



YOUR GUIDE

Unite the Union

For members of the Unite Pension
Scheme

April 2025

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A pension scheme is one of the most valuable benefits an employer can offer. It gives you the opportunity to build up savings towards your retirement income and protection is in place along the way to provide help and support for you and your family if needed.

Unite the Union provides a final salary arrangement through the Unite Pension Scheme (the "Scheme").

This guide only summarises the benefits you earn in the Scheme from your employment on and after 1 January 2013.

If you were in the Scheme before **1 January 2013**, there will be some differences between the benefits you earned in the Scheme to that date and the benefits you earn from that date.

If you were a member of either the Transport & General Workers' Union Officials & Staff Superannuation Fund ("OSSF") or the Unite Amicus Section Pension Scheme ("UASPS"), the benefits earned prior to 1 January 2013 remain in line with the rules of the OSSF and UASPS at that time and are unaffected by the benefit changes implemented from 1 January 2013.

If you need any further information on your benefits in the OSSF or UASPS, please contact the Administrators at First Actuarial or the Trustee Secretary (see page 23).

This guide outlines the main features of the Scheme, but it cannot cover every detail. The official documents governing the Scheme are its legally governing trust deeds and rules. These formal deeds and rules would always override this guide, if any difference came to light between the two.



THE SCHEME'S FINAL SALARY PENSION - AT A GLANCE

This is a high-quality pension scheme intended to provide a good income for you in retirement and for your dependants in the event of your death. It is designed to top up the limited pension you will get from the Government.

What are the benefits?

- **A pension of 1/60th of your Pensionable Salary** (broadly, your annual basic salary when you retire from Union service) **for each year you contribute (up to 35 years)**. This will be 1/70th if you have opted for a lower contribution rate (see below).

So, if you contributed for 20 years, then the pension would be 20 x Pensionable Salary/60 which, in this particular example, would equal one third of your final salary (before retirement).

- **A one-off tax-free cash sum of 1.7% of your Pensionable Salary for each year you contribute (up to 35 years)**. Typically, if you are on the 1/60th contribution rate, this will roughly equal your annual pension for one year.

You can, with the consent of the Trustee, also exchange part of your annual pension for extra tax-free cash at retirement.

- **Your pension and cash sum are payable from age 63**. However, you can retire from Union service earlier **from age 55 (or 50 for some members)** but your pension would be reduced to reflect the longer period of payment. The minimum age you can retire may rise in future (see page 13).

As at the time of writing (April 2025) your pension is not reduced if you retire from Union service no earlier than 5 years before the male State Pension Age subject to a minimum of age 60.

- **If you die in service** before retirement then **a cash sum of 5 x basic salary** (in force at date of death), **plus a pension for your dependants** (ie partner and children).
- If incapacity means you are no longer able to work, you may qualify for an immediate pension.
- **If you leave the Scheme**, provided you have been in the Scheme for more than two years, you can choose between keeping your pension in the Scheme or transferring the cash equivalent value to any new pension arrangement you may join.

What does it cost?

If you are employed by the Union in any of Grades 1 to 5, the standard cost (for 1/60th pension) is 11% of your basic salary, but you can opt to pay 8% of your basic salary per year and get a pension of 1/70th of your Pensionable Salary rather than the standard 1/60th.

Further information on the contributions payable if you are employed by the Union in any of Grades 6 to 13 is provided later in this guide in the section headed 'Contributions – What you pay'.

Whether you opt for 11% or 8%, this is less costly than it looks because you will receive tax relief on your contributions and can also opt for salary sacrifice. If you opt for salary sacrifice, you do not have to pay National Insurance on your contributions either. Taken together, it can work out approximately a third cheaper than it looks.

The Union contribution to the Scheme is (at April 2025) 25.2% of your basic salary.

Can I pay less?

No, these are the contribution rates currently in place if you want to enjoy the benefits of the Scheme. The Union also offers access to a defined contribution arrangement with Smart pension, to which you can contribute 3% of your basic salary and the Union will contribute a further 6% of your basic salary. These contributions are invested to give you a pot of money to provide benefits for when you retire. You will potentially get lower benefits than you would from the Scheme but it may still be better than making no provision for your retirement.



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SPECIAL TERMS

Here we explain some of the technical terms we have used in the guide. Please look through it before reading on as in some cases we have to give a particular meaning to an otherwise 'normal' word ('Child', for example) because it affects how the Trustee of the Scheme works out and pays certain benefits

Actuary

A financial expert who advises on how the Scheme's funding may change into the future. The actuary carries out valuations (regular 'check-ups' on how the assets held by the Scheme compare with the benefits and costs they are expected to meet) and uses the results to recommend the level of contributions the Scheme will need.

Administrators

These are the people that assist the Trustee in administering the Scheme and working out member benefits.

Child

This term is used to include natural children and unborn children. It will also include adopted children, stepchildren and any child whom the Trustee considers you were acting as parent for, and who was dependent on you. Children will normally qualify to receive pensions up to the age of 18 or 23, if in full-time education, or indefinitely, if suffering from a physical or mental impairment.

Normal Pension Age

This is 63.

Partner

Your husband, wife, civil partner, or someone whom the Trustee agrees is in a long-term relationship with you which is similar to marriage or a civil partnership. Please note that the Trustee may reduce a pension payable to your Partner on your death if your Partner is more than 10 years younger than you.

Pensionable Salary

The salary figure used to work out your pension and cash sum. It is the basic salary received by you in the last 12 months before retiring or leaving the Scheme. It does not include any temporary responsibility allowance but does include London weighting and, in respect of Scheme Service on and from 6 April 2025 only, also includes contractual unsocial hours pay.

If you earn below the 'Salary Limit' – £75,065 for the year 2024 – your Pensionable Salary is equal to your basic salary over the last 12 months.



If you earn the same or more than this limit, your Pensionable Salary is equal to your basic salary over the last 12 months, apart from any increases you have received following a promotion on or after 1 January 2013, which are recognised incrementally in your Pensionable Salary over a 10-year period.

The 'Salary Limit' will normally increase each year in line with general salary increases awarded by the Union.

Scheme

The Unite Pension Scheme

Scheme Service

The length of time in complete years and months that you have been building up benefits in the Scheme. A maximum of 35 years applies to Scheme Service – if you reach this limit, you will stop accruing pension but will retain death benefits in line with the Scheme rules.

State Pension Age

The age you start receiving your State pension.

Due to ongoing changes to the State pension system, your individual State Pension Age will depend on your date of birth. You can read more on page 17.

Trustee

The Scheme is set up under a trust which means that the assets that it holds to pay for your benefits are legally separate from the Union. The persons who are appointed to look after the assets and run the trust are called the Trustee.

Union

Unite the Union, the employer sponsoring the Scheme.

JOINING

How to join

For a number of employees, there is no need to apply to join - the Union and the Trustee will enrol you in the Scheme automatically as long as you are a permanent employee of the Union, aged between 22 and 63, and not a member of another Union sponsored scheme.

Other pension schemes (other than Union sponsored schemes)

You are allowed to belong to more than one pension arrangement if you want to. So, if you already have a personal pension, for example, you can still pay into it alongside the Scheme.

Please bear in mind that allowances imposed by HM Revenue & Customs apply to all your pension contributions and benefits, apart from your State pension - so you need to take any other arrangements you have into account along with your Scheme membership. (See page 18 for more about the annual allowance.)

Transfers in

The Trustee will allow transfers of benefits from other pension schemes into the Scheme in limited circumstances (and never in return for final salary benefits). Please contact the Administrators for further details.

Choosing not to join

Scheme membership is voluntary, and you can 'opt out' of joining if you want to. You must return the 'opting out' form enclosed with this guide to the Administrators as soon as you have made this decision.

The automatic enrolment laws mean we must check regularly for employees who are not in a Union scheme and 're-enrol' them if they meet certain conditions. Employees will be re-enrolled into the Union's stakeholder scheme (which is not the Scheme and is not a final salary pension scheme) in the event that they opt out of the Scheme having been initially enrolled into it.

Please note that if you decide not to belong to the Scheme, you should think about where your retirement income will come from instead. If you decide to save into a personal pension, bear in mind that the Union cannot contribute to outside arrangements, and that you may have to pay extra charges and running costs to your provider. Please consider taking financial advice if you are thinking of opting out. (See page 25 for details of how to contact an independent financial adviser.)

Opting out or leaving for other reasons

Once you have been a member of the Scheme for at least 1 month, to opt out of membership you need to give at least 3 months' notice to the Trustee (by writing to the Union's HR department) to opt out.

You will usually also have to leave the Scheme if you cease to be a permanent employee. You may also need to leave if you permanently begin to work within the European Economic Area, but outside the UK.

Re-joining

If you were a member of the Scheme and opted out then you need to ask the Union to become a member again. You will not be able to re-enter Union service or re-join the Scheme if you are already receiving benefits from the Scheme.

If you were forced to leave the Scheme because you ceased to be a permanent employee or began working elsewhere in the European Economic Area then you can resume membership when you become a permanent employee of the Union again or cease to work elsewhere in the European Economic Area and provided you are aged between 18 and 63.

CONTRIBUTIONS

What you pay

There are two contribution rates to choose from which are as follows:

- 8% or 11% of your basic salary (London weighted where appropriate) if you are employed by the Union in Grades 1 to 5
- 9% or 12% of your basic salary (London weighted where appropriate) if you are employed by the Union in Grades 6 to 9
- 9.3% or 12.3% of your basic salary (London weighted where appropriate) if you are employed by the Union in Grades 10 to 13

You build up a lower ($1/70^{\text{th}}$ of Pensionable Salary) or higher ($1/60^{\text{th}}$ of Pensionable Salary) level of pension benefit for each year you contribute (up to 35 years) depending on the rate you choose. You can 'switch' between the rates once a year, by informing the Union's payroll department by 1 March, and your choice will apply for the 12 months starting on the next 5 April.

Whichever rate you choose, the real cost to you is normally lower as pension contributions (up to certain limits) are not subject to tax and can be paid direct from gross pay. For example:

- You earn £40,000 a year gross – or £3,333 a month.
- You pay basic rate tax at 20%.
- If you choose the 11% contribution rate, that works out at £367 a month.
- Because you do not actually pay tax on your £367 contribution, it reduces your take home pay by only £294 a month not £367 a month (ie 20% of £367 = £73).

Salary sacrifice

'Salary sacrifice' is a way of arranging pension contributions so that you and the Union can make extra savings on National Insurance (because neither you nor the Union has to pay National Insurance contributions on the amount paid into the Scheme).

How does it work?

You decide your contribution level and agree with the Union that contractually this is not part of your direct pay but is a form of benefit in kind (ie you give up – or 'sacrifice' – the same amount from your salary).

The Union then pays this contribution level directly into the Scheme along with its own contribution.

Overall, this means that the contribution to the Scheme is the same. The only difference is that your pension contribution never becomes part of your pay. As a result, your take-home pay will go up slightly, because you only pay National Insurance on the salary you actually receive. (The Union makes a similar saving because it only has to pay National Insurance on the salaries its employees actually receive.)

This simple example in the following table gives you an idea of the National Insurance saving you might make over a year, using the £40,000 pa gross salary figure and 11% contribution rate from before:

Estimated Figures Per Annum	Without Salary Sacrifice	With Salary Sacrifice	Effect on Take-Home Pay
Gross Salary	£40,000	£35,600	-
Pension Contributions	£4,400	Nil	-
Income Tax	£4,606	£4,606	Nil
NI Contributions	£2,194	£1,842	+£352
Take-Home Pay	£28,800	£29,152	+£352

The above example is based on the Income Tax and National Insurance rates applicable from 6 April 2024 to 5 April 2025.

Salary sacrifice only affects contributions – not benefits in the Scheme.

The Union keeps a record of your salary before you give up the contribution amount and uses this higher figure to work out your pension and cash sum, or any ill-health or death benefits payable. It will also supply the higher salary amount if you need a quotation for a loan or mortgage application.

Most people benefit from taking part in salary sacrifice, although if someone is a relatively low earner (for example, working a small number of hours part time), the following issues may arise:

- An individual cannot take part in salary sacrifice if it will take them below the minimum wage.
- Your National Insurance payments go towards your State benefits, including statutory maternity and sick pay, as well as pension.

Paying lower National Insurance could reduce your entitlement to these benefits.

The Union checks for these situations and will contact you if you are likely to be affected. You have the option (whether you are affected or not) to come out of salary sacrifice and pay contributions into the Scheme the normal way. This means that tax relief would still apply to your contributions, but you would not make the National Insurance saving.

What the Union pays

The Union pays the remainder of the cost of the Scheme's benefits and the running costs, on top of pension contributions from members and the returns on the Scheme's investments.

This is normally a higher amount than the member contribution rates. The Actuary recommends the overall contributions needed from the Union and members when monitoring the Scheme's funding. All contributions can vary over time.

Saving more – Additional voluntary contributions ("AVCs")

If you are interested in adding to your main benefits, you can pay AVCs on top of the contribution to your main Scheme pension.

What are AVCs?

AVCs are a flexible and tax efficient way to save more for your retirement. They work in a different way to your main Scheme pension and are similar to 'defined contribution' or 'money purchase' pension plans. The amount you choose to pay goes into an individual account set

up on your behalf, and you can pay AVCs regularly every month, with the freedom to change, stop or re-start them at any time on one month's notice to the Trustee. If you prefer, you can also pay AVCs as 'stand-alone' amounts instead of committing to a monthly contribution. You then decide how you want to invest your AVCs from a range of options given to you by the Trustee.

In a similar fashion to defined contribution pension plans, the value of your AVCs when you come to access them is subject to a number of factors, including the amount of contributions made, the charges payable, and the performance of the investments.

How can your AVC savings be used?

The value of your AVC savings can be used in a number of ways, including using it to provide part or all of your tax-free cash in the Scheme (with the consent of the Trustee and the Union), or drawing it as a pension.

What are the benefits of making AVCs?

AVCs receive the same tax treatment as your main Scheme contributions – tax relief still applies to them – meaning that you don't pay tax on the amounts you pay into your AVC account (subject to limits).

For example, if you chose to pay £100 a month into your AVC account, the net cost (reduction in your pay) to a basic rate taxpayer would be £80.

The Union also permits members to pay regular AVCs through salary sacrifice and therefore receive National Insurance savings similar to those on regular contributions to the Scheme.

You can learn more about paying AVCs and how to begin contributing in the AVC section of the Unite Pension Scheme website:
<https://www.unitepensions.org/>

RETIREMENT

Pension at Normal Pension Age

Your pension on retiring from Union service will be:

- **1/60th** of your Pensionable Salary for each year and complete month of Scheme Service that you paid member contributions of 11%, 12%, or 12.3% of salary (depending on your Grade); plus
- **1/70th** of your Pensionable Salary for each year and complete month of Scheme Service that you paid member contributions of 8%, 9%, or 9.3% of salary (depending on your Grade).

Your total Scheme Service above will normally be limited to a maximum of 35 years.

The pension will go into your bank or building society account monthly, in advance.

Cash sum

You will also receive a tax-free cash sum of 1.7% of your Pensionable Salary for each year and complete month of Scheme Service, up to a maximum of 35 years. It does not matter whether you choose the lower or higher contribution rate.

Example of benefits on retirement

In this example, you retire from Union service after 20 years' Scheme Service with a Pensionable Salary of £40,000 pa. You originally chose the 8% contribution rate, but after 5 years you moved up to the 11% contribution rate.

- For the first 5 years (on the 8% rate), you built up the lower level of pension: $1/70 \times £40,000 \times 5 \text{ years} = £2,857 \text{ a year}$.
- For the next 15 years (on the 11% rate), you built up the higher level of pension: $1/60 \times £40,000 \times 15 \text{ years} = £10,000 \text{ a year}$.
- So, your total pension is $£2,857 + £10,000 = \textbf{£12,857 a year}$.
- Your cash sum would be: $1.7\% \text{ of } £40,000 \times 20 \text{ years} = \textbf{£13,600}$.

Extra cash sum

With the consent of the Trustee you may also have the option of exchanging some of your annual pension for extra tax-free cash (ie on top of your cash sum).

In addition (if applicable and with the consent of the Trustee and the Union), you may also use your AVC fund for extra tax-free cash. If you are interested in doing this, please ask the Administrators for details.

Early retirement

You can retire early from Union service from age 55 (or 50 for some members) at your request. Your pension and cash sum will be worked out in a similar way to pension at Normal Pension Age using your Pensionable Salary and Scheme Service at the point you retire, but bear in mind:

- You will have a shorter period of Scheme Service – and possibly a lower Pensionable Salary – to count towards your pension and cash sum.
- Your pension will be reduced to reflect its 'early payment' (simply because the earlier you retire, the longer your pension will be paid for). Under the rules of the Scheme, the pension is reduced for each month the pension is paid before Normal Pension Age of 63.
- However, as at the time of writing (April 2025) your pension would not be reduced if you retire early from Union service no earlier than 5 years before the male State Pension Age (even if you are a woman) applicable to your date of birth, subject to a minimum of age 60. As you may know, State Pension Ages are changing (currently from age 66 to age 68 by 2046 depending on date of birth) and so the age at which a member can retire without any reduction will change as the Government changes the State Pension Age.
- The minimum pension age of 55 is set by the Government and is due to increase to 57 on 6 April 2028.

Late retirement

You can choose to work and continue as a member of the Scheme up to (but not including) age 75 (although you will be subject to the 35 years Scheme Service limit – see below). Your pension will be worked out using your Pensionable Salary and Scheme Service at the date you retire from Union service.

Scheme limits and allowances

There are two Scheme specific limits on your benefits you should keep in mind:

1. Your Scheme pension cannot be more than **75% of your Pensionable Salary** (before spreading of any promotional salary increases and before exchanging any of your pension for an extra cash sum).
2. There is also a limit of **35 years** on your Scheme Service.

If you reach the 35-year limit, you will stop building up further pension and cash sum benefits in your Scheme. However, your contributions will also stop at the same time. Your benefits will continue to be linked to your Pensionable Salary at the time you actually come to retire, and you will still be covered for death benefits.

You may need to bear this particular limit in mind if you are thinking of retiring late – as you would not be able to build up pension all the way to age 75 if you reach the 35-year limit first.

However, if you were to reach the 35-year limit you would still be able to make AVCs to the Scheme or to another arrangement.

Pension increases

Your pension will usually (unless inflation is zero/negative) receive an increase each year to help protect it against rising prices. This increase (for Scheme Service after 1 January 2013) will be in line with inflation (as measured by the Consumer Prices Index), up to a maximum of 2.5% a year.

SECURITY

Incapacity

If you have to retire from Union service because of ill health or injury, you can receive an immediate Scheme pension provided you satisfy certain criteria (including having built up five years' Scheme Service).

The incapacity benefit is based on your Pensionable Salary at the date you stop working and the Scheme Service you could have built up to age 63 (subject to a maximum of 35 years). The pension would not be reduced for early payment.

The Scheme rules require certain criteria to be applied. These are broadly as follows:

- The Trustee must take medical advice;
- The Trustee must decide that you are currently (and will continue to be) unable to carry out your current job (or one along the same lines) because of physical or mental impairment (ie you have very serious long term health issues);
- The Union has not been able to find another role for you (bearing your skills and experience in mind as well as your condition); and
- You have already ceased working.

If an incapacity benefit is granted, the Trustee will usually require you to undergo assessment from time to time to check you still meet the above criteria, and it has the right to stop or reduce your incapacity pension if:

- You recover your health (and could therefore work); or
- You find other similar employment after retiring from the Union (without the consent of the Trustee).

Death in Scheme Service

If you die whilst you are still building up pension in the Scheme, these benefits are payable:

- A pension for your Partner of 50% of the pension you would have been entitled to at Normal Pension Age using your Pensionable Salary at time of death but allowing for Scheme Service up to Normal Pension Age subject to a maximum of 35 years.
- A pension for any eligible Child. The rate of pension depends on whether there is a Partner and/or how many eligible Children:
 - If a Partner's pension is payable and there is only one eligible Child it is 50% of the Partner's pension.
 - If a Partner's pension is payable and there are two or more eligible Children they will split the equivalent of the Partner's pension.
 - If there is no Partner, then it is the equivalent of the Partner's pension split between the number of eligible Children.
- A cash sum of five times the rate of your basic salary in force at the date you died.

Death after retiring

If you die after you have retired with a pension from the Scheme, these benefits are payable:

- A pension for your Partner of generally 50% of your pension at retirement before any exchange for a cash sum (if applicable).
- A pension for any eligible Child. The rate of this depends on whether you have a Partner and/or how many eligible Children you have:
 - If a Partner's pension is payable and there is only one eligible Child it is 50% of the Partner's pension (which will be based on 50% of your pension).
 - If a Partner's pension is payable and there are two or more eligible Children they will split the equivalent of the Partner's pension.
 - If there is no Partner, then it is the equivalent of the Partner's pension split between the number of eligible Children.
- If you retired due to Incapacity and are aged below Normal Pension Age, a cash sum of four times the rate of your basic salary including London weighting in force immediately before your Incapacity or such other rate as the Trustee considers to be appropriate having regard to salary levels related to your employment.

In addition, if you die within 5 years of retiring and before age 75, a cash sum would be payable broadly equal to the pension payments you would have received for the rest of that 5 year period.

Your wishes

The Trustee has the final decision over who receives any cash sum benefits paid out from the Scheme following your death. In this way, the payment is free of inheritance tax because it never becomes part of your estate provided it is not paid to your executors.

To help the Trustee in making its decision, please fill in and return an 'expression of wish' form, nominating who you would like to receive the cash sum. You can fill in several names (and show how you want to divide the payment between them). You can nominate charities or organisations as well as people if you prefer.

The Trustee does not have to follow your wishes, but it will take them into account when making its decision provided they are up to date. With this in mind, it is important that you keep your expression of wish form up to date. If your personal situation changes - for example if you marry or divorce, start or end a civil partnership, or become a parent - it may affect who you want to include on the form. You can either contact the Administrators (see page 23) for a new form at any time or download the form from the Scheme website.

LEAVING

Your options

If you leave the Scheme, your options for your benefits depend on the length of qualifying service you have built up (qualifying service is defined in the rules of the Scheme but is broadly the same as Scheme Service).

Less than 3 months' qualifying service

You would receive a cash sum from the Union equal to the contribution amounts (less tax and National Insurance) you gave up through salary sacrifice during your membership, plus interest (if applicable). If you do not take part in salary sacrifice, this sum would be payable by the Trustee and is a refund of the contributions (less tax) you made directly to the Scheme.

Between 3 months' and 2 years' qualifying service

You can still choose to receive a refund of contributions, as described above.

You also have the option of transferring your Scheme benefits out to another pension arrangement – for example, your new employer's scheme, or a personal pension. (See page 16 for information about transfers out of the Scheme.)

2 or more years' qualifying service

You can no longer choose the refund option. You can still transfer your benefits out to another arrangement but the default is that you leave your benefits in the Scheme to draw when you retire (also known as deferred benefits) provided that you have left Union service.

Under this option, the Trustee will work out your pension and cash sum using your Pensionable Salary and Scheme Service at the date you leave the Scheme. They are then increased in line with inflation which for Scheme Service after 1 January 2013 is in line with the Consumer Prices Index (up to a maximum of 2.5% a year) over the period between your date of leaving the Scheme and retiring or reaching Normal Pension Age.

At your retirement, and with the consent of the Trustee, you have the option of exchanging some of your annual pension for extra tax-free cash (ie on top of your cash sum).

In addition (if applicable and with the consent of the Trustee and the Union), you may also use your AVC fund for extra tax-free cash. If you are interested in doing this, please ask the Administrators for details.

As an alternative to receiving your deferred benefits at Normal Pension Age you:

- Are able to take your deferred benefits before Normal Pension Age (in which case they will be subject to similar reductions set out above for 'Early retirement').
- Can take them after Normal Pension Age (but no later than age 75) in which case they will be increased on a basis as determined by the Actuary.
- Can apply to the Trustee, and with its consent, you may receive reduced incapacity benefits if you satisfy certain criteria.

Transfers

If you are interested in transferring your Scheme benefits out to a new arrangement, please contact the Administrators.

In respect of your final salary benefits, you have the right to transfer if your Scheme Service ends not later than one year before Normal Pension Age. When you ask the Administrators, they will give you a quotation of the 'transfer value' of your benefits.

Before making any transfer it is important to take independent financial advice. This is a legal requirement where the cash value of your final salary 'transfer value' is over £30,000.

'Transfer values' vary depending on economic conditions at the time. The quotation you receive from the Administrators for your final salary benefits is guaranteed for three months. After that time elapses, you would need to ask for a new quote and there may be a charge for providing this information.

In respect of any AVCs that you have made (or benefits transferred into your AVC fund), you can request to transfer them right up to just before Normal Pension Age. The quotation of the 'transfer value' of these benefits is their current market value. The actual value will therefore change with market conditions up until the point of transfer.

If you have both final salary benefits and AVCs, you have a separate right of transfer for both.

Death between leaving and retiring

If you have left deferred benefits in the Scheme, and then die before drawing them, both your Partner and any eligible Child would qualify for a pension.

Your Partner's pension is equivalent to 50% of your deferred benefits calculated as at your date of death.

The pension to any eligible Child depends on whether there is a Partner and or/how many eligible Children:

- If a Partner's pension is payable and there is only one eligible Child it is 50% of the Partner's pension.
- If a Partner's pension is payable and there are two or more eligible Children they will split the equivalent of the Partner's pension.
- If there is no Partner, then it is the equivalent of the Partner's pension split between the number of eligible Children.

STATE BENEFITS

Current State pension

You receive your State pension from State Pension Age on top of your Scheme benefits provided you have made enough National Insurance contributions. You can get an estimate of the value of your State pension at: <https://www.gov.uk/state-pension-statement>.

State Pension Age

The Government is increasing State Pension Age so that it is currently age 66 and will rise to age 67 by 2028 and age 68 by 2046. In addition, it has also announced that it will review State Pension Ages every five years and plan for future increases in line with the latest life expectancy figures available at the time.

However, many of the changes depend on your date of birth and therefore apply gradually, over a 'sliding scale'. You can find out your State Pension Age in line with the current rules by using the calculator on the www.gov.uk website. (See page 24 for more details about this website.)

TAX

Concessions

The Scheme is a registered pension scheme with HM Revenue & Customs. This means it receives significant tax advantages, making it an attractive way to save for your retirement. Tax relief applies to the contributions going into the Scheme, and most cash sums are currently paid from the Scheme tax-free.

However, in return for these concessions, HM Revenue & Customs apply some restrictions to the level of benefits you can build up.

Annual allowance

An allowance is in place (introduced in April 2006) – the 'annual allowance' – which applies to your benefits from all sources apart from the State. This is not an actual limit, as you can build up benefits above it, but you will pay tax on the excess if you do.

Broadly speaking, the annual allowance is the maximum amount of pension savings you can make each year with the benefit of tax relief. It is currently £60,000 but can be reduced in certain circumstances – please contact the Administrators for further details. There was formerly also a lifetime allowance, which was the amount of pension savings you could build up tax free over your lifetime. However this was abolished with effect from 6 April 2024.

Because the annual allowance may cover benefits you have from several arrangements, it is your individual responsibility to keep track of how close to it you might be. More information can be found on the MoneyHelper website (see page 24).

Cash sum

When you retire from the Scheme, you will automatically receive a cash sum alongside your pension and, with the consent of the Trustee (and the Union for AVCs), you can request to give up some of your pension to add to the cash sum.

Cash sums are currently paid from the Scheme free of tax. However, the amount of cash you can receive is limited to 25% of the value of your benefits. In addition, there is an overall limit on the cash you can receive tax free from all your pension sources of £268,275.

ABOUT YOU

Time away from work

Broadly speaking, if you are absent from work and still receiving pay – for example, during maternity and other types of family leave, or extended sick leave – your Scheme Service will continue as if you were still at work. Benefits may be adjusted if your salary is reduced for ill health.

Your contributions would continue at the same rate but based on the salary you are actually receiving (if not your full pay).

If any of your leave is unpaid, contributions will stop, and the leave will not count as Scheme Service. However, on your return to work, your Scheme Service will start again. For working out your benefits, we will treat the two periods of service either side of your absence as continuous.

Working part time

Your benefits for any periods of your Scheme Service when you worked part time will be adjusted to take this into account. For example, your Scheme Service may be scaled down in line with the hours you actually worked and pensionable salary increased to its 'full-time equivalent'. You should note that the scaled-down calculation, rather than your actual service, will be used in order to work out if you have reached the 35-year limit on Scheme Service, unless you choose otherwise.

Small pensions

If, for some reason, you only expect to build up a small level of benefits in the Scheme (for example, if you only have a short period of Scheme Service), you may be able to receive your whole benefit as a cash sum at retirement. You would generally pay tax on 75% of the amount received. We will contact you if this applies.

Your details

The Trustee collects personal information about you and uses this to calculate and pay your benefits under the Scheme and to administer the Scheme as a whole. The Trustee is required to keep this information secure and to process it in accordance with the data protection laws.

The Trustee may share your information with the Union and third parties in relation to the administration of the Scheme, including professional advisers and other service providers. However, it will not be shared with third parties for marketing purposes.

If you would like to know more about how your personal information is collected and used, please ask for a copy of the Trustee's privacy notice using the contact details on page 23.

Former partners

If you divorce or dissolve a civil partnership, your pension benefits can form part of the settlement. If they do form part of the settlement, the court could decide on one of these options:

- 'Earmarking' – allocating part of your pension or cash sum to be paid to your former partner when you receive it.
- 'Offsetting' – leaving your pension intact but allowing for its value when working out another part of the settlement.

- 'Pension sharing' – an actual transfer of part of the value of your benefits, in line with an order issued by the court, to your former partner. It is not dependent on when you receive your benefits. This will result in a reduction to your benefits (known as a pension debit) and your former partner being entitled to benefits in their own right. (These benefits may ultimately be paid from the Scheme or transferred to another pension arrangement).

The Trustee must follow the provisions of the relevant court order. You may also be required as part of your divorce proceedings to request a 'transfer value' of your Scheme benefits. If you have less than 1 year to Normal Pension Age you will need the permission of the Trustee. Please contact the Administrator for a 'transfer value'.

ABOUT THE SCHEME

Running the Scheme

The Scheme is set up as a trust – as a result, the funds of the Scheme are kept entirely separate from the Union finances and are legally owned by the Trustee board who manages the assets on behalf of the members.

The Trustee is responsible for running the Scheme in line with the Scheme trust deed and rules and current pension law. It owes the members of the Scheme legal duties and has to act in the best interests of all the members at all times.

Official Scheme documents

Apart from this guide – which we update from time to time depending on Scheme and pension law changes – you will normally receive the following documents each year:

- your benefit statement (where you are an active member);
- a 'funding statement' outlining the Scheme's latest financial position; and
- a Trustee newsletter updating you on Scheme developments and general pension news.

Other Scheme documents include:

- the formal annual report and accounts;
- valuation reports and updates from the Actuary on the Scheme's finances (we use the information in these documents to prepare the 'funding statement' you receive);
- the Scheme trust deed and rules; and
- the Trustee's statements of investment and funding principles (outlining its overall approach to managing the Scheme's assets).

These documents are available on request and some are on the website: www.unitepensions.org. Please contact the Trustee Secretary for any documents not available on the website.

Changing or ending the Scheme

The Union currently intends to keep the Scheme running into the future but it has the right to propose changes to the Scheme, or to propose closing it to further build-up of member benefits.

If the Union was to decide to stop contributing to the Scheme, then broadly the Trustee would ask it to make good any shortfall so that members receive all the benefits they had built up to that point in full. In a more extreme situation, for example if the Union stopped contributing because it was insolvent, the Pension Protection Fund may compensate members for part or all of their benefits.

The Pension Protection Fund was set up by the Government to step in when employers become insolvent and there are not enough assets to pay all member benefits. All UK defined benefit schemes pay a levy to support the fund.

Problems or complaints

Most issues can normally be addressed informally with the Administrators, but if a matter arises that you cannot resolve in this way, there is an Internal Dispute Resolution Procedure.

To begin with, you need to set out details of your complaint to the Trustee Secretary. The Trustee Secretary will consider the complaint and issue a written decision.

If you are not satisfied with the response, you can appeal the decision to the Trustee.

You can ask for a copy of the full Internal Dispute Resolution Procedure from the Trustee Secretary. If efforts to resolve the dispute fail, the next step would be for you to contact MoneyHelper and/or the Pension Ombudsman (see page 24).

FINDING OUT MORE

Getting in touch

If you have any questions about your benefits, please contact the Administrators of the Unite Pension Scheme:

First Actuarial LLP
Trafford House
Chester Road
Manchester
M32 0RS

T: 0161 348 7498

E: unite.pensions@firstactuarial.co.uk

Contact details for the Trustee Secretary are:

Alex Ryan
Trustee Secretary for the UPS
Unite the Union
Unite House
128 Theobald's Road
London
WC1X 8TN

T: 020 7611 2663

E: pensions@unitetheunion.org

Contact details for the Union's payroll department are:

Payroll Department
Unite the Union
Unite House
128 Theobald's Road
London
WC1X 8TN

T: 020 7611 2664 or 020 7611 2688

E: payroll@unitetheunion.org

Contact details for the Union's HR department are:

HR Department
Unite the Union
Unite House
128 Theobald's Road
London
WC1X 8TN

T: 020 7611 2549 or 020 7611 2685

E: hr@unitetheunion.org

Website

There is also a members' section on the website set up by the Trustee to enable access to information on the Scheme:

<http://www.unitepensions.org>

Useful contact details

GOV.UK

This is the Government's 'one-stop' website containing information on all the State benefits. The 'Working, jobs and pensions' area includes details about State pensions, including a calculator to help you work out your current State Pension Age.

The Pension Tracing Service on GOV.UK may also be able to help you track down any old employer's scheme you have lost touch with, that may still owe you benefits.

www.gov.uk

MoneyHelper (formerly the Money and Pensions Service)

You can contact MoneyHelper at any time with pension questions or problems about your retirement savings (whether at the Union or elsewhere) or for general information and guidance about all areas of financial planning. Any help you receive from MoneyHelper is free of charge.

MoneyHelper
Borough Hall
Cauldwell Street
Bedford
MK42 9AB

T: 0800 011 3797

Online contact form: <https://www.moneyhelper.org.uk/en/contact-us/pensions-guidance/pensions-guidance-enquiry-form>
www.moneyhelper.org.uk

Pensions Ombudsman

The Ombudsman can settle disputes relating to pension schemes. The Ombudsman will usually only accept applications for it to investigate a matter if the individual has gone through each stage of their scheme's internal dispute resolution procedure.

Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU

T: 0800 917 4487

E: enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk

The Pensions Regulator

The Regulator oversees the running of UK pension schemes. It issues information and guidance documents for trustees and employers, and in extreme cases where any of them fail in their duties, the Regulator can step in and impose changes.

The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF
T: 0345 600 0707
E: customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk

Financial advice

If you are at all uncertain about any decisions to do with your pension benefits, or your wider finances, please consider speaking to an adviser. (It is against the law for anyone involved in the Scheme, or in a general consumer help organisation like the Money Advice Service, to give you this kind of advice.)

You can find an independent financial adviser in your area by using the search facility on the 'Unbiased' website. Please bear in mind that you would still need to check that the adviser you speak to is properly qualified, and that there is likely to be a charge for the advice.

www.unbiased.co.uk

Pension Wise

A free and impartial government service about your defined contribution pension options.

www.moneyhelper.org.uk