Cambridge Building Society Retirement Plan

A Guide for Members

TPT Retirement Solutions

A guide for members

The Cambridge Building Society Retirement Plan (the Scheme) has been designed to provide security for you during your retirement and for your dependants in the event of your death. The Scheme provides benefits related to your earnings and the length of your membership up to 31 December 2009 - the date the Scheme closed to any further accrual of Pensionable Service.

The main benefits can be summarised as:

- a pension for you when you retire;
- the opportunity to exchange part of your pension for a lump sum when you retire;
- a pension and/or lump sum for your dependants upon your death.

This guide gives general guidance only, and it should not be regarded as a complete or authoritative statement on the formal Trust Deed and Rules. This guide consolidates and replaces any previous Scheme booklets, announcements and disclosure leaflets.

The Scheme closed to any further accrual of benefits on 1 January 2010.

The Scheme is administered by TPT Retirement Solutions. Should you have any queries about your benefits, please contact:

TPT Retirement Solutions
Verity House
6 Canal Wharf
Leeds
LS11 5BQ

Telephone: **0113 394 2551**

Email: **enquiries@tpt.org. uk**

All of the forms referred to in this guide are available from TPT or can be downloaded from their website at **www.tpt.org.uk**.

March 2022

Contents

The Scheme

Can I join the Scheme?

No, the Scheme was closed to any further accrual of benefits for members from 1 January 2010.

How much do I pay?

Since the Scheme closed to any further accrual of benefits from 1 January 2010, no further member contributions are payable.

How much does my employer pay?

Even though the Scheme is now closed, your employer will make contributions to pay off any deficit during any period where the potential liabilities of the Scheme are greater than the assets. These contributions are calculated by the Scheme Actuary.

When a pension plan is in deficit, it will have reported this to The Pensions Regulator and have agreed a course of action with the sponsoring employer to pay this off within a specific timescale. This does not mean the Scheme is going to fail, and does not affect the benefits you will receive from the Scheme. The actions put in place to rectify any deficit are designed to reduce the shortfall over an agreed period.

Can I transfer previous benefits into the Scheme?

No, as the Scheme is closed to future accrual, it no longer accepts transfers in from members' previous pension arrangements.

Leaving

Deferred pension

You may have a deferred pension if you left the Scheme before 1 January 2010, or were active at that date and left employment at a later date.

Your deferred pension will increase in value until it is paid to you at retirement. A deferred pension is a benefit calculated for you on leaving the Scheme based on the Pensionable Service you have completed and your final earnings. This pension will remain in the Scheme and become payable at Normal Pension Age.

You may apply for early payment of your pension when you reach the minimum age required under the Scheme rules (See 'When can I retire?' on page 6), but your pension would be reduced to reflect the longer payment period.

How does my deferred pension increase?

Any deferred pension which was earned before 6 April 2009 will increase each year between your date of leaving and retirement by the lower of **5%** or the rise in inflation, currently measured using the Consumer Prices Index **(CPI)***.

For pensions earned from 6 April 2009, your deferred pension will increase each year between your date of leaving and retirement by the lower of **2.5%** or the rise in inflation, currently measured using the **CPI**.

Once you have retired, your pension will increase as shown in the section 'How does my pension increase?' on page 9.

Transfer of your benefits

You may transfer your benefits to another registered pension arrangement (such as your new employer's pension scheme or to a personal or stakeholder pension plan) at any time after you leave Scheme Service, but before you take your pension.

A Statement of Entitlement to a guaranteed Cash Equivalent Transfer Value of your benefits will be provided on request**. You will need to pass the information provided to the administrator of your new pension arrangement to investigate if the transfer can proceed.

Following the changes introduced by the Government in the 2014 Budget, transfers from Defined Benefit schemes to Defined Contribution (Money Purchase / DC) schemes, will continue to be permitted. However, since 6 April 2015, members have been required by law to obtain independent financial advice before any transfer can proceed (unless the transfer value does not exceed **£30,000**).

We are required by law to carry out certain checks before we can transfer your benefits to another scheme. These restrictions have been put in place by the government to protect members against potential scams. In certain circumstances, the outcome of these checks may be that a transfer payment is delayed or not permitted.

TPT must be satisfied that such advice has been received before proceeding with a transfer to a Defined Contribution arrangement.

*If you left service before 1 January 1991, some of your pension may not increase between your date of leaving and your retirement date. For further information, please contact TPT.

**Members are entitled to one cash equivalent transfer value free of charge in every 12 month period. Further transfer values can be provided on request but there will be a charge for each additional one issued in any 12 month period.
Further details, including charges applicable, are available on request.

Retirement

When can I retire?

You can choose to start receiving your pension on or after reaching your 55th birthday (or 50th birthday if you left service before 14 April 2000).

The Scheme's Normal Pension Age **(NPA)** is 65. If you take your pension before this age, your benefits may be reduced to reflect the longer potential payment period.

What will I get?

The calculation of your pension depends on which benefit structure(s) you have been a member of, for how long, your earnings and any increases applied to deferred pensions.

Can I take a cash sum at retirement?

Yes, when you retire you can give up part of your pension and exchange it for a Pension Commencement Lump Sum **(PCLS)**, which is tax free under current legislation. This will leave you with a smaller pension.

The maximum lump sum available is broadly equivalent to **25%** of the value of your pension benefits.

What happens if I am too ill to continue working?

Provided there is satisfactory medical evidence that you are and will continue to be unable to work and you are still in employed service by Cambridge Building Society, you can elect to receive your pension immediately regardless of your age. Guidance on eligibility is available on request and we will seek medical advice (your doctor or consultant will be asked to provide medical evidence for consideration).

If your pension starts early due to ill-health, you still have the option to take a PCLS.

The Trustee reserves the right to request updated medical evidence on your state of health and has the discretion to reduce or suspend your pension if your eligibility changes.

If your application is successful, your deferred pension will be revalued to the date of retirement and will then be reduced in line with the normal early retirement actuarial factors.

What happens if I die?

What if I die while I am a deferred member?

Death before retirement and while still employed by Cambridge Building Society:

1. **Lump sum:** the Scheme will pay a refund of your own pension contributions to your beneficiary/ies.

2. **Pension:** A pension amounting to 50% of the prospective pension allowing for service to Normal Retirement Date (i.e. including service from 31 December 2009 to Normal Retirement Date) and based on your pensionable salary that would have applied had you been an active member of the Scheme at the date of death.

Death before retirement and after leaving employment with Cambridge Building Society:

1. **Lump sum:** The Scheme will pay a refund of your own pension contributions to your beneficiary/ies.

2. **1/1920th of Final Earnings** per month of contracted out service, including 50% of the GMP revaluation and 50% of the excess revaluation in respect of the pension earned after 6 April 1997, up to date of death.

What benefits are payable if I die after retiring?

If you die after your pension has started, the following are paid:

1. **Lump sum**: If you die within five years of retiring, a lump sum death benefit is payable to your nominee. The amount payable is equal to the unpaid balance of the first five years' pension payments, at the rate applicable at the date of death.

2. **Spouse's pension*:** A pension amounting to **50%** of your pension, calculated using your full pension before you took any pension commencement lump sum **(PCLS)** and including increases applied before your death. This will be payable from your date of death.

See the 'Definitions' section for more information on who you can nominate to receive this benefit.

Who will receive the benefits payable on my death?

The lump sum death benefits are payable at the discretion of the Trustee. Under current legislation, this means that they do not form part of your estate for inheritance tax purposes. You can help the Trustee by completing a Nomination Form detailing the beneficiaries you would like to be considered.

A pension will only be payable to a person who is eligible under the Rules of the Scheme at the time of your death.

Nominations

Your nominations should be provided in writing, preferably on a Nomination Form.

Separate nominations are required for lump sums and pensions (even if you have nominated the same person to receive both).

You should ensure your nominations are kept up-to-date if your personal circumstances change. If you wish to make any changes to your nomination or a nominee's address, please notify TPT in writing by completing a new Nomination Form.

Nomination Forms are available from TPT's website at **www.tpt.org.uk**.

Who can I nominate?

Lump sum

- You can nominate one or more persons or organisations.
- If you choose more than one, you must state the percentage you want each person or organisation to receive.

Paying your pension

How will my pension be paid?

Your first payment will be made shortly after the date your pension was due to start, or the date TPT receives the appropriate forms if later. It will cover the period from your retirement date to the day before your next monthly payment date.

Payment is subject to receiving all necessary forms and relevant certificates. Your first pension payment will include any lump sum you have elected to receive.

After this, pensions are paid monthly in advance on the 6th of each month. They will be paid direct to your bank or building society account. It is not usually possible to pay your pension to a bank or building society account that is not in your name.

If tax is due on the pension then it will be deducted under the Pay as You Earn **(PAYE)** system. Details of the PAYE reference number will be provided with confirmation of your pension at retirement.

Will my pension increase?

Pensions are reviewed each year and any increase granted is applied on the anniversary of your retirement.

How does my pension increase?

Occupational pension schemes that provide benefits on a defined benefit basis are required to increase any pension accrued since 6 April 1997 by at least Limited Price Indexation **(LPI)** (see 'Definitions' section for more information).

The increases explained below apply to your retirement pension or to any pension paid following your death.

Once in payment, your pension will be reviewed each year and will increase as follows:

Before your Guaranteed Minimum Pension Age (see definitions for details)

- For pensionable service before 1 April 1991, the increase applied will be **3%** each year.
- For pensionable service between 1 April 1991 and 31 July 2001, the increase applied will be **5%** each year.
- For pensionable service between 1 August 2001 and 30 March 2007, the increase applied will be equal to the increase in the Retail Prices Index (RPI) to a maximum of **5%** each year.
- For pensionable service from 1 April 2007, the increase applied will be equal to the increase in the RPI to a maximum of **2.5%** per year.

After your Guaranteed Minimum Pension Age (see definitions for details)

- GMP for service between 6 April 1988 and 5 April 1997, the increase applied will be **3%** each year.
- Pension in excess of the GMP for pensionable service before 1 April 1991, the increase applied will be **3%** each year.
- Pension in excess of the GMP for pensionable service between 1 April 1991 and 31 July 2001, the increase applied will be **5%** each year.
- For pensionable service between 1 August 2001 and 30 March 2007, the increase applied will be equal to the increase in the RPI to a maximum of **5%** each year.
- For pensionable service from 1 April 2007, the increase applied will be equal to the increase in the Retail Prices Index to a maximum of **2.5%** per year.

Further information

Who looks after the Scheme?

TPT is entrusted with the day-to-day administration and has been administering pension schemes since 1946. As a not-for-profit organisation, TPT is run for the benefit of the employers who choose its pension schemes and the members who belong to these schemes. TPT is not an insurance company.

Scheme registration

The Scheme is a registered pension scheme for the purposes of Part 4 of the Finance Act 2004. The Pension Scheme Tax Reference is 00829486RM.

Are there any restrictions on benefits?

HM Revenue & Customs no longer impose limits on the pension benefits you can receive. However, if the value of your benefits from all tax-registered schemes exceeds the Lifetime Allowance, tax charges will apply to the excess. It should be noted that both the Lifetime and Annual Allowances (see 'Definitions') are only likely to affect those with very high earnings and/or significant pension benefits held elsewhere.

Can I assign my pension?

No, except where permitted by law on divorce, you cannot sign away your pension rights, even temporarily, eg. as security for a loan.

The Trustee Company

A Trustee Company called 'Verity Trustees Limited' governs your pension scheme. Its Trustee Directors are non-executive: three are nominated by members, three by employers and up to three can be co-opted by the member nominated and employer nominated Trustee Directors.

Investments are managed independently by external authorised fund managers. TPT's Investment Committee reviews investment performance regularly.

The State Pension Scheme and Contracting-Out

Prior to 6 April 2016 the State Pension was made up of two parts: the basic State Pension and the additional State Pension (this is also called the State Second Pension or SERPS).

During the period you were a member of the Scheme, your employment was contracted out of the State Second Pension and as a result, you paid lower National Insurance contributions. This meant that you did not accrue the full State Second Pension during your period of membership.

From April 2016, there is a single tier State Pension for people reaching State Pension age on or after this date. This has replaced the basic and additional State Pension and also ends contracting out (of the additional State Pension) and the National Insurance rebate.

The amount of State Pension you receive after 6 April 2016 will take account of any time that you have been contracted-out and paid National Insurance at a lower rate.

Contracting-out

The Scheme was Contracted Out of the State Second Pension and as a result you paid lower National Insurance contributions whilst you were an active member of the Scheme. This means that you did not accrue State Second Pensions during the period you contributed to the Scheme.

Protected Rights

In exchange for contracting out on a Protected Rights basis, National Insurance rebates were paid to the Scheme each month. In addition an age related element of rebate was also paid to the Scheme from HM Revenue & Customs.

Pensions Tracing Service

Details of TPT (and all its pension schemes) have been registered with the Pensions Tracing Service and the address is:

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

Telephone: **0800 731 0176**

Or **+44 (0)191 215 4491** from outside the UK

www.gov.uk/find-lost-pension

Please quote reference: **10170418**

The purpose of this registration is to help individuals trace their pension rights. If you think you have pension benefits with a previous employer's scheme, but have lost contact, the Pensions Tracing Service may be able to help.

Rights, obligations and limitations

The rights and obligations of members of the Scheme are set out in the Trust Deed and Rules and the Scheme Document. These are the formal documents of the Scheme. This guide is intended to provide a clear and simple explanation of the main benefits you are entitled to under the Scheme.

If there is any conflict between the interpretation given in this Guide and the formal Trust Deed and Rules or the Scheme Document, the legal interpretation of the formal documents will prevail. Copies of the Trust Deed and Rules and Scheme Document are available from TPT. Page 2 of this guide contains full contact details for TPT.

Before making any financial commitment based on any information provided in respect of retirement benefits, please contact TPT for final confirmation of the expected level of benefits. TPT will be pleased to provide any further information or assistance you may need.

TPT is not registered under the Financial Services and Markets Act 2000 to give financial advice. Any information that is provided to members or prospective members should therefore be taken to constitute information and not be taken to constitute advice. When providing information to members, TPT takes care to provide an accurate service but the decision and choice remains the individual's, for which TPT cannot be responsible.

General Data Protection Regulation

For more detailed information on how we use and disclose personal information, the protections we apply, the legal basis for our use of personal information and your data protection rights under the General Data Protection Regulation, see our privacy notice at **http://www.tpt.org.uk/privacy-policy**.

If you would like a copy of the privacy notice to be sent to you, please email **privacy@tpt.org.uk** or call **0113 394 2779**.

Annual Report and Financial Statements

You may request a full version of the Annual Report and Financial Statements. Alternatively, a copy is available at **www.tpt.org.uk.**

Pension Protection Fund (PPF)

1. The PPF is a fund designed to protect members' rights under company defined benefit pension schemes should the employer become insolvent.

2. The PPF is funded by a levy on company pension schemes that are potentially eligible to benefit from it. The levy on the Scheme will not result in a reduction to your pension.

3. Benefits payable under the PPF are, briefly, as follows:

   - Your full pension if you have reached your scheme's NPA or receive an ill-health pension (regardless of your age);
   - **90%** of the expected scheme pension for all other members, subject to a cap advised by the PPF. This maximum figure is reduced actuarially for those under age 65;
   - Spouse/Civil Partner's pensions of **50%** of the members' pensions; and

4. In general, benefits will be paid from the PPF, as opposed to your own scheme, when:

   - your employer becomes insolvent, or in circumstances where the Trustee or The Pensions Regulator consider this likely; and
   - the assets of its pension scheme are insufficient, i.e. there is not enough money to pay at least the level of PPF benefit.

Complaints

Complaints procedure

If you have a problem or complaint in connection with your pension, we recommend that you initially discuss this with your usual contact at TPT. If they are unable to resolve the matter, you may find it helpful to speak to the Executive Administration Manager and/or the Head of Pensions Administration.

If your complaint cannot be resolved informally and you remain dissatisfied, you may, at any time, follow the formal complaints procedure. This has two stages and is summarised below.

Disputes - Formal Resolution

If you remain dissatisfied, you may request (in writing) a formal resolution from the Head of Trustee Services. A decision should be provided within two months of your formal request.

Appeal

If you remain unhappy or disagree with the formal resolution from the Head of Trustee Services, within six months of the decision you have the right to appeal to the Trustee. The result of your appeal should be provided within two months of your request.

The address for formal complaints and appeals is on page 2 of this booklet.

The Pensions Ombudsman Early Resolution Team

The Pensions Ombudsman Early Resolution Team is available if you need help raising your concerns, or wish to discuss a potential complaint.

They provide a quick, informal and streamlined process, and you do not need to have first used the scheme's internal complaints process to use this service.

The address is:

The Pensions Ombudsman
Early Resolution Team
10 South Colonnade
Canary Wharf
E14 4PU

The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to the Scheme where the formal complaints procedure has been exhausted. The address is:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Telephone: **0800 917 4487**

Email: **enquiries@pensions-ombudsman.org.uk**

Website: **www.pensions-ombudsman.org.uk**

The Pensions Regulator (TPR)

TPR is able to intervene in the Scheme administration where the Trustee, employers or professional advisers have failed in their duties. The address is:

The Pension Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Telephone: **0845 600 0707**
Email: **customersupport@tpr.gov.uk**
Website: **www.thepensionsregulator.gov.uk**

Definitions

Additional Voluntary Contributions (AVCs) is the name given to any contributions you paid to a designated arrangement above your 'normal' contributions to the Scheme to secure extra benefits.

Annual Allowance is the amount by which the value of your pension benefits may increase in any one year period without you potentially having to pay a tax charge. Details of the Annual Allowance can be found at the following website: www.gov.uk/tax-on-your-private-pension/ annual-allowance
TPT will inform you if the increase in your Scheme benefits exceeds the Annual Allowance by 6th October following the end of the relevant tax year.

If you exceed the Annual Allowance in any year, you must report this to HMRC on your self-assessment tax return. Where the tax charge exceeds £2,000 in relation to any pension benefits held with TPT, you can ask for this to be paid by the Scheme and have your benefits reduced accordingly (this is known as "scheme pays"). Please contact TPT for guidance if you believe you may be affected.

If you are retiring and taking all of your benefits from the Scheme, and you want the Scheme to pay your tax charge as detailed above, you must inform TPT before you become entitled to those benefits (please contact TPT for further details). If the charge is less than £2,000, you are responsible for paying this directly to HMRC.

If you should die, become entitled to a serious ill-health lump sum, or retire on the grounds of ill-health where you are not likely to work again, then the input value of the tax year in which the event occurs will not count towards the Annual Allowance.

Benefits are the pensions and other payments made to you and to your dependants on death, retirement and after leaving the Scheme.

Deferred Pension is the pension secured for you on leaving service and is payable on retirement.

Guaranteed Minimum Pension (GMP) Is that part of your pension, or your legal spouse's or civil partner's pension, which is roughly the equivalent of the SERPS pension for membership before 6 April 1997. The Scheme pays a GMP to you during retirement or to your legal spouse or civil partner after your death as part of the Scheme pension, to replace the SERPS pension. The Scheme must provide at least this level of pension.

Lifetime Allowance is where each individual in the UK is allowed to accumulate pension benefits up to a value determined by HMRC without incurring any tax charge. Details of the Lifetime Allowance can be found at: www.gov.uk/tax-on-your-private-pension/ lifetime-allowance

You can request a Benefit Statement from TPT which will show the value of the pension benefits you have accrued as a percentage of the current Lifetime Allowance. You must also take into account the value of any pension benefits you have from previous pension arrangements in estimating whether you have scope to pay AVCs without any danger of breaching the Lifetime Allowance.

If you exceed the Lifetime Allowance, a tax charge of 55% will be levied on the excess fund if the benefits are taken as a cash lump sum. If the excess benefits are taken as pension then a tax charge of 25% will be levied, as well as the usual income tax payable on the pension instalments. If you are concerned that your benefits from all sources may breach the Lifetime Allowance, you should consult an Independent Financial Adviser (IFA) as to your best course of action.

Please note: TPT and its representatives are not permitted to give financial advice.

Limited Price Indexation (LPI) is a requirement under the Pensions Act 1995 to pay specified increases on pensions in payment. For pension accrued on or after 6 April 1997 and before 6 April 2005, LPI is currently defined as the rise in the Consumer Prices Index up to a maximum of 5%. For pension accrued from 6 April 2005, the law requires (as a minimum) that the Scheme pays increases in line with the Consumer Prices Index, capped at 2.5%.

Normal Pension Age (NPA) is age 65 for payment of full scheme benefits.

Pensionable service is your period of membership of the Scheme (in years and completed months).

Spouse in the context of the Scheme, means your lawful husband, wife, widow, widower or civil partner. A dependant other than a spouse may be nominated to receive the spouse's pension, provided that a) as long as the nomination is made before you begin to take your benefits, and b) the nominated person meets the criteria for being "dependant" following your death (which will be determined by the Trustee at that time).

The Scheme is the Cambridge Building Society Retirement Plan.

These definitions are provided as a summary. Please see the formal Trust Deed and Rules if further clarification is required.

Verity House, 6 Canal Wharf, Leeds LS11 5BQ **Tel:** 0113 234 5500
Email: enquiries@tpt.org.uk **www.tpt.org.uk**

CBS.MG.0222

tpt Retirement Solutions