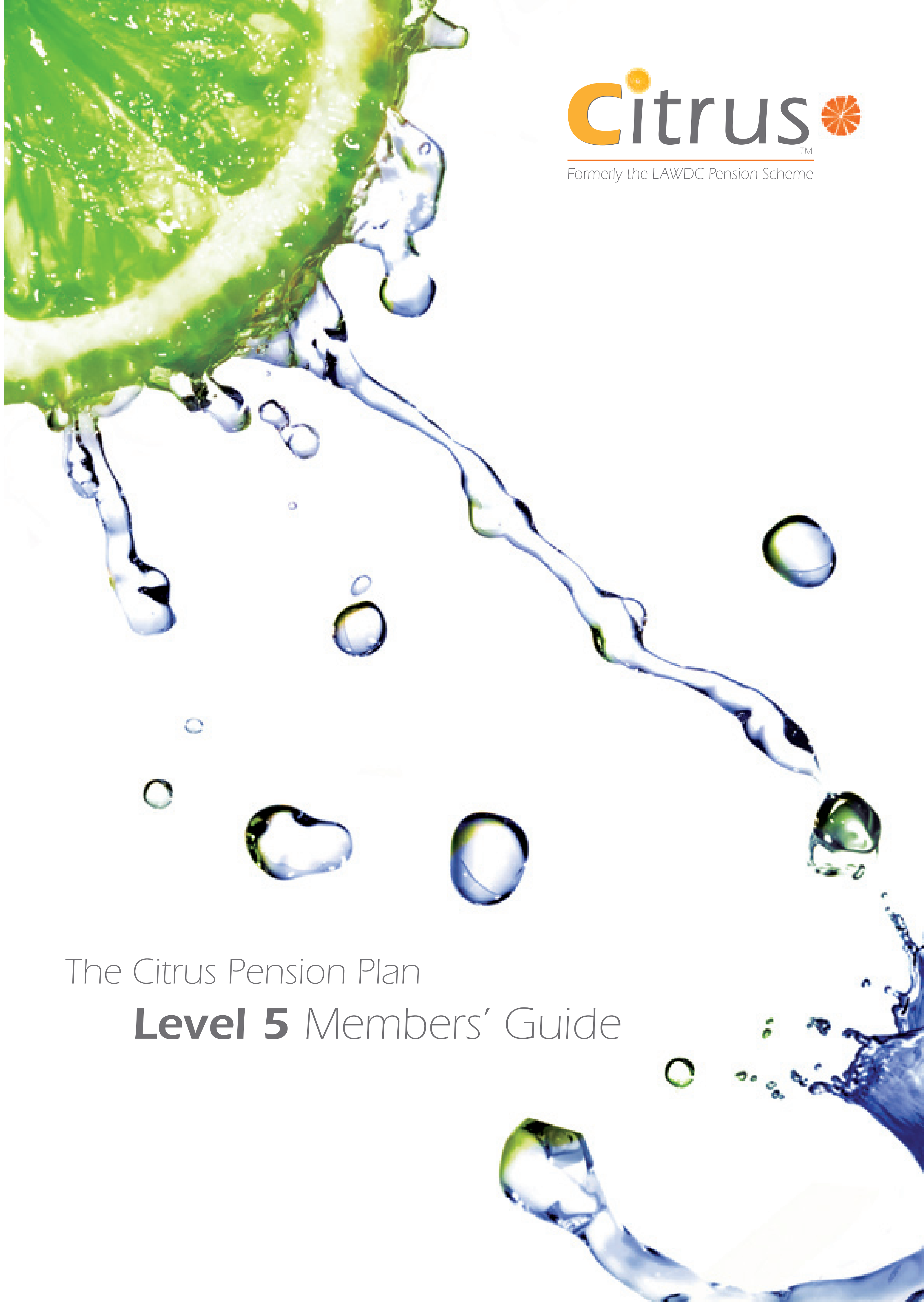
Citrus™

Formerly the LAWDC Pension Scheme



The Citrus Pension Plan
Level 5 Members' Guide

Contents

Introduction

Welcome to the Members' Guide for members of Level 5 Sections of the Citrus Pension Plan.

Membership of the Citrus Plan is one of the most valuable benefits offered by your employer. This booklet gives a brief introduction to the benefits to which you are entitled as a member of the Plan.

The Plan is governed by a Trust Deed and Rules, and in the event of any inconsistency between the two, the Trust Deed and Rules will override this booklet.

Some technical terms are used throughout the booklet. These are printed in **bold** and explained in the Glossary on page 14.

Summary of Plan benefits

- *A pension and lump sum (called a retiring allowance) at retirement based on your earnings and length of service*
- *Annual increases to your pension*
- *The option to take a tax-free cash lump sum at retirement*
- *The option to retire early*
- *A pension if you retire on grounds of ill health*
- *A pension for your spouse and allowances for your children when you die*
- *The option to increase your benefits by paying Additional Voluntary Contributions*

Please note that the Citrus Plan, because of being a multi-employer pension scheme, has a number of different subsections within each of the main sections. Because there are relatively few members of each of the smaller subsections of the Plan, we have included appendices at the back of the booklet detailing special provisions that apply to members of such subsections. Unless otherwise is noted in these appendices, benefits are the same as in the main body of the booklet. However, remember that you can always contact the Plan Administrator if you are unsure about anything – their contact details are shown on page 12.

Membership of the Plan

Can I join the Plan?

You can join the Plan if:

- You are eligible – your employer will tell you if you are eligible to join the Plan.
- You are between the ages of 16 and 65.

If you fulfill these criteria you will automatically become a member of the Plan unless you tell your employer within three months that you do not wish to join the Plan.

If you are a casual worker and you wish to join the Plan, you should notify your employer in writing within 30 days of commencing employment, and you will become a member from that date. If you don't give your employer notice within 30 days, you will join the Plan on the first day of your next pay period.

How much do I contribute?

You must contribute 6% of your pensionable salary, unless you are a Lower Rate Rights Member, in which case you contribute 5%.

How much does my employer contribute to the Plan?

Your employer contributes enough to meet the balance of the cost of providing your pension. This amount will vary according to various factors, such as how well the Plan's investments perform. The Plan's appointed Actuary (a qualified, independent professional) values the fund every three years and decides how much your employer must contribute to ensure that benefits can continue to be paid in the future. Your employer also pays the costs of providing your benefits if you die before retirement (see page 8).

What tax relief do I get?

You will automatically receive tax relief on your contributions, at the highest rate of tax you pay. 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. And if you are a higher rate taxpayer, each £1 you pay costs you just £0.60.

What about National Insurance?

Because you are a member of a contracted-out scheme, both you and your employer pay lower National Insurance contributions. This means that you do not build up entitlement to the Second State Pension (S2P) (see page 11 for further details). The Plan provides you with benefits in place of S2P.

Up to 5 April 1997 these benefits were known as the Guaranteed Minimum Pension (GMP), and there are various requirements that the Plan had to satisfy to ensure that every member receives benefits at least equal to the GMP.

Since 6 April 1997, the basis on which schemes contract out has altered. This means that you do not build up any GMP after this date, though the Plan must still meet certain specifications to ensure that your benefits are at least as good as those you would receive from S2P.

What about salary sacrifice?

Some employers operate a salary sacrifice arrangement – you will be told if your employer is one of these. Salary sacrifice is an increasingly popular device to reduce the cost of pensions. Essentially, it involves your salary being reduced by the amount of your pension contributions and those contributions instead being paid directly by the employer to the Plan.

The reason for doing this is that the lower level of pay means National Insurance contributions are reduced both for employers and employees.

If you participate in the salary sacrifice arrangement your pensionable salary used to calculate your benefits on retirement will be calculated ignoring the amount you have sacrificed – so you are not disadvantaged in any way by the decision to enter this arrangement.

Can I pay extra contributions?

Yes – you can pay Additional Voluntary Contributions (AVCs) as well as your standard contributions to the Plan if you wish.

There are two separate types of AVCs – money purchase AVCs and AVCs used to buy added years of **Reckonable Service**.

The money purchase AVC arrangement works as a completely separate arrangement to the main Citrus Pension Plan – the contributions you pay into this arrangement are kept in a 'pot' of money to provide benefits for you when you come to retire. This pot of money is also credited with whatever investment returns it achieves. This pot can then be used to purchase additional benefits. For more information, contact the Plan Administrator, Capita Hartshead, whose details can be found on page 12.

Added years AVCs work differently. As the name suggests, you effectively 'buy' extra periods of service in the Plan which count towards your pension in the same way as the rest of your **Reckonable Service** when you come to retire. The cost of buying such extra service is set by the Plan Actuary in consultation with the Trustees – contact the Plan Administrator to find out more.

What limits are there on contributions and benefits?

On 6 April 2006 a new tax regime came into force for pension schemes. There are now two limits on the amount of tax-privileged savings you can make. Both these limits apply to your total pensions savings in all the pension funds you have, not just your pension in the Citrus Plan.

Firstly, the Annual Allowance limits the total tax-privileged pension contributions you can make each year to the lesser of:

- 100% of your total salary (or £3,600 if greater)

  and

- £245,000 for the 2009/10 tax year (this limit may increase in future tax years).

Secondly, the Lifetime Allowance limits the total amount of your tax-privileged pension fund on retirement. For the 2009/10 tax year the limit is £1.75m, so if the aggregate total of all your retirement savings is greater than this amount your benefits will be subject to heavy tax penalties (this limit may also increase).

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

If the Trustees and your employer consent, you can transfer benefits you have built up in another pension scheme into the Citrus Pension Plan, as long as you request such a transfer within the first 12 months of your membership of the Citrus Pension Plan.

Remember that transferring your benefits into the Citrus Pension Plan may not necessarily be in your best interests – you should take independent financial advice before deciding to do this. If you need 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?

You will receive a **Scheme Pension** and a **Retiring Allowance**.

Your **Scheme Pension** is calculated as:

> 1/80 x ***Pensionable Remuneration*** x ***Reckonable Service***.

Plus any benefits in respect of pension transferred in from another scheme.

Your **Retiring Allowance** is calculated as:

> 3/80 x ***Pensionable Remuneration*** x ***Reckonable Service***.

Can I take a larger lump sum?

If you wish, you can surrender part of your pension to provide extra lump sum on top of your **Retiring Allowance**. You can usually take up to 25% of the total value of your pension fund as a lump sum – for these purposes the value of your pension fund is taken to be your initial annual pension multiplied by 20. However, remember that your pension will be reduced if you do chose to take a larger lump sum.

Your pension will be reduced by a factor determined by the Trustees after consultation with the Plan Actuary. Contact the Plan Administrator, Capita Hartshead, for more details of this option.

Can I take early retirement?

You can retire from age 50 (or age 55 from April 2010 onwards) without your pension being reduced, in respect of early payment, if you have been obliged to retire because of redundancy or on the grounds of business efficiency.

You can retire from age 50 (or age 55 from April 2010 onwards) if your employer consents, and from age 60 regardless of whether your employer consents. However, your pension will be reduced in respect of its early payment. The amount of reduction will be determined by the Trustees after consulting the Plan Actuary.

What if I have to retire early because of ill health?

If you have between one and two years' service:

If you are forced to retire early because of ill health, and you have between one and two years' actual service, you will receive an ill health retirement grant. This will be calculated as:

> 1/12 x ***Pensionable Remuneration*** x ***Reckonable Service***.

If you have between two and five years' service:

You can take an unreduced pension calculated as described in the 'early retirement' section above at any age if you have to retire due to ill health and you have between two and five years' service.

If you have at least five years' service:

Pre-January 2003 Members

If you have at least five years' **Total Service** and you retire because of ill health, your **Reckonable Service** will be increased as follows:

- Where your **Reckonable Service** totals less than 10 years, by doubling your **Reckonable Service**;
- Where your **Reckonable Service** totals between 10 and 13 years and 4 months, by increasing your **Reckonable Service** to 20 years;
- Where your **Reckonable Service** exceeds 13 years and 4 months, by adding an extra 6 years and 8 months.

However, your **Reckonable Service** must not exceed the lesser of the service you could have accrued up to age 65 and 40 years.

Post-January 2003 Members

If you have at least five years' **Total Service** and you retire because of ill health, your **Reckonable Service** will be increased as follows:

- Where your **Total Service** totals less than 10 years, by doubling your **Total Service** and then deducting any service not transferred from the **Previous Scheme** and your **Reckonable Service**;
- Where your **Total Service** totals less than 20 years, by increasing your total **Reckonable Service** to 20 years by doubling your **Total Service** and then deducting any service not transferred from the **Previous Scheme**; or
- Where your **Total Service** exceeds 13 years and 4 months, by adding an extra 6 years and 8 months.

However, your **Reckonable Service** must not exceed the lesser of the service you could have accrued up to age 65 and 40 years.

Can I retire later than my Normal Retirement Date?

If you have the consent of your employer, you can remain in the Plan after your **Normal Retirement Date**. You can continue to pay contributions to the Plan, and your benefits will be calculated in exactly the same way as at **Normal Retirement Date** when you choose to take them. Unless you are a Pre-20 May 1999 Member, you can also opt to have your retirement benefits calculated using the benefits that had accrued up to your **Normal Retirement Date**, and then increased to take account of late payment – the amount of the increase will be determined by the Trustees after consultation with the Plan Actuary.

You must take your pension by age 75.

What if my pension is very small?

If your total pension fund (from all pension schemes you have, not just the Citrus Plan) amounts to 1% or less of the Lifetime Allowance when you come to retire, you will be able to take your whole pension as a lump sum – this is called trivial commutation. You can find details of the Lifetime Allowance on page 5.

The first 25% of this trivial commutation lump sum will be tax-free, but the other 75% will be taxed at your usual rate.

Will my pension increase?

Unless your employer has opted to cap pension increases, pensions in payment will increase in line with the Retail Prices Index in the previous calendar year. Deferred pensions will also increase by this amount.

If your employer has opted to cap pension increases, then pensions and deferred pensions will increase in line with the Retail Prices Index capped at 2.5%.

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What if I die whilst an active member of the Plan?

(a) Lump sums

If you die whilst a contributing member of the Plan, a lump sum will be payable. This will be calculated as twice your **Pensionable Remuneration** at the date of your death.

If you are in full-time employment and you die aged 65 or over, this lump sum will be increased to the greater of:

*Twice your **Pensionable Remuneration** as described above;*

or

*3/80 x **Pensionable Remuneration** x **Reckonable Service.***

Note that such increases do not apply to Pre-20 May 1999 members.

(If you are a part-time member and you die in service, your **Pensionable Remuneration** will be calculated as if you were a full time employee for these purposes.)

If you are survived by a spouse, the lump sum will increase by a quarter of your **Pensionable Remuneration**, and if you are survived by a spouse and child/children it will be increased by a half of your **Pensionable Remuneration**.

Anyone entitled to a pension in the event of your death may be able to convert this to a lump sum depending on regulations made by Her Majesty's Revenue and Customs (HMRC).

(b) Spouse's pensions

If you joined the Plan before 1 November 2004:

If you have at least two years' **Total Service**, or if you have transferred in pension from a previous scheme, an annual pension will be payable to your spouse, as well as the lump sum. This pension will be equal to half the pension to which you would have been entitled had you retired on the day you died. If you were a Pre-January 2003 member and have at least five years' **Total Service**, your pension will be increased for these purposes in the same way as if you had retired due to incapacity.

If you have less than two years' **Total Service**, a spouse's pension will be payable, calculated as:

1/160 x **Pensionable Remuneration** x **Total Service**.

If you joined the Plan after 1 November 2004:

If you have at least three months' **Total Service**, or if you have transferred in pension from a previous scheme, an annual pension will be payable to your spouse, as well as the lump sum. This pension will be equal to half the pension to which you would have been entitled had you retired on the day you died. If you were a Pre-January 2003 member and have at least five years' **Total Service**, your pension will be increased for these purposes in the same way as if you had retired due to incapacity.

If you have less than three months' **Total Service**, a spouse's pension will be payable, calculated as:

*1/160 x **Pensionable Remuneration** x **Total Service**.*

(c) Children's pensions

An annual pension will be payable to your children if they are aged under 18 or are in full-time training which will last at least two years, or they are unable to support themselves due to physical or mental incapacity (in either case limited to a maximum age of 23 if you joined the Plan after 6 April 2006).

This pension will be calculated (as a minimum) using the pension that would have been payable to you had you completed 10 years' **Reckonable Service**, or **Reckonable Service** to age 65 if less. The amount of pension will be:

Number of children	*Proportion of your pension had you retired due to incapacity on the day you died*
1	*¼*
2 or more	*½*

This amount will be increased if no spouse's pension is payable, as follows:

Number of children	*Proportion of your pension had you retired due to incapacity on the day you died*
1	*1/3*
2 or more	*2/3*

Where there are two or more children, the pension will be divided among the children as the Trustees see fit.

What if I die after I have retired?

(a) Lump sums

If you die during the first five years of your retirement, a lump sum will be payable to your spouse or other dependants, as well as a spouse's pension. The lump sum will be calculated as the value of five years' worth of pension payments, minus the payments you actually received before your death (for example if you had received four years of pension payments the lump sum will be one year of pension payments).

Note that for these purposes, the value of your pension payments exclude inflation based on the Retail Prices Index (RPI).

Anyone entitled to a pension in the event of your death may be able to convert this to a lump sum depending on regulations set by HMRC. Note that your spouse will only be able to do this if you die before age 75.

(b) Spouse's pension

Your spouse will be entitled to a pension of a half of the pension you were entitled to at the date of your death, ignoring any surrender of pension you made to provide extra spouse's pension and any actuarial reduction to your pension if you retired before your **Normal Retirement Age**.

(c) Children's pensions

An annual pension will be payable to your children if they are aged under 18 or are in full-time training which will last at least two years, or they are unable to support themselves due to physical or mental incapacity (in either case limited to a maximum age of 23 if you joined the Plan after 6 April 2006). The amount of pension will be:

Number of children	*Proportion of your pension on the day you died*
1	*¼*
2 or more	*½*

This amount will be increased if no spouse's pension is payable, as follows:

Number of children	*Proportion of your pension on the day you died*
1	*1/3*
2 or more	*2/3*

Where there are two or more children, the pension will be divided among the children as the Trustee sees fit.

And, for the purposes of calculating children's pensions, your pension will be calculated ignoring any surrender of pension you made to provide extra spouse's pension and any actuarial reduction to your pension if you retired before your **Normal Retirement Age**.

What if I die after leaving service?

(a) Lump sums

If you die after leaving the service of the employer but before your deferred pension becomes payable, a lump sum will be payable. The amount of this will be three times your deferred pension entitlement.

Anyone entitled to a pension in the event of your death may be able to convert this to a lump sum depending on regulations set by HMRC. Note that your spouse will only be able to do this if you die before age 75.

(b) Spouse's and childrens' pensions

These will be calculated in the same way as described for death in retirement but based on your deferred pension.

Who will receive the lump sum?

The lump sum is paid at the discretion of the Trustees, which means that it is generally paid free from inheritance tax. The Trustees will make every effort to pay the lump sum as you would have wished, but they can only do this if you have completed a Nomination Form. You must also keep your Nomination Form up-to-date as your circumstances change.

Leaving the Plan

If you have less than three months' Total Service

You can opt to leave the Plan, and you will receive a refund of your own contributions to the Plan (with interest), along with any Voluntary Contributions you have paid. Your refund will be subject to tax (currently 20% on the first £10,800 and 40% above this), and you will also be reinstated into the State Pension Scheme for the period of your membership of the Plan and will therefore acquire rights to S2P for this period.

Alternatively you can also choose to transfer your pension within the Citrus Plan to another pension scheme such as a personal pension or a new employer's scheme.

If you have between three months and two years' Total Service

You will be entitled to either a cash transfer sum or a contribution refund as described above.

If you have at least two years' Total Service

You will be entitled to either a cash transfer sum or a deferred pension within the Plan.

If you leave your pension in the Citrus Plan between the date you leave the Plan and the date you retire, your pension will be increased each year to help prevent its value being eroded by inflation. The amount of increase each year will be the rate of increase to the Retail Prices Index, (which may be capped at 2.5% per annum – see pensions increases on page 7).

You will still be able to take your pension before **Normal Retirement Date** if you have a deferred pension. Your pension be reduced if you retire early, unless:

- You suffered from incapacity at the time you left active service;
- You retire from age 50 onwards (or age 55 from April 2010) and the employer consents on compassionate grounds.

You may also be able to take your deferred pension early if your service and your age add up to 85 or more – contact the Plan Administrator for more details on this.

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 earnings, as calculated from your National Insurance records (S2P replaced the State Earnings Related Pension Scheme or SERPS in April 2002).

Members of the Citrus Pension Plan are automatically contracted out of S2P. This means that you pay reduced National Insurance contributions and the money you would have paid in contributions to S2P is invested in your pension instead. The Plan becomes responsible for providing pension benefits equivalent to or better than those to which members would have been entitled under S2P. On retirement you then receive the Basic State Pension plus your pension from the Citrus Pension Plan. You do not build up entitlement to S2P during your period of membership of the Plan.

If you were contributing to SERPS or S2P prior to joining the Plan, you will be entitled to any pension built up during this period when you retire.

Guaranteed Minimum Pension (GMP)

So that members are not disadvantaged by contracting-out, the Citrus Pension Plan must satisfy the Government that it provides a minimum level of benefits.

From April 1978 to 6 April 1997 this level of benefits was defined as a GMP. The Plan is required to provide a GMP to members in respect of any service prior to 6 April 1997. This means that the balance of your pension fund, after any lump sums or early retirement pensions have been deducted, must be sufficient to pay the GMP due to you at State Pension Age. This places certain limits on the benefits you can take from the Plan in some circumstances; for example you may not be able to take your maximum possible lump sum entitlement when you retire if this would reduce your residual pension to less than your GMP. You will be told if any such limits apply to you at the relevant time.

Annual increases to the GMP part of your pension are different to those applied to the rest of your pension. Your GMP pension is increased by the Plan and the State. The Plan will pay increases in line with the Retail Prices Index, up to a maximum of 3%, in respect of service after April 1988. Any additional increases needed to keep pace with inflation will be paid by the State.

From 5 April 1997 the Plan has had to pass a 'reference scheme' test in order to remain contracted-out. To do this the Plan must prove that it can provide benefits that are equivalent to, or better than, those described in the test. Because the Plan has met the test standard it can remain contracted-out, and none of the benefits accrued after April 1997 need to be treated separately to provide a GMP.

Temporary absence

If you are temporarily absent because of illness, your service in the Plan will continue. You will continue to pay contributions based on your actual earnings.

If you are temporarily absent for any other reason, your service will usually continue as long as there is a reasonable expectation that you will return to your job and you do not join another pension scheme, regardless of whether you are still receiving pay. However, you must give at least 30 days' notice in writing to your employer of your leave of absence, and you must continue to contribute to the Plan for at least 36 months on the basis of the earnings you would have received but for your absence.

Family leave

Periods of maternity, paternity, parental or adoption leave are counted as **Reckonable Service**. Any contributions payable will be based on the actual pay you receive during these periods of absence. During any periods of unpaid family leave, you will not be required to contribute to the Plan.

Part-time working

Periods of working part-time will also count towards your **Reckonable Service**, unless you opt to cease your active membership of the Plan. When calculating your benefits on retirement, your service will be converted to its full time equivalent value. For more information please contact the Plan Administrator.

Further information continued

Pensions on divorce

For divorce proceedings commencing after 1 December 2000, pension rights in the Plan may be split between a member and their Spouse/ex-spouse. Your legal adviser will recommend the most suitable course of action for you, but if you require further information regarding pension sharing please contact the Plan Administrator, Capita Hartshead. 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 Trustees have registered the Plan under data protection legislation, and 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.

The Trustees 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 other advisers, which will be done in accordance with the Data Protection Act 1998. In addition, from time to time the Trustees may request your specific consent to the processing of certain data.

Civil partnerships

Please note that throughout this booklet, references to a 'spouse' are taken to include registered civil partnerships following the Civil Partnership Act 2004.

Help and advice

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

Citrus Pension Plan
Capita Hartshead
257 Ecclesall Road
Sheffield
S11 8NX
Tel: 0114 273 7331

Alternatively, you may contact the Secretary to the Trustees, 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 Trustees at the address above. There is also a formal internal dispute resolution procedure you can follow; details of this are available from the Secretary to the Trustees. If your complaint cannot be settled internally and you are not satisfied with the decision under the internal dispute resolution procedure then you can contact the organisations opposite.

Further help

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 Trustees. TPAS can be contacted at the following address:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Tel: 0845 601 2923
www.pensionsadvisoryservice.org.uk

If TPAS is unable to reach a satisfactory decision or feels your case is too complex, you can ask for your query to be passed to the Pensions Ombudsman.

The Pensions Ombudsman

The Pensions Ombudsman can investigate and determine any complaint or dispute involving maladministration or matters of fact or law, where the complaint has first been subject to the pension scheme's formal disputes resolution procedure and passed to TPAS. The Pensions Ombudsman can be contacted at the following address:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: 020 7834 9144
www.pensions-ombudsman.org.uk

The Pensions Regulator

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

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
Telephone: 0870 606 3636
www.thepensionsregulator.gov.uk

The Pensions Tracing Service

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

Pensions Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA
Telephone: 0845 6002 537
www.thepensionservice.gov.uk

Glossary

CARE Reckonable Service

This means your service on or after 1 April 2007 whilst an active member of the Level 5 WRG Section (see Appendix 2 for more details).

Normal Retirement Date

In respect of service up to 28 February 2007:

If you were a member of the **Previous Scheme** on 31 March 1998 or you were a Level 1 member immediately before becoming a Level 5 member:

Your **Normal Retirement Date** is the earlier of:

- The day before your 65th birthday

  and

- The day you reach age 60 if you have 40 years' **Reckonable Service**, or the date you reach 40 years' service if you are aged 60 or over.

If you were not a member of the **Previous Scheme** on 31 March 1998 or you were a Level 1 member immediately before becoming a Level 5 member:

- Your **Normal Retirement Date** is your 65th birthday

In respect of service up to 28 February 2007:

- The day before your 65th birthday

Pensionable Remuneration

This is the greater of:

- Your pensionable earnings in the last 12 months of active membership

  or

- Your pensionable earnings in either of the two preceding years.

If you are a part time employee, your pensionable earnings will be calculated on the basis of your full-time equivalent earnings.

If you receive bonuses or extra pay which your employer tells you are pensionable, these will be averaged over the three years prior to your retirement.

Previous Scheme

This is the statutory scheme administered in accordance with the Local Government Pension Schemes Regulations 1995 as amended.

Reckonable Service

If you work full-time, this means your years and days as an active member of the Plan.

If you work part-time, this is the proportion of years and days that your weekly hours bear to those you would have worked if full-time. For certain purposes, however, your service will not be proportionately reduced in this way – contact the Plan Administrator if you would like further details on this point.

Scheme Year

The 12 calendar months commencing 1 April each year.

Total Service

This is the aggregate of:

- Your **Reckonable Service**

  and

- Periods of employment that qualify you for benefits under the **Previous Scheme**.

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Appendix 1

Special provisions for Level 5 Lifeskills (VT Careers Management) Members

This appendix applies to Level 5 Members who were members of the GEG Pension Scheme immediately before joining the Plan and who were notified by VT Careers Management that they would accrue benefits under this section.

The majority of the Plan's rules are the same for Level 5 Lifeskills (VT Careers Management) members – the rules that differ from the main Level 5 Rules are noted below. If you are in any doubt about the rules applying to you, remember that you can contact the Plan Administrator, Capita Hartshead, whose details are shown on page 12.

Retirement benefits

The right to retire from age 50 with an unreduced pension if you retire because of redundancy or in the interests of business efficiency does not apply to Level 5 Lifeskills (VT Careers Management) Members.

Appendix 2
Special provisions for Level 5 WRG Members

These special provisions relate only to Level 5 WRG members.

The majority of the Plan's rules are the same for Level 5 WRG members – the rules that differ from the main Level 5 section are noted below. If you are in any doubt about the rules applying to you, remember that you can contact the Plan Administrator, Capita Hartshead, whose details are shown on page 12.

Contributions

You can choose to contribute:

- If you are a Standard member, you can pay 6% or 9% of your pensionable earnings
- If you are a Lower Rate Rights member, you can pay 5% or 8% of your pensionable earnings

Retirement benefits

In respect of service up to 31 March 2007:

- You will receive a **Scheme Pension** and a **Retiring Allowance**.

In respect of service after 31 March 2007:

- If you are a Standard 6% member or a 5% Lower Rate Rights member – you will receive a **Scheme Pension**.
- If you are a Standard 9% member or a 8% Lower Rate Rights member – you will receive a **Scheme Pension** and a **Retiring Allowance**.

How is my Scheme Pension calculated?

In respect of service up to 31 March 2007:

*1/80 x **Pensionable Remuneration** at 1 April 2007 (and increased each year by the increase to the Retail Prices Index capped at 5%) x **Reckonable Service** up to 1 April 2007.*

In respect of service after 31 March 2007:

In the case of a Standard 6% member or a 5% Lower Rate Rights member:

A pension based on the total pension accrued during **CARE Reckonable Service** calculated as follows:

*1/70 x **Pensionable Earnings** for each **Scheme Year** in which you accrue 12 months' **Reckonable Service** (and a proportionate amount for part year).*

In the case of a Standard 9% member or a 8% Lower Rate Rights member:

A pension based on the total pension accrued during **CARE Reckonable Service** calculated as follows:

*1/80 x **Pensionable Earnings** for each **Scheme Year** in which you accrue 12 months' **Reckonable Service** (and a proportionate amount for part year).*

Each year the pension earned in respect of previous years' **CARE Reckonable Service** will be increased to help it keep its value against inflation. The amount of the increase will be the same as the increase to the Retail Prices Index, capped at 2.5%.

Your Retiring Allowance will be calculated as:

In respect of service up to 31 March 2007:

*3/80 x **Pensionable Remuneration** at 1 April 2007 (and increased each year by the increase to the Retail Prices Index capped at 5%) x **Reckonable Service** up to 1 April 2007.*

In respect of service after 31 March 2007:

In the case of a Standard 6% member or a 5% Lower Rate Rights member:

*You will not receive a **Retiring Allowance** in respect of this service.*

In the case of a Standard 9% member or a 8% Lower Rate Rights member:

A pension based on the total pension accrued during **CARE Reckonable Service** calculated as follows:

*3/80 x **Pensionable Earnings** for each **Scheme Year** in which you accrue 12 months' **Reckonable Service** (and a proportionate amount for part year).*

Each year the pension earned in respect of previous years' **CARE Reckonable Service** will be increased to help it keep its value against inflation. The amount of the increase will be the same as the increase to the Retail Prices Index, capped at 2.5%.