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14 JUN 2004

**Graphical Paper & Media
Union
(GPMU)**

**Officers & Staff Pension
Fund
Explanatory Booklet**

June 2003

Introduction

Dear Member

This booklet is intended to help answer any questions that you may have about the GPMU Officers & Staff Pension Fund (the Fund).

The Fund provides benefits covering many life events, not simply retirement. The Fund is approved under the Income & Corporation Taxes Act 1988 (ICTA) which means that members of the Fund benefit from tax relief on their contributions and lump sum payments that are payable under specific circumstances.

Occupational pension schemes are permitted to contract-out of the part of the State Retirement Scheme known as the State Second Pension (S2P) from April 2002, formerly the State Earnings Related Pension Scheme (SERPS). The Fund has taken advantage of this and consequently your benefits will include an amount that is deemed to be equivalent to or better than what your SERPS/S2P entitlement would have been.

There are some special terms that apply to members who joined the Fund prior to 1 July 1988 and to members who were previously members of the National Graphical Association (NGA) arrangement. If you are one of these members please refer to the Appendices at the back of this booklet.

If you have any queries regarding any aspect of the Fund or this booklet please contact the Financial Secretary at Keys House, 63/67 Bromham Road, Bedford, MK40 2AG.

Please keep this booklet in a safe place for future reference.

Yours faithfully

Tony Dubbins
General Secretary

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Glossary

Accrued Pension - The pension payable, based on pensionable service already completed.

Active Member - An employee who is actively contributing to the Fund

Additional Voluntary Contributions (AVCs) - Extra contributions paid into the Fund by a member to buy extra benefits at retirement.

Annuity - A pension bought from an insurance company payable for the life of the annuitant

Commutation - The exchange of part or all of a pension to provide a lump sum.

Earnings Cap - Limit on the amount of remuneration on which benefits and contributions can be based for members who joined the Fund after 1st June 1989. For the tax year 2003/04 the earnings cap was set at £99,000.

Final Earnings - Pensionable Salary received by a member in the 12 month period prior to their date of leaving (plus the notional value of any rent free accommodation)

Final Pensionable Salary - The annual average of your Pensionable Salaries in the two years preceeding your Normal Pension Date.

Final Salary - The greater of i or ii -

- i. Total remuneration in any one of the last five years of Pensionable Service preceding your Normal Retirement Date, or other early retirement date. (Where remuneration is your basic annual salary plus the average of three years fluctuating emoluments e.g. overtime)
- ii. The highest average of your total remuneration (including the notional value of any rent free accommodation and any fluctuating emoluments) for any consecutive three years in the last ten years of Pensionable Service

Guaranteed Minimum Pension (GMP) - The minimum amount of pension which must be provided by contracted out final salary schemes for pension rights accrued between 6th April 1978 to 5th April 1997.

Limited Price Indexation (LPI) - Requirement of the Pensions Act 1995 to increase pension accrued post 6th April 1997 once in payment by 5% per annum or RPI if less.

Normal Pension Date - The day you attain age 65.

Normal Retirement Age (NRA) - From 1st July 2003 NRA is your 65th birthday. Accrued pensions to 30th June 2003 will continue to be calculated by reference to a retirement age of 60.

Pensionable Salary - Set as your basic salary each 1st October. From 31st January 2003, the annual increase in your pensionable salary will be restricted to the rise in the Retail Prices Index (RPI).

Pensionable Service - The number of complete years of continuous service you complete in the Fund up to your Normal Pension Date (or the date of leaving pensionable service if earlier)

Renewal Date – 1st October each year

Retail Prices Index (RPI) – A series of index numbers which measure the relative prices at various times of a selected group of goods and services bought by consumers. It allows comparison of the relative cost of living over time. RPI is used as a measure of inflation.

SERPS – the State Earnings Related Pension Scheme was the Additional State Pension which members could contract-out of between 6th April 1978 and 5th April 2002.

S2P – State Second Pension the successor to SERPS which was introduced on 6th April 2002.

Membership

Eligibility

All full-time and part-time employees who have attained the age of 18 but are less than age 60.

Joining at a Later Date

If you do not join the Fund at your first opportunity, or if you decide to opt-out of the Fund at any time, you may only be able to join or re-join the Fund with the consent of the Trustees and the Union. Life assurance benefits for late joiners may be subject to evidence of good health.

Application Form

You must complete all parts of the application form that will be provided to you when you become eligible to join the Fund. Your completed application form confirms your consent to join the pension Fund and for contributions to be deducted from your salary. You should return your completed application form, certificates and Expression of Wish Form to the Financial Secretary at Keys House.

Certificates

You will need to provide your original birth certificate (and marriage certificate if applicable) when you apply to be a member of the Fund. Please note, you must provide the original certificates (photocopies or certified copies will not be accepted) which will be returned to you promptly by recorded delivery.

Expression of Wish Form

It is advisable for you to complete an Expression of Wish Form (sometimes known as a Beneficiary Nomination Form) when you apply to join the Fund. The Expression of Wish Form will act as guidance for the Trustees in the event that lump sum death in service benefits are payable. You should ensure that you complete a new Expression of Wish Form whenever there is a change in your personal circumstances. Expression of Wish forms are available from the Financial Secretary at Keys House. For privacy, your Expression of Wish Form may be returned in a sealed envelope.

Transfers

If you were previously a member of another employer's occupational pension scheme, a Group Personal Pension (GPP) or have a private personal pension or stakeholder pension you may be able to transfer those benefits into the Fund. Each case is considered on its own merits. Please contact the Financial Secretary at Keys House for further details.

Medical Evidence

In order for you to be covered for life assurance benefits under the Fund you may be required to provide evidence of good health at the time of joining. The insurance company that underwrites the life assurance benefits for the Fund may apply special terms or restrictions to the lump sum benefits payable on your death in Pensionable Service. You will be notified in writing of any special terms or restrictions that apply to you.

Outline of the Fund

Main Benefits

The Fund provides the following benefits for you and your dependants:

- A pension at Normal Pension Date, or at another permissible date, payable for the rest of your life by monthly instalments.
- Alternatively, you can take a tax free cash sum and a reduced pension at retirement, payable for the rest of your life by monthly instalments.
- A lump sum of four times your Pensionable Salary is payable on death in service.
- A spouse's (or financial dependant's) pension is payable in the event of your death before or after retirement, payable for the rest of their life.
- Children's pensions payable up to age 18, or 25 if they are in full time education.
- The option of a preserved benefit or a transfer if you leave the Fund after two years of contributory membership and before your Normal Pension Date.

How the Fund is Run

The cost of the Fund is met by contributions paid by both the Union (employer) and you (employee) and are invested by the Trustees. The pension Fund investments are kept completely separate from the Union's assets.

The Fund's Trustees

The Trustees' primary responsibility is to ensure that the Fund is managed and run in the best interests of the beneficiaries (members, pensioners and dependants). The *Pensions Act 1995* provides details of how Trustees duties must be carried out. The Trust Deed & Rules of the Fund further specify the particular duties of the Trustees and those which the Trustees may delegate such as the investment and management of Fund contributions and assets, also the day to day administration of the Fund. There are specific issues over which the Trustees have discretionary powers, such as the granting of ill health and early retirement benefits and payment of lump sum death in service benefits.

Rules and Regulations

The Trustees must act in conformity with the Trust Deed & Rules of the Fund. The Trust Deed & Rules are legally binding and definitive in all matters relating to the benefit bases and running of the Fund, and prevail over the information contained in this booklet. Furthermore, the Trust Deed & Rules comply with the Inland Revenue and Occupational Pensions Regulatory Authority (OPRA) requirements. A copy of the Trust Deed & Rules is available on request.

Tax Advantages

As a member of the Fund you will benefit from several tax advantages:

- Full tax relief on your contributions, this includes any Additional Voluntary Contributions (AVCs) that you may pay.
- You can elect to take part of your retirement benefits as a tax free cash sum, any residual pension is liable to income tax
- Lump sum death benefits paid to beneficiaries generally do not incur any inheritance tax liability.
- The Fund's investments are not subject to capital gains tax or income tax.

The Fund and the State

The State Retirement Pension

This is a global term encompassing a number of different benefits but principally the Basic State Pension (BSP) and the State Earnings Related Pension Scheme (SERPS), and since April 2002 the State Second Pension (S2P).

The BSP is a flat rate amount payable to everyone who has paid sufficient National Insurance contributions throughout their working life. Generally, to receive the full rate of BSP an individual must have paid approximately 90% of full National Insurance contributions over their working life.

In the event that a person has not paid full National Insurance contributions for a sufficient number of 'qualifying years', or a woman who elected to pay reduced rate contributions, it may be possible to make up the contributions or be credited with 'qualifying years'. More information can be obtained from your nearest Inland Revenue (National Insurance Contributions) Office or via the Inland Revenue website: www.inlandrevenue.gov.uk

The SERPS benefit is payable to individuals who are contracted-in and pay full National Insurance contributions. This is in addition to the BSP and came into force in April 1978. The SERPS benefit is based on an employee's earnings between the Lower Earnings Threshold limit (LET) and the Upper Earnings Limit (UEL), for the tax year 2003/2004 are £4,004 p.a. and £30,940 p.a. respectively.

The State Second Pension (S2P) comes into effect on 6 April 2002 and replaces SERPS. However, all accrued rights to SERPS benefits up to April 2002 are protected. The aim of S2P is to provide low and moderate earners with a more generous additional State Pension.

Contracting-Out

On the inception of SERPS the Government decided to allow employers to contract-out of SERPS if the contributions were paid into an occupational pension scheme which would provide a certain minimum benefit in place of SERPS, up to 5th April 1997 this was known as the Guaranteed Minimum Pension (GMP). The immediate benefit to both employer and member of a contracted-out pension scheme is that they pay reduced National Insurance contributions. The employee's reduction in National Insurance contributions is 1.6% of their earnings between the LET and UEL.

As the Officers & Staff Pension Fund is designed to provide better benefits than the State Scheme it was decided to contract-out. The Fund meets all the conditions for contracting-out. Only members of the former National Graphical Association Pension Scheme are contracted-in.

Inflation Protection

After you reach State Pension Age your Guaranteed Minimum Pension (GMP) accrued after 6 April 1988 must be increased each year in line with the Retail Prices Index (inflation) to a maximum of 3% p.a. compound. If the Retail Prices Index is greater than 3% the balance will be paid by the State as applicable. The increases to GMP vary depending on your date of joining the Fund.

State Pension Age

State Scheme benefits are payable from State Pension Age, which is currently 60 for women and 65 for men. However, the State Pension Age for women is to be gradually increased to 65 between 2010 and 2020. For women born after 6 April 1950 their State Pension Age will increase in months. For example a woman born on 6 September 1950 will have a State Pension Age of 60 years and 6 months and a woman born on 6 November 1953 will have a State Pension Age of 63 years and 8 months.

You should note that this change to State Pension Age for women is not applicable to the age at which GMPs are payable. That will remain age 60.

Total Retirement Income

At retirement you will not only receive a pension from the Fund, you will also receive a Basic State Pension as mentioned above. If you would like to have an idea of how much State retirement benefit you may get you can complete form **BR19** online at <http://www.thepensionservice.gov.uk> or contact the Retirement Pension Forecasting Team at:

Retirement Pension Forecasting Team
Room BP001
Tyneview Park
Whitely Road
Newcastle upon Tyne
NE98 1BA

telephone: 0191 218 7585

Contributions

Member's Contribution

All members of the Fund contribute to the cost of the benefits. Your contribution is 10% of Pensionable Salary per annum from 1st July 2003 but is subject to variation on the advice of the Scheme Actuary.

Tax Relief

Pension scheme contributions are exempt from income tax. Your pension fund contributions are deducted from your gross pay, that is, before income tax is deducted.

Union's Contribution

Because the Union believes that an adequate level of benefits must be created and maintained, it has undertaken to pay the balance of the cost of providing the benefits. The Union's contribution is substantially more than the member's contribution.

Details of the Union's contribution to the Fund is shown in the Trustees Annual Report, a copy can be obtained from the Financial Secretary at Keys House.

Additional Voluntary Contributions

In addition to ordinary contributions to the Fund, you have a right to pay Additional Voluntary Contributions (AVC's) to increase your benefits. This may be considered particularly useful for older employees, who as they near retirement may wish to boost their retirement income.

Contributions

A member may increase or decrease their AVC rate at any time, subject to a minimum contribution amount of £10 per month. AVC's receive the same tax relief as ordinary scheme contributions. A member is free to stop paying AVC's whenever they wish.

The total amount of contributions a member may pay is restricted by the Inland Revenue to 15% of their remuneration in any one tax year. This includes ordinary contributions the member makes to the main Fund, AVC's and any contributions made to a Free Standing Additional Voluntary Contribution (FSAVC) scheme. Therefore, under the Officers & Staff Pension Fund a member can potentially pay up to 5% of their remuneration as AVC's in any one tax year (if they are not paying into a FSAVC plan as well). However, benefits accrued from all sources of contribution can only be provided up to the maximum allowed by the Inland Revenue rules.

Trustees invest the AVC's that a member makes in the same way as the main Fund contributions, however, AVC investments are kept separate from the main Fund assets.

Benefits at Retirement

When you retire at Normal Retirement Date (or take early or late retirement) your AVC fund, which consists of your contributions and the investment return earned, will be disinvested and used to provide additional retirement benefits. The additional benefits that can be provided from AVC's are extra pension in the form of an annuity for the member and a supplementary dependant's pension. Alternatively, if a member's AVC's commenced prior to 8 April 1987 all or part of the fund may be taken as a tax free lump sum.

Further Information

If you would like more information about AVC's and the available investment options under the Fund please contact the Financial Secretary at Keys House.

Stakeholder Pensions

Stakeholder pensions first became available on 6th April 2001 and from 8th October 2001 an employer must provide access to a stakeholder scheme for all relevant employees unless they are exempt. The GPMU Officers & Staff Pension Fund meets the criteria for stakeholder exemption.

It is possible to contribute to a stakeholder pension as well as the Fund if you meet the requirements for partial concurrency. Impartial information about stakeholder pensions is available from the Department for Work and Pensions website:

www.thepensionsservice.gov.uk

Benefits at Retirement

There are some special terms that apply to members who joined the Fund prior to 1 July 1988 and to members who were previously members of the National Graphical Association (NGA) arrangement. If you are one of these members please refer to the Appendices at the back of this booklet.

Pension

At your Normal Retirement Date, your 65th birthday, you will be entitled to receive a pension that will be paid monthly in advance for the rest of your life.

Your pension will be calculated as:

$$1/60\text{th} \times \text{Final Pensionable Salary} \times \text{Pensionable Service}$$

Benefits on retirement at age 65 are based on total pensionable service, and there is no reduction. There may be an increase: at the point of retirement, a check will be made to see if the member concerned would be better off, if his or her pension earned by reference to pensionable service up to and including 30th June 2003 were treated as a 'frozen' pension, actuarially increased to take account of the fact that it is being paid at age 65 and not at age 60. If that would produce a better result then the higher pension will be paid.

Tax Free Cash Sum and Residual Pension

Whenever you retire you may elect to exchange some of your pension for a lump sum cash payment known as a tax free cash sum (TFCS) and your annual pension will be actuarially reduced to compensate for this. As the name suggests, the TFCS payment is completely free of any tax liability and may be used in any way you wish.

The amount of tax free cash available to you will depend on your Final Salary and your Pensionable Service. The method used to calculate a member's TFCS is based on the limits defined by the Inland Revenue.

The TFCS formula is:

$$3/80\text{ths} \times \text{Final Salary} \times \text{Pensionable Service}$$

A member does not have to take the maximum tax free cash sum payable, they can elect to receive a reduced amount.

Note: Benefits payable at retirement date may be restricted by Inland Revenue limits.

Additional Voluntary Contributions (AVC's)

As an alternative to commuting part of your pension to take a TFCS you may use your AVC fund for all or part of your TFCS provided that you began paying AVC's prior to 8 April 1987

Death after Retirement

A pension of 50% of the member's pension at date of death (ignoring any reduction for the member having taken a tax free cash sum at retirement) is automatically payable to a legally married spouse. At the Trustees discretion where there is no widow or widower a pension may be paid to a person or persons who are deemed (by the Union) to have been financially dependent on the member at date of death.

Early Retirement

There are some special terms that apply to members who joined the Fund prior to 1 July 1988 and to members who were previously members of the National Graphical Association (NGA) arrangement. If you are one of these members please refer to the Appendices at the back of this booklet.

With the consent of the Trustees and the Union a member can take early retirement for any reason from their 50th birthday up to their 60th birthday if one of the following is true:

- The member has completed at least 10 years Pensionable Service
- The member is seeking early retirement on the grounds of incapacity

Where early retirement on the grounds of incapacity is requested, medical opinion will be sought.

Members who take early retirement are entitled to the same options as if they were retiring at Normal Retirement Date:

- a) Full pension
- Or
- b) Tax free cash sum and residual pension

The pension payable (and the tax free cash sum option) on early retirement will be calculated in accordance with the formula for a member who is retiring at their Normal Retirement Date, but Pensionable Service will only include the number of complete years of contributory membership of the Fund from date of joining up to actual retirement date.

The total pension is then actuarially reduced to take account of early payment and because the pension will be paid for a greater number of years than it would be if the member remained in Pensionable Service up to their Normal Retirement Date:

Early Retirement after age 60

Members have the right to retire at age 60. Pension benefits accrued to 30th June 2003 will be calculated by reference to a normal retirement age of 60 thus there will be no actuarial reduction applied to this part of a member's pension. However, pension accrued from 1st July 2003 is calculated by reference to a normal retirement age of 65. Therefore, any member exercising their right to retire on or after age 60 but before age 65 will have an actuarial reduction factor applied to this part of their pension.

Age at early retirement	Early retirement factor* to be applied to pension accrued to 30th June 2003	Early Retirement Factor* to be applied to pension accrued from 1st July 2003
64	Nil	0.962
63	Nil	0.925
62	Nil	0.890
61	Nil	0.856
60	Nil	0.824
59	0.962	0.793
58	0.925	0.762
57	0.890	0.734
56	0.856	0.706
55	0.824	0.679
54	0.793	0.653
53	0.762	0.628
52	0.734	0.604
51	0.706	0.581
50	0.679	0.559

* These are the current early retirement factors. They may be changed from time to time, depending on the advice of the Actuary.

Retirement Due to Incapacity

Where the Trustees and the Union consent to early retirement as a result of a members incapacity or serious ill-health the number of years of Pensionable Service will be as if the member was retiring at their Normal Retirement Date, and there will be no actuarial reduction. Appropriate medical evidence will be required before an ill health retirement pension can be granted.

Additional Voluntary Contributions (AVC's)

Under the Rules of the Fund a member who has an accumulated AVC fund must take their AVC benefits at the time of early retirement. AVC's may be used to increase a member's pension. Alternatively, the fund can be used for all or part of the tax free cash sum provided that the member began paying AVC's prior to 8 April 1987.

Death after Retirement

A pension of 50% of the member's pension at date of death (ignoring any reduction for the member having taken a tax free cash sum at retirement) is automatically payable to a legally married spouse. At the Trustees discretion where there is no widow or widower a pension may be paid to a person or persons who are deemed (by the Union) to have been financially dependent on the member at date of death.

Late Retirement

There are some special terms that apply to members who joined the Fund prior to 1 July 1988 and to members who were previously members of the National Graphical Association (NGA) arrangement. If you are one of these members please refer to the Appendices at the back of this booklet.

With the Union's consent you may elect to remain in service after Normal Retirement Date. The retirement options are the same as for a member retiring at Normal Retirement date or early retirement.

Calculation Basis

The calculation of late retirement benefits is the same as for a member who retires on their Normal Retirement Date, but for the period from Normal Retirement Date to the date of actual retirement the pension will be actuarially increased to reflect late payment of benefits.

If a member remains in service after State Pension Age they can only defer payment of their Guaranteed Minimum Pension (GMP) for a maximum of five years. During this period the GMP will be increased to reflect late payment. A member must take all of their retirement benefits no later than their 75th birthday.

Death before Late Retirement

Where a member dies before late retirement benefits become payable the same death benefits are payable as if the member had died after Normal Retirement, but the benefits payable will be calculated as if the member had retired the day before they died. A pension of 50% of the member's pension (ignoring any reduction for the member having taken a tax free cash sum) is immediately payable to the surviving spouse or, at the Trustees discretion, a person who is classified as a financial dependant on the member by the Union. A widow's, widower's or dependant's pension would be payable by monthly instalments for the rest of their life.

Death Benefits

There are some special terms that apply to members who joined the Fund prior to 1 July 1988 and to members who were previously members of the National Graphical Association (NGA) arrangement. If you are one of these members please refer to the Appendices at the back of this booklet.

Death in Service Benefits

A lump sum of four times your Pensionable Salary is payable if you die whilst still employed by the Union. The lump sum benefit is payable under trust by the Trustees to your dependants or your estate. Trustees have full discretion over to whom the lump sum benefits are paid, but they will usually comply with your wishes as specified in an Expression of Wish Form.

It is advisable that all members complete an Expression of Wish Form at time of joining the Fund and fill out a new Expression of Wish Form whenever personal circumstances change.

If you are not married, and no dependant's pension is payable a lump sum equal to twice your contributions plus interest at 3% per annum compound for each year of Pensionable Service completed up to the member's date of death, is payable in the same way as the lump sum explained above.

Lump sum death benefits are paid tax free up to Inland Revenue limits.

In addition to the lump sum payments payable on death in service a pension equal to 50% of your prospective pension is payable to a surviving spouse or, at the Trustees discretion, to a person or persons who are deemed (by the Union) to be financially dependant on the member at date of death.

Benefits on Death after Retirement

The pension payable to a widow, widower or financial dependant on the death of a member after retirement, or before late retirement benefits have commenced payment is explained in full under the appropriate sections.

Additional Benefits on Death of a Member

If a member dies after retirement but within the first five years of retirement a lump sum payment equal to the balance of five years of pension instalments (including any guaranteed pension increases) is payable to their dependants or estate.

Where any member dies before retirement but after their Normal Retirement Date (i.e. they have elected to take late retirement) a lump sum payment equal to the balance of five years of pension instalments (including any guaranteed pension increases) is payable to their dependants or estate.

Children's Pension

On the death of a member either whilst still employed by the Union or after they are in receipt of a pension from the Fund, children's pensions are payable in addition to the surviving spouse's or financial dependants pension as follows:

One child - will receive 50% of the pension payable to the widow or widower

Two or more children - an amount equal to the widow's or widower's pension will be paid in such proportions as decided by the Trustees

Where there is no widow, widower or financial dependant the pension payable to any surviving children will be doubled.

Children's pensions are payable until they no longer satisfy the definition of dependant child. This is usually when they reach age 18 or, if in full time education or vocational training up to when they attain age 25.

Extra Pension Provision for Family

A member may elect to surrender part of their pension entitlement to increase the amount of pension payable to a surviving spouse or dependants, provided that the member's pension is equal to or greater than their Guaranteed Minimum Pension (GMP) and the spouse's/dependant's pension:

- is greater than the Trivial Pension amount
- does not exceed the member's own pension

Pension Increases to Pensions in Payment

There are some special terms that apply to members who joined the Fund prior to 1 July 1988 and to members who were previously members of the National Graphical Association (NGA) arrangement. If you are one of these members please refer to the Appendices at the back of this booklet.

Pensions in payment are increased on 6th October each year. Where a member's pension has not been in payment for a full year the first increase will be proportionate.

Increases to Pensions in Payment for Member's who Joined the Fund Prior to 1 January 1994

The part of the member's pension that is attributable to their Guaranteed Minimum Pension (GMP) will be increased by 4% p.a. compound. The part of the member's pension that is in excess of the GMP will be increased by 5% p.a. compound

Widow's or widower's pension increases are the same as for the member's pension above.

Children's pensions and any pensions payable to dependants are increased by 5% p.a. compound.

Increases to Pensions in Payment for Member's who Joined the Fund On or After 1 January 1994

The part of the member's pension that is attributable to their Guaranteed Minimum Pension (GMP) will be increased in line with the Retail Prices Index (RPI) to a maximum of 3% p.a. compound. The part of the member's pension that is in excess of the GMP will be increased in line with the Retail Prices Index (RPI) to a maximum of 5% p.a. compound

Widow's or widower's pension increases are the same as for the member's pension above.

Children's pensions and any pensions payable to dependants are increased in line with the Retail Prices Index (RPI) to a maximum of 5% p.a. compound.

Pension Increases for All Pensions Accrued from 1 November 2000

Regardless of the member's date of joining the Fund all pensions accrued from 1 November 2000 will increase, once in payment, in line with the Retail Prices Index (RPI) to a maximum of 5% p.a. compound.

Note: The Inland Revenue imposes strict limits on the maximum pension payable; this includes the level of pension as pension increases are applied. This means that any pension increases may have to be restricted in order to comply with Inland Revenue limits. You will be advised if you are affected by this.

Temporary Absence

The majority of absences from work are only for a short period of time, where this is the case there is no effect on a member's membership of the Fund. However, there are circumstances where temporary absence could affect membership of the Fund.

Where a member is temporarily absent for a long time their membership of the Fund may be continued under the following circumstances:

- For up to two and a half years, or such longer period as the Trustees shall decide
- Where a member has been seconded either to a UK Government department or overseas
- For reasons other than those specified above but not exceeding 10 years or such longer period as advised by the Inland Revenue

In order for a member to be granted continuation of membership in the Fund their must be at least reasonable expectation (or intention) that the member will return to work unless, the member's temporary absence is due to ill health.

Contributions and Benefits

A member's contributions during a period of temporary absence may continue in full or at a reduced level, alternatively contributions may be suspended or postponed.

The Executive Council will decide what benefits, if any, a member is entitled to in respect of the period of their temporary absence. The Executive Council will take into account the level of contributions paid by the member during the period of temporary absence.

The Executive Council (with the Trustees agreement) will decide whether all or part of any benefits payable on death will continue whilst the member is on temporary absence.

If a member who is on temporary absence does not return to work at the anticipated time they will be deemed to have left service.

Maternity Leave

Temporary absence as described above is different to maternity leave.

If a member leaves the Union to have a baby and reserves the right to return to work then their benefits will be maintained under the Fund. A female member of the Fund is entitled to a period of 26 weeks (irrespective of number of hours worked or length of service) during which they may continue to accrue pension benefits and benefits payable on death in service of the member. The member's right to 26 weeks maternity leave is not dependent on the member agreeing to return to work.

Pensionable Service continues for a member who is classified as being on paid maternity leave, by receiving either contractual or statutory maternity pay. Any period of maternity leave that continues after maternity pay has ceased will not count as Pensionable Service. However, when the member returns to work they will be treated as having continuous Pensionable Service under the Fund, but the period of unpaid maternity leave will not be treated as Pensionable.

During any period of paid maternity leave a member's contributions will be based on the actual pay they receive. The Union will contribute the balance of the cost of providing a member's benefits based on a notional Pensionable Salary which the member would have received had they not been absent due to maternity leave.

If a member decides not to return to work after their maternity leave ends they will be treated as having left the Fund on the day their maternity pay ceased.

Changes in Hours of Work

If you change from working full-time or part-time or vice versa, or your part-time hours are altered, your membership of the Fund will not be affected. However, if you die whilst still employed by the Union the Pensionable Salary used to calculate the lump sum death benefits will be your current pensionable earnings, i.e. if you are employed on a part-time basis at date of death but were previously working full-time the lump sum will be based on your actual part-time earnings.

Your pension benefits will be calculated in a specific way to take account of the different number of hours worked over specified periods. Each period of service where a different number of hours is worked may be calculated separately, by reference to the remuneration of that period.

Alternatively, part-time Pensionable Service can be converted to its full-time equivalent and part-time Pensionable Salary would be converted to its full-time equivalent as per the Inland Revenue formulae.

Method to convert part-time Pensionable Service to full-time:

Number of years of completed Pensionable Service \times $\frac{\text{actual number of hours worked per week}}{\text{Full-time hours per week}}$

Method to convert part-time Pensionable Salary to full-time:

Pensionable Salary based on part-time earnings \times $\frac{\text{Full-time hours per week}}{\text{Actual number of hours worked per week}}$

Leaving Service Benefits

There are some special terms that apply to members who joined the Fund prior to 1 July 1988 and to members who were previously members of the National Graphical Association (NGA) arrangement. If you are one of these members please refer to the Appendices at the back of this booklet.

Leaving service benefits are what a member becomes entitled to when they leave the service of their employer or elect to leave the pension scheme before they are eligible to commence receiving retirement benefits (opt-out).

Less than Two Years Pensionable Service

If a member leaves the Union before they have accrued two years Pensionable Service then they will receive a refund of their own contributions plus interest at 3% p.a. compound. The refund will be paid to the former member after deduction of the Certified Amount, which represent the cost of reinstating the member into the State Second Pension (S2P) and tax at 20%. After a refund of contributions has been paid, the Trustees are discharged from any liability to the former member and their dependants.

Two or More Years Pensionable Service

Under the Fund, where a member has completed two or more years continuous Pensionable Service they become entitled to have their accrued benefits preserved until they reach Normal Retirement Date. When the member retires, they will have the same options as a member who had never left the Fund; i.e. they may take a full pension or tax free cash sum and a reduced pension.

The preserved benefit consists of any Guaranteed Minimum Pension (GMP) that the member has accrued rights to, and any benefits in excess of the GMP, commonly known as the excess.

Calculation of Preserved Benefits

The formula for calculating a member's accrued benefits at date of leaving is:

$$1/60 \times \text{Final Earnings} \times \text{Completed Pensionable Service}$$

NOTE: A member's Final Pensionable Salary will be used instead of their Final Earnings if that is a greater figure.

Revaluation of Preserved Benefits

The amount of pension calculated at the member's date of leaving the Fund will be revalued between their date of leaving and Normal Retirement Date.

Guaranteed Minimum Pension (GMP)

The part of the members preserved (deferred) pension that relates to their GMP will be revalued for each complete tax year from their date of leaving to their Normal Retirement Date (or earlier date of retirement) by a fixed amount depending on the date they left the Fund, as determined from time to time by the Government Actuary. For members who have left the Fund since 6 April 2002 the fixed revaluation percentage applied to the GMP is 4.5% p.a.

compound. Different fixed revaluation rates apply to members who left pensionable service before 6th April 2002.

Excess Over GMP

The part of the members deferred pension which is in excess of the GMP will be revalued for each complete year between the member's date of leaving and their Normal Retirement Date (or earlier date of retirement) by the increase in the Retail Prices Index (RPI) subject to a maximum of 5% p.a. compound.

Please Note

For members of the Fund who left service before 1 January 1991 only the portion of their excess over GMP that was accrued after 1 January 1985 will be revalued by the lesser of RPI or 5% p.a. compound for the period between date of leaving and Normal Retirement Date (or earlier date of retirement).

Death before Retirement

If a member should die before their preserved benefits have commenced payment as a pension, an amount equal to the member's contributions to the Fund plus interest at 3% p.a. compound for each year up to the date of the member's death be payable to the member's dependants or estate.

A pension of 50% of the member's at date of death is automatically payable to a legally married spouse. At the Trustees discretion where there is no widow or widower a pension may be paid to a person or persons who are deemed (by the Union) to have been financially dependent on the member at date of death.

Death after Retirement

The benefits payable on the death of a member after they have retired are the same as if they had retired from active service as described previously in this booklet.

Transfer of Benefits

As an alternative to having their benefits preserved in the Fund until retirement, a member may request that their benefits be transferred to another arrangement. The options are:

- transfer benefits to a new employer's occupational pension fund
- transfer the benefits to an approved personal pension or Stakeholder arrangement
- Purchase a Section 32 buy-out policy (a deferred annuity) from an insurance company

It may not always be possible for a member to take a transfer-out to a new employer's scheme. You should contact the administrators of the new occupational scheme to find out more, they will also be able to tell you how the scheme would treat any transfer received.

Change of Address

Where a member leaves the service of the Union and their pension benefits are preserved in the Fund it is essential that they keep the Trustees informed of any change of address or changes in personal circumstances, e.g. change of name due to marriage. The Trustees will need to be able to contact members as they reach their Normal Retirement Date.

Leaving the Fund whilst Remaining in Service

If you decide to leave the Fund while remaining in the Union's service, your benefits will be treated as described above. All other benefits provided by the Fund will cease. You may only rejoin the Fund at a later date with the consent of the Trustees and the Union.

Divorce

If a member of the Fund enters into divorce proceedings their pension rights in an occupational pension scheme may be taken into consideration when a settlement is made. Initial legislation only provided for pension benefits to be used in divorce settlements to offset other financial assets such as property and savings. Subsequently, the *Pensions Act 1995* gave the courts the option of "earmarking" a member's pension rights for a former spouse which are payable when the member's pension comes into payment.

The most recent legislation known as "pension sharing", came into force for any divorce proceedings that commenced on or after 1 December 2000. Under pension sharing legislation courts can split a member's pension rights (excluding the Basic State Pension and Additional Voluntary Contributions) immediately and the portion assigned to the former spouse can be transferred out of the member's pension scheme or the scheme can provide the ex-spouse with their own record of pension rights under the scheme. Pension sharing is available in addition to the other options for divorcing couples. The main benefit of pension sharing is that it enables the divorcing couple to have a "clean break".

In the case of an active member of the Fund, the split in pension rights will normally be based on the cash equivalent of a member's accrued benefits. In the case of a deferred member of the Fund, the split in pension rights will be based on the cash equivalent of the preserved benefits. In the case of a pensioner, the split in pension rights will be based on the pension already being paid.

If a member of the Fund gets divorced after 1 December 2000 and a pension sharing order is made by the courts, the ex-spouse must tell the Trustees where to transfer the portion of pension and death benefits allocated to him or her. If the ex-spouse does not tell the Trustees where to transfer the benefits then the Trustees may keep the assets in the Fund, and provide benefits to the ex-spouse on their retirement. Alternatively, the Trustees may transfer the benefits to the former spouse's own occupational pension scheme, a personal pension or a suitable individual insurance policy. If the ex-spouse does not notify the Trustees of where the benefits should be transferred, they may request a transfer at a later date up to a year before the benefits become payable.

If the ex-spouse dies at any time before or after the pension sharing order has been implemented, their allocated benefits will be used to provide death benefits for their dependants or to their estate.

The administrative costs associated with a pension sharing order are generally the responsibility of the divorcing couple. The charges that the Trustees of the Fund have agreed to are in line with the National Association of Pension Funds' (NAPF) charges.

Additional Information

Inland Revenue Limits

This booklet and its Appendices cannot be a definitive guide to the limits placed on occupational pension scheme benefits by the Inland Revenue. The rules imposed by the Inland Revenue are complicated and affect individual members according to various criteria. Members will be notified if their benefits are affected.

Income Tax

Income tax is payable on any income received by an individual including pensions.

Inheritance Tax

Generally, lump sum death benefits are not subject to inheritance tax, as they are paid out to beneficiaries of the member under trust, at the discretion of the Trustees.

Amendments to the Fund

No amendment or addition to the Rules of the Fund can be made except by and with the agreement of the majority of the members present at an Ordinary General Meeting or an Extraordinary General Meeting, or by the Executive Council. If an amendment required any additional contribution to be made by the Union, the consent of the Executive Council of the Union would be necessary. In the event of any amendments to the Fund the Trust Deed & Rules will be altered accordingly.

Discontinuance of the Fund

The Fund can be discontinued (wound-up) with the consent of the Union and 5/6 (five-sixths) of the members, or when the Union becomes insolvent. In the event of discontinuance of the Fund the Trustees will apply the assets of the Fund as prescribed in the Trust Deed & Rules and in accordance with legislation.

Changes in Personal Details and Data Protection Act 1998

It is the responsibility of all members of the Fund whether active, preserved or a pensioner, to keep the Trustees informed of any changes in personal circumstances. This includes such events as marriage, divorce or moving house. In addition, members have a responsibility to inform the Trustees of any incorrect information that is held about them.

The principles of the Data Protection Act 1998 are that information held on paper and in computerised form must be processed fairly, obtained lawfully and be relevant. In addition, the information held about members must be accurate and kept up to date. An individual has a right to access to information stored about him or her, and have inaccurate information amended.

Internal Disputes Resolution Procedure

The *Pensions Act 1995* required Trustees to put in place an Internal Disputes Resolution Procedure (IDRP). The procedure covers disputes between the Trustees and members of the Fund (actives, deferreds or pensioners) prospective members or beneficiaries.

The procedure is a two stage process. In the first stage the complainant must write to the Financial Secretary as the trustees' designated person to investigate complaints. The

designated person must reply to the person making the complaint within two months of receiving all the information required to investigate the complaint properly.

If the complainant is not satisfied with the response received in the first stage of the IDRPs they have six months to exercise their right to ask the Trustees to look at the complaint again, and the decision that was given at the first stage. The Trustees must give their decision within two months of receiving all the information required to consider the complaint fully.

If at any point during the IDRPs the complainant is not happy with the way their complaint is being handled, or they are not satisfied with any of the responses they receive then they are entitled to take their complaint to the Pensions Advisory Service (OPAS). Indeed, a person wishing to make a complaint does not have to go through the IDRPs before they contact OPAS.

The Pensions Advisory Service (OPAS) - www.opas.org.uk

OPAS provides advice and assistance to individual members of occupational pension schemes who cannot understand or accept what they are told by the scheme authorities. OPAS also offers help to individuals regarding personal pensions, and other general pension queries from members of the public. If necessary OPAS will conduct detailed investigations on behalf of anyone who contacts them. OPAS cannot provide help in the following matters:

- Financial advice
- Negotiation for the introduction or changes to occupational pension schemes
- Funding arrangements
- Formal arbitration

Where OPAS is unable to resolve queries or complaints the matter will be referred to the Pensions Ombudsman.

Pensions Ombudsman - www.pensions-ombudsman.org.uk

The Pensions Ombudsman has the power to:

- Investigate and make determinations on complaints made by an existing scheme member, a potential scheme member, their spouse, dependant(s) or personal representative(s) regarding maladministration by a scheme's Trustees, managers, administrators or the employer
- Investigate any dispute of fact or law between the person making a complaint and the scheme Trustees, manager, administrators or employer.
- Investigate disputes between, or offer guidance to Trustees of the same scheme

The address for both OPAS and the Ombudsman is:

11 Belgrave Road
London
SW1V 1RB

Occupational Pensions Regulatory Authority (OPRA) - www.opra.gov.uk

OPRA was set up under the *Pensions Act 1995* to act as a regulatory body for occupational pension schemes. OPRA has many powers, but their main focus is on ensuring that member's interests are protected and that pension schemes comply with the *Pensions Act 1995*.

OPRA can be contacted at:

Invicta House
Trafalgar Place
Brighton
East Sussex BN1 4DW

Pension Schemes Registrar

The Fund is registered with the Registrar of Occupational and Personal Pension Schemes. The registrar operates a service where members can trace benefits accrued from membership of previous employer's schemes. You can contact them via the OPRA website or at:

The Pension Scheme Registry
PO Box 1NN
Newcastle upon Tyne
NE99 1NN

Appendix I

Special Conditions Applicable to Members of the SOGAT Fund Prior to 6 January 1974

Benefits at Retirement - Pension

If you became a contributory member prior to 1 January 1955, the minimum pension payable at your Normal Retirement Date will be 40% of your Final Pensionable Salary.

Pensionable Service is the number of complete years of membership of the Fund.

Tax Free Cash Sum

If you have completed more than 20 years Pensionable Service at your Normal Retirement Date you may take up to 1.5 times your Final Salary.

If you have retained benefits from a previous employer's pension scheme your tax free cash sum may need to be reduced.

Death Benefits – Widow's Pension

If you paid Additional Voluntary Contributions (AVC's) towards a widow's pension prior to 1 January 1974, and die in Pensionable Service or after retirement, your widow will be entitled to a supplementary pension, in addition to the widow's pension described elsewhere in this booklet.

The additional widow's pension will be calculated as:

$$N/NS \times 0.5 \times PEP$$

Where:

- N = the number of years you paid (or are deemed to have paid) AVC's for a widow's pension
- NS = the number of years of Pensionable Service up to age 65
- PEP = your Present Expected Pension at age 65 based on your Pensionable Service at 6 January 1974

Please Note:

1. If you became a member prior to 1 January 1955 and subsequently paid AVC's you are deemed to have paid AVC's from the commencement of your membership of the Fund or from the date of your marriage.
2. If you qualify for a minimum pension of 40% of your Final Pensionable Salary because you became a member of the Fund before 1 January 1955, your 'PEP' referred to above will be 40% of your Pensionable Salary at 6 January 1974.
3. The maximum total widow's pension payable will be the lesser of :
 - (a) 100% of your own pension
 - (b) 66% of the maximum pension that Inland Revenue limits permit you.
4. If your wife predeceases you then your own pension will be increased by such an amount that can be secured by any AVC's that you have paid together with interest at 3% p.a. compound. Your own total pension will still be subject to Inland Revenue Limits.

Early Retirement

If you became a contributory member prior to 1 January 1955 and elect to take early retirement your minimum pension will be calculated as:

$$N/NS \times (40\% \times \text{Pensionable Salary})$$

Where:

N = Completed Pensionable Service
NS = Potential Pensionable Service up to age 60

If you retire on grounds of ill health your Pensionable Service will be calculated up to age 65.

Leaving Service Benefits

If you qualify for a minimum pension of 40% of your Final Pensionable Salary because you joined the fund prior to 1 January 1955, your minimum deferred pension payable from your normal retirement date will be calculated as:

$$N/NS \times (40\% \times \text{Final Earnings}^*)$$

Where:

N = Completed Pensionable Service
NS = Potential Pensionable Service up to age 60

* Final Earnings = basic salary received by a member in the exact 12 month period prior to their date of leaving (plus the notional value of any rent free accommodation if applicable) A member's Final Pensionable Salary will be used instead of their Final Earnings if that is a greater figure.

In addition to the benefits payable on your death before or after retirement your widow will be entitled to an extra widow's pension that may be secured by any Additional Voluntary contributions that you have paid, using the same formula set out above.

Appendix II

Special Conditions Applicable to members who joined the SOGAT Fund between 6 January 1974 and 30 June 1988

Benefits at Retirement - Pension

If you became a contributory member of the fund before 1 July 1988 your pension will be calculated as:

$1\% \times \text{Final Pensionable Salary} \times \text{Pensionable Service}$

Plus, if you joined the Union before your 55th birthday you will receive a pension equal to 25% of your Final Pensionable Salary at your normal pension date. If you joined the Union after your 55th birthday the extra percentage pension will be reduced as follows:

Age Attained on Joining	"Extra Percentage"
55	20%
56	15%
57	10%
58	5%
59	0%

Tax Free Cash Sum

The tax free cash sum you may take at retirement will be:

Date of Joining pre 17 March 1987		Date of Joining Pre 1 June 1989	
20 years Pensionable Service	1.5 x Final Salary	40 years Pensionable Service	1.5 x Final Salary (maximum £100,000)
Less than 20 years Pensionable Service	Uplifted 80ths: 1-8yrs = 3/80ths per yr 9yrs = 30/80ths 10yrs = 36/80ths 11yrs = 42/80ths 12yrs = 48/80ths 13yrs = 54/80ths 14yrs = 63/80ths 15yrs = 72/80ths 16yrs = 81/80ths 17yrs = 90/80ths 18yrs = 99/80ths 19yrs = 108/80ths 20yrs = 120/80ths	Less than 40 years Pensionable Service	$\frac{3}{80} \times \text{Final Salary} \times \text{Pensionable Service}$

NB: If you have retained benefits in a previous employer's pension scheme then your tax free cash sum may be reduced.

Early Retirement

An early retirement pension will be calculated in accordance with the scale set out above. Pensionable Service will be calculated up to your actual date of retirement. Pension accrued to 30th June 2003 will be calculated by reference to age 60 and pension accrued from 1st July 2003 would be calculated by reference to your normal retirement age of 65. If retirement is before age 60 the whole pension will be reduced. If retirement is between 60 and 65 only your post 1st July 2003 benefits will be reduced (this includes a proportionate amount of the "Extra Percentage" pension) as per the actuary's advice to take account of the longer period that the pension will be in payment.

Leaving Service Benefits

If you leave the Fund before you are entitled to receive a pension your preserved benefit will be calculated as:

$1\% \times \text{*Final Earnings} \times \text{Pensionable Service}$

Plus, a proportion of the extra percentage pension based on your completed Pensionable Service divided by your Potential Pensionable Service up to age 60 for pension accrued to 30th June 2003 and up to age 65 for pension accrued from 1st July 2003. The extra percentage pension will be based on your Final Earnings* at date of leaving.

*If your Final Pensionable Salary is greater than your Final Earnings that figure will be used.

Your preserved pension will be revalued in the same way as described in the main part of the booklet.

Appendix III

Special Conditions Applicable to Members who Transferred their Benefits from the National Graphical Association Employee's Pension Scheme (the "Staff Scheme")

Benefits at Normal Retirement - Pension

The formula used to calculate what your pension will be is:

$1/60^{\text{th}}$ x Final Pensionable Salary (FPS) x Pensionable Service

PLUS

$1/60^{\text{th}}$ x FPS x Staff Scheme Service 1

PLUS

$1/70^{\text{th}}$ x FPS x Staff Scheme Service 2

PLUS

$1/140^{\text{th}}$ x FPS x Staff Scheme Service 3

Where:

Pensionable Service	=	the number of full years of contributory service from 1 January 1994 up to Normal Retirement Date
Staff Scheme Service 1	=	the number of years and months (rounded up) of Service in the Staff Scheme from the later of your date of joining and 1 January 1990, up to 31 December 1993
Staff Scheme Service 2	=	the number of years and months (rounded up) of service in the Staff Scheme from the later of your date of joining and 1 July 1978, up to 31 December 1989
Staff Scheme Service 3	=	the number of complete years between your date of joining the Union's service and 1 July 1978.

Early Retirement

None of your pension accrued up to 30th June 2003 will be reduced unless you retire before age 60. Your pension benefits accrued from 1st July 2003 would be reduced as per the scheme actuary's advice to take account of the fact that the pension will be paid for longer than if you retired at your Normal Pension Date (your 65th birthday).

Pension Increases to Pension in Payment

The part of your pension that is attributable to your Guaranteed Minimum Pension (GMP) will be increased by 4% p.a. compound

The part of your pension that is in excess of the GMP will be increased by 5% p.a. compound for that accrued up to 31 October 2000. The part of the excess accrued from 1 November 2000 will increase in line with the Retail Prices Index (RPI) to a maximum of 5% p.a. compound.

The Inland Revenue place strict limits on the benefits and pensions payable from occupational pension schemes. If any of your benefits are affected you will be advised.

Tax Free Cash Sum

The tax free cash sum you may take at retirement will be:

Date of Joining pre 17 March 1987	20 years Pensionable Service	1.5 x Final Salary
	Less than 20 years Pensionable Service	Uplifted 80ths: 1-8yrs = 3/80ths per yr 9yrs = 30/80ths 10yrs = 36/80ths 11yrs = 42/80ths 12yrs = 48/80ths 13yrs = 54/80ths 14yrs = 63/80ths 15yrs = 72/80ths 16yrs = 81/80ths 17yrs = 90/80ths 18yrs = 99/80ths 19yrs = 108/80ths 20yrs = 120/80ths
Date of Joining Pre 1 June 1989	40 years Pensionable Service	1.5 x Final Salary (maximum £100,000)
	Less than 40 years Pensionable Service	3/80 x Final Salary x Pensionable Service
Date of Joining Post 1 June 1989	The greater of a) and b):	a) 3/80 x Final Pensionable Salary x Service (maximum 40 years)
		b) 2.25 x initial pension at retirement

If you have retained benefits in a previous employer's pension scheme then your tax free cash sum may be reduced.

Death Benefits

If you die within five years of retirement a lump sum equal to the balance of five years pension instalments, ignoring any guaranteed pension increases, will be paid to your dependants or your estate.

Restriction of Widows' or Widowers' Pension

If your surviving spouse is more than 10 years younger than you their pension will be reduced by 2.5% for every complete year (and pro-rated for part years) in excess of 10 years of age difference. The reduction is subject to a maximum of 25%.

Leaving Service Benefits

If you joined the Staff Scheme on or after 1 July 1978 the formula for your preserved benefit is:

$\frac{1}{60} \times \text{Final Pensionable Salary (FPS)} \times \text{Pensionable Service}$
PLUS
 $\frac{1}{60} \times \text{FPS} \times \text{Staff Scheme Service 1}$

PLUS

$1/70 \times \text{FPS} \times \text{Staff Scheme Service 2}$

Where:

Final Pensionable Salary and Pensionable Service are calculated at the date you leave

- Staff Scheme Service 1 = the number of years and months (rounded up) of service in the Staff Scheme from the later of your date of joining and 1 January 1990, up to 31 December 1993
- Staff Scheme Service 2 = the number of years and months (rounded up) of service in the Staff Scheme from the later of your date of joining and 1 July 1978, up to 31 December 1989

Death in Deferment

If you die whilst you have preserved benefits in the Fund a lump sum equal to your contributions to the Fund plus 3% p.a. compound interest will be paid to your dependants or your estate.

Your widow or widower (or financial dependant) will receive a pension equal to:

$$(0.5 \times P1) + P2$$

Where:

- P1 = the part of your preserved pension which relates to your membership of the National Graphical Association Employees' Pension Scheme between 1 July 1978 and 31 December 1993 inclusive.
- P2 = $1/160 \times \text{Final Pensionable Salary (or Pensionable Salary)} \times \text{years of contributory membership after 1 January 1994}$

Please Note: the availability of a dependant's pension is the same as described in the main sections of the booklet. Also, the reduction in widow's or widower's pension where the surviving spouse is more than 10 years younger than the member applies.

Appendix IV

Special Conditions Applicable to Members who Transferred their Benefits from the National Graphical Association Pension Scheme

Benefits at Retirement – Pension

The following table is used to work out your pension entitlement if you continue to be a member of the Fund up to your Normal Retirement date:

Number of years of contributory membership completed at 65 th birthday	Percentage of Final Pensionable Salary at 65 th birthday
1	1.67
2	3.33
3	5.00
4	6.67
5	8.33
6	10.0
7	11.67
8	13.33
9	16.67
10	20.0
11	23.33
12	26.67
13	30.0
14	35.0
15	40.0
16	45.0
17 and over	50.0

The number of years of contributory membership will include any period of membership under the National Graphical Association Pension Scheme (the Scheme), which will be counted in full.

If the total period of Pensionable Service is not a round number of years your pension will be calculated using the period of completed years and months interpolated using the above table.

Final Pensionable Salary – the average of your Pensionable Salary over the 12 months preceding your Normal retirement Date

Pension Increases to Pensions in Payment

Your pension accrued up to 31 October 2000 will be increased by 5% p.a. compound. Pension accrued from 1 November 2000 will increase in line with the Retail Prices Index (RPI) to a maximum of 5% p.a. compound. You were not contracted-out of SERPS through the Fund therefore there is no GMP.

The Inland Revenue place strict limits on the benefits and pensions payable from occupational pension schemes. If any of your benefits are affected you will be advised.

Tax Free Cash Sum

Your tax free cash sum you may take at retirement will be:

Date of Joining pre 17 March 1987	20 years Pensionable Service	1.5 x Final Salary
	Less than 20 years Pensionable Service	Uplifted 80ths: 1-8yrs = 3/80ths per yr 9yrs = 30/80ths 10yrs = 36/80ths 11yrs = 42/80ths 12yrs = 48/80ths 13yrs = 54/80ths 14yrs = 63/80ths 15yrs = 72/80ths 16yrs = 81/80ths 17yrs = 90/80ths 18yrs = 99/80ths 19yrs = 108/80ths 20yrs = 120/80ths
Date of Joining Pre 1 June 1989	40 years Pensionable Service	1.5 x Final Salary (maximum £100,000)
	Less than 40 years Pensionable Service	3/80 x Final Salary x Pensionable Service
Date of Joining Post 1 June 1989	The greater of a) and b):	a) 3/80 x Final Pensionable Salary x Service (maximum 40 years)
		b) 2.25 x initial pension at retirement

If you have retained benefits in a previous employer's pension scheme then your tax free cash sum may be reduced.

Early Retirement – On or After age 60

If you elect to take early retirement between age 60 and 65 your pension will be calculated using the Table above, but your 65th birthday will be substituted with your date of actual retirement, (unless early retirement is due to ill-health, in which case your benefits will be calculated as if you were retiring on your 65th birthday).

Your pension will then be split into the proportion accrued up to 30th June 2003 and the proportion earned from 1st July 2003. This will produce two amounts; pre July 2003 and Post July 2003. The pre July 2003 pension will not be reduced as it is payable without reduction from age 60. The post July 2003 pension will be reduced in proportion to your completed pensionable service and your potential pensionable service to age 65 (your Normal Retirement Age).

N = your completed Pensionable Service in years and months
NS = the Pensionable Service that could be completed up to your Normal Pension Date (in years and months)

- A = pension determined by the above table
 B = proportion of 'A' which represents service to 30th June
 C = proportion of 'A' which represents service post 1st July
 D = N/NS x C
 E = Early Retirement Factor x D
 Pension = B + E

Early Retirement – Before age 60

If you request early retirement between age 50 and your 60th birthday, having completed 10 years contributory membership your pension will be calculated as for early retirement from age 60 (see above) but the part of your pension accrued up to 30th June 2003 would be pro-rated by reference to your completed Pensionable Service and the Pensionable Service you could have completed had you remained an active member of the Fund to age 60. The final pension amount would be reduced by an early retirement factor, as per the scheme actuary.

Death in Service Benefits

If you die whilst still employed by the Union a lump sum equal to twice your contributions plus 3% p.a. compound is payable to your dependants or your estate, in addition to the four times death in service lump sum.

The lump sums payable on death will not be less than the benefits that would have been paid under the National Graphical Association Pension Scheme on 31 December 1993.

Restriction of Widows' or Widowers' Pension

If your surviving spouse is more than 10 years younger than you their pension will be reduced by 2.5% for every complete year (and pro-rated for part years) in excess of 10 years of age difference. The reduction is subject to a maximum of 25%.

Leaving service Benefits

Your leaving service pension will be calculated as if your were taking early retirement (either before or after age 60 as applicable), but your pension would be revalued for the period between your date of leaving and your actual retirement date in accordance with the statutory provisions. Your pension would be revalued in line with the Retail Prices Index to a maximum of 5% per annum.

The preserved pension is payable from your 60th birthday.

Refund of Contributions

If you leave the Fund after less than two years membership you will receive a refund of your own contributions plus interest at 4% p.a. compound less a deduction of tax at 20%.

Death in Deferment – Leaving Service

If you left the Fund and the Union before age 60 and die before your preserved pension becomes payable a lump sum equal to your contributions plus 4% p.a. compound interest is payable to your dependants.

If you left the Fund and the Union before age 60 a pension of 50% of your GMP accrued pre 5th April 1997 plus 50% of your accrued pension post 6th April 1997 at date of death is automatically payable to a legally married spouse. At the Trustees discretion where there is no widow or widower a pension may be paid to a person or persons who are deemed (by the Union) to have been financially dependent on you at date of death.

Death in Deferment – Remaining in Service

If you left the Fund but remained in service (i.e. employed by the Union) and die before your 60th birthday a lump sum equal to your contributions plus 4% p.a. compound interest is payable to your dependants.

If you left the Fund but remained in the service of the Union and you die before age 65 a lump sum benefit of four times your pensionable salary is payable to your dependants

If you left the Fund but remained in service and you die on or after your 60th birthday a pension of 50% of your accrued benefit is payable to your legally married spouse. At the trustees discretion where there is no widow or widower a pension may be paid to a person or persons who are deemed (by the Union) to have been financially dependant on you at date of death.