

## The Arthritis Care Pension Scheme Useful Information

### About the Scheme

The Arthritis Care Pension Scheme (the Scheme) is a defined benefit (DB) pension scheme. It is not open to new entrants.

### How are my benefits calculated?

#### Benefits built up before 1 January 2008

Your pension is based on the amount of time you have been in the Scheme (service) (up to 31 December 2010) and your best three year average salary in the last ten years of working before you retire.

Your benefits will continue to be linked to your pensionable salary until you leave Arthritis Care's employment or retire, unless the usual method of revaluing deferred pensions results in a higher figure.

#### Benefits built up from 1 January 2008

From 1 January 2008, benefits were built up under the CARE structure. Each year, a pension was built up as a proportion of your pensionable earnings. Each year's pension increases from that year until retirement, in line with the increase in the Retail Prices Index to a maximum of **5%** each year.

### When can I retire?

The Scheme's Normal Retirement Age is 65.

You can take your pension at any time between age 55 and 75. If you take your pension before age 65 it will normally be reduced to reflect early retirement. The early retirement reduction varies depending on when you joined the Scheme.

#### Joiners before 1 January 1995

Your pension would be paid at an unreduced rate if it is taken after age 60.

#### Joiners before 6 April 2006

If you joined the Scheme before 6 April 2006 you have a 'Protected Pension Age' of 50, which means you can take your pension from age 50. However, if you take your benefits before age 55 you must have left the employment of Arthritis Care.

### All members

If you take your benefits after the Normal Retirement Age, your pension will be increased for late payment.

### What will I receive when I retire?

When you retire, you can take your benefits as a pension or take a tax free lump sum and a lower pension.

Depending on the size of your pension, you may have the option to take everything as a one-off taxable lump sum. We will let you know if this is available to you when we provide your retirement quotation.

You can also transfer your benefits to another scheme.

Please contact us if you need further information or any quotations.

### **How will my pension be paid?**

All pensions are paid direct to your bank account and are paid in advance every three months on 6 April, July, October and January. Any tax payable is deducted from your payment as instructed by HMRC.

### **Will my pension increase?**

Yes, but depending on when you accrued your pension and when you draw your pension it will increase at different rates.

Any pension earned from 6 April 1997 will increase each year in line with the Consumer Prices Index to a maximum of **5%** each year. Any pension earned from 6 April 2005 will increase each year in line with the Consumer Prices Index to a maximum of **2.5%** each year.

### **Contracted-out members only**

Whilst you were a member of The Arthritis Care Pension Scheme, if you were contracted-out of the additional State Pension before 6 April 1997, you accrued a Guaranteed Minimum Pension (GMP). The GMP part of your pension will increase in line with inflation to a maximum of **3%** each year.

The remainder of your pension will continue to increase as described above.

### **What if I am ill?**

If you are in ill-health now or become so in the future and you are unable to work, you could apply for an ill-health pension. Please note that payment of your pension on these grounds would be subject to medical evidence. Please contact us for further information.

### **What will happen to my pension when I die?**

#### **Survivors Pension**

- A pension is payable to your survivor for the rest of their life. This pension is **50%** of the value of the pension you would have received, or are already receiving, at the date of your death.
- The survivor's pension would generally be paid to your spouse or partner. If your nomination is not your spouse or partner and you wish to check if they are eligible, please contact us.

#### **Lump sum**

- If you die before taking your benefits, a lump sum equal to the contributions you paid into the Scheme, plus interest, would be payable.
- If you die within five years of taking your pension, the pension payments for the remainder of those five years would be paid as a lump sum.
- You can nominate one or more person or organisation for the lump sum.
- 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.

## **What about Additional Voluntary Contributions (AVCs)?**

If you have paid AVCs whilst a member of the Scheme, you will receive a statement of these benefits separate to your main scheme benefits.

Further details of your AVCs can be found by visiting your scheme page on the TPT website:

**[www.tpt.org.uk](http://www.tpt.org.uk)**

## **Contact us**

Our scheme specific contact details can be found at: **<http://www.tpt.org.uk/contact-us/members>**.

For general enquiries, please contact us using the details below.