Scottish Voluntary Sector Pension Scheme

Member guide for the Defined Benefit Scheme

tpt Retirement Solutions

A Guide for Members

The Scottish Voluntary Sector Final Salary Pension Scheme (the Scheme) closed to any further accrual of pensionable service on 31 March 2010.

This booklet provides basic information about the Scheme. It gives general guidance only and you should not regard it as a complete or authoritative statement on the formal Trust Deed and Rules.

It is provided to all members and consolidates and replaces previous Scheme booklets, announcements and disclosure leaflets.

If you have any general enquiries about the Scheme, you should contact the individual who deals with pension matters in your organisation. Should you have any other queries or require further clarification or detailed information about your own benefits you should contact:

RST 3 (Retirement Solutions Team 3)
TPT Retirement Solutions
6 Canal Wharf Leeds
LS11 5BQ
Tel: **0113 394 2552**
Fax: **0113 234 5599**
Email: **enquiries@tpt.org.uk**

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Joining the Scheme

Can I join the Scheme?

No. The scheme closed to new members, and to any further accrual of benefits for existing members, after 31 March 2010.

Members who were active members of the Scheme at 31 March 2010 have had their benefits retained in the Scottish Voluntary Sector Pension Scheme and a link to their pensionable earnings will be maintained whilst they remain with their employer.

How much do I pay?

Since the scheme closed on 31 March 2010, no further member contributions are payable.

How much does my employer pay?

Even though the Scheme is now closed, your employer pays contributions to pay off the deficit in the Scheme. These contributions are calculated by the Scheme Actuary.

Can I transfer previous benefits into the Scheme?

No, the Scheme no longer accepts transfers in from members' previous pension arrangements.

Paid up pension

If you were an active member of the Scheme at 31 March 2010, you will not accrue further pensionable service after this date and your pension will be classed as 'paid up'. This differs from a deferred pension, as whilst you remain employed by the same employer as you were at 31 March 2010, your pension will continue to increase in line with your pensionable earnings, unless the Scheme's usual method of revaluing pensions in deferment produces a higher amount. Revaluation of deferred pensions is explained below.

When you leave employment or retire, your paid up pension is calculated using your final pensionable earnings (see 'Definitions') and the pensionable service you had completed to 31 March 2010.

Again, if the revalued deferred pension gives a higher figure, you would be entitled to the higher amount.

If you retire early directly from 'paid up' status, and linking your pension to salary increases results in a higher amount than the revaluation method explained below, more favourable early retirement factors are used when calculating the pension you will receive. If you leave employment and are unable to take your pension immediately (or choose not to), you will then have a deferred pension as described in the section below.

We appreciate that the above information is complex and will be happy to answer any questions you may have when you leave employment or retire.

Leaving

What happens if I leave my employer?

If you leave your employer you can choose to:

- have a deferred pension; or
- transfer your benefits to another pension arrangement.

Deferred pension

You may have a deferred pension if you left the Scheme before 31 March 2010, or you were an active member at that date and left that employment at a later date (in which case your paid up pension would then become a deferred pension). As explained above, if you have a paid up pension, but calculating it as a normal deferred pension produces a higher amount of pension, you will be entitled to the higher amount.

Your deferred pension will continue to increase in value until it is paid to you at retirement. You may apply for early payment of your pension when you meet the age criteria (see page 8 - ‘Can I retire early?’), but your pension will be reduced to reflect the longer payment period.

For pensionable service before April 2001, your deferred pension from the Scheme is payable from age 60 without any reduction for early payment.

For pensionable service from April 2001, your deferred pension from the Scheme is payable from aged 65 and will be actuarially reduced if it is taken before age 65, to reflect the longer payment period.

You may apply for early payment of your pension at any time from when you become eligible (see ‘Retirement’).

How does my deferred pension increase?

The Guaranteed Minimum Pensions (GMP) part of your pension is, where applicable, increased by statutory revaluation for each complete tax year until you retire.

While you remain employed by your Scheme employer, your pension will continue to rise in line with your pensionable earning, unless revaluation in line with the rise in the Pensions in Deferment Index (capped at 5%) provides a higher amount.

If you have left your employer any deferred pension in excess of the GMP will continue to increase each year prior to retirement by the lower of 5% or the rise in the Pensions in Deferment Index (see ‘Definitions’).

Transfer of your benefits

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

Transfer values have been reduced to reflect the Scheme's funding position. This change was made in order to be fair to all members.

The Scheme Actuary has provided an 'Insufficiency Report' which shows that the Scheme does not have sufficient funds to cover transfer values in full. If no action was taken, this would mean that members who transfer out of the Scheme would benefit at the expense of the members (and employers) remaining in the Scheme. Transfer values have therefore been reduced so that members who transfer out receive their fair share of the Scheme's funds.

The Scheme Actuary has advised how transfer values should be calculated. The reduction to the transfer value varies from member to member.

The amount transferred will be the cash value of the benefits that would be provided by the Pension Protection Fund (see page 11 for further details on the Pension Protection Fund) in the event of the SVSPS winding up, plus 18.4% of the cash value of your benefits in excess of the Pension Protection Fund benefits, calculated as the best estimate of the cash sum required to be invested in the SVSPS to reproduce these benefits.

A Statement of Entitlement to a guaranteed cash equivalent transfer value will be provided on request at any time. This Statement will advise members that their transfer value has been reduced, and by how much. It is a legal requirement that this information is provided.

The 'Insufficiency Report' is valid until the next full valuation of the Scheme is signed off. The next scheduled valuation is due as at 30 September 2020, and the deadline for signing it off would be the end of 2021. The Trustee will monitor the situation and at the latest, a further report on transfer values will be commissioned as part of the September 2020 valuation process.

Although transfer values are being reduced as described above, this does not affect pension benefits paid upon retirement, which are paid in full.

Following the changes introduced by the Government in the 2014 Budget, transfers from defined benefit schemes to defined contribution (money purchase) schemes, will continue to be allowed. However, from 6 April 2015, members are required to receive independent financial advice before any transfer can proceed (unless the transfer value is less than £30,000). TPT will seek evidence that this advice has been received before proceeding with a transfer to a defined contribution arrangement.

Retirement

You don't have to leave employment in order to draw your pension. With the exception of ill-health early retirement and 'Protected Pension Age' (see 'Definitions') retirements, any reference to retirement in this booklet includes those members who choose to receive their pension benefits and continue working, as opposed to retiring in the more traditional sense (i.e. stopping work).

When can I retire?

The Scheme's Normal Pension Age (NPA) is 65. This is the age that will be used for normal funding purposes for Scheme benefits. If you retire after NPA, your pension will be greater--- and if it starts before NPA, it will be less.

Whilst the information below explains when you can take your pension, the age at which you choose to retire is an employment issue, the timing of which you should discuss with your employer.

What will I get?

At retirement you have the option to take a pension, or a lump sum and a reduced pension. Lump sums are covered later in this section.

Changes from 1 October 2007

If you joined the Scheme on or after 1 October 2007 your employer offered one of two options:

1. 1/60th of final pensionable earnings (FPE) for each year you were in the Scheme (which was the only option prior to this date); or
2. a lower accrual rate of 1/80th of FPE for each year.

Note: prior to 1 October 2007, benefits were calculated for all members as shown under Option 1.

Your pension at NPA is calculated as follows:

1. 1/60th x Final Pensionable Earnings x Pensionable

For example, if you were a member of the Scheme for 15 years and your final pensionable earnings are £25,000, your pension will be:

1/60 x £25,000 x 15 years = £6,250 a year

2. 1/80th x Final Pensionable Earnings x Pensionable Service

For example, if you have been a member of the Scheme for 2 years and your final pensionable earnings are £25,000, your pension will be:

1/80 x £25,000 x 2 years = £625 a year

Can I retire early?

Yes you can take early retirement from age 55 even if you choose to continue working. You may take your pension benefits between ages 50 and 55 if you have a Protected Pension Age (see 'Definitions') and have left employment to which your membership relates, or at any age if you are retiring on grounds of ill-health (subject to approval). Your pension will usually be lower than at NPA because it will be reduced to allow for the fact that pensions paid early are expected to be paid for longer.

Can I take a lump sum?

Yes, you can give up part of your pension and exchange it for a pension commencement lump sum (PCLS). This will leave you with a smaller pension, reduced according to your age.

The PCLS was previously known as your tax-free lump sum. However, it is now possible for a tax charge to apply, but only if your pension savings exceed the Lifetime Allowance (see 'Definitions').

The maximum lump sum available is 25% of the value of your pension benefits. Unfortunately the calculation is not straightforward, however, as an indicator, some examples are shown below of the cash sums available to individuals at age 65.

Note: These figures are only provided as examples.

Taking a PCLS at retirement will leave you with a reduced pension. The below table shows comparisons between a full pension (Option 1) or a PCLS with a reduced pension (Option 2) for an individual aged 65.

Option 1	Option 2	
Full Pension	Maximum Lump Sum	Reduced Pension
£5,000	£22,842	£3,426 per year
£10,000	£45,685	£6,852 per year
£15,000	£68,527	£10,279 per year

Flexible retirement

In most cases members are able to take part of their pension whilst continuing to work. Exceptions to this are ill-health retirements, and those members with a 'Protected Pension Age' (see 'Definitions') who retire before age 55. This option is only available once in a 12 month period. Enquiries in the first instance should be directed to the Retirement Solutions Team 3 at TPT.

Note: This should not be confused with the right to have your pre-1 April 2001 benefits paid with no reduction from age 60. This option is also sometimes referred to as 'flexible retirement'.

Are there any other options?

You can give up part of your own pensions to provide a higher level of pension for a dependants pension payable following your death. If you are interested in this option, you should request a quotation when you are nearing retirement.

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 again in any capacity, your pension can be paid immediately, regardless of your age. There will be no reduction for early payment. Guidance on eligibility is available on request.

If you retire early due to ill-health, you still have the option to take a pension commencement lump sum.

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 eligibility changes.

You may also apply for early payment if you are too ill to continue working and have a deferred pension after leaving your employment or leaving the Scheme. In this case, if approved, your deferred pension will not be reduced for early payment.

three times your pensionable earnings at the date of your death provided you have not reached age 75 when you die; an

Death Benefits

What benefits are payable if I die before retiring?

If you die while in employment and have not opted out or left the Scheme, as a member of a Defined Benefit structure the benefits payable are:

Lump sum death benefit

- three times your pensionable earnings at the date of your death provided you have not reached age 75 when you die; and
- a refund of your own contributions, with interest.

Survivor's Pension

- 50% of the pension you would have received, calculated on the value of your pension at the date of your death.

Children's Pension

- 12.5% of the pension you would have received, calculated on the value of your pension at the date of your death, would be paid to each of up to four dependant children.

What happens if I die after retiring?

If you die after retirement the benefits are:

Lump Sum

- If you die within five years of retiring, a lump sum death benefit is paid. The sum paid is equal to the unpaid balance of the five years' pension payments, at the rate applicable at the date of death.

Survivor's Pension

- 50% of your pension (calculated on your full pension before you took any pension commencement lump sum and including increases in your pension).

Children's Pension

- 12.5% of your pension (calculated on your full pension before you took any pension commencement lump sum and including increases to your pension) would be paid to each of up to four dependant children.

Important notes

- Because of the regulations governing schemes which were 'contracted-out' of the additional State Pension prior to 6 April 2016, the spouse's/civil partner's Guaranteed Minimum Pension (GMP), or 'Reference Scheme' pension (for any member's service from 6 April 1997), must be paid to a legal spouse or civil partner, if you have one, at the date of your death.

  Note: The GMP payable to a widower or civil partner will be based on the GMP that the member accrued from 6 April 1988.

- If your partner or survivor is more than 10 years younger than you, the pension will be reduced by 2.5% for each whole year in excess of 10 that he/she is younger than you.
- Except for legal spouses and civil partners, it will be necessary for the Trustee to receive confirmation that the nominee for a pension is eligible at the date of the member's death.
- Children's pensions will be doubled if:
  - no survivor's pension is paid; or
  - dependent children are orphans or become orphans

Nominations

- You must complete a Nomination Form or put your nominations to us in writing, remembering to sign the document.
- 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 you wish to make any changes to the nomination or a nominee's address, please notify TPT in writing.

Who gets what?

If you die before you start receiving your pension the benefits are:

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;
- you should not use the words 'Executor', 'Administrator', 'In Trust for' or 'Estate' for your nomination, but the proper names of persons or organisations.

Survivor's Pension

may be paid to:

- your spouse or civil partner; or
- a child who is disabled and is unable to earn a living (in this case the child would be paid the survivor's pension, but not the child's pension); or
- you may nominate a dependent child to receive the survivor's pension, but this would stop when he or she ceased to be treated as a 'Child' as described below. (Note: The child would receive the survivor's pension in place of the child's pension); or
- anyone who lives with you and shares living expenses; or
- anyone who is largely financially dependent on you.

Children's pensions

may be paid to:

- any child who is aged under 18; or
- any child below age 23 if in full time education; or
- a child of any age who is disabled and unable to earn a living, unless the child is already receiving a survivor's pension. 'Child' will have the meaning defined in the formal rules.

Children's pensions cease on reaching age 18 or 23 as described, unless the child is disabled and unable to earn a living, when the pension can continue for the rest of that child's life.

Your Pension

How will my pension be paid?

You will receive your first pension payment shortly after either your date of retirement, or the date TPT receives the appropriate forms if later. Thereafter pensions are paid quarterly in advance, on the 6 of January, April, July and October. They will be paid direct to your bank, building society or Giro account.

Note: that your pension is taxable and if any tax is due it will be deducted under the PAYE system.

When will my pension increase?

Pension increases are applied on 6 April each year. Increases are based on the rise in the Pensions in Payment Index (see 'Definitions') in the January of the same year, as detailed below.

How does my pension increase?

The increases explained below apply to your own retirement pension, or your survivor's pension and children's pensions.

Once in payment, your pension will increase as follows:

Before State Pension Age

- The whole of your pension will increase by LPI (see 'Definitions').

After State Pension Age

- The GMP part of your pension earned after 6 April 1988, if any, is guaranteed to increase each year by the rise in the Pensions in Payment Index.
- Any pension in excess of this will increase by LPI.

Note: Any pension accrued from 6 April 2005 will only receive a partial increase on the first increase date following your retirement. The rate will be in proportion to the full increase, based on the number of months your date of retirement falls before the increase date. For instance, if your pension starts on 1 October (six months before the increase date of 6 April), the increase to your post April 2005 pension will be 6/12 of the full rate of increase awarded. It is the aim of the Scheme to ensure that pensions keep pace with inflation, if resources are available.

Boosting your Pension – Additional Voluntary Contributions (AVCs)

You may have paid AVCs during your membership.

What do my AVCs buy?

Your AVC fund will be used to provide additional pension benefits on a money purchase basis. This means the amount of pension will depend on variable factors such as:

- how much you have paid;
- the investment return;
- the cost of pensions when you retire;

You will continue to receive an annual statement which will include, where appropriate, a pension projection on stated assumptions.

Can I take a lump sum from my AVC fund?

Since 6 April 2015 members aged 55 and over have greater choice over how they access their pension savings, including AVCs. Members can now take all of their AVC pot as cash. 25% of the pot would be tax-free, with the remainder subject to their marginal income tax rate in that year.

Further information is available on the Money Advice Services website **www.moneyadviceservice.org.uk**

Financial Guidance

The UK government recognises the importance of making good financial decisions and that information regarding retirement incomes is vital to ensuring your long term welfare. A free pensions guidance service, called Pension Wise, is available for members with defined contribution (money purchase) arrangements. This includes members with AVC funds, who are approaching retirement. This is separate to independent financial advice which is available. For further details go to **www.pensionwise.gov.uk**.

What if...

What if I work part-time?

If you consistently worked the same part-time hours in your employment, you can calculate your pension using the method shown in the 'Retirement' section of this booklet.

The calculation is more complex if the number of hours you worked part-time changed during your membership of the Scheme, or if your membership was made up of full-time and part-time periods.

For part-time service, your retirement benefits will be proportionately reduced, relative to the equivalent full-time service.

What if I divorce?

The courts may order that your pension rights must be shared with your ex-spouse. An information leaflet is available on request. Members should take appropriate legal advice. On the dissolution of a civil partnership, the same pension sharing rules as those used for divorce will apply.

Further Information

Who looks after the Scheme?

The day-to-day administration is entrusted to TPT, which has been administering pension schemes since 1946. TPT is directly answerable to its members--- the employers who choose its pension schemes and the active members, pensioners and deferred members who belong to these schemes. TPT is not an insurance company.

Scheme registration

From 6 April 2006, the Scheme is a registered pension scheme for the purposes of Part 4 of the Finance Act 2004.The Pension Scheme tax Reference is 00281218RV.

Benefit limits

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.

The Scheme retains an earnings cap from 6 April 2006, although this is no longer a legal requirement. This is the maximum figure which will be used when calculating pension benefits under the Scheme rules. The figure is £160,800 for the tax year 2018/19 and will be reviewed each year.

Note: if you joined (or were deemed to have joined) the Scheme before 1 June 1989, your benefits will be calculated on your unrestricted earnings.

Can I assign my pension?

No, except where permitted by law on divorce or dissolution of a civil partnership, you cannot sign away your pension rights, even temporarily, for example as security for a loan.

The Trustee Company

The Scheme is governed by a Trustee company named Verity Trustees Limited. Directors are non-executive, three nominated by members, three nominated by employers and up to three co-opted by the member nominated and employer nominated Directors. Investments are managed independantly by external authorised fund managers. Investment performance is reviewed regularly by TPT's Investment Committee.

The State Pension

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).

If you were a member of a Defined Benefit structure of the Scheme prior to 6 April 2016, 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 to 6 April 2016.

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.

To find out more about the State Pension visit **www.gov.uk/state-pension**

Contracting out prior to April 6 2016

Between 6 April 1997 and 5 April 2016 a contracted-out scheme had to provide benefits for members which were broadly equivalent to, or better than, those that would have been provided under a 'Reference Scheme'. The requirement was for the benefits overall to be as good as those under this Reference Scheme, although there is no guarantee that every member's own benefits would pass that test.

For any period of membership between 6 April 1978 and 5 April 1997 a Guaranteed Minimum Pension (GMP) had to be provided for each member who was contracted out. The GMP is payable to women from age 60 and men from age 65, or the date of retirement, if later. At that age, the pension payable has to be at least as much as the GMP, which for the majority of members is usually the case. The main impact the GMP has on retirement pensions is the way that pension increases after it starts to be paid. Please refer to the section 'How does my pension increase?', earlier in this guide, for details of how the GMP affects the annual increase in your pension.

Pension Tracing Service

Details of TPT (and all pension schemes) have been lodged with the Pension Tracing Service and the address is:

The Pension Tracing Service
The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU
Tel: 0800 731 0193
Reference: 10170418

The purpose of this registration is to help individuals trace their pension rights.

Rights, obligations and limitations

The rights and obligations of members of the Scottish Voluntary Sector Pension Scheme are set out in the Trust Deed and Rules and the Scheme

Document which are the formal documents of the Scheme. This booklet 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 booklet 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.

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

TPT is not registered under the Financial Services and Markets Act to give financial advice. Any information that is provided to members or prospective members should therefore be taken to constitute information and not to be taken to constitute advice. When providing information to members or prospective 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 (GDPR)

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 **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 & Financial Statements

Members receive a summarised version of TPT's Annual Report and Accounts each year, but are entitled to the full version on request. A copy can be viewed on the TPT's website at **www.tpt.org.uk** in the 'About Us' section.

Termination

If your employer decides to withdraw from the Scheme you will normally be entitled to benefits calculated as if you had left service, subject to the necessary contributions having been paid.

The Pension Protection Fund (PPF)

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

The PPF will be 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.

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

- Your full pension if you have reached your scheme's Normal Pension Age or receive an ill-health pension (regardless of your age).
- 90% of the expected scheme pension for all other members, subject to a current (2018/19) maximum of £39,006.18 a year at age 65. This maximum figure is reduced actuarially for those under age 65;
- Widow/ers', civil partners' or survivors' pensions of 50% of the members' pensions.
- Pension earned from 6th April 1997 will increase each year in line with the Pensions in Payment Index up to a maximum of 2.5%. Pension relating to service before 6th April 1997 will not be increased under the PPF.

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 Pensions Regulator consider this likely; and
- the assets of the pension scheme are insufficient, i.e. there is not enough money to pay at least the level of pension described above.

The PPF will only assume responsibility for multi-employer schemes (such as the Scottish Voluntary Sector Final Salary Pension Scheme) if all the participating employers become insolvent, or if there is concern that all of the employers are unlikely to continue as going concerns.

Complaints

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 Pensions Administration Manager and/or the Head of Pensions Operations.

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 Chief Executive. 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 Chief Executive, 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 Pensions Advisory Service (TPAS)

TPAS is available at any time to assist members and beneficiaries of the Scheme in connection with difficulties they have failed to resolve.

The address is:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Tel: **0800 011 3797**
Or visit: **www.pensionsadvisoryservice.org.uk**

Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to pensions where TPAS has not been able to resolve the issue. The address is:

The Office of Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Telephone: **0800 917 4487**
Email: **helpline@pensions-ombudsman.org.uk**

The Pensions Regulator (TPR)

The Pensions Regulator is able to intervene in the Scheme administration where Trustee, employers or professional advisers have failed in their duties. It replaces the previous regulator, the Occupational Pensions Regulatory Authority (Opra), which ceased to exist on 6 April 2005. The Pensions Regulator inherited all the previous powers held by Opra along with some new ones to give it wider scope. The address is:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Telephone: **0345 600 0707**
Fax: **0870 241 1144**
Email: **customersupport@tpr.gov.uk**

Definitions

Additional Voluntary Contributions (AVCs)
is the name given to any contributions you pay above any 'normal' contributions to your company pension scheme.

Annual Allowance
This is the amount by which the value of your pension benefits may increase in any one year period without you having to pay a tax charge. From April 2016 the Pension Input Period has been aligned to the tax year.

The Annual Allowance is £40,000, although there will be provision to carry forward unused Annual Allowance from the previous three years. Please contact TPT if you require further information.

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

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

Final Pensionable Earnings
is the yearly average of your pensionable earnings over the three years (or the period of Scheme service if less) ending at your date of retirement. This is increased in line with the increase in the Pensions in Deferment Index (capped at 5%) in the year ending six months before retirement.

Guaranteed Minimum Pension (GMP)
is that part of your pension, or your legal spouse's or civil partner's pension, which represents the equivalent of the State Earnings-Related Pension (SERPS), for pensionable service before 6 April 1997. The Scheme pays a GMP to you during retirement, or your legal spouse of civil partner on your death, as part of the Scheme pension, to replace the State Earnings Related Pension.

Lifetime Allowance

Each individual in the UK is allowed to accumulate pension benefits up to a value of £1.03 million (from 1 April 2018) without incurring any tax charge.

Each year your Benefit Statement 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 rrangements in estimating whether you have scope to pay AVCs without any danger of breaching the Lifetime Allowance.

If the Lifetime Allowance is exceeded, 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 from 6 April 2005, LPI is defined as the rise in the Pensions in Payment Index (see Definition below), up to a maximum of 2.5%. For pension which was earned before 6 April 2005, LPI is the rise in the Pensions in Payment Index, capped at 5%.

Normal Pension Age (NPA)

is age 65 for Scheme benefits. Your employer may have agreed a different retirement age. Pensionable Earnings is your normal gross pay, shift pay, contractual bonuses, plus the value of payments in the form of childcare vouchers and payments made under any Home Computing Initiative and Cycle to Work schemes, but excluding overtime.

Pensionable Earnings

is your normal gross pay, shift pay, contractual bonuses, plus the value of payments in the form of childcare vouchers and payments made under any Home Computing Initiative and Cycle to Work schemes, but excluding overtime.

Pensionable Service

is your period of membership of the Scheme (in years and completed months). It will include any additional pensionable service you may have been granted as a result of transferring the value of benefits from a previous pension arrangement into the Scheme.

Pensions in Deferment Index

RPI (Retail Prices Index) is used to calculate the pensions in deferment index.

Pensions in Payment Index
CPI (Consumer Prices Index) is used to calculate the pensions in payment index.

Protected Pension Age
Members who joined the scheme before 6 April 2006 will have a 'Protected Pension Age' of 50 from 6 April 2010. This will allow these members to retire from age 50 after 5 April 2010, but if they retire before age 55 they will be required to leave the employment to which the pension relates.

Reference Scheme Test
To contract-out of the additional State Pension Scheme (known as State Second Pension), between 6 April 1997 and 5 April 2016, the Scheme had to provide benefits at least equal to the Reference Scheme (as defined by legislation for contracting-out purposes).

The Scheme
is the Scottish Voluntary Sector Pension Scheme.

These definitions are provided as a summary. Please see the formal Trust Deed and Rules, as appropriate, for further clarification.

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