The Plan has been set up by the University to help provide for the welfare of you and your family, now and in the future. To protect your savings under the Plan, it is managed by Trustees who are duty bound to carry out their responsibilities while considering your best interests at all times. This booklet contains information about the Plan, your benefits, protection for your dependants and much more.

Although the University is the Principal Employer and main sponsor of the Plan, the Students Union and NUNITO also participate although they do not admit new members.

Whatever your age, it is never too early to start planning for the future. Perhaps you’ve already started. After your home, your pension savings could be one of your most valuable assets. It surely makes sense therefore, to plan now so that you can benefit later.

This booklet is your guide to the Plan. It contains information about the benefits available for you and your dependants. Should there be any future legislative changes which will affect the way the Plan is run, the Trustees will communicate separately with you and this booklet will be updated from time to time.

Although every effort has been made to ensure the accuracy of this booklet, it is not a legal document and does not cover every aspect of the Plan. Full details are set out in the Trust Deed and Rules, which will always overrule.

A copy of this booklet is available on the University web site. Should you have any questions about the Plan, please contact:

Payroll and Pensions Section
Finance and Planning Office
King’s Gate
Newcastle University
Newcastle upon Tyne
NE1 7RU

welcome
to the University of Newcastle upon Tyne
Retirement Benefits Plan (1971).

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August 2011
your Plan benefits

In summary

As a Plan member, you enjoy a range of valuable benefits:

While you are employed by the University or another participating employer

- valuable life assurance cover; and
- if you die, pensions for your Spouse or Civil Partner and dependants.

When you retire

- a pension for life; or
- a tax-free lump sum and a reduced pension for life.

During retirement

- regular increases to your pension; and
- financial protection for your family.

Plan membership also means

- tax relief for your Plan contributions;
- contributions from your employer;
- a facility to pay extra, tax-efficient contributions;
- lower National Insurance contributions;
- an opportunity to make additional National Insurance savings with Pensions+;
- provisions for early retirement due to partial incapacity or incapacity;
- continued membership during periods of absence from work; and
- protection for your retirement benefits if you leave the Plan or your employer.

Joining the Plan

As you will already have joined the Plan, this section is intended as a reminder of its joining conditions.

Eligibility

You are eligible to join the Plan if you are:

- over age 16 but have not yet reached the greater of age 65 or your State Pension Age;
- allowed to do so by the terms of your contract.

If you are paid in an irregular pattern, for example term-only staff, you may be eligible to join the Plan, providing arrangements are made for you to be paid regularly throughout the year.

Making the right decision

Joining the Plan is not compulsory. However, if you decide not to join you, your Spouse or Civil Partner and your dependants will not be entitled to any benefits from the Plan, including life assurance cover. Please consider your decision carefully and if necessary consult an independent financial adviser.

If you choose not to join the Plan when first eligible, you might not receive a second chance. The Trustees and your employer have discretion to decide whether or not they will allow you to join at a later date. If late entry is allowed, certain conditions may apply before you can be covered for the life assurance benefit, such as a requirement for medical health screening, which may be at your own expense. If additional cover is required, you may be required to pay the extra cost. You may also have to re-apply for life cover every year.

If you decide not to join, you must complete the relevant section of the Decision Form enclosed with the Pension Benefits leaflet.

How to join

To become a Plan member, simply complete the Decision Form enclosed with the Pension Benefits leaflet and return it to the Payroll and Pensions Section of the Finance and Planning Office (see opposite). Please remember to include:

- your birth certificate; and
- if appropriate, your marriage or civil partnership certificate and Spouse’s or Civil Partner’s birth certificate.
Security for your family

Plan membership entitles you to valuable life assurance benefits (see page 7). To ensure that these benefits can be paid with the minimum of delay and free of Inheritance Tax, the Trustees must have discretion to decide to whom they are paid. Although the Trustees are not duty bound to act on your wishes, these will be given full consideration when making their decision. To help guide the Trustees, please complete an Expression of Wish Form to indicate your nomination details. Please remember to update your details if your circumstances change (for example if you marry, divorce or have children). For a new form contact the Payroll and Pensions Section of the Finance and Planning Office.

contributions

What you pay

You pay the standard member contribution rate, (currently 6.75% of your Pensionable Salary from August 2011) towards your Plan benefits.

Pensions+

This is the normal way for University employees to contribute to the Plan and it is designed to ensure that you and the University gain from the maximum National Insurance relief that is available. More about Pensions+ is explained in the Pension Benefits leaflet which you should have read before completing your Decision Form. With Pensions+ the University pays contributions on your behalf directly into the Plan. In return, you agree to a corresponding reduction in your salary. Your pension benefits are calculated using a Reference Salary, which is your pay before any salary reduction for Pensions+.

Pensions+ works as follows:

- your gross salary is reduced by an amount equal to the standard member contribution rate;
- the University increases its contribution to the Plan by an amount equivalent to this reduction; and
- you and the University benefit from paying less National Insurance contributions, because these are not payable on the pay that you sacrifice.

If you are not in Pensions+

You can be a Contributing Member of the Plan if you:

- are employed by the Students Union, NUINTO or other employer that participates in the Plan;
- have opted out of Pensions+;
- earn below the Pay Protection Limit; or
- are on a fixed-term contract that lasts for less than two years.

An amount equal to the standard member contribution rate is deducted from your gross pay and paid into the Plan each month. If your gross salary is less than the Pay Protection Limit (PPL) (£8,000 for the tax year 2011/12) or you are employed on a contract that will expire before you can complete two years of active Plan membership, you will not have been automatically entered into the Pensions+ system. As explained in the Pension Benefits leaflet, however, you can become a Pensions+ member if you wish.

How Plan membership helps you save on tax and National Insurance

Your pension payments enjoy tax relief at the highest rate of tax you pay, so that each £1 you pay towards your pension only costs you 80 pence after tax relief at the current basic rate of 20%.

Because the Plan is currently contracted out of the State Second Pension scheme, you also pay reduced National Insurance contributions. In addition, if you are a Pensions+ member, you do not pay National Insurance contributions on the pay that you sacrifice, (the basic rate of NI Contributions is 10.4% for 2011/12).
For example, if you earn an annual salary of £20,000 and sacrifice 6.75% of this salary for pension benefits, your Pensions+ National Insurance saving is £140 each year and your pension benefits are based on your Reference Salary of £20,000. The table below shows a breakdown of how this is calculated, based on the tax year 2011/12.

<table>
<thead>
<tr>
<th>Pensions+ contributions £</th>
<th>Alternative contributions £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution at 6.75% of £20,000</td>
<td>0</td>
</tr>
<tr>
<td>Salary reduction (6.75% of £20,000)</td>
<td>(1,350)</td>
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<tr>
<td>National Insurance contracted out reduction</td>
<td>235</td>
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<td>National Insurance saving with Pensions+</td>
<td>140</td>
</tr>
<tr>
<td>Income tax relief at 20%</td>
<td>270</td>
</tr>
<tr>
<td>Annual cost of Plan membership</td>
<td>705</td>
</tr>
</tbody>
</table>

If you pay Higher Rate income tax, the current rate used to calculate the tax relief is 40% while your National Insurance saving, based on 2011/12 rates, is 2% of your salary sacrifice over £42,475 (12% on earnings between £40,040 and £42,475.)

What your employer pays

Every three years, the Plan Actuary reviews and calculates how much members and their employers must pay into the Plan so that the benefits can be met. Pensions+ and contribution amounts may therefore vary from time to time and you will be notified if there is any change. The employers pay the balance of what is needed to pay the benefits and this is usually considerably more than members’ contributions. The University and other employers are currently contributing 13.25% of members’ Pensionable Salary from August 2011.

If you work part-time

Your normal Plan contributions are calculated proportionately in relation to full-time workers. For example, if you work half of the week and receive half of full-time pay, your contributions will reflect this.

Top up your Plan benefits with Additional Voluntary Contributions (AVCs)

You can pay extra contributions in the form of AVCs to help boost the value of your benefits at retirement. You can pay contributions of up to 100% of your taxable earnings each year (or £3,600 per annum if greater) into any pension scheme that receives tax relief. The annual increase in the value of your pension benefits (from all pension schemes) must not exceed the Annual Allowance (£50,000 from 2011/12). Any pension benefit in excess of these limits will be taxed at your highest marginal rate.

If you are a Pensions+ member, you can make AVCs by asking the University to reduce your salary and pay your AVCs direct. This way, you will pay less in National Insurance contributions.

For more detailed information about your choices, please contact the Payroll Manager at the Finance and Planning Office.

It is up to you to decide how much to contribute. You can pay AVCs each month or make a one-off payment. When you retire, you can choose to take the entire value of your AVC fund as a tax-free cash sum, provided it is within the overall tax-free lump sum limit of 25% of the value of your total pension benefits (see page 8). If you leave the Plan, your AVCs can be transferred to another suitable arrangement at the same time as your main Plan benefits.

Pension savings from previous employers

If you have rights to pension benefits under a previous employer’s plan, it may be possible for you to transfer the cash value of these benefits into the Plan. The Trustees have discretion to decide whether or not a transfer request can be accepted; transfer requests into the Plan are considered individually on a case by case basis. For more details, contact the Payroll Manager at the Finance and Planning Office.
absence from work

Temporary absence

If you are absent from work for a short period, unless you are participating in industrial action, your Plan membership will usually continue without change.

If you are absent for longer, your employer will decide whether or not your Plan membership will continue, and under what circumstances. During periods of absence, if you receive pay from your employer, your membership will usually continue. If, however, your Plan contributions stop, you will not build up Pensionable Service for the period of unpaid contributions.

If you are absent from work, and not receiving pay from your employer, but are likely to return to work then Plan membership may continue:

■ for up to two and a half years, if your absence is due to incapacity;
■ for up to one year if on secondment to a UK Government department or work of similar national importance; and
■ for up to three years for any other reason, other than maternity and other family-related leave (see below). Provided the University allows your Plan membership to continue, you will remain covered for life assurance benefits during your period of absence.

If you do not return to work at the end of a period of absence, you will have the same options as if you had left employment (see page 9).

If you are ill

If you are absent from work due to ill-health for a short time, your Plan membership will usually continue as normal. If your illness has a long-term or permanent impact such that you are no longer able to do your job, you may be entitled to receive early payment of benefits from the Plan regardless of your age. If this is the case, you should discuss with your employer the possibility of early retirement on the grounds of incapacity or partial incapacity. If approved by your employer, your request will be passed to the Trustees, who must obtain an independent medical assessment. The Trustees will then make a decision, based on the findings of the medical assessment, and any other information which is relevant to your case.

If you retire on the grounds of incapacity, your pension will be calculated as described on page 8, ‘When you retire’, and enhanced using a formula based on your completed Pensionable Service and Final Pensionable Salary at the date you actually retire. If you retire on the grounds of partial incapacity, your benefits will be calculated using a formula based on your actual Pensionable Service and then reduced to account for early payment.

More detailed information will be sent to you at the time. While you are receiving an ill-health pension, the Trustees may ask for medical evidence of your condition and they can vary or suspend the ill-health pension, depending on the medical evidence provided.

Maternity leave

You will continue to be a member of the plan while you are on maternity leave, whether paid or unpaid, so that you will continue to receive life assurance cover. For the longer of either the first 39 weeks of maternity leave, or whilst you are receiving any payment from your employer, including SMP, you will continue to accrue pension benefits as though you were working normally.

If you do not return to work after your maternity leave, your options will be the same as if you leave (see page 9).

If you decide to take unpaid maternity leave after a period of paid maternity leave, you may wish to maintain your Plan contributions during the period of unpaid leave. If you do this, your employer will also continue its contributions on your behalf, so that your pension benefits will continue to build up.

Other family-related leave

If you are entitled to and take adoption or paternity leave, your Plan membership will continue on the same basis as the maternity leave provisions (see above). The Plan benefits that you build up during the period will depend on whether or not you continue to be paid and to contribute to the Plan.

Your Plan membership and accrual of pension benefits will normally be regarded as continuing during other forms of leave during which you continue to be paid and to contribute. During periods of unpaid leave your membership will generally continue and your life cover will be maintained but you will not accrue further pension benefits.
if you die while an active Plan member

To protect your family, Plan membership entitles you to valuable life assurance cover while you remain employed by the University or another associated employer.

If you die while an active Plan member, the following benefits will be paid:

- a lump sum;
- pensions for your Spouse or Civil Partner and dependent children; and
- a refund of your AVCs.

A lump sum

The lump sum benefit is calculated as follows:

- if you are married or in a civil partnership, two times your basic salary at date of death; or
- for all other members, four times your basic salary at date of death.

For example, if you are married or in a civil partnership and your basic salary is £20,000, the lump sum would be calculated as follows:

\[2 \times £20,000 = £40,000\]

A pension for your Spouse or Civil Partner

If you are married or in a civil partnership, your Spouse or Civil Partner will receive a pension for the rest of his or her life. The pension will be 50% of the pension you would have received had you remained a Plan member until age 65, based on your Final Pensionable Salary at date of death and the Pensionable Service you would have completed had you remained in the Plan until age 65.

Children’s pensions

Pensions for your dependent children may be paid in addition to the Spouse’s or Civil Partner’s pension:

- if a Spouse’s or Civil Partner’s pension is being paid, each eligible child (up to a maximum of two) will receive 25% of the pension you would have received had you remained a Plan member until Normal Pension Date. If you have more than two eligible children, the percentage of your pension payable to each child will be reduced according to the number of children;

- if there is no Spouse’s or Civil Partner’s pension, each eligible child (up to a maximum of two) will receive 37.5% of the pension you would have received, had you remained a Plan member until Normal Pension Date. If you have more than two eligible children, the percentage of your pension payable to each child will be reduced according to the number of children.

Children’s pensions will continue until age 18, or 21 if in full-time education.

When in payment, Spouse’s or Civil Partner’s and children’s pensions will be increased annually in the same way as your pension would have been increased (see page 9).

If you joined the Plan before 6 April 1988

Please refer to your Announcement Letter of June 2002 for details of special conditions which may apply. A copy of the letters issued (one each for male and female members) are shown in the Appendices.

Expression of Wish Form

To ensure that any death in service lump sum benefits can be paid with the minimum of delay and free of Inheritance Tax, the Trustees must have discretion to decide to whom they are paid. Although the Trustees are not duty bound to act on your wishes, these will be given full consideration when making their decision. To help guide the Trustees, please keep them updated with any changes in your nominations. For a new Expression of Wish Form, please contact the Payroll Manager at the Finance and Planning Office.
when you retire

At Normal Pension Date (your 65th birthday) you will have the option to:

- receive a pension for life; or
- exchange part of your pension for a tax-free lump sum and a reduced pension for life.

Your pension

Your pension is calculated based on your Final Pensionable Salary and Pensionable Service:

\[
\frac{1}{60} \times \text{Final Pensionable Salary} \times \text{Pensionable Service} = \text{Your Plan Pension}
\]

<table>
<thead>
<tr>
<th>Pension example</th>
<th>example figures</th>
<th>your details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Pensionable Salary</td>
<td>£20,000</td>
<td>£20,000</td>
</tr>
<tr>
<td>Divided by 60</td>
<td>£20,000 / 60 = £333.33</td>
<td></td>
</tr>
<tr>
<td>Multiplied by Pensionable Service</td>
<td>£333.33 x 30</td>
<td></td>
</tr>
<tr>
<td>Annual pension</td>
<td>£10,000</td>
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When you retire, you can choose to exchange part of your pension for a tax-free cash sum. It is possible to take up to 25% of the total value of your Scheme benefits, including AVCs (see page 5), as cash. The maximum limit on tax-free cash, from all pension sources, is 25% of the Lifetime Allowance (£1,800,000 for 2011/12, reducing to £1,500,000 from 2012/13).

If you were a member of the Scheme before 6 April 2006 and the amount of tax-free cash you could take is higher than the above, then the higher amount will be protected and you will still have this option.

Further information about the amount of cash you can take, and the reduction this makes to your pension, will be sent to you when you are close to retirement.

Tax-relief limits

Any benefits in excess of the Lifetime Allowance will be taxed at 25%, if taken as a pension, and 55%, if taken as a cash sum. In reality, these taxes are likely to affect very few Plan members.

Early retirement

If you joined the Plan before 1 January 1992, you can apply to retire at any time from age 60, without any reduction to your benefits.

If you joined the Plan on or after 1 January 1992 and are considering retiring earlier than age 65, please contact your HR Team to discuss your options. Normally, early benefits will not be granted, apart from in the most exceptional circumstances. The reason for this is explained below.

The cost of paying benefits early can be substantial compared to the cost of providing benefits at age 65 (Normal Pension Date) and the additional cost must be met by your employer.

The Plan’s funding strategy is planned so that it can provide benefits for all members at Normal Pension Date. This is the basis on which the actuary calculates the amount of income that is needed from contributions (paid by you and your Employer). Any additional costs for providing early benefits are met by your Employer, so that the Plan’s running costs can be contained and to prevent any negative effect on members who retire at Normal Pension Date. As your Employer already pays the major share of the Plan’s running costs, it does not expect to meet the additional cost of providing early benefits, except in the most exceptional circumstances.

You can, however, consider taking your benefits early by stopping working for your employer and becoming a deferred Plan member. At that point, you could request early payment of your pension, which would be reduced (to allow for the fact that it is likely to be paid for longer) according to the period of time until your Normal Pension Date (age 65).

Late retirement

If you continue working beyond Normal Pension Date, you will have the opportunity to continue building up benefits in the Plan or to stop contributing to the Plan at Normal Pension Date and receive your pension. Alternatively, your pension may be deferred until you actually retire,
when it will be calculated in the same way as at Normal Pension Date (see page 8), but increased to account for late payment.

If you opt to retire later than Normal Pension Date, having continued to build up your pension, and die before you start to draw your pension, then benefits for your dependants will be calculated as though you were an active member on the date of your death. If you stop contributing at Normal Pension Date, benefits for your dependants will be calculated as though you had retired on the day before you died.

**after you retire**

**Pension payments and annual increases**

Your pension will be paid monthly in advance starting on the first day of the month following your retirement date. Income tax will be deducted from your pension where appropriate.

**Protecting the value of your pension**

Once in payment your pension will be protected against inflation.

- Pension earned from 6 April 2005 will be increased annually in line with statutory requirements (currently by the rise in the Consumer Prices Index (CPI) or 2.5%, whichever is lowest).

- Pension earned between 6 April 1997 and 5 April 2005 will be increased each year in line with statutory requirements (currently by the rise in the CPI * or 5%, whichever is lowest).

- Pension earned before 6 April 1997, in excess of the Guaranteed Minimum Pension, will be increased annually by the rise in the Retail Prices Index (RPI*) or 3%, whichever is lowest.

- For pension earned before 6 April 1997, that part of your pension representing Guaranteed Minimum Pension will be increased in line with inflation; partly paid by the Plan and partly paid by the State.

Pensions for your Spouse, Civil Partner or children are increased in the same way as your pension.

* CPI and RPI are measured annually on 30 September and the increase is applied on the following 1 April. The first increase to your pension will be made on 1 April following your retirement.

The Plan is currently contracted out of the State Second Pension (S2P). This means that, for the period of your membership, you will not build up any entitlement to S2P benefits. Instead, you and your employer pay reduced NI contributions and your Scheme benefits will be at least the same as or better than those you might have received from S2P.

**Death after retirement**

The Plan continues to provide security for your family in the form of a guarantee that, if you die within five years of retiring, a lump sum equal to the balance of your pension payments to the end of that period will be paid (known as a ‘five year guarantee’).

**Example**

If your annual pension at Normal Pension Date is £10,000, the lump sum payable after three years in retirement is calculated as follows.

\[2 \times £10,000 = £20,000\]

Also payable will be a pension for life for your Spouse or Civil Partner, equal to half of your pension at retirement before any exchange for a lump sum and including any increases granted before the date of death. Pensions for your children will be calculated as described on page 7 and based on your pension at retirement before any exchange for a lump sum and including any increases granted before the date of death.

**leaving the Plan**

If you leave the Plan before Normal Pension Date, your options will depend on the length of time you have been a member:

**If you leave after two or more years’ Pensionable Service**

You can either:

- leave your benefits in the Plan (known as a deferred pension);

or

- choose to transfer the cash value of your benefits under the Plan to another suitable pension arrangement.
If you leave after less than two years’ Pensionable Service

**Pensions+ members**

Provided you have completed three or more months’ Pensionable Service, you will be given the opportunity to transfer the cash value of your benefits under the Plan to another suitable pension arrangement (shortly after leaving, this option and the period for which it will be available, will be explained to you in writing). You will not, however, be able to leave your benefits in the Plan and you will not be entitled to take a refund of your contributions.

If you complete less than three months’ Pensionable Service, you will not be entitled to any benefits from the Plan.

If you are not in Pensions+

If you leave after less than three months’ Pensionable Service, you will be entitled to a refund of your own contributions.

If you leave after completing between three months but less than two years’ Pensionable Service, you can choose to take a refund of your own contributions or you can transfer the cash value of your benefits under the Plan to another suitable pension arrangement.

Any refund will be subject to tax and a deduction to reinstate you in the State Second Pension scheme (see page 11).

Full details of your options will be sent to you at the time of leaving.

**Keeping the right to a preserved pension**

If you choose to receive a deferred pension from the Plan when you retire, your pension will be calculated in the same way as shown on page 8, but based on your Final Pensionable Salary and Pensionable Service on your date of leaving employment or leaving the Plan if earlier:

\[
\frac{1}{60} \times \text{Final Pensionable Salary} \times \text{Pensionable Service} = \text{Your Plan Pension}
\]

From your date of leaving until you retire, your preserved pension will be protected against inflation. It will be increased each year in line with statutory guidelines.

**If you die before Normal Pension Date**

Your Spouse or Civil Partner will be paid a pension of half of your deferred pension, including any increases granted, calculated at the date of your death.

Benefits are calculated in the same way as shown above.

**Transferring your benefits out of the Plan**

You can choose to transfer the cash value of your benefits to another pension arrangement such as:

- your new employer’s pension plan (provided your new plan allows it);
- a personal pension plan (including stakeholder); or
- an individual insurance policy.

The Plan actuary will calculate a cash equivalent of the value of your Plan benefits, taking into account any guaranteed and statutory increases from the date of the calculation until Normal Pension Date. The transfer value will be at least equal to your normal Plan contributions and will include the current value of any previous transfer into the Plan on your behalf.

<table>
<thead>
<tr>
<th>Example</th>
<th>example figures</th>
<th>your details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Pensionable Salary at date of leaving</td>
<td>£20,000</td>
<td></td>
</tr>
<tr>
<td>Divided by 60</td>
<td>£20,000 / 60 = £333.33</td>
<td></td>
</tr>
<tr>
<td>Multiplied by completed Pensionable Service at your date of leaving</td>
<td>£333.33 x 15 years</td>
<td></td>
</tr>
<tr>
<td>Annual pension</td>
<td>£5,000</td>
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</table>
You may request one free estimate of your transfer value each year. Subsequent requests may be subject to a charge. To request an estimate, contact the Payroll and Pensions Section of the Finance and Planning Office.

Opting out

Plan membership is voluntary; you can choose to opt out at any time, provided you complete the Election to Withdraw Form, available from the Payroll and Pensions Section of the Finance and Planning Office.

If you withdraw:

- you will cease to be covered for life assurance benefits under the Plan; and
- you will only be able to rejoin the Plan with the consent of the Trustees.

If you need help making a decision about your future finances, please contact an independent financial adviser.

the State Pension

The State Pension scheme is made up of two parts:

- The Basic State Pension; and
- The State Second Pension Scheme (S2P), an earnings-related benefit (previously the State Earnings-Related Pension Scheme, known as SERPS).

The Basic State Pension

Provided you have paid the required National Insurance contributions during your working life, you will receive a Basic State Pension. The pension is a fixed amount set by the Government and is increased each year. It is paid from State Pension Age.

You cannot opt out of the Basic State Pension.

The State Second Pension Scheme

S2P is linked to your earnings. It is based on an average of the earnings on which you pay National Insurance contributions (called ‘band earnings’). Any S2P payments are also increased annually.

The Plan is contracted out of S2P. This means that, for the period of your membership, you will not build up any entitlement to S2P benefits. Instead, you and your employer pay reduced NI contributions and your Scheme benefits will be at least the same as or better than those you might have received from S2P.

Who can I ask about my State benefits?

For queries relating to your State benefits, you can contact The Pension Service, part of the Department for Work and Pensions (DWP).

The Pension Service
PO Box 1005
Newcastle upon Tyne
NE98 1WZ
tel: 0845 6060265
web site: www.direct.gov.uk/en/Pensionsandretirementplanning/index.htm

You can also contact the National Insurance Contributions Office on: 0191 225 6914. Other sources of information are:

Personal/Occupational Pensions Helpline
tel: 0115 974 1600
Contracted-out Pensions Helpline
tel: 0115 974 1444
web site: www.hmrc.gov.uk

If you joined the Plan before 6 April 1997

Guaranteed Minimum Pension (GMP) is the equivalent of the benefit from S2P built up in the Plan for membership before 6 April 1997. Any GMP you have earned will be increased to protect its value before and after you retire.
How the Plan is managed

The Plan is set up and managed according to its Trust Deed and Rules. Its assets are held entirely separate from those of the University and the Plan’s other associated employers and they can only be used to provide the benefits described in the Rules.

The trustee company, Newcastle University Pension Trustee (1971) Ltd, is responsible for managing the Plan. The trustee company’s Board of Directors (the Trustees) is responsible for running the Plan on a daily basis in accordance with the Trust Deed and Rules, current legislation and in the best interests of you and your dependants.

Although every effort has been made to ensure that this booklet is as accurate as possible, should any discrepancy arise between it and the Trust Deed and Rules, the latter will always prevail.

Pension problems

In most cases, queries or problems are resolved quickly and informally through the Payroll and Pensions Section of the University Finance and Planning Office. However, should any problems arise, the Trustees have put in place a formal procedure for managing pension disputes. For a full copy, contact the Payroll and Pensions Section of the Finance and Planning Office.

At any time during the Trustee’s formal dispute procedure, you can take your case to The Pensions Advisory Service (TPAS). TPAS is a free and confidential service and you can put your case to them at:

The Pensions Advisory Service
11 Belgrave Road
London, SW1V 1RB

tel: 020 7630 2250 or 0845 601 2923

If TPAS is unsuccessful in resolving your dispute, it may refer it to the Pensions Ombudsman who has power to investigate and decide on complaints or disputes in relation to pension plans. The address is also 11 Belgrave Road, London, SW1V 1RB.

Please note that the Trustees’ dispute procedure does not cover disputes with your employer, disputes which are already being investigated by the Pensions Ombudsman or where proceedings have started in a Court or Employment Tribunal.

The Trustees’ annual report

Each year, the Trustees prepare a formal Report and Accounts for the Plan. Highlights from the Report, including a summary of the Plan’s investment performance and financial movements, are shown in your Plan newsletter, Pension Matters. You can find a copy of the full Report on the University intranet, alternatively please contact the Payroll and Pensions Section of the Finance and Planning Office.

Divorce or dissolving a Civil Partnership

Pension rights are always taken into account as part of your assets when the court is arranging a divorce settlement or a dissolution order of a Civil Partnership. The Trustees must comply with any order made by the court in divorce or dissolution proceedings and the order may affect your benefit rights under the Plan, including any benefits payable on your death.

Data Protection Act 1998

The Trustees, their advisers and administrators (as set out in the Trustees’ Annual Report and Accounts) may need to process certain data about you. This may include items categorised under the Data Protection Act 1998 as ‘Sensitive Data’, such as medical details or death benefit nominations. Specific enquiries will normally require completion of a consent form by you before information is released to external organisations.

Changing or closing the Plan

While the University is fully committed to the Plan and intends to maintain it for the foreseeable future, the Trust Deed and Rules has to contain provisions for closing or terminating it. However, the University and Trustees aim to maintain a high level of security for your benefits and the Plan’s finances are kept under regular review.

Your benefits are not assignable

Your Plan benefits are strictly personal and cannot be signed over to any other person or used as security for a loan.
Pension plan regulation

The laws governing the running of UK company pension plans are supervised and enforced by a statutory regulatory body. It has wide ranging powers, including authority to intervene in the running of plans where trustees, employers or professional advisers have failed in their duties. For more information and contact details, contact the Payroll and Pensions Section of the Finance and Planning Office.

The Pension Tracing Service

The Pension Tracing Service, run by the Department for Work and Pensions (DWP), holds details of all occupational pension funds. If you need help to trace pension benefits from previous employment, for example if you leave and lose touch with your employer, you can ask for free help by contacting:

The Pension Tracing Service
The Pension Service
Whitley Road
Newcastle upon Tyne, NE98 1BA
tel: 0845 6002 537
web site: www.direct.gov.uk/en/Pensionsandretirementplanning/

Full details and further information

This booklet is intended as a guide to your Plan benefits. Full details are contained in the Trust Deed and Rules, which is the legal document governing the running of the Plan.

If you wish to inspect the Trust Deed and Rules, or if you require further information about your benefits, please contact:

Payroll Manager
Payroll and Pensions Section
Finance and Planning Office
Newcastle University
King’s Gate
Newcastle Upon Tyne
NE1 7RU
tel: 0191 222 6496
email: payroll@ncl.ac.uk

Many of the Plan documents, such as the Trust Deed and Rules, are also available on the University web site at: www.ncl.ac.uk/hr/reward/pensions/

definitions

Contributing Member
An active member who is paying pension contributions and has not entered into Pensions+.

Final Pensionable Salary
Is the highest of:

- your total basic earnings, or Reference Salary if you are in Pensions+, in the 12 months before retirement, leaving or death;
- your highest Revalued Pensionable Salary declared on any 1 August in the last three years before retirement, leaving or death (excluding the last 1 August); and
- your highest average of three consecutive Revalued Pensionable Salaries at the thirteen 1 Augusts before retirement, leaving or death (excluding the last 1 August).

Normal Pension Date
Your 65th birthday.

Pensionable Salary
Your basic salary, or Reference Salary if you are in Pensions+, excluding any bonuses, overtime or other earnings.

Pensionable Service
Your number of years and months’ continuous service as a Plan member.

Reference Salary
This is your salary before any reductions for Pensions+ and it is the amount of pay on which your pension contributions and benefits are calculated.

Revalued Pensionable Salary
Your Pensionable Salary from earlier years adjusted in line with the relevant Prices Index. This protects the value of your Pensionable Salary from the effects of inflation whilst a member of the Plan.

Spouse/Civil Partner
For the calculation of benefits payable in the event of your death, this is defined as: the person to whom you were married or in a civil partnership with at the date of death. If you have more than one Spouse, for example in a polygamous marriage, the distribution of the Spouse’s or Civil Partner’s pension will be decided by the Trustees.

State Pension Age
For women the State Pension Age is gradually changing to 65 by 2018, so that it will equal the State Pension Age for men. State Pension Age for both men and women is then planned to increase, initially to age 66 and then to age 68. Further details are available on the Directgov web site.

You can find out exactly when you will be able to claim your State Pension by using the State Pension Age calculator at: www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/
Announcement from the Trustees to female members of the Plan who were members on 5 April 1988 (issued June 2002).

You may recall that as a female member of the Plan at 5 April 1988, you were given the option of retaining the standard death in service benefits or switching to an alternative basis. You are now being given the opportunity to reconsider this decision.

The standard benefits payable on the death in service of a married female member are:

- a widower’s pension of one half of the pension that you would otherwise have received at age 65, based on the greater of your salary at date of death and your pensionable salary at the previous Plan renewal date;

- a lump sum of twice salary at date of death.

The alternative basis is:

- a lower level of widower’s pension;

- a lump sum of four times salary at date of death, less a deduction equal to the value of the lower level of widower’s pension; the maximum deduction is twice salary, so that the lump sum will always be at least twice salary.

The lower level of widower’s pension is based on the statutory minimum that applies because you pay contracted out National Insurance contributions and is made up as follows:

**Pre 6 April 1988 pensionable service** – The widower’s Guaranteed Minimum Pension which is approximately equal to the widower’s pension from the State Earnings Related Pension Scheme (SERPS) that would have been payable if you had been contracted in.

**Post 6 April 1988 Pensionable service** – A widower’s pension of one half of your pension earned in the Plan between 6 April 1988 and the date of death.

If you are unsure whether to opt for a higher lump sum and a lower level of widower’s pension, it is recommended that you take independent financial advice. Please bear in mind that your husband’s agreement will be required.

You should also be aware that your decision once made will be irreversible, unless your marital status changes while you are still in service. Other changes in your personal or financial circumstances will not entitle you to change your decision.

**Some further information**

The Trustees will decide who should receive the lump sum benefit, bearing in mind the circumstances at the time of death and taking into account your wishes as shown on your **Expression of Wish Form**.

Whichever option you select, the widower’s pension is payable monthly in advance, from the date of your death and for the remainder of your husband’s lifetime. While the lump sum benefit can be paid to any beneficiary or beneficiaries, a widower’s pension is payable only to the husband to whom you are married at the date of death.

**What happens if your marital status changes before you retire?**

If you become widowed or divorced, the benefit payable on death in service will be as for a single member i.e. a lump sum payment of four times salary at the date of death. If you subsequently remarry, you will then be able to select either of the options that apply to a married member.

**Action required**

If you are single, you do not need to take any action now. However, you should keep this notice with your explanatory booklet to help you remember that the option described above will become available if you do get married.

If you are married, you should complete and return the attached **Option Form**. Please remember that you may not change your decision at a later date unless your marital status changes.

If you need any further information concerning the options, please contact the Payroll and Pensions Section of the Finance and Planning Office.
Announcement from the Trustees to male members of the Plan who were members on 5 April 1988 (issued June 2002).

Please note that a new option for death in service benefits has been introduced. If you are married, you may switch to the new basis, or remain on the existing basis. If you are unmarried, you will have this option, if and when you marry.

The benefits currently payable on the death in service of a married male member are:

- a widow’s pension of one half of the pension that you would otherwise have received at age 65, based on the greater of your salary at date of death and your pensionable salary at the previous Plan renewal date;

- a lump sum of twice salary at date of death.

The alternative benefits now available are:

- a lower level of widow’s pension;

- a lump sum of four times salary at date of death, less a deduction equal to the value of the lower level of widow’s pension; the maximum deduction is twice salary, so that the lump sum will always be at least twice salary.

The lower level of widow’s pension is based on the statutory minimum that applies because you pay contracted out National Insurance contributions and is made up as follows:

**Pre 6 April 1988 pensionable service** –
The Widow’s Guaranteed Minimum Pension which is approximately equal to the widow’s pension from the State Earnings Related Pension Scheme (SERPS) that would have been payable if you had been contracted in.

**Post 6 April 1988 Pensionable service** –
A widow’s pension of one half of your pension earned in the Plan between 6 April 1988 and the date of death.

If you are unsure whether to opt for a higher lump sum and a lower level of widow’s pension, it is recommended that you take independent financial advice. Please bear in mind that your wife’s agreement will be required. You should also be aware that your decision once made will be irreversible, unless your marital status changes while you are still in service. Other changes in your personal or financial circumstances will not entitle you to change your decision.

**Some further information**

The Trustees will decide who should receive the lump sum benefit, bearing in mind the circumstances at the time of death and taking into account your wishes as shown on your **Expression of Wish Form**.

Whichever option you select, the widow’s pension is payable monthly in advance, from the date of your death and for the remainder of your wife’s lifetime. While the lump sum benefit can be paid to any beneficiary or beneficiaries, a widow’s pension is payable only to the wife to whom you are married at the date of death.

**What happens if your marital status changes before you retire?**

If you become widowed or divorced, the benefit payable on death in service will be as for a single member i.e. a lump sum payment of four times salary at the date of death. If you subsequently remarry, you will then be able to select either of the options that apply to a married member.

**Action required**

If you are single, you do not need to take any action now. However, you should keep this notice with your explanatory booklet to help you remember that the option described above will become available if you do get married.

If you are married, you should complete and return the attached **Option Form**. Please remember that you may not change your decision at a later date unless your marital status changes.

If you need any further information concerning the options, please contact the Payroll and Pensions Section of the Finance and Planning Office.