



The Citrus Pension Plan
Level 13 Member's Guide

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Introduction

Welcome to the Members' Guide for Level 13 of the Citrus Pension Plan ('the Plan').

The Plan is an occupational pension scheme for non-associated employers. It is divided into sections and each employer (or group of employers) has its own section ('the Section').

There are a number of different benefit structures provided under the Plan. They are referred to as Levels 1 to 13.

This Members' Guide gives a brief introduction to the benefits payable under Level 13. However, the Plan is governed by a Trust Deed and Rules, and in the event of any inconsistency between this Members' Guide and the Trust Deed and Rules, the Trust Deed and Rules will take precedence. The Plan may be amended or terminated. Some technical terms are used throughout this Members' Guide. These are printed in **bold** and explained in the Glossary.

Summary of benefits under Level 13

-  A pension at retirement;
-  The option to convert part of your pension into a lump sum at retirement;
-  Annual increases to your pension in payment;
-  The option to retire early;
-  A pension if you retire on the grounds of **Incapacity** (providing you meet the relevant criteria);
-  A pension for your **Spouse and Children** when you die;
-  The option to increase your benefits by paying Additional Voluntary Contributions.

Membership

Can I join the Section as a Level 13 member?

You joined the Section as a Level 13 member if you are a **Former Level Two Member**.

An employer may also determine that a person or category of persons is eligible to become a Level 13 Member, subject to such conditions as the employer and Trustee may prescribe.

How much do I contribute?

The member contribution rate depends on how much you earn. The table below shows the **Pensionable Pay** bands and member contribution rates. **Active Members** pay the rate that applies to them, multiplied by their **Pensionable Pay**.

Pensionable Pay band	Member contribution rate
£0 - £41,865	9%
£41,866 and above	9.5%

What about salary sacrifice?

Some employers operate a salary sacrifice arrangement. Salary sacrifice essentially involves your salary being reduced by the amount of your pension contributions and you not being required to pay contributions to the Section.

Instead, your employer pays an additional contribution which is equal to the pay you sacrifice. As a result, under current legislation, both you and your employer pay less National Insurance contributions.

Your employer will notify you if you are eligible to participate in a salary sacrifice arrangement.

How much does my employer contribute to the Section?

Your employer contributes an amount agreed between your employer and the Trustee, having taken advice from the Scheme Actuary (a qualified, independent professional) to meet the balance of the cost of providing the benefits payable under the Section.

The contributions required will differ from time to time according to various factors, such as how well the Section's investments perform.

What tax relief do I get?

Under current legislation you automatically receive tax relief on your contributions at the highest rate of tax you pay.

For example, if you pay tax at the current basic rate of income tax (20%) this means that each £1 you pay in pension contributions only actually costs you £0.80. If you pay tax at the higher rate of income tax (40%), every £1 you pay will actually cost you £0.60.

What limits are there on contributions and benefits?

There are two limits on the amount of tax-privileged savings you can make. Both of these limits apply to the total of all pension benefits in all the tax-registered pension schemes you are a member of, not just the Section. Firstly, there is a limit on the value of tax-privileged benefits that you can build up each tax year. This is currently the lesser of:

- 100% of your total salary (or £3,600 if greater);
- and
- £40,000 for the 2015/16 tax year (the Annual Allowance).

For these purposes, the annual increase in the value of your pension, i.e. the pension you have accrued in that tax year, is multiplied by 16 to give it a capital value. This is added to any contributions you have made to a money purchase arrangement (e.g. Additional Voluntary Contributions). If the total exceeds the Annual Allowance, you will be subject to tax.

Secondly, there is a limit, known as the Lifetime Allowance, on the total value of the tax-privileged pension benefits you can accrue in your lifetime. Again, this applies to your benefits under all tax-registered pension schemes. For the 2015/16 tax year the limit is £1.25 million, but this will reduce to £1 million with effect from 6 April 2016.

Your pension benefit under the Section will be valued for these purposes when your benefits become payable by multiplying your initial annual pension by 20. This is then added to any money purchase benefits, in order to test the value of all of your benefits against the Lifetime Allowance.

If the total of your benefits payable under all tax-registered pension schemes is greater than the Lifetime Allowance you will be liable for a tax charge.

Can I pay extra contributions?

Yes – you can pay Additional Voluntary Contributions ('AVCs') as well as your standard contributions to the Section if you wish. The AVC arrangement works as a completely separate arrangement from your Level 13 benefits. The contributions you pay into this arrangement are credited to a notional 'pot' of money that will be used to provide benefits for you. Please contact the Plan Administrator, for more information.

How much there is in this pot will depend on the amount of contributions that have been paid, the investment choice, the way the investments have performed and any investment/administration charges. It is possible for the pot to decrease in value.

Can I transfer benefits from other pension schemes into the Section?

Yes – if the Trustee and your employer consent, you can transfer benefits you have built up in another pension scheme into the Section, as long as you request such a transfer within 12 months of joining the Section (unless your employer allows a longer period).

Remember that transferring your benefits into the Section may not necessarily be in your best interests. You should take independent financial advice before deciding to do this. To find an adviser in your area, you can visit www.unbiased.co.uk.



Benefits on retirement

What benefits will I receive if I retire on my Normal Retirement Date?

Your pension is calculated as:

 1/60th of the aggregate of your **Pensionable Pay** during the **Plan Year**, for each Plan Year during which you are in **Pensionable Service**;

plus

 Inflation increases at the beginning of each Plan Year equal to the lower of the increase in the Consumer Prices Index and 2.5% per annum.

Once your pension is in payment it will be increased in payment (see 'Will my pension increase?' below).

Can I take a lump sum?

If you wish, you can surrender part of your pension to provide a lump sum at retirement.

You can usually take up to 25% of the capital value of your pension when it comes into payment as a lump sum.

What if my pension is very small?

Under current legislation, if the total value of your benefits from the Section is £10,000 or less, and you are aged over 55 at the date of payment, you can take the entire amount as a single lump sum, regardless of the value of any benefits you might have in other pension schemes.

If the value of your benefits in the Section is above £10,000, but the aggregate value of your benefits from all tax-registered pension schemes you are in, amounts to no more than the amount permitted by tax legislation, currently £30,000, and you are aged over 55 at the date of payment, you will again be eligible to receive your whole pension as a one-off lump sum.

The first 25% of either lump sum payment will be tax-free under current legislation, with the other 75% subject to income tax at your highest marginal tax rate.

Can I take early retirement?

As long as you have at least two years' **Qualifying Service** you can retire on an immediate pension from age 60 without the Trustee's or your employer's consent.

You can also request to retire on an immediate pension from age 55, but your employer's consent is required.

Your pension will be calculated as set out above but will be reduced to take account of early payment. The amount of the reduction will be determined by the Trustee, having taken advice from the Scheme Actuary.

What if I have to retire early because of incapacity?

Your pension can start immediately if you have completed two years' Qualifying Service and are retiring due to Incapacity. Your early retirement pension is calculated as follows:

(i) Your pension calculated as set out under normal early retirement above;

plus

(ii) 1/120th of your aggregate **Pensionable Pay** for the remainder of the Plan Year during which you retire plus, for every other Plan Year which you would have completed had you remained an **Active Member** until your **Normal Retirement Date**, a further 1/120th of your **Pensionable Pay**.

Provided that the period of prospective service under (ii) cannot be more than the period of **Pensionable Service** you have completed (used to calculate (i) above).

Can I retire later than my Normal Retirement Date?

If you remain in Service after your **Normal Retirement Date** you will continue to accrue benefits in the Section until you leave Service, opt to leave **Pensionable Service** or reach age 75.

If you opt out of **Pensionable Service**, you can opt to receive your benefits on your **Normal Retirement Date** by giving the Trustee notice at least 30 days before your **Normal Retirement Date**. Thereafter you can opt to receive your benefits at any time, providing notice is given to the Trustee at least 30 days (or such shorter period as the Trustee may accept) prior to the proposed payment date.

When you decide to take your pension it is calculated as at the date you leave **Pensionable Service** and may be increased by the Trustee to reflect late payment.

Will my pension increase?

Your pension will be increased annually in payment by the lesser of the increase in the measure of inflation as provided in certain legislation (currently this is the Consumer Prices Index, however a different benchmark may be used in the future), and 5%.

If the percentage increase in inflation exceeds 5%, the Trustee shall ensure that the increase in the pension matches the increase in inflation provided that, after consultation with the Actuary, it considers that this can be done without an increase in the employer's normal annual contributions.

Death benefits

What if I die in Pensionable Service?

(a) Spouse's pension

If you die whilst in Pensionable Service having completed at least two years' Qualifying Service, a pension is payable to your Spouse.

Your Spouse's pension is equal to 50% of the pension that would have been payable to you had you retired on Incapacity pension the day you died.

(b) Children's pensions If you die whilst in Pensionable Service, having completed at least two years' Qualifying Service, a pension will be payable to or for the benefit of your Children.

The amount of pension payable to each Child (up to two Children) is $\frac{1}{4}$ of your pension if a Spouse's pension is payable and $\frac{1}{3}$ of your pension if no Spouse's pension is payable. For these purposes, your pension is the pension that would have been payable to you had you retired on Incapacity pension the day you died.

What if I die after my pension has started?

(a) Lump sum

If you die during the first five years of your pension starting, a lump sum will be payable. The lump sum will be equal to the pension payments you would have received in what remains of that five year period (ignoring future increases).

(b) Spouse's pension

Your Spouse will be entitled to a pension if you die after your pension starts. The Spouse's pension is 50% of your pension at the rate in force at the date of your death.

(c) Children's pensions

If you die after your pension starts, a pension will be payable to or for the benefit of your Children, up to a maximum of two Children.

The amount of pension payable to each child (up to two Children) is $\frac{1}{4}$ of your pension if a Spouse's pension is payable and $\frac{1}{3}$ of your pension if no Spouse's pension is payable.

What if I die after leaving Pensionable Service?

(a) Lump sum

If you die after leaving Pensionable Service, and after having completed at least 2 years' Qualifying Service, but before your pension starts, and no Spouse or Children's pension is payable, a lump sum equal to your own contributions, with interest determined by the Trustee, will be payable.

(b) Spouse's pension

If you die after leaving the Pensionable Service, and after having completed at least 2 years' Qualifying Service, but before your pension starts, a pension is payable to your Spouse. Your Spouse's pension is equal to 50% of the pension which would have been payable to you had it come into payment on the date of your death.

(c) Children's pensions

If you die after leaving Pensionable Service, a pension will be payable to or for the benefit of your Children, up to a maximum of 2 Children.

The amount of pension payable to each child (up to two Children) is $\frac{1}{4}$ of your pension if a Spouse's pension is payable and $\frac{1}{3}$ of your pension if no Spouse's pension is payable. For these purposes, your pension is the pension you would have received on the date of your death.



Leaving Pensionable Service

If you have less than three months' Qualifying Service

If you have not transferred in benefits from a personal pension scheme and if you leave **Pensionable Service** under the Section with less than three months' **Qualifying Service**, you will be entitled to receive a refund of your own contributions to the Section (with interest), along with a refund in respect of any AVCs that you have paid.

For AVCs, the refund will be equal to your notional pot, which may be more or less than the AVCs that you have actually paid.

Your refund will be subject to tax and reduced by your share of the cost of reinstating you into the State Second Pension.

If you have at least three months' Qualifying Service and less than two years' Qualifying Service

If you have not transferred in benefits from a personal pension scheme and you leave **Pensionable Service** under the Section with at least three months' **Qualifying Service** but less than two years' **Qualifying Service** you will be entitled to receive a refund of your own contributions to the Section (with interest).

Alternatively, you can choose to take a transfer payment to another Registered Pension Scheme.

If you have more than 2 years' Qualifying Service

You will be entitled to a pension from the Section payable from your **Normal Retirement Date**. This is referred to as a "preserved pension".

Your preserved pension will be increased each year from the date you leave **Pensionable Service** until the date your pension comes into payment by the lower of the increase in the Consumer Prices Index and 2.5% per annum.

You will be able to take your preserved pension before your **Normal Retirement Date** if you are aged 55 or over and have the consent of your employer. However, you will not need the consent of your employer if you are aged 60 or over.

Unless you are retiring due to **Incapacity**, your pension will be reduced to reflect its early payment if you retire before your **Normal Retirement Date** by an amount determined by the Trustee having considered advice from the Scheme Actuary.



Further information



The State Pension system

The Government currently provides two tiers of State pension: the Basic State Pension and the State Second Pension ('S2P').

The Basic State Pension is paid at a flat rate to everyone who has made sufficient National Insurance contributions throughout their working life.

The S2P is an additional pension paid on the basis of a proportion of your earnings, as calculated from your National Insurance records.

Level 13 provides benefits which enable the Section to be contracted-out of S2P.

Temporary absence because of illness

If you are temporarily absent from work because of illness your **Pensionable Service** will continue for so long as you are in service with your Employer. You will continue to pay contributions based on your actual paid earnings or the statutory benefits you receive for the period. Your benefits will be based on your **Notional Pensionable Pay**.

Family leave

Contributions and benefits in respect of periods of maternity leave, parental leave, adoption leave and other family leave are in accordance with statutory requirements. Please contact the Plan Administrator for more information.



Further information continued

Temporary absence other than because of illness or family leave

If you are temporarily absent for any reason other than illness or family leave you can continue to be in **Pensionable Service** as long as you give notice in writing to your Employer.

You will be required to pay contributions based on **Notional Pensionable Pay** and your benefits will be based on the **Notional Pensionable Pay** you would have received if you had not been absent.

Pensions on divorce

If you are married or in a civil partnership but get divorced whilst you are entitled to benefits under the Section the court may order that your benefits in the Section be split between you and your **Spouse** or civil partner.

If you require further information regarding pension sharing please contact the Plan Administrator. You should note that the divorcing couple must meet the costs of the extra administration created by a pension sharing order however, these charges are designed to be reasonable and easily understood.

Data protection

The Trustee is registered under the Data Protection Act 1998. The Trustee and your employer, as data controllers, both have a legal obligation and a legitimate interest in processing the data held about you for the purpose of operating the Plan. This may include passing on data about you to third parties involved with the Plan, such as the Plan Administrator and advisers, which will be done in accordance with the Data Protection Act 1998. In addition, from time to time, the Trustee may request your specific consent to the processing of certain data.

You have a right to request a copy of the personal details that are held about you and to check that these details are accurate.



Help and advice

If you have any queries about the information contained within this Members' Guide or about the Plan in general, or if you would like a copy of the Plan Annual Report, please contact the Plan Administrator at the address below:

Citrus Pension Plan
Capita Employee Benefits
2 Cutlers Gate
Sheffield
S4 7TL
Telephone: 0114 273 7331
Email: citrus@capita.co.uk

Alternatively, you may contact the Secretary to the Trustee, at the same address.

Complaints

Any concerns regarding the Plan and its administration should initially be raised with the Plan Administrator. If this does not produce a satisfactory response, and you wish to make a formal complaint, then you should contact the Secretary to the Trustee at the address above. There is also a formal Internal Dispute Resolution Procedure ('IDRP') you can follow; details of this are available from the Secretary to the Trustee.

The Pensions Advisory Service

The Pensions Advisory Service ('TPAS') is an independent organisation available at any time to assist scheme members and beneficiaries with queries or difficulties they have failed to resolve with their administrator or Trustee. TPAS can be contacted at the following address:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Tel: 0300 123 1047
www.pensionsadvisoryservice.org.uk



Help and advice continued

The Pensions Ombudsman

The Pensions Ombudsman can investigate and determine any complaint or dispute involving maladministration or matters of fact or law, provided the complaint has first been subject to the pension scheme's IDRPs (see above). The Pensions Ombudsman can be contacted at the following address:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: 020 7630 2200
www.pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator is able to intervene in the running of a pension scheme where trustees, employers, or professional advisers have failed in their duties. The Pensions Regulator can be contacted at the following address:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
Telephone: 0845 600 0707
www.thepensionsregulator.gov.uk

The Pensions Tracing Service

You can contact the Pensions Tracing Service, who may be able to help you if you have lost touch with a previous pension scheme. You can contact them at the following address:

The Pension Service
9 Mail Handling Site A
Wolverhampton
WV198 1LU
Telephone: 0345 6002 537
www.gov.uk/find-lost-pension



Active Member

Means a member who is employed by an employer in the Section and is making contributions to the Section.

Children/Child

Means a child of a member who is:

-  under 18;
- or
-  under 23 and in full-time education or professional or vocational training which will last for at least two years;
- or
-  unable to support himself due to physical or mental incapacity

Former Level Two Member

Means an employee who was employed by SRUC and who was in pensionable service accruing benefits under the Level 2 Rules immediately before 1 February 2015.

Incapacity

Means physical or mental incapacity which, in the opinion of the employer and in respect of which the Trustee has received evidence from a registered medical practitioner;

-  is permanent;
- and
-  prevents the Member from following his normal occupation

Normal Retirement Date

Means a Member's 65th birthday.

Notional Pensionable Pay

Means in respect of a member who is absent from work, Pensionable Pay calculated on the basis that he was working normally and receiving remuneration likely to have been paid for so doing as decided by the employer from time to time.

Pensionable Pay

Means the annual rate of salary and wages payable to a Member in respect of his contractual hours of employment together with such further payments in respect of his employment as are notified to him by the employer as being pensionable.

Pensionable Service

Means service as a Member accruing benefits under Level 13

Qualifying Service

Means, in respect of a Member, the aggregate of any periods of **Active Membership** in the Plan, including, in respect of a **Former Level Two Member**, periods of service which qualify him for benefits under the Level Two Rules.

Spouse

A **Spouse** means a person who at the date of the Member's death,

-  was married to the Member, whether of the opposite or same sex;
- or
-  was in a civil partnership with the Member (as defined by the Civil Partnership Act 2004)



