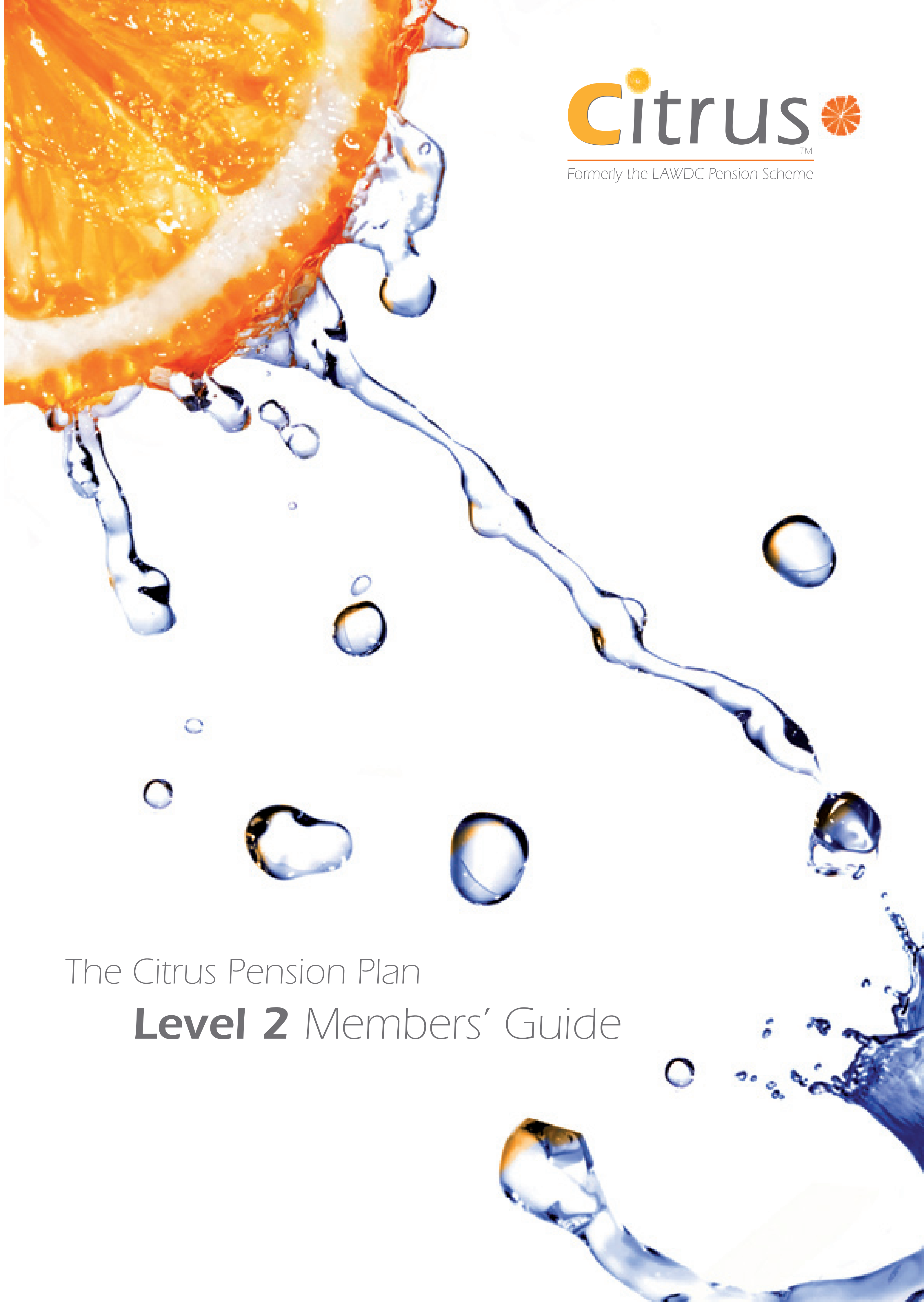

Citrus™

Formerly the LAWDC Pension Scheme

The Citrus Pension Plan
Level 2 Members' Guide

Contents

Introduction

Welcome to the Members' Guide for members of Level 2 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 15.

Summary of Plan benefits

- A pension at retirement based on your earnings and length of service
- Annual increases to your pension
- The option to take an additional tax-free cash lump sum at retirement by reducing your pension
- 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 13.

Membership of the Plan

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Can I join the Plan?

You can join the Plan if:

- You are a permanent or fixed term employee

  and

- You work at least 16 hours per week.

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

How much do I contribute?

You will contribute 6% of your **Pensionable Pay**.

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 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). 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. Note that this option is not available for a HIPS Member or a Shanks Member; see Appendix 2.

There are two separate types of AVCs – money purchase AVCs and AVCs used to buy added years of **Pensionable 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 any 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 13.

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 **Pensionable 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 occupational 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 stop paying contributions?

You can opt out of the Plan at any time by written notice. You can also cease paying contributions if your accrued pension reaches $^2/_3$ of your **Final Pensionable Pay** – you must give your employer 30 days' written notice if you wish to do this. Note that this Rule does not apply to Earth Tech Members.

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

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

You will receive a pension calculated as:

$\frac{1}{60}$ x ***Final Pensionable Pay*** x ***Pensionable Service***

Plus any past service benefits you have transferred into the Plan from a previous pension scheme.

What if I want to take early retirement?

Currently, you can retire from age 50 if your employer consents and you have at least two years' **Qualifying Service**, but from April 2010 new legislation means that the earliest you will be able to retire is 55. If you wish to take early retirement you must make a written request to the Trustees. From age 60, you can retire early without the consent of your employer, unless you are an Earth Tech member (in which case you still need your employer's consent).

Your pension may be reduced in respect of early payment. The Rule of 85 applies to your pension accrued in respect of service before December 2006.

The Rule of 85 states that you can retire before your **Normal Retirement Age** if your age and your **Pensionable Service** add up to at least 85. So, if you're 59 and you have 26 years' **Pensionable Service**, you can retire without your pension being reduced.

If you elect to retire before the earlier of your Rule of 85 Date and your **Normal Retirement Age**, the Trustees will reduce your benefits accrued before December 2006 to take account of its early payment after taking the advice of the Plan Actuary.

If you retire before your Normal Retirement Date, your pension accrued after December 2006 will be reduced in respect of its early payment.

However, please note that your pension will not be reduced if you retired because of ill health, or you are aged at least 50 and your retirement is due to redundancy.

What if I retire early through ill health?

If you are forced to retire early because of ill health, and you have either got two or more years' **Qualifying Service** in the Plan, or you have transferred benefits from a previous pension scheme into the Citrus Plan, you will be able to receive standard retirement benefits as described above at any age without reduction. (Note that, if you are an Earth Tech Member, your employer must give consent for this).

If you have more than two years' **Qualifying Service**, and you retire on grounds of incapacity, you will be entitled to the standard retirement benefits but increased by half of your potential service up to your **Normal Retirement Date**. So, for example, if you retired because of ill health at age 40, your potential service up to your **Normal Retirement Date** would be 25 years, so your actual **Pensionable Service** would be increased by 12.5 years.

However, the extra **Pensionable Service** granted to you in these circumstances must not exceed your actual **Pensionable Service**. And, the resulting pension must not exceed $\frac{2}{3}$ of your **Final Pensionable Pay**.

Can I retire later than my Normal Retirement Date?

With the consent of your employer, you can remain in the Plan after your **Normal Retirement Date** if you wish. 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.

You must take your pension by age 75.

Flexible retirement

If you stay in service after your **Normal Retirement Age** at your employer's request, you can opt to start taking your pension before you actually retire – you must notify your employer within 30 days of your **Normal Retirement Date** if you want to do this.

Can I take a lump sum on retirement?

Yes – you can opt to exchange some of your pension for a tax-free lump sum when you retire. You must give at least 30 days' written notice before your pension is due to begin if you wish to take this option.

You can take up to 25% of your total pension fund value as a lump sum, but remember that your annual pension will be reduced as a result of this. (For these purposes, you can calculate the total value of your pension fund by multiplying your initial annual pension by 20.) The amount of the reduction will be determined by the Trustees after consulting the Plan Actuary, and you will be given full details of this closer to your retirement date.

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 the pension increase, pensions in payment will increase in line with the Retail Prices Index in the previous calendar year, capped at 5%.

If your employer has elected to cap the pension increase, then pensions will increase in line with the Retail Prices Index capped at 2.5%. Deferred pensions will also increase by this amount, except for Earth Tech members.

Death benefits

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. If you have less than 15 years' **Pensionable Service** at the date of your death, the lump sum will be equal to your **Pensionable Pay** on the date of your death.

If you have between 15 and 20 years' **Pensionable Service** on the date of your death, the lump sum will be equal to 1 x your **Pensionable Pay** at the date of your death, plus one fifth of this **Pensionable Pay** for each year in excess of 15.

If you have over 20 years' **Pensionable Service**, the lump sum will be equal to twice your **Pensionable Pay** at the date of your death.

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 Her Majesty's Revenue and Customs (HMRC). Note that your spouse will only be able to do this if you die before age 75.

(b) Spouse's pensions

If you have at least two years' **Qualifying 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 due to ill health on the day you died.

If your spouse was born 10 years earlier than you then the pension will be increased by 2.5% for every year in excess of 10. If your spouse was born 10 years later than you then the pension will be reduced by 2.5% for every year in excess of 10.

(c) Children's pensions

If you have at least two years' **Qualifying Service**, or if you have transferred in pension from a previous scheme, 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.

The amount of pension payable to each child will be one quarter of the pension that would have been payable to you had you retired due to ill health on the day you died if there is also a spouse's pension payable. Where there is no spouse's pension payable, the pension payable to each child will be one third of the pension that would have been payable to you had you retired due to ill health on the day you died.

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.

Note that for these purposes, the value of your pension payments exclude inflation based on the Retail Prices Index (RPI), and also exclude any surrender of pension you may have made to allow for extra spouse's pension after your death.

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 half of the pension you were entitled to at the date of your death, taking account of any reduction to your pension in respect of early payment, surrender or if you took a lump sum on retirement.

The spouse's pension will be adjusted for disparity of age using the same formula as described previously.

(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.

The amount of pension payable to each child will be one quarter of the pension that was payable to you on the date of your death, taking account of any reduction to your pension as described above, if there is also a spouse's pension payable. Where there is no spouse's pension payable, the pension payable to each child will be one third of the pension payable to you on the date of your death.

If you have more than two children, the total available pension will be shared equally between them.

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, and no spouse's or child's pension is payable, a refund of your contributions to the Plan, plus interest, will be payable as a lump sum.

(b) Spouse's pensions

Your spouse will be entitled to a pension of half the pension you would have received if you had retired on the day you died, ignoring any surrender of pension you made to provide extra spouse's pension.

The spouse's pension will be adjusted for disparity of age using the same formula as described on page 8.

(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. The amount of pension will be calculated in the same way as if you had died after retirement, as described on page 8.

Who will receive any lump sum payable?

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.

What if my spouse is much younger than me?

If your spouse is more than 10 years younger than you, the pension payable to him/her will be reduced by 2.5% for each year in excess of 10. If your spouse is more than 10 years older than you, the pension payable to him/her will be increased by 2.5% for each year in excess of 10.

Leaving the Plan

If you have less than three months' Qualifying 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' Qualifying Service

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

If you have at least two years' Qualifying 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 the pensions increases section on page 7. If you are an Earth Tech member, however, your deferred pension will not increase.

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

- You suffered from incapacity at the time you left active service;
- You retire from age 60 onwards;
- You retire from age 50 onwards (or age 55 from April 2010) and the employer consents on compassionate grounds.

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 the additional State scheme is invested in your pension instead and 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.

The pension in excess of your GMP is increased by the Plan by a minimum of 3%, or the increase in the Retail Prices Index if higher, to a maximum of 5%.

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.

Further information continued

Temporary absence

If you are temporarily absent because of illness, your **Pensionable Service** will continue. You will continue to pay contributions based on your actual earnings.

If you are temporarily absent for any other reason, your **Pensionable 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 **Pensionable 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 Pensionable 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 **Pensionable Service**, unless you opt to cease your active membership of the Plan. When calculating your benefits on retirement, your **Pensionable Service** will be converted to its full time equivalent value. For more information please contact the Plan Administrator.

Pensions on divorce

For divorce proceedings commencing after 1 December 2000, pensions 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 opposite. 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 on page 14.

Further information continued

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, 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:

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

Citrus™
Formerly the LAWDC Pension Scheme

Glossary

CARE Reckonable Service

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

Normal Retirement Date

This is the day before your 65th birthday.

Final Pensionable Pay

This is the greater of:

- Your **Pensionable Pay** in the last 12 months of your active membership

  and

- The highest average **Pensionable Pay** in three consecutive tax years ending not more than 10 years before your **Normal Retirement Date** or date of leaving the scheme.

If your active membership is less than 12 months, contact the Plan Administrator to find out how your **Final Pensionable Pay** is calculated.

Pensionable Pay

If you are a full time member, this is the annual rate of your salary in respect of your contractual hours, plus any other payments your employer tells you are pensionable.

If you are a part time member this is an annual rate based on your expected hours of employment in the **Scheme Year**.

Pensionable Service

This means:

- If you are a full time member, your years and days of active membership
- If you are a part time member, the proportion of years and days of active membership that your weekly hours bear to full time hours
- Any years and days of extra service you bought through paying AVCs
- Any other period you have been told counts as **Pensionable Service**.

Previous Scheme

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

Qualifying Service

This means the aggregate of:

- Periods of active membership, whether or not these are continuous (although the break period itself will not usually count as qualifying service)

  and

- Periods of service which either qualify you for benefits under the **Previous Scheme**

  or

- Periods of service which qualify you for benefits under the National Health Service Pension Scheme (but excluding any added years you buy)

  or

- Periods of service which qualify you for benefits under the Principal Civil Service Pension Scheme.

Scheme Year

The 12 calendar months commencing 12 April each year.

Appendix 1

Special provisions that apply to Earth Tech members

These special provisions relate only to Level 2 Earth Tech members.

The majority of the Plan's rules are the same for Level 2 Earth Tech members – the rules that differ from the main Level 2 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 13.

Contributions

If you were an active member before 1 April 2004 you had the option to contribute more – 8.5% from 1 April 2004 and 11% from 1 July 2004.

Benefits on retirement

Your pension in respect of benefits accrued before 1 April 2004 will be calculated in the same way as detailed in the main body of this booklet.

Your benefits from 1 April 2004 will be calculated as:

If you contribute 6% of your Pensionable Pay:

*1/80 x **Final Pensionable Pay** x **Pensionable Service** since 1 April 2004.*

If you contribute 11% of your Pensionable Pay:

*1/60 x **Final Pensionable Pay** x **Pensionable Service** since 1 April 2004.*

Leaving the Plan

If you opt to take your deferred pension between the ages of 60 and **Normal Retirement Age**, any part of your benefits accrued before 1 September 2001 will not be reduced because of early payment if you would have satisfied the Rule of 85 (see page 6) had you remained in active service.

Death benefits

No lump sum will be payable if you die in service.

Appendix 2

Special provisions relating to Level 2 HIPS Members and Shanks Members

These special provisions relate only to Level 2 HIPS or Shanks members.

The majority of the Plan's rules are the same for Level 2 HIPS or Shanks members – the rules that differ from the main Level 2 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 13.

Definitions

- HIPS Members – If you are a HIPS Member your employer will have notified you of this before you joined the Plan.
- Shanks Members – If you are a Shanks Member your employer will have notified you of this before you joined the Plan.
- Tiers – HIPS Members must elect to be a Tier A or Tier B member. All Shanks Members will become Tier B members.

Contributions

If you are a Tier A member, you contribute 4.5% of your **Pensionable Pay**.

If you are a Tier B member, you will contribute 5% of your **Pensionable Pay** if you are a HIPS member or 7% if you are a Shanks member.

If you are a Tier BB member – this is a Tier B member who, on and after 1 April 2007, has elected to pay contributions as follows; you will contribute 8% of your **Pensionable Pay** if you are a HIPS member or 10% if you are a Shanks member.

Additional Voluntary Contributions

Members of this subsection do not have the facility to buy added years of service as described in the main body of this booklet – but you can still pay money purchase AVCs if you wish.

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

If you are a Tier A member

For service up to 31 March 2007, your pension will be calculated as:

*1/80 x **Final Pensionable Pay** (calculated as at 1 April 2007 and increased each year after this by the increase to the Retail Prices Index, capped at 5%) x **Pensionable Service** up to 1 April 2007.*

For service after 31 March 2007, your pension will be calculated as:

*The total pension accrued during CARE **Pensionable Service**. At the end of each year of CARE **Pensionable Service** you will accrue:*

*1/80 x **Pensionable Pay** for that **Scheme Year**, plus a proportionate amount for each part year.*

If you are a Tier B member

For service up to 31 March 2007, your pension will be calculated as:

*1/60 x **Final Pensionable Pay** (calculated as at 1 April 2007 and increased each year after this by the increase to the Retail Prices Index, capped at 5%) x **Pensionable Service** up to 1 April 2007.*

For service after 31 March 2007, your pension will be calculated as:

*The total pension accrued during CARE **Pensionable Service**. At the end of each year of CARE **Pensionable Service** you will accrue:*

*1/70 x **Pensionable Pay** for that Scheme Year, plus a proportionate amount for each part year.*

If you are a Tier BB member

For service up to 31 March 2007, your pension will be calculated as:

*1/60 x **Final Pensionable Pay** (calculated as at 1 April 2007 and increased each year after this by the increase to the Retail Prices Index, capped at 5%) x **Pensionable Service** up to 1 April 2007.*

For service after 31 March 2007, your pension will be calculated as:

*The total pension accrued during CARE **Pensionable Service**. At the end of each year of CARE **Pensionable Service** you will accrue:*

*1/60 x **Pensionable Pay** for that **Scheme Year**, plus a proportionate amount for each part year.*

Note that for CARE **Pensionable Service** after 1 April 2007, each year's accrued pension will be increased by the amount of the Retail Prices Index capped at 5%.

Benefits on early retirement

You can retire before your **Normal Retirement Date** and receive an immediate reduced pension if:

- You leave service due to incapacity and your employer consents;
- You are aged 50 or over and your employer consents (from April 2010, the earliest permissible retirement age will be 55);
- You are aged at least 60 and you entered service with the HIPS Scheme before 1 October 1993.

In these circumstances your pension will be reduced by an amount decided by the Trustees after taking the advice of the Plan Actuary.

Benefits on late retirement

If you choose to remain in service after your **Normal Retirement Date** and delay your pension until you actually retire, your pension will be calculated as at **Normal Retirement Age** and service after this date will not count towards your pension. Instead, the Trustees will increase the amount of your pension by an amount agreed with the Plan Actuary.

Benefits on death in service

If you die in service, the lump sum payable will be:

- If you are a Tier A member – the amount of your **Final Pensionable Pay**;
- If you are a Tier B member – three times your **Final Pensionable Pay**.

The spouse's pension will be calculated as 2/3 of the pension you would have been entitled to had you retired on the day you died, plus two thirds of the pension you would have accrued had you remained in service until your **Normal Retirement Date**.

A child's pension will only be payable if no spouse's pension is payable. Where a child's pension is payable, this will be calculated in the same way as the spouse's pension described above.

Benefits on death in retirement

The spouse's pension payable will be 2/3 of the pension you were receiving at the time of your death, ignoring any reduction resulting from the exercise of any lump sum or surrender options.

A child's pension will only be payable if no spouse's pension is payable. It will be calculated in the same way as the spouse's pension as described above.

Benefits on death after leaving service

The lump sum will be payable regardless of whether a spouse's pension is payable. However, no child's pension will be payable.

Appendix 3
Special provisions for SAC Members

These special provisions relate only to the service of Scottish Agricultural College employees who ceased to be active members on or after June 2001.

The majority of the Plan's rules are the same for Level 2 SAC members – the rules that differ from the main Level 2 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 13.

Definition of Qualifying Service

Qualifying Service is modified so that service in the Local Government Pension Scheme will not count towards the Rule of 85. Additional **Pensionable Service** credited back to the date of joining the Scottish Agricultural College may be granted to some members who joined the Plan on 1 June 2001 – contact the Plan Administrator for further details.

Retirement benefits

The right to take an unreduced pension from age 50 if you have to retire because of redundancy or on the grounds of business efficiency does not apply to SAC members.

Death in service

No lump sum will be payable if you die whilst an active member of the Plan.

Appendix 4
Special provisions for Owen Williams ex HIPS Members

These special provisions relate only to Level 2 Members who join the Plan on or after 1 April 2003 and who were notified by Owen Williams Design and Property Services Limited that they would accrue benefits on this basis.

The majority of the Plan's rules are the same for Level 2 Owen Williams ex HIPS members – the rules that differ from the main Level 2 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 13.

Definitions

Normal Retirement Date for members of this section is your 60th birthday.

Your **Pensionable Pay** is also different. It is calculated as for main section members, but deducting 1½ times the lesser of the Lower Earnings Limit and the single person's Basic State Pension.

Qualifying Service is modified so that all **Pensionable Service** with the Halcrow Pension Scheme will be treated as **Qualifying Service**.

Your benefits on normal retirement

Your pension will be calculated as:

> *1/75 x **Final Pensionable Pay** x **Pensionable Service**.*

Plus any benefits in respect of pension you have transferred into the Citrus Plan from other pension schemes.

Early retirement

You can retire from age 50 if your employer consents (although from April 2010 you will only be able to retire from age 55 onwards). You can also retire early if this is due to ill health and your employer consents. Your pension will be reduced in these circumstances by an amount decided by the Trustees after consulting the Plan Actuary.

Deferred pensions

You can elect to have your deferred pension paid early if either your employer agrees and you are aged at least 50 (55 from 2010 onwards) or you are suffering from ill health. If you wish to do this you must give the Trustees at least 30 days' notice in writing. Your deferred pension will be reduced because of the early payment, by an amount determined by the Trustees after consultation with the Plan actuary.

Death in service

The lump sum payable will be the amount of your contributions to the Plan, plus interest.

The spouse's pension payable will be equal to half of the total of:

> *1/75 x **Final Pensionable Pay** x **Pensionable Service** (calculated as the service you would have accrued had you remained in employment up to your **Normal Retirement Age**), plus any benefits you transferred into the Plan from previous pension arrangements.*

Children's pensions

For death in active service, in retirement and in deferment, children's pensions will be calculated as half of the pension payable to your spouse for each child up to a maximum of two children. Where no spouse's pension is payable, this amount will be increased by one third for each child.

Where there are more than two children, the amount of the pension will be shared between them as the Trustee decides.

Citrus
Formerly the LAWDC Pension Scheme

Appendix 5
Special provisions for WRG Members

These special provisions relate only to Level 2 Waste Recycling Group members.

The majority of the Plan's rules are the same for Level 2 WGR members – the rules that differ from the main Level 2 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 13.

Contributions

You can choose to contribute either 6% or 9% of your **Pensionable Pay**.

Additional Voluntary Contributions

Since April 2006, the facility to buy added years of service has been removed for WRG members. If you were already paying AVCs to buy added years when the facility was suspended you can carry on doing so, but you cannot alter the amount and if you cease your AVC payments you will not be able to restart them.

Your benefits at Normal Retirement Date

In respect of service up to 31 March 2007

> *1/60 x **Final Pensionable Pay** (as at 1 April 2007 and increased by the same amount as the Retail Prices Index capped at 5%, for each calendar year and proportionately for each part year) x **Pensionable Service** to 1 April 2007.*

In respect of service from 1 April 2007

In the case of a standard 6% member:

> *The total pension accrued during your CARE **Pensionable Service**, calculated as follows:*
>
> *At the end of each year of CARE **Pensionable Service** you will accrue:*
>
> *1/70 x **Pensionable Pay** for that Scheme Year (and a proportionate amount for each part year).*

In the case of a standard 9% member:

> *The total pension accrued during your CARE **Pensionable Service**, calculated as follows:*
>
> *At the end of each year of CARE **Pensionable Service** you will accrue:*
>
> *1/60 x **Pensionable Pay** for that **Scheme Year** (and a proportionate amount for each part year).*

The value of each year's CARE benefits will be increased each calendar year between the year for which they are accrued and the year in which you retire, by the amount of the increase to the Retail Prices Index for that year, capped at 5%.