A Guide to Membership of the Defined Benefit (DB) Section of the Benenden Healthcare Pension Plan

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1. INTRODUCTION

The Defined Benefit Section of the Benenden Healthcare Pension Plan ("the Plan") has been designed to offer an attractive employee benefit, which is in addition to your normal remuneration.

The main benefits can be summarised as: -

- A pension for you when you retire. Your pension will be paid in monthly instalments for the rest of your life;

- The opportunity to exchange part of your pension for a lump sum (currently free of tax) when you retire;

- A tax free lump sum death benefit if you die in service;

- A pension for your wife, husband or civil partner upon your death whether you die in service or after retiring. Their pension will be paid in monthly instalments for the rest of their lives.

The level of retirement benefits you receive will depend on: -

- Your Pensionable Salary at retirement or date of leaving if earlier; and

- Your length and period of Pensionable Service.

The Plan is set up under a Trust and administered by the Trustees. The contributions to the Plan are paid to the Trustees and are kept entirely separate from the assets of the Employer.

The Plan is registered with Her Majesty's Revenue & Customs ("HMRC"), which means that both you and the Plan benefit from certain tax advantages. These are described briefly later.

The Plan has been contracted out of the State Second Pension ("S2P"), which means that you will have paid reduced National Insurance Contributions as a result. This no longer applies from 6 April 2016 onwards.

The Plan is governed by a Trust Deed and Rules. It is intended that this booklet should provide a simple explanation of the main provisions of the Plan, but for fuller information you should refer to the Trust Deed and Rules, a copy of which is available for inspection on request. In the event of any inconsistency between this booklet, or any previous announcements, and the provisions set out in the Trust Deed and Rules, the latter will prevail.

If you have any queries relating to the Plan generally, or about your entitlement to benefits under it, please contact Capita:

Email address: Leedspensions@capita.co.uk

Telephone number: 0345 604 5334

Address: The Trustees of the Benenden Healthcare Pension Plan
c/o Capita
Hartshead House
2 Cutlers Gate
Sheffield
S4 7TL

2. DEFINITIONS

Some words have a specific meaning when used in the context of the Plan.

Employer	Benenden Healthcare Society Limited ("Society") and / or Benenden Hospital Trust ("Benenden Hospital").
Dependant	Your widow, widower or civil partner will automatically qualify as a dependant. For any individual other than these, certain conditions must be satisfied. Children – a child will qualify as a dependant if the child is: 1. aged under 18, or aged between 18 and 21 if they are in full-time education; or 2. aged 21 or over and, in the opinion of the Trustees, at the time of your death, was dependent on you due to physical or mental impairment. Other individuals – a person not married to you or in a civil partnership with you at the date of your death will qualify as a dependant if, in the opinion of the Trustees, at the date of your death, that person was financially dependent on you, the financial relationship was one of mutual dependence, or the person was dependent on you due to physical or mental impairment.
Ex-SSS Members	Former members of the Staff Superannuation Scheme
Final Pensionable Salary	Your best (i.e. highest) year's Pensionable Salary in the three years ending on the last day of the calendar month preceding or coincident with your Normal Retirement Date or, if earlier, the date on which you cease to be a Member.
Guaranteed Minimum Pension ("GMP")	The minimum pension which the Plan must pay you as a result of contracting out of the State Earnings Related Pension Scheme ("SERPS"). It is calculated in roughly the same way as SERPS and accrued in respect of any Pensionable Service up to 5 April 1997. See Appendix II for further information.
Nominated Dependant	A dependant whose name and details you have notified to the Employer in writing (see section 6.5).
Normal Retirement Date	Your 65th birthday.
Pensionable Salary	The annual rate of your basic salary or wages plus allowances (if any) which your Employer has determined to be pensionable. There is no change to your Pensionable

	Salary where contributions are made via salary sacrifice. For members who joined post June 1989, Pensionable Salary will be subject to an upper limit, known as the Notional Earnings Cap, currently set at £149,400 for the 2015/16 tax year.
Pensionable Service	The number of complete years and months of continuous Company service with the Employer after joining the Plan and ending on the last day of the month preceding or coincident with your Normal Retirement Date or date of leaving the Plan if earlier. If you transferred into the Plan from a previous employer's scheme prior to April 1995, any additional service credited will also count as Pensionable Service. Pensionable Service is limited to a maximum of 40 years (45 for Ex-SSS members who transferred into the Plan on 6 April 1988).
Qualifying Service	This is normally equal to your Pensionable Service. However, if a transfer has been made into the Plan in respect of a period of membership in another pension scheme, that period will be added to your Qualifying Service. Qualifying Service is used to determine whether you are entitled to a preserved pension if you leave the Plan before your Normal Retirement Date. This is applicable to those members who transferred into the Plan prior to April 1995.
State Pension Age	The age from which you can receive your State Pension benefits. See Appendix II for more details.
SERPS	The State Earnings Related Pension Scheme. It ran from 6 April 1978 to 5 April 2002 when it was reformed by the State Second Pension.
S2P	The State Second Pension.

3. JOINING THE PLAN

3.1 Who is eligible?

The Plan closed to new joiners with effect from 1 October 2013.

3.2 Transfers into the Plan

The facility to accept transfers from any previous pension scheme into the Plan was ceased with effect from 17 May 1998.

With effect from 1 October 2013, active members of the Plan may transfer benefits from previous pension arrangements into the Defined Contributions section of the Plan. Some restrictions apply as generally only money purchase type benefits can be transferred; Defined Benefit pensions (e.g. Final Salary) cannot be transferred in. Please see the Defined Contribution section membership guide for more details.

3.3 Stakeholder/personal pensions

If you are currently contributing to a personal or stakeholder pension plan, you may continue making these contributions if you wish.

It may be worth noting that tax relief on such contributions may be limited. If you are unsure you should contact an independent financial adviser.

4. WHO PAYS FOR THE PLAN

4.1 How much do I pay?

Members are required to contribute 8% of Pensionable Salary. Where these contributions are paid from gross pay, members automatically receive tax relief at their highest rate of income tax.

However, ordinarily you will be entered into a salary sacrifice arrangement whereby you will receive a reduction in your salary equivalent to the 8% contribution and the Employer will make the contribution on your behalf. This will result in a slight increase to your take home pay due to NIC savings. Salary sacrifice is not compulsory and you can choose to be excluded from this arrangement if you wish. You should contact your payroll team for further information.

You may be excluded from the salary sacrifice arrangement if your earnings are close to or below the NIC Lower Earnings Limit (LEL), or if participating would bring your pay below the National Minimum Wage or National Living Wage, or if you have notified the payroll department that you wish to be excluded from the salary sacrifice arrangement. If this applies to you, you will continue to receive tax relief at source but you will not benefit from the NIC savings.

In addition, whilst you have been contracted out of the State Second Pension (S2P), you will have paid lower National Insurance Contributions. This will no longer apply from 6 April 2016.

4.2 What the Employers pay

The Employers pay the balance of the cost of providing the benefits promised by the Plan as advised by the Plan Actuary, including the cost of providing the lump sum life assurance benefits and the cost of administering the Plan. Although the exact amount will vary from time to time, the Employers' contributions will usually be substantially more than all members put together.

4.3 Additional Voluntary Contributions ("AVCs")

If you are interested in paying AVCs, please refer to the DC Section information. Alternatively, please contact Capita for further details. Capita's contact details are at the end of Section 1.

5. BENEFITS ON RETIREMENT

5.1 What pension will I get at Normal Retirement Date?

For service up to and including 30 September 2013, your pension benefits will be calculated as one sixtieth of your Final Pensionable Salary ("FPS") at retirement, multiplied by your Pensionable Service to 30 September 2013 ("Pre 2013"). For service from 1 October 2013 onwards, your pension benefits will be calculated as one eightieth of your Final Pensionable Salary at retirement, multiplied by your Pensionable Service from 1 October 2013 ("Post 2013").

The calculation of your pension can be expressed in the following formula: -

$$\text{Pension benefits} = (^1/_{60} \times \text{Pre 2013} \times \text{FPS}) + (^1/_{80} \times \text{Post 2013} \times \text{FPS})$$

If, for example, your Final Pensionable Salary is £20,000 at retirement and your Pensionable Service is 30 years (25 years Pre 2013 and 5 years post 2013), the pension you would receive would be: -

$$(^1/_{60} \times 25 \times £20{,}000) + (^1/_{80} \times 5 \times £20{,}000) = \quad £9{,}583.33 \text{ per annum}$$

5.2 How will my pension be paid?

When you retire, your pension will be payable for life. Your pension will normally be paid in the following manner: -

(a) Your annual pension will be payable in equal monthly instalments.

(b) It will be paid in advance each month, starting from the day you retire and continuing for the rest of your life.

(c) It will be payable on the first day of each month starting from the first day of the month following your retirement and will include a proportionate payment in respect of the month in which you retire.

(d) Instalments will end with the last instalment falling due before your death.

(e) Any pension payable to your dependants after your death will similarly be paid in monthly instalments, starting from the date of your death and will be subject to income tax as described below.

(f) Your pension will be subject to income tax, which will be deducted from your pension payment each month. How much tax you pay will depend on the amount of your pension and your personal circumstances.

5.3 Can I retire early?

You may retire from service before your Normal Retirement Date as long as you are at least 55 years old and you have the consent of your Employer and the Trustees. It may also be possible, if you are aged over 55 and your Employer consents, for you to take your benefits from the Plan and continue working for your Employer.

Please note that the minimum age at which you can retire increased from 50 to 55 with effect from 6 April 2010.

The exact rules relating to early retirement depend upon your age, sex and period of Pensionable Service. If you are considering retiring early, you should contact your Employer's Human Resources department or the Plan administrator, who will be able to provide further details.

5.4 What if I am unable to continue working because of ill health?

You may be able to retire from service at any age on the grounds of ill health which, in the Trustees' opinion, prevents you carrying on your normal employment or seriously impairs your earnings capacity. Unless you have been asked by your Employer to retire because of your ill health, early retirement on the grounds of ill health will require the agreement of your Employer. The pension will be calculated as described in Section 5.1 (Benefits on Retirement) but based on your Final Pensionable Salary at, and Pensionable Service up to, your date of leaving but with your Pensionable Service increased in accordance with the table below and will not be reduced for early payment.

Pensionable Service (Years)	**Ill-health Pension Years**
Between 2 and 5 years	No increase to Pensionable Service
Between 5 and 10 years	Pensionable Service will be doubled, (subject to a maximum of the Pensionable Service that could have been completed to Normal Retirement Date).
More than 10 years	The greater of the two options below will be applied
Option 1	Pensionable Service will be increased to 20 years (subject to a maximum of the Pensionable Service that could have been completed to Normal Retirement Date); or
Option 2	Pensionable Service will be increased by 6 and 2/3rds years (subject to a maximum of the Pensionable Service that could have been completed by age 60).

Increases to Pensionable Service are subject to the following restrictions:

- o There will be no increase in Pensionable Service if you are aged over 65; and
- o Your total Pensionable Service cannot be increased to more than 40 years;
- o For option 2 there will be no increase credited if you have passed age 60.

5.5 Can I retire later than my Normal Retirement Date?

If you continue working after your Normal Retirement Date, you can choose from a range of options:

Option 1: You may elect to receive your pension from your Normal Retirement Date. Your contributions to the Defined Benefit section will cease.

Option 2: You may elect to stop your contributions to the Defined Benefit section but take your benefits at a later date. Your pension will be calculated as at your Normal Retirement Date as described above and will be increased for each complete month for which the payment is postponed.

Option 3: You may elect to continue your contributions to the Defined Benefit section beyond your Normal Retirement Date. You will continue to accrue additional benefits until your chosen retirement date. Your pension will be based on the Pensionable Service and Final Pensionable Salary at the date you choose to take the benefit.

Option 4a: If you select Option 3 as outlined above, you may elect to stop your contributions at a later date, take your benefits and continue working. Your pension will be calculated using your Pensionable Service and Final Pensionable Salary at the date you choose to take the benefit.

Option 4b: If you select Option 3 as outlined above, you may elect to stop your contributions at a later date but postpone the payment of your benefits while you continue working. Your pension will be calculated using your Pensionable Service and Final Pensionable Salary at the date you choose to stop your contributions and will be increased for each month for which the payment is postponed thereafter.

Note that under options 1, 2, 4a and 4b you may, if you wish, choose to join the DC section of the Plan. In certain circumstances, if you are below State Pension Age, you may be automatically enrolled into the DC section of the Plan. You will be notified if this applies to you.

5.6 Will my pension increase in payment?

Your pension will be increased in payment to give you a measure of protection against inflation. Any pension you receive in excess of your Guaranteed Minimum Pension ("GMP") will be increased on 6 April each year as follows:

That part of your pension in excess of the GMP will be increased in line with the increase in the Retail Prices Index ("RPI"), subject to a maximum of 5% per annum.

Ex-SSS members will receive increases in line with the percentage increase in the Consumer Prices Index.

The Plan will also increase part of your GMP each year.

Your GMP is the minimum pension the Plan must pay you for contracting out of the State Earnings Related Pension Scheme (SERPS) up to 5 April 1997. You will not have a GMP if you joined the Plan after 5 April 1997.

The following table sets out each possible component of your pension and the corresponding increase it will receive from the Plan each year.

Pension in Payment from the Plan	
Component	***Annual Plan Increase***
GMP accrued up to 5th April 1988	Nil
GMP accrued from 6th April 1988 to 5th April 1997	The annual increase in the Consumer Prices Index, subject to a maximum of 3% per annum
Pension in excess of GMP (all except ex-SSS members)	The annual increase in the Retail Prices Index, subject to a maximum of 5% per annum
Pension in excess of GMP for ex-SSS members	The annual increase in the Consumer Prices Index

GMPs are currently payable from age 65 for men and between age 60 and 65 for women. They will not be taken into account for calculating your annual Plan increases until you have reached these ages. Part of your GMP is also payable to your widow, widower or civil partner on your death.

Any pension provided from any AVCs you may have paid will only be increased if you have arranged this with the Trustees when you retire.

Notes:

1. For the purposes of this section, the increase in the Retail Prices Index is measured over a twelve month period ending on 30 September each year, prior to the date of increase in your pension.

2. In addition to the increases described above, the Society has the power to grant discretionary increases, subject to future rates of inflation and the financial position of the Plan.

3. If you have pension in excess of GMP which relates to Pensionable Service before 6 April 1997, you may be given the option to exchange some of your increasing pension for a higher initial pension which does not increase in payment. If you take up this option you will be notified of how this affects your pension increases from the Plan.

5.7 Can I take any pension as cash?

On retirement, you will have the option to exchange part of your pension for a tax-free lump sum. The maximum amount that you can take is determined by tax legislation.

The formula is designed to produce an amount equivalent to one quarter of the value of your total pension and lump sum benefit being brought into payment from the Plan. It can generally be expressed as:

(20 x conversion rate x full pension) / (20 + (3 x conversion rate))

The conversion rate, sometimes know as the commutation factor, is the amount of cash sum that you can receive for each £1 of pension given up. This rate is updated from time to time and is dependent on your age at the date of your retirement. You may not surrender so much of your pension such that the remaining pension is less than your Guaranteed Minimum Pension.

If you have paid AVCs, it is possible to use your AVC fund to cover all or part of your lump sum at retirement.

Different calculations may apply in certain circumstances. Details of the maximum cash lump sum available to you will be provided when you retire.

5.8 Additional Dependant's pension

The Plan automatically provides for a pension to be payable to your surviving spouse or civil partner in the event of your death in retirement. However, if you wish to make additional provision, you may do so by surrendering part of your own pension (subject to the consent of the Trustees). This option is restricted to the extent that the pension payable to your dependant cannot be more than the remaining pension payable to you.

6. BENEFITS ON DEATH

6.1 What benefits are payable if I die in service before Normal Retirement Date?

If you die in service before your Normal Retirement Date, the following benefits will be payable:

Lump Sum Benefits:

- A lump sum life assurance benefit equal to four times your Pensionable Salary at the date of your death. This will be payable at the discretion of the Trustees who will take into account to whom you have indicated you would like the benefits paid on the Beneficiary Nomination Form (see Appendix III), although they will not be bound by this. Because the Trustees have discretion over to whom to pay the lump sum, this will normally be payable free of tax; plus

- A refund of your personal contributions, without interest; plus

  In certain circumstances, if you last joined the Plan before 6 September 2012, your beneficiaries might be entitled to a higher lump sum benefit.

Pension Benefits:

- A pension for your widow, widower or civil partner: If you are married, or have entered into a recognised civil partnership, a pension is payable to your widow, widower or civil partner equal to one half of the pension you have accrued up to your date of death.

  If your widow, widower or civil partner is more than 10 years younger than you, their pension will be reduced to take account of the longer period for which it will be paid.

  A pension for your children: If you die without leaving a widow, widower or civil partner, or upon their death, the above pension will be paid for the benefit of any children aged under 18, or aged between 18 and 21 if they are in full-time education.

- A pension for another dependant: If you die without leaving a widow, widower, civil partner or any children, a pension may be payable to a Nominated Dependant, provided that he/she meets the definition of a Dependant (see section 2 above).

Important Note: If you wish to nominate a dependant other than a spouse or civil partner, you must provide the details in writing to the Society. To qualify as a dependant, the person you nominate must be either financially dependent on you, in a financial relationship of mutual dependence, or dependent on you due to physical or mental impairment.

6.2 What benefits are payable if I die in service after Normal Retirement Date?

If you die on or after your Normal Retirement Date but before actually drawing your pension, the following benefits will be payable:

Lump Sum Benefits:

- A lump sum life assurance benefit equal to four times your Pensionable Salary at the date of your death. This will be payable at the discretion of the Trustees who will take into account to whom you have indicated you would like the benefits paid on the Beneficiary Nomination Form (see Appendix III), although they will not be bound by this. Because the Trustees have discretion over to whom to pay the lump sum, this will normally be payable free of tax; plus

  In certain circumstances, if you last joined the Plan before 6 September 2012, your beneficiaries might be entitled to a higher lump sum benefit.

Pension Benefits:

- A pension for your widow, widower or civil partner: If you are married, or have entered into a recognised civil partnership, a pension is payable to your widow, widower or civil partner equal to one half of the pension you would have been entitled to had you retired the day before your death.

  If your widow, widower or civil partner is more than 10 years younger than you, their pension will be reduced to take account of the longer period for which it will be paid.

- A pension for your children: If you die without leaving a widow, widower or civil partner, or upon their death, the above pension will be paid for the benefit of any children aged under 18, or aged between 18 and 21 if they are in full-time education.

- A pension for another dependant: If you die without leaving a widow, widower, civil partner or any children, a pension may be payable to a Nominated Dependant, provided that he/she meets the definition of a Dependant (see section 2 above).

Important Note: If you wish to nominate a dependant other than a spouse or civil partner you must provide the details in writing to the Society. To qualify as a dependant, the person you nominate must be either financially dependent on you, in a financial relationship of mutual dependence, or dependent on you due to physical or mental impairment.

6.3 What benefits are paid on death in retirement?

If you die after your pension begins to be paid, the following benefits will be payable:

i. If you die within five years of retiring, and no pension is payable under ii below, a lump sum will be payable equal to 60 monthly instalments of your pension, less the pension payments made to the date of your death and excluding any increases which would or could have applied after the your death;

ii. If you are married, or have entered into a recognised civil partnership, a pension will be payable to your widow, widower or civil partner equal to one half of the pension to which you would have been entitled at your date of death, before electing to receive any tax-free lump sum;

iii. A pension for your children. If you die without leaving a widow, widower or civil partner, or on their death, the pension referred to in ii above, will be paid for the benefit of any children aged under 18, or aged between 18 and 21 if they are in full-time education.

iv. A pension for a Nominated Dependant. If you die without leaving a widow, widower, civil partner or any children, a pension may be paid to your Nominated Dependant provided he/she meets the definition of a Dependant (see Section 2).

Note:

The amount of the widow(er)'s or civil partner's pension will be reduced if your spouse or civil partner is more than ten years younger than you. However, the pension will never be less than the widow(er)'s Guaranteed Minimum Pension.

If you paid any AVCs to provide extra pension, a spouse's pension would only be payable in respect of your extra pension if you arranged this with the Trustees at your retirement.

6.4 Payment of widow's, widower's or civil partner's pension

Pensions payable after your death will be increased during payment in the same way as your pension, as described above.

6.5 Beneficiary Nomination Form

The lump sums described above will be payable by the Trustees to one or more of your Dependants, your relations, your estate and/or any other person, persons or organisation you have named to the Trustees in writing. In order to assist the Trustees in this decision, you can tell them, in confidence, to whom you would like the monies paid and a special nomination form is available (see Appendix III) for this purpose.

You may change your nomination at any time, for example to reflect a change in your circumstances, in which case a new form should be completed and sent to the Trustees. You should also make sure that you notify the Trustees of any change in the details of person(s) you have nominated, such as a change of address.

Please note that it is your responsibility to notify the Trustees of any change in your personal circumstances and to complete a new Beneficiary Nomination Form (see Appendix III).

7. LEAVING THE PLAN

This section describes your benefits if you leave the Plan before your Normal Retirement Date without retiring. You will be provided with a statement of the options available to you when you leave. You may leave the Plan while remaining with your Employer, provided you give the Trustees at least one month's notice in writing by completing a Withdrawal from Membership Form (see Appendix III).

7.1 What happens to my pension fund if I leave the Plan?

On leaving the Plan, providing you have completed at least 2 years' Qualifying Service, you will be entitled to a pension payable from your Normal Retirement Date, calculated as described in Section 5 (**Benefits on Retirement**), but based on your Final Pensionable Salary at, and Pensionable Service up to, your date of leaving.

You will also be entitled to any benefits secured with any AVCs you may have paid to the Plan.

This pension will be preserved for you by the Trustees and will become payable to you from your Normal Retirement Date. Once it comes to be paid, it will be treated in the same way as described in Section 5.2 above.

To help protect your preserved pension against inflation, it will be increased between the date you leave the Plan and your Normal Retirement Date.

Any amount in respect of Guaranteed Minimum Pension will be increased by a fixed percentage, currently 4.75%, for each tax year between your date of leaving and age 65 for a man or age 60 for a women. Special increases apply to women between age 60 and 65.

The amount in excess of your GMP will be generally increased in line with the increase in the Retail Prices Index between your date of leaving and your Normal Retirement Date. For pension relating to service up to 31 March 2010, this increase is subject to a maximum of 5% per annum. For pension relating to service from 1 April 2010, this increase is subject to a maximum of 2.5% per annum.

7.2 Can I make contributions to the Plan after I leave?

It is not possible for you to contribute to the Plan after you leave.

7.3 What happens if I die after leaving service?

If you are entitled to a preserved fund and you die after leaving the Employer but before you retire or reach your Normal Retirement Date a lump sum will be payable equal to your personal contributions to the Plan, without interest.

Pension Benefits:

- A pension for your widow, widower or civil partner: If you are married, or have entered into a recognised civil partnership, a pension is payable to your widow, widower or civil partner equal to 1/160th of your Final Pensionable Salary for each year (and complete month) of Pensionable Service after 5 April 1978 in the case of a male member or after 5 April 1988 in the case of a female member.

  If your widow, widower or civil partner is more than 10 years younger than you, their pension will be reduced to take account of the longer period for which it will be paid.

- A pension for your children: If you die without leaving a widow, widower or civil partner, or upon their death, the above pension will be paid for the benefit of any children aged under 18, or aged between 18 and 21 if they are in full-time education.

- A pension for another dependant: If you die without leaving a widow, widower, civil partner or any children, a pension may be payable to a Nominated Dependant, provided that he/she meets the definition of a Dependant (see section 2 above).

7.4 Can I take my pension early after I leave service?

If you leave service and have not yet reached your Normal Retirement Date, an immediate pension may be payable (with the Trustees' agreement) as long as you are at least 55 years old. This pension will be reduced for early payment.

An immediate pension can only be payable before age 55 on grounds of ill health.

Note that the minimum age at which you can retire increased from 50 to 55 from 6 April 2010.

7.5 Can I transfer my preserved pension benefits?

You may request a transfer of your pension fund at any time up to your Normal Retirement Date. The transfer value payable will represent the capital value of the benefits you have earned under the Plan. Your transfer value may be paid to any of the following: -

- your new Employer’s pension scheme, if the trustees of that scheme are able and willing to accept the transfer;

- a personal pension scheme, including a stakeholder pension scheme;

- an authorised insurer, who will provide you with a pension policy in your own name.

If you are thinking about transferring your pension fund, you should take appropriate independent financial advice.

7.6 What if I move house?

It is important that you notify the Trustees of any change in your address after you have left service. This will help avoid any possible delay in the payment of your pension benefits when they become due.

Note:

After you leave, if you remain entitled to a pension from the Plan and do not ask for a transfer payment (see 7.5 above) to be made, then:

1. You are entitled to ask the Trustees for a statement of your benefits which will be payable from your Normal Retirement Date. The request must be made in writing and the Trustees are required to provide the statement within two months of the request. You may request this information once in any 12-month period.

2. The provisions relating to options on retirement and payment of your own and any widow’s, widower’s or civil partner’s pension will continue to apply.

3. If the increase in the general level of earnings from the time you leave until age 65 for a man or age 60 for a woman, or earlier death, is more than 4.75% compound for any complete tax year in that period, the State will increase your Guaranteed Minimum Pension to compensate for the difference. If your actual date of retirement is later than your State Pension Age, your Guaranteed Minimum Pension will also be increased in respect of the intervening period.

8. PENSIONS & DIVORCE

8.1 What happens if I get divorced?

If you get divorced, the value of your pension benefits will usually be included in the calculation of your overall assets.

You will come to an agreement with your spouse about the allocation of the assets owned by each of you during the divorce process. In relation to your pension benefits, these will normally be offset against other assets but there are other options: -

1. Pension earmarking – where a share of your pension and death benefits may become payable to your ex-spouse, but only when they become payable to you (or to any new spouse); or

2. Pension sharing – where a portion of the value of your pension benefits is transferred, shortly after the date of divorce, into another pension arrangement of your ex-spouse's choice.

Pension earmarking and pension sharing can be complicated and your legal adviser will be able to give you more information.

It is important that you ask your solicitor to contact the Trustees at the earliest opportunity if your pension benefits are likely to be part of any divorce settlement.

9. OTHER INFORMATION

9.1 Can I use my Plan benefits to get a loan?

Any benefit to which you, or any of your dependants, are entitled under the Plan cannot be assigned to another party. Any attempt to do so may result in the loss of benefit.

9.2 Can my Employer alter or terminate the Plan?

Whilst the Society has every intention of continuing the Plan, it reserves the right, at its sole discretion, to discontinue the Plan at any time in the future as provided in the Trust Deed and Rules. The Society also reserves the right to amend the Plan at any time (with the Trustees' consent) in accordance with the Trust Deed and Rules.

9.3 Are there any general restrictions on the benefits provided by the Plan?

There is an upper limit on the amount that can be paid tax efficiently into a pension arrangement on your behalf in each tax year. This is known as the **Annual Allowance**. Your own contributions and those paid by your employer all count towards the Annual Allowance. These contributions are known as your 'pension input amount' and are measured over a 'pension input period' (PIP). For the Benenden Plan, the PIP is based on the Plan year which runs from 1 April to 31 March. From 6 April 2016, all PIPs will be in line with tax years, which runs from 6 April to the following 5 April.

From 2014/15 onwards, the Annual Allowance is £40,000. If your total pension input amount exceeds the Annual Allowance, you will be subject to a tax charge based on your marginal rate of income tax. Note that, if you pay AVCs or contribute to any other pension arrangement during the tax year, these contributions will also count towards the Annual Allowance.

For DB benefits, the value of the pension accrued over the PIP is multiplied by 16 to determine the pension input amount.

From 6 April 2016, the Annual Allowance is being reduced for people earning more than £150,000. The method of reduction is known as the **Tapered Annual Allowance** and it works by reducing the Annual Allowance by £1 for every £2 of 'adjusted income' in excess of £150,000 up to a minimum Annual Allowance of £10,000. Adjusted income is the total of all sources of taxable income, including employment, property or investment income, plus the value of any pension savings. If you think you might be affected by this, you should seek independent financial advice.

When you take your benefits, the value of your pension benefits from all sources is tested against the **Lifetime Allowance**. Any benefits drawn in excess of the Lifetime Allowance will be subject to an effective tax charge of 55%.

The Lifetime Allowance for the 2015/16 tax year is £1.25 million. This is reducing to £1 million from 6 April 2016.

9.4 What if I am absent from work?

9.4.1 Maternity, Paternity, Adoption or Parental Leave

If you are absent on maternity, paternity or adoption leave paid for by the Employer, then you will continue to accrue Pensionable Service while you are paid by the Employer as if you were still at work. You will cease to accrue Pensionable Service when you cease to receive maternity or paternity pay through the Employer.

If you are on paid parental or adoption leave, you will continue to accrue Pensionable Service, but this will stop for any period of unpaid parental or adoption leave.

Whilst absent on maternity, paternity, parental or adoption leave and accruing Pensionable Service the arrangements for making contributions will depend on whether salary sacrifice is in place. Please discuss this with the payroll team to understand the impact.

9.4.2 Temporary Absence

Most absences from work are normally for relatively short periods and, in these circumstances, with the consent of your Employer, membership of the Plan continues unaffected. You will continue to pay contributions and will continue to be covered for life assurance benefits provided you remain in Pensionable Service. Your pension benefits may be reduced if you stop paying contributions whilst absent, or fail to pay any arrears of contributions on your return to work.

10. VERSION CONTROL / AMENDMENT REGISTER

The booklet is current at November 2013 and replaces any previous booklet you may have received. The terms and conditions under which the Plan operates may be subject to change.

Version	Version Date	Update Comments
1/1966	August 1966	First booklet
2/1978	April 1978	Booklet revised to inform members of the Plan's incorporation of the Finance Act 1970 – specifically contracted out benefits.
3/1988	October 1988	Booklet revised to inform members of the changes to contracting out benefits (brought in 6 April 1988)
4/1997	June 1997	Amended to take into account a suit of changes introduced by the Pensions Act 1995
5/2002	February 2002	An updated booklet for members who joined before 1 August 2000
6/2003	November 2003	Booklet amended to inform members of an increase to the member contribution rate (from 5%-6%)
7/2008	October 2008	New booklet to inform members of their pension benefit rights following the incorporation of the Finance Act 2004 within the Plan
8/2010	February 2010	Amended to inform members of increased member contribution rates, and the pensionable salary upper limit for the 2009/10 tax year.
9/2010	June 2010	Amended to inform members of increased member contribution rates applicable from 1 April 2010, annual and lifetime allowances for 2010/11, and increased Normal Minimum Pension Age.
10/2014	January 2014	Amended to inform members of the closure to new entrants, the change in the accrual rate, salary sacrifice, payment of AVCs and options for members working beyond age 65.
11/2016	February 2016	Amended to include additional and updated information about Annual Allowance, Lifetime Allowance and contracting-out.

APPENDIX I
DISCLOSURE REQUIREMENTS

Plan Accounts

Accounts for the Plan are prepared each year in accordance with requirements laid down by legislation and these accounts are independently audited. The Plan's latest audited accounts are available for inspection at any time free of charge and are available from the Trustees.

Trustees Annual Report

Each year, a report will be drawn up by the Trustees containing the latest audited accounts and also giving further details about the Plan, including information about its finances.

Disputes

If you have a complaint you should contact the appropriate person listed at the end of Section 1 who will try to assist you. If your complaint is not resolved to your satisfaction, then a formal procedure exists for resolving any disputes which arise between the Trustees and any person who is a prospective member, member, widow, widower, civil partner or surviving dependant of a deceased member and any person claiming to be any of the aforementioned people.

This is called the Internal Dispute Resolution Procedure (IDRP) which operates in accordance with the provisions of the Pensions Acts 1995 and 2004. There are two stages, the first of which is where a person nominated by the Trustees will try and resolve your formal complaint.

If you are not happy with the response, then you can ask for it to be considered by the Trustees under the second stage.

You can obtain further details of the procedures from:-

The Secretary to the Trustees
The Benenden Healthcare Pension Plan
The Benenden Healthcare Society Limited
Holgate Park Drive
York
YO26 4GG

Whilst every effort will be made to resolve any disputes or queries that may arise, the organisations below can assist you when needed.

The Pensions Advisory Service

The Pensions Advisory Service (TPAS) is available at any time to assist members and beneficiaries of the Plan with any pension scheme query they may have, or with any difficulty which they have failed to resolve with the Trustees. Its services are free and it may be contacted at 11 Belgrave Road, London SW1V 1RB. The telephone number is 0300 123 1047.

Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme made or referred in accordance with the Pension Schemes Act 1993. He may be contacted at: The office of the Pensions Ombudsman, 11 Belgrave Road, London SW1V 1RB. The telephone number is 020 7630 2200. The Pensions Ombudsman expects the Trustees and TPAS to have been approached before he will investigate any complaint himself.

Pension Schemes Registry

Information about the Plan has been given to the Pension Schemes Registry.

If you leave service and cannot trace the Trustees when benefits are due, you can obtain information about the Plan (including an address at which the Trustees may be contacted) from the tracing service at:

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Tel: 0345 6002 537

You should quote the Plan's registry number 10141046.

The Pensions Regulator

The Pensions Regulator's aim is to protect scheme members' interests and to ensure that schemes operate within the law. The Pensions Regulator can become involved in the running of a scheme if trustees, employers or professional advisers do not carry out their duties properly.

The Pensions Regulator's address is:
Napier House, Trafalgar Place, Brighton BN1 4DW
Phone: 0345 600 7060

Data Protection

The Trustees of the Plan are registered with the Information Commissioner as a data controller under the Data Protection Act 1998.

The Trustees will use the personal information you have given to them, together with any other information from the Society or the Trustees' professional advisers, for the purposes of administering the Plan, maintaining records, insuring benefits and making payments under the Plan, and complying with all legal requirements of corporation and tax law applicable to the Employers.

The Trustees may involve contractors in administration, investment, record keeping, paying benefits and storing and destroying data. Your information may also be passed to the Employers, the Trustees' professional advisors, the Department for Work and Pensions, HMRC and any other relevant government departments, agencies or other public bodies where necessary. The Trustees may pass information to insurance companies where this is necessary for insuring benefits under the Plan.

You have the right to request the Trustees and the Employers to inform you about the personal data they hold about you (for which they may charge a small fee) and to have any inaccuracies corrected.

Plan Enquiries

If you have any questions about the Plan generally, you should address your enquiries to the appropriate person shown in Section 1.

APPENDIX II
STATE PENSIONS & CONTRACTING OUT

State Pension Benefits

State Pension Age ("SPA") is the age at which you become entitled to receive State Pension benefits. The SPA for men and women will be equalised to age 65 by November 2018. Between December 2018 and October 2020 the SPA will increase to age 66 for both men and women. The SPA will increase to age 67 between 2026 and 2028. There are also proposals to increase SPA to age 68 by 2046, and there may be further increases if life expectancy continues to increase.

State Pensions

The State currently provides two levels of pension benefit: the Basic State Pension and the State Second Pension but this is changing from 6 April 2016 when a new flat-rate State Pension will be introduced.

The Basic State Pension

The Basic State Pension is a flat amount, reviewed every year by the Government. It is paid to everyone with a sufficient National Insurance (NI) contribution record. Currently, you have to pay at least 30 qualifying years of NI for the full Basic State Pension. The Basic State Pension from 6 April 2016 will be £119.30 a week, for a single person. This will be replaced by the new State Pension for people reaching SPA from 6 April 2016.

The State Second Pension

The State Second Pension (S2P) was introduced in April 2002 and replaced the State Earnings Related Pension Scheme (SERPS). S2P provides an additional pension based on a proportion of your earnings during your working life from April 2002 onwards. For S2P, earnings are split into three bands, with the aim of providing an additional State pension for low and moderate earners. Additional pension from SERPS earned before 6 April 2002 is unaffected by S2P.

The New State Pension

The New State Pension replaces the Basic State Pension and State Second Pension for people reaching SPA from 6 April 2016. The new pension from 6 April 2016 will be £155.65 per week. To receive the full amount, people will need to have paid National Insurance contributions for 35 qualifying years. You will receive a proportion of the new State Pension if you have between 10 and 35 qualifying years. Transitional arrangements will apply for people who have built up an entitlement to the existing State Pension benefits.

How to find out more about State pensions

If you would like more information on State pensions, visit:
vwww.gov.uk/new-state-pension
For help making a claim, you can call the Pensions Service on 0800 731 7898.

Contracting Out of S2P / SERPS

Until 6 April 2016, whilst you have been a member of the Plan, you and the Employer will have paid a lower rate of National Insurance Contributions and, in return, the Plan has been required to undertake to provide you with a certain minimum level of benefits instead. This is called contracting out.

This will no longer apply from 6 April 2016. Any member who remains in active service beyond 6 April 2016 will be eligible for the New State Pension outlined above but will also pay higher National Insurance Contributions.

For contracting out prior to 6 April 1997, the Plan must provide you with a Guaranteed Minimum Pension (GMP). For contracting out after 5 April 1997, the Plan must meet an overall quality test, known as the Reference Scheme Test.

What is a Guaranteed Minimum Pension?

The Guaranteed Minimum Pension ("GMP") is calculated broadly in the same way as your pension under SERPS, based on band earnings, and must be paid by the Plan as a condition of being allowed to contract out. Pensions under the Plan are normally higher than the GMP, but the GMP is the minimum that must be paid in any case.

You may have built up an entitlement to a GMP if you joined the Plan before 6 April 1997. The most important conditions attaching to GMP are as follows.

- The GMP must be payable from age 65 for men, and age 60 for women.

- A widow's benefits must not be less than one half of the member's GMP.

- A widower's benefits must not be less than one half of the member's GMP earned after 5 April 1988.

- On a member leaving service, the GMP must be preserved and protected against inflation until retirement.

- Once it becomes payable, that part of your GMP accrued between 6 April 1988 and 5 April 1997 must be increased by the Plan each year in line with increases in prices up to a maximum of 3%.

- If you reached State Pension Age before 6 April 2016, your SERPS pension will have been calculated as if you had not been contracted out, but it will then have been reduced by an amount equivalent to your GMP each year. This means you would still receive an element of inflation-proofing from the State, in respect of contracted out service up to 5 April 1997, where your SERPS pension would be greater than your GMP.

- Any SERPS pension you receive from the State is paid together with your Basic State Pension.

What is the Reference Scheme Test?

To enable the Plan to contract out from 6 April 1997, it must ensure that at least 90% of members receive a pension based on the following criteria: -

Normal Retirement Age	65
Pension Accrual Rate	$^1/_{80}$
Final Pensionable Earnings	90% of a three year average of earnings between the Lower and Upper Earnings Limits
Pensionable Service	Maximum of 40 years
Widow(er)'s or Civil Partners Pension	50% of member's pension
Increase to Pensions in Payment	Increases in line with the increase in the Consumer Prices Index each year, subject to a maximum of 5%

You will not receive any SERPS pension if you are contracted out between 6 April 1997 and 5 April 2002. However, if you are contracted out from 6 April 2002 under the Plan, you may receive a small amount of S2P top-up depending on your personal circumstances.

APPENDIX III
FORMS

Additional copies of the following forms may be obtained from the Head of Finance at the Society or the Finance Manager at Benenden Hospital:-

- Beneficiary Nomination Form
- Nominated Dependant Form
- Withdrawal from Membership Form