benefits due.

If you die after your pension has started, the benefits payable will depend on the type of annuity you bought from your chosen provider when you retired.

Boosting Your Pension - Additional Voluntary Contributions (AVCs)

Should I pay AVCs?

AVCs will provide you with extra pension at retirement. You should consider your own needs and whether other saving options might be better suited to your circumstances.

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

- increasing the pension you will receive at Normal Pension Age;
- 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 decision whether to pay AVCs is yours and you may wish to discuss it with an Independent Financial Adviser.

How much can I pay?

You can pay up to 100% of your earnings in any tax year to any number of pension schemes.

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

For example, if your normal contribution rate (to your main scheme) is 4.5%, this will give you scope to pay up to a further 95.5% 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.

Please note: Until 5 April 2011, if you earn £130,000 or more, and you are considering making additional payments, further restrictions may apply. Please contact The Pensions Trust if this affects you.

Who do I pay AVCs to?

You can pay them to The Pensions Trust or pay additional contributions to an alternative pension provider of your choice. Your employer will offer one or more suitable arrangements, which are administered by The Pensions Trust, for this purpose.

Alternatively, you may prefer to pay extra contributions as AVCs into The CARE Scheme DC structure.

Full details on the options available to you and information about AVCs will be provided by The Pensions Trust on request.

If you are a high earner, please also read the section on Annual Allowance (see 'Definitions').

How do I pay AVCs?

You will need to complete an AVC Application Form and hand it to your Payroll Department.

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 Department in the same way as we receive your main contributions.

What do my AVCs buy?

Your AVC fund will be used to provide additional benefits on a defined contribution basis. This means the amount of benefit will depend on variable factors such as:

- how much you pay;
- the investment return; and
- the cost of providing 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 a pension projection on stated assumptions.

Are there any restrictions?

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

What if...

What if I am absent from work?

If you are off work due to illness, injury or other absence for up to one year on reduced pay, you will pay contributions at your normal percentage rate on whatever pay you receive. Therefore, if you receive half pay, you will pay half your usual contribution. If your pay ceases, your contributions will 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 remain absent from work for more than one year, either without pay or on reduced pay, you will be treated as a leaver as described in the 'Leaving' section of this booklet.

Any death-in-service benefits you have chosen will continue to apply during periods of absence of up to one year.

What if I take maternity leave?

You will continue to pay contributions but based on the salary you actually receive. Your employer will still pay the contributions on your normal salary and will pay any balance as though you were still being paid your full salary. Where you have statutory entitlements you will be covered for benefits from the Scheme for 39 weeks.

On your return to work you may pay arrears of contributions 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.

Please note: Should you die during paid or unpaid maternity leave, any death-in-service benefits you have chosen 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. Please note the above applies for any periods of 'additional paternity leave' which may be granted to members in relation to babies due on or after 3 April 2011.

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 have a pension from my previous employment?

- You can ask The Pensions Trust to investigate whether a transfer is possible and if so, how much money could be transferred.
- The Pensions Trust will confirm to you how many units it would buy in your chosen fund in the Scheme. Please note that this quotation will not be guaranteed, and if the transfer went ahead, the number of units secured would be dependent on the unit price at the time the transfer value was received.
- The Scheme cannot receive transfers which include pension benefits from contracting-out of the additional State Pension.

What if I also contribute to a personal pension plan?

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').

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 Pensions Trust is directly answerable to its members – the employers who choose its pension schemes and the active members, pensioners and deferred members who belong to these schemes. The Pensions Trust is not an insurance company.

The Trustee Company

The Pensions Trust is governed by a Trustee Company called 'Verity Trustees Limited'. There are currently 14 Directors of the Company (all non-executive) – six elected by members, six elected by employers and two co-opted by the elected Directors.

Investments are managed independently by external authorised fund managers. Investment performance is reviewed regularly by The Pensions Trust's Investment Committee.

The State Pension Scheme and contracting-out

The State provides pensions on two levels:

- the basic State Pension; and
- the additional State Pension.

Basic State Pension

The basic State Pension is a flat rate pension and is based on your National Insurance Contributions. Your entitlement to the basic State Pension is not affected in any way by your membership of the Scheme.

At the time of updating this guide, the latest information regarding the changes to State Pension age, as published on the Directgov website, were as follows:

Currently, the State Pension age for men is 65. On 6 April 2010, the State Pension age for women started to increase gradually from 60 to 65 to match men's. This affects women born on or after 6 April 1950.

The Government has announced new proposals for increasing State Pension age. Under these new proposals women's State Pension age would increase more quickly to 65 between April 2016 and November 2018. From December 2018 the State Pension age for both men and women would start to increase to reach 66 by April 2020.

These new proposals would affect you if you were born between 6 April 1953 and 5 April 1960.

Any change to the timetable needs the approval of Parliament. The Government is also considering the timetable for future increases to the State Pension age from 66 to 68.

Up-to-date information on State Pensions can be found on the Directgov website via the following link: <http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/index.htm>

Additional State Pension

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

From April 2002 it became the State Second Pension (S2P).

Will membership of the Scheme affect my State Pension?

No. Neither the basic State Pension nor the additional State Pension are affected directly by your decision to join the DC structure of the Scheme. If you have already chosen to 'contract-out' through a Personal Pension Plan, this will not be affected by you joining the DC structure of the Scheme.

Can I arrange to contract-out?

Yes. As you are not contracted-out of the additional State Pension as a member of the DC structure of the Scheme, you can (if you wish) arrange an 'Appropriate Personal Pension' for contracting-out only, although these arrangements are to be abolished from 6 April 2012. This would mean that you would continue to pay full NICs and a proportion would be transferred by the State to your 'Appropriate Personal Pension' account. Should you wish to consider this option you should seek independent financial advice.

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, its Actuary and any necessary third parties as 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.

Scheme registration

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

- Transfers-in: Transfers from previous pension arrangements (excluding contracted-out rights) are accepted at your request into the DC structure of the Scheme, following your written agreement to the alternative pension rights offered. The Pensions Trust does not permit transfers-in by members who are no longer contributing to the Scheme, nor from those who are contributing to the DB structure of the Scheme unless their employer also provides access to the DC structure of the Scheme.
- Transfers-out: An estimate of the transfer value of your benefits will be provided on request. The same calculation will apply whether you are transferring your benefits to another pension scheme with The Pensions Trust or an alternative provider. A transfer is payable at your request and will represent the value of your units at the date of transfer.

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/beneficiaries 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 Scheme are set out in the Trust Deed and Rules which are the formal documents of the Scheme. This guide is intended to provide a clear and simple explanation of the main benefits you are entitled to from the Scheme.

If there is any conflict between the interpretation provided 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 and Markets 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.

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
Tel: 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 from the address on the back cover of this booklet, or alternatively downloaded from our website at www.thepensionstrust.org.uk

Further information about the Scheme, or your individual benefits, is available from The Pensions Trust.

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

Complaints procedure

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 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 Corporate Trustee. The result of your appeal should be provided within two months of your request.

The Pensions Advisory Service (TPAS)

TPAS 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
Tel: 0845 601 2923
Fax: 020 7592 7000
Email: enquiries@pensionsadvisoryservice.co.uk

Pensions Ombudsman

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

The Office of the Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Tel: 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
East Sussex
BN1 4DW
Tel: 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

The Annual Allowance is £255,000 for the 2010/11 tax year. However, if you earn £130,000 or more and you are considering making additional payments before 6 April 2011, further restrictions may apply. Please contact The Pensions Trust if this affects you.

From 6 April 2011, the Annual Allowance will reduce to £50,000 a year, although there will be provision to carry forward unused Annual Allowance from the previous three tax years.

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 40% on any increase in benefits above the Annual Allowance.

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 self-assessment tax return and also 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.

Until 5 April 2011, the input value in the tax year in which you retire will not count towards the Annual Allowance, as long as you have drawn all benefits in full from the Scheme or if you should die.

From 6 April 2011, the input value in the final tax year will not count if you should die, or in certain cases where retirement is due to ill-health. The Pensions Trust will inform you if this applies to you.

Benefits

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

Deferred Benefit

If you leave the Scheme before you retire and leave your benefits in the Scheme, this becomes known as a deferred benefit.

Lifetime Allowance

Each individual in the UK is allowed to accumulate pension benefits valued up to £1.8 million (the limit for the 2010/11 and 2011/12 tax years) without incurring any tax charge. From 6 April 2012 the Lifetime Allowance will reduce 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 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)

For pensions which commence from 6 April 2005, LPI is a commitment to increase pensions by inflation up to a maximum of 2.5% unless a 'level' pension has been chosen (see 'What choices will I have to make regarding my pension?' section).

Normal Pension Age (NPA)

is age 65 for your benefits in the Scheme unless a different age has been agreed with your employer.

Open Market Option (OMO)

is the option to transfer the value of your fund from the Scheme to an insurance company or other pension provider of your choice, to purchase your benefits on retirement.

Pensionable Earnings

is your basic salary or wage or otherwise as determined by your employer.

Pensionable Service

is your period of membership of the Scheme.

Protected Pension Age

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

The Scheme

is the Career Average Revalued Earnings (CARE) Pension Scheme.



The Pensions Trust

Verity House, 6 Canal Wharf, Leeds LS11 5BQ
tel: 0113 394 2553 fax: 0113 234 5599

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