CARE

A Guide for Defined Benefit Members

TPT Retirement Solutions

A Guide for Members

The CARE Scheme closed to the build up of benefits on 31 March 2016. This booklet provides basic information about the DB structures of the Scheme. It provides 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.

For information about the defined contribution (DC) structure of the Scheme, please refer to the **CARE DC website**.

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:

Retirement Solutions Team 3
TPT Retirement Solutions
Verity House
6 Canal Wharf
Leeds
LS11 5BQ

Telephone: **0113 394 2553**
Email: **enquiries@tpt.org.uk**
www.tpt.org.uk

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Joining the Scheme

Can I Join the Plan?

No. The Scheme closed to new members and to any further build up of benefits for existing members, with effect from 31 March 2016.

Members who were active members of the Scheme at 31 March 2016 will have their benefits retained in The CARE Scheme.

How much do I pay?

Since the Scheme closed on 31 March 2016, 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 has not accepted transfers into either of the defined benefit (DB) structures since 1 April 2011. In addition, the Scheme now no longer accepts transfers into the defined contribution (DC) structure.

Leaving the Scheme

What happens if I leave the Scheme?

If you leave you can choose to:

- have a deferred pension; or
- transfer your benefits to another pension arrangement; or
- take a refund of any contributions you have
  paid to the Scheme, but only if you leave with less than two years' qualifying service (see the following explanations).

Deferred pension

Your deferred pension is calculated at your leaving date in the same way as described in the 'Retirement' section of this booklet. The pension from your total Revalued Career Earnings will be revalued under the rules by the rise in the Pensions in Deferment Index (limited to 5% each year in respect of benefits that build up from 1 April 2011) (see 'Definitions') until you retire. A detailed worked example is provided in 'Further Information.'

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

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 Pension Plan) at any time after you leave the Scheme, but before you take your pension.

The amount transferred will be the cash value of your deferred benefits, calculated as the best estimate of the cash sum required to be invested in the Scheme to reproduce your benefits. You will need to consider carefully whether such a transfer is in your own best interests.

Refund of your contributions

You may only take a refund of your own contributions to the Scheme (with interest) and only if you have less than two years' qualifying service. (Qualifying service includes your period of membership of this Scheme and other schemes of TPT Retirement Solutions, plus membership relating to benefits from any previous scheme which you have transferred into this Scheme). If you have transferred benefits from a Personal Pension Plan to the Scheme you cannot take a refund of your contributions.

There are two deductions from the refund:

- tax will be deducted at a rate of 20% (or 50% on any refund amount in excess of £20,000); and
- an amount which will buy you back into the additional State Pension (known as State Second Pension) - this only applies to refunds from the DB 80ths structure for benefits accrued before 6 April 2016.

Please note: if interest is included with your refund, you will need to notify HMRC of the amount of interest you receive. This is because the law now requires that gross interest is paid. HMRC will subsequently notify you of any tax charge applicable to this sum.

Retirement

When can I retire?

The Scheme's Normal Pension Age (NPA) is 65. 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, and what you will get, 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.

Your pension in the DB 80ths structure from NPA will be calculated as:

- 1/80th (or 1.25%) of the total Revalued Career Earnings, for example:

Gross Earnings Annual Pension		
£8,000	x 1/80	£100
£16,000	x 1/80	£200
£24,000	x 1/80	£300

This calculation is repeated for every year that you have been a member of the Scheme. If you had been in the DB 80ths structure of the Scheme for 20 years **earning £16,000** each year, before revaluing for inflation which is dealt with below, your pension would be:

- 20 years x £200 = £4,000 a year

Your pension in the DB 100ths structure from NPA will be calculated as:

- 1/100th (or 1%) of the total Revalued Career Earnings, for example:

Gross Earnings Annual Pension		
£8,000	x 1/100	£80
£16,000	x 1/100	£160
£24,000	x 1/100	£240

This calculation is repeated for every year that you have been a member of the Scheme. If you had been in the DB 100ths structure of the Scheme for 20 years earning £16,000 each year, before revaluing for inflation which is dealt with below, your pension would be:

- 20 years x £160 = £3,200 a year

The pension you earn for each year will be increased as described in the next section.

What about inflation?

The pension you build up from your earnings each year is increased before retirement:

- by the rise in the Pensions in Deferment Index (limited to 5% each year in respect of benefits that build up from 1 April 2011) that follows in each subsequent year before retirement;
- revaluation under the rules is for complete Scheme years – April to the end of March, effective from April each year; and
- earnings from April to your retirement date in the year you retire, and in the one year up to that April, are not increased. This is because, under the rules, a year's inflation has to occur after each April before your benefit is increased.

For example, if price inflation is 5% for two years and if you have already accumulated £1,200 pension, that pension will increase before retirement by:

- £1,200 x 1.05 x 1.05 = £1,323 annual pension

A detailed worked example is provided in 'Further Information'.

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 cash 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 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.

Please note: these figures are only provided as examples.

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

Option 1 Full Pension	Maximum Cash Lump Sum	Option 2 Reduced Pension
£5,000	£24,212.66	£3,632.90 a year
£10,000	£48,425.32	£7,263.80 a year
£15,000	£72,637.97	£10,895.70 a 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 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 TPT.

Are there any other options?

You may surrender part of your pension to provide a pension or extra pension for a dependant. Details will be provided on request.

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 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 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 pension would not be reduced for early payment.

Death Benefits

What happens 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 (see Definitions).

Survivor's pension

- 50% of the pension you would have received based on your total Revalued Career Earnings up to your date of death.

Important notes:

- If your survivor or partner is more than ten years younger than you, the survivor's pension will be reduced by 2.5% for each year in excess of ten that your survivor is younger than you (this reduction does not apply if the survivor's pension is paid to a child).
- If you also have benefits in other schemes of TPT, benefits from those schemes will be payable under the rules of those schemes.

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 then a lump sum is paid. The balance of any unpaid pension for the period of five years from retiring will be paid at the current rate of pension payable 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 to your pension since retirement).

Nominations

- You must complete a Nomination Form or put your nominations to us in writing.
- 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 provide TPT with signed confirmation of the changes.

Who gets what?

Lump sum

- You can nominate one or more persons or organisations.
- If you choose more than one, you must state how much each person or organisation will receive.
- You must complete a Nomination Form stating who you would like to receive the lump sum.
- You should not use the words ‘Executor’ or ‘Estate’ for your nomination, but the proper names of persons or organisations.

Survivor’s pension

- your spouse or civil partner; or
- a child who is disabled and is unable to earn a living; 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 under ‘Important notes’; or
- anyone who lives with you and shares living expenses; or
- anyone who is largely financially dependent on you.

Important notes

- Except for legal spouses and civil partners, it will be necessary for the administrator to receive confirmation that the nominee for a survivor’s pension is eligible at the date of the member’s death.
- Under the rules of the Scheme, a ‘child’ is:
    - any child who is aged under 18; or
    - any child below age 22 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.

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 froms, if later. Thereafter pensions are paid quarterly in advance, on 6 of January, April, July, October. They will be paid direct to your bank account, building society account or Giro account.

If tax is due on the pension then 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 in the January of the same year.

How does my pension increase?

The increases explained below apply to your own pension, or your survivors pension.

Once in payment, your pension will increase by Limited Price Index (LPI) (see 'Definitions') but please also refer to the next section if you have transferred in benefits from a previous contracted-out scheme.

Pensions from the Scheme receive the full rate of increase on the whole pension commencing on the first 6 April after the pension has started.

Previous scheme benefits

If you have transferred-in benefits from previous contracted-out service:

Before State Pension Age:

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

After State Pension Age

- The Guaranteed Minimum Pension (GMP) (see 'Definitions') part of your pension, if any, is guaranteed to increase each year by the rise in the Pensions in Payment Index. This increase is paid partly by the State and partly by the Scheme.

- The rest of your pension is guaranteed to increase each year by LPI.

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 pay;
- the investment return; and
- the cost of pensions when you retire.

Because of these variables it is not feasible, before contributions commence, to project what pension might be expected. You will continue to receive an annual statement which will include, where appropriate, a pension projection on stated assumptions.

Can I take my AVCs as cash?

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 Service's 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?

It does not matter how many hours you worked because your pension is calculated from your actual gross earnings.

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

Revaluation of pension – examples

If your Gross Earnings and Prices Inflation are the same as the relevant Scheme Years shown in Table 'A' below, then the Basic Pension earned would be revalued before retirement as shown in Table 'B' below.

Table 'A' – Example Data

How the CARE DB 80ths pension builds up and is increased before retirement

Scheme Years April - March	Gross Earnings	Basic Pension 1/80th of Earning	Prices Inflation April - March
Year 1	£6000 x 1/80 (6 months only)	£75.00	n/a
Year 2	£12,000 x 1/80	£150.00	3.0%
Year 3	£12,400 x 1/80	£155.00	3.5%
Year 4	£12,800 x 1/80	£160.00	2.5%
Year 5	£13, 440 x 1/80	£168.00	3.6%

Table 'B' – Revalued Pension (Compound Interest)

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total
Year 1	£75.00	x1.03	x1.035	x1.025	x1.036	= £84.90
	+ Year 2	£150.00	x1.035	x1.025	x1.036	= £164.86
		+Year 3	£155.00	x1.025	x1.036	= £164.59
			+ Year 4	£160.00	x1.036	= £165.76
				+ Year 5	(not revalued)	= £168.00
• Retirement after the end of Year 5 = Total Revalued Pension = • Pension for Year 6 up to retirement date will be added					**TOTAL**	**£748.11**

Revaluation of pension – examples

If your Gross Earnings and Prices Inflation are the same as the relevant Scheme Years shown in Table 'A' below, then the Basic Pension earned would be revalued before retirement as shown in Table 'B' below.

Table 'A' – Example Data

How the CARE DB 100ths pension builds up and is increased before retirement

Scheme Years April - March	Gross Earnings	Basic Pension 1/100th of Earning	Prices Inflation April - March
Year 1	£6000 x 1/100 (6 months only)	£60.00	n/a
Year 2	£12,000 x 1/100	£120.00	3.0%
Year 3	£12,400 x 1/100	£124.00	3.5%
Year 4	£12,800 x 1/100	£128.00	2.5%
Year 5	£13,440 x 1/100	£134.00	3.6%

Table 'B' – Revalued Pension (Compound Interest)

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total
Year 1	£60.00	x1.03	x1.035	x1.025	x1.036	= £67.92
	+ Year 2	£120.00	x1.035	x1.025	x1.036	= £131.89
		+Year 3	£124.00	x1.025	x1.036	= £131.68
			+ Year 4	£128.00	x1.036	= £132.61
				+ Year 5	£134.40	= £134.40
• Retirement after the end of Year 5 = Total Revalued Pension = • Pension for Year 6 up to retirement date will be added					**TOTAL**	**£598.50**

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.

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**.

The Trustee Company

The Trustee Company, Verity Trustees Ltd, is responsible for all policy matters and for ensuring that TPT operates lawfully and within the provisions of the formal Trust Deed and Rules. The Trustee Board is made up of three Directors who are elected by the members and pensioners of TPT and three who are elected by participating employers. The elected Directors may co-opt up to three further Directors. All of the Directors are non-executive.

Investments are managed by external authorised fund managers. Investment performance is reviewed regularly by the Trust's Investment Committee.

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 00281218RV.

Benefit limits

There are no limits on the pension benefits you can receive. However, if your benefits exceed the Lifetime Allowance (see 'Definitions'), tax charges will apply to the excess.

Can I assign my pension?

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

Leaving the Scheme

A transfer value can be paid to another scheme or pension contract at your request. The transfer value represents the cash value of your deferred benefits in the CARE Scheme, using rates provided by our Actuary at the date of calculation. A Statement of Entitlement for a guaranteed cash equivalent transfer value of your benefits will be provided on request at any time.

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 the CARE 80th structure 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 of the CARE Scheme.

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 additonal 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 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 who 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 is starts to be paid. Please refer to the section 'How will my pension increase?', earlier in this guide, for details 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:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle-upon-Tyne
NE98 1BA
Telephone: 0845 600 2537
Reference: 10170418

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

Rights, obligations, limitations

The rights and obligations of members of the CARE Scheme are set out in the Trust Deed and Rules, 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 provided in this booklet and the formal Trust Deed and Rules, the legal interpretation of the formal documents will prevail. Copies of the Trust Deed and Rules 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 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.

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 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.

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

1. Your full pension if you have reached your scheme's NPA or receive an ill-health pension (regardless of your age).
2. 90% of the expected scheme pension for all other members, subject to a current (2016/17) maximum of £37,420.42 a year at age 65. This maximum figure is reduced actuarially for those under age 65.
3. Widow/ers,' civil partners' or survivors' pensions of 50% of the members pensions.
4. Pension earned from 6 April 1997 will increase each year in line with the Pensions in Payment Index up to a maximum of 2.5% each year. Pension relating to the service before 6 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 The 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 in point 3 above.

Multi-employer schemes (such as the CARE Scheme) will only be admitted to the PPF if all the participating employers become insolvent, or if the PPF believes it is very likely that all of the employers are unlikely to continue as going concerns.

Annual Report & Financial Statements

Members receive a summarised version of the Annual Report and Financial Statements each year, but are entitled to the full version on request. A copy can be downloaded from TPT's website at **www.tpt.org.uk.**

Complaints

If you have a problem or complaint in connection with your pension, we recommend that you initially discuss this with your employer or 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 Administration.

If your complaint cannot be resolved informally and you remain dissatisfied you may at any time follow this formal two stage complaints procedure:

Stage 1

You may request, in writing, a formal resolution from the Head of Trustee Services. Please ensure that any correspondence is headed 'Formal Complaint'. A decision should be provided within two months of your formal request. You can get help with your complaint from The Pensions Advisory Service.

Stage 2

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

If you are not satisfied with the Trustee's decision, you have the right to refer your dispute to The Pensions Advisory Service.

Pensions Ombudsman

The Pensions Ombudsman can investigate and determine any complaint or dispute over the way in which a pension arrangement is run. Normally the Ombudsman will require you to have been through the Plan's procedure for resolving disputes and will ask The Pensions Advisory Service to consider the complaint first.

You can find out more by visiting
www.pensions-ombudsman.org.uk
or you can phone **0207 630 2200**

The Pensions Advisory Service

The Pensions Advisory Service is an independent organisation that provides free advice and guidance on all types of pension queries as well as helping settle disputes or complaints you have failed to resolve.

www.pensionsadvisoryservice.org.uk or you can phone **0845 601 2923**

The Pensions Regulator

The Pensions Regulator regulates the running of occupational pension arrangements and can intervene if trustees, employers or professional advisers have failed in their duties.
www.thepensionsregulator.gov.uk 0870 606 3636

Definitions

Additional Voluntary Contributions (AVCs)

is the name given to any contributions you pay above your 'normal' contributions to the Scheme to secure extra benefits.

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. The CARE Scheme pension savings year runs from 1 April to 31 March and is called the pension input period.

The Annual Allowance is £40,000, although there will be provision to carry forward unused Annual Allowance from the previous three years.

CARE DB 80ths and 100ths are defined benefit schemes. In defined benefit schemes, the input value is measured by the increase in the value of the pension over the year. The input value is calculated as the increase in the annual pension amount, allowing for inflation, multiplied by 16. If the amount by which the increase in your input value in any one year exceeds the Annual Allowance, and you do not have sufficient unused Annual Allowance from the previous three tax years to cover the excess, you will be liable for an 'Annual Allowance tax charge', even if your contributions are less than 100% of your earnings.

TPT will inform you if the increase in your CARE benefits exceeds the Annual Allowance by 6 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. Please contact TPT for guidance if you believe you may be affected.

You should note that if you wish the Trust to pay a charge on your behalf, you must provide notification by 31 July in the year following the end of the tax year to which the charge relates for any later tax years. However, if you are retiring and taking all of your benefits from the CARE 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 the Trust 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 members and their 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.

Earnings
means your full gross taxable pay, including all overtime, shift-pay, bonuses and any other monetary allowance or special payments.

Exit Date
means the latest date on which you are treated under the rules as being in pensionable service – normally the date of leaving the Scheme, retirement or death.

Final Earnings
means the better of your:

- earnings for your final 12 months up to exit date; or
- earnings in the year ending on the day before any reduction or suspension of earnings because of illness or injury, revalued under the rules if appropriate.

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 or your legal spouse or civil partner during retirement, as part of the Scheme pension, to replace the State Earnings Related Pension.

Please note: You may have a GMP if you have transferred in benefits from a previous scheme.

Lifetime Allowance
Each individual in the UK is allowed to accumulate pension benefits up to a value of £1 million (from 2016) 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 arrangements 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 inflation, up to a maximum of 2.5%. For pension which was earned before 6 April 2005, LPI is the rise in inflation, capped at 5%.

Normal Pension Age (NPA)

is age 65 for scheme benefits. Your employer may have agreed a different retirement age.

Pensionable Service

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

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

The Scheme must provide benefits at least equal to the Reference Scheme (as defined by legislation for contracting-out purposes).

Retirement

There is no longer the requirement to have left the employment to which the pension relates. With the exception of ill-health early retirement, and protected pension age retirements after 5 April 2010, 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).

Revaluation

means the percentage increase in the Pensions in Deferment Index in the year up to the revaluation date. See page 5 of this guide for further details.

Revaluation Date

means 1 April each year.

Revalued Career Earnings

- earnings from the latest April up to exit date; plus
- earnings for the 12 months before that April; plus
- previous accumulated revalued earnings.

Revalued Earnings

Earnings in one scheme year are revalued in line with inflation in subsequent scheme years, according to the rules, for the purpose of calculating your pension. For example, your earnings/pension in Scheme year one will be revalued at the end of Scheme year two. A detailed worked example is provided in 'Further Information.'

Scheme Year

means for the purpose of revaluation, the year from 1 April to 31 March.

The Scheme

is TPT's Career Average Revalued Earnings (CARE) Scheme.

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

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

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