THE AEU FULL-TIME OFFICERS’ STAFF PENSION SCHEME

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AEU Full-Time Officers and Staff Pension Scheme

(Staff Section)
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1. Introduction

This booklet describes the benefits available to you as a member of the AEU Full-Time Officers and Staff Pension Scheme (Staff Section), and gives a broad outline of the administrative basis of the Scheme. This is an update of the Booklet dated February 1992 and the announcement issued in September 1993.

The Scheme is governed by a Definitive Trust Deed dated 30 December 1994 and subsequent amending deed, copies of which will be available for inspection on application to the Union.

If you are not a member of the Staff Section, please refer to the Booklet for the Officers Section of the Scheme. The benefits described in this booklet are for contributing members of the Scheme and they incorporate changes introduced up to April 1998, some of which did not apply retrospectively and may not be relevant to members who have left or retired.

The Scheme provides:

i) pensions for members when they retire;

ii) pensions payable to the spouses of members and orphaned children if members die in service or after retirement;

iii) lump sum benefits for the dependants of members who die while in service before Normal Retiring Date;

iv) annual increases to pensions in the course of payment, to counteract the effects of inflation (subject to an upper limit); and

v) the opportunity to exchange part of the pension for a lump sum which is currently tax free at retirement.

Because the Scheme is contracted-out of the State Earnings-Related Pension Scheme ("SERPS") you will receive only the Basic State Pension in addition to your Scheme benefits. Part of your Scheme pension is designed to be roughly equivalent to the pension you would have received from the State had you not been contracted-out.
The Pensions Act 1995 introduced significant changes to the way in which a pension scheme may contract out of SERPS. The AEU Full-Time Officers and Staff Pension Scheme is now contracted-out under the new salary-related requirement and the benefits provided are subject to a test which is known as the reference scheme test. Further details are given in section 18.

The Scheme is exempt approved by the Board of Inland Revenue under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988.
2. Definitions

Throughout this booklet, certain words and phrases have particular meanings which are given below:

"The Scheme" - The AEU Full-Time Officers and Staff Pension Scheme (Staff Section)

"Anniversary Date" is 6 January each year.

"Annual Basic Salary" at any time means your basic annual salary or wages at the relevant date. It excludes any bonuses, commission, overtime or other non-basic payments you might receive.

"Contracted-Out Service" means Pensionable Service completed after 6 April 1978.

"Union" means the Amalgamated Engineering and Electrical Union or any other Union which is or shall become bound by the Trust Deed and Rules, as appropriate.

"Pensionable Salary" means your basic rate of remuneration including London Weighting Allowance where applicable and is fixed when you join the Scheme and on each subsequent Anniversary Date. Members who have joined the Scheme since 1 June 1989 will have their Pensionable Salary restricted for the purposes of calculating their level of pension benefits and contributions. For such members the Inland Revenue has placed an "earnings cap" on the amount of salary which may be used for pension purposes. For the current tax year (1998/99) the "earnings cap" is £87,600.

"Final Pensionable Salary" means your Pensionable Salary immediately prior to your Normal Pension Date or earlier date of retirement or death or leaving service or Scheme Service.

"Normal Pension Date" means your 65th birthday.

"Pensionable Service" means your continuous service with the Union once you have become a member of the Scheme up to Normal Pension Date or earlier date of leaving, subject to a maximum of 40 years.
"Qualifying Service" is relevant only in determining whether you qualify for benefits on leaving service other than through retirement, and means your Pensionable Service plus your service in any other retirement benefits scheme of which you may have been a member and from which benefits have been transferred in respect of you into this Scheme.

"Guaranteed Minimum Pension" (or "GMP") means that part of your Scheme pension which is roughly equivalent to the pension you would have received from the State had you not been contracted-out of the State Earnings-Related Pension Scheme at any time between 6 April 1978 and 5 April 1997. Your spouse’s GMP is equal to one-half of your own GMP (or one-half of that accrued between 6 April 1988 and 5 April 1997 in respect of female members). Since 6 April 1997 members no longer accrue GMPs as the Scheme is now contracted-out under the reference scheme test. Please refer to section 18 for further details.

"Dependant" means the wife, husband, widow, widower or child (see below) of a member or any person who in the opinion of the Union is financially dependent upon a Member.

"Dependent Child" means your child under the age of 18 (or older if in full-time education) who is your legitimate or illegitimate or legally adopted child or step-child, or who is otherwise wholly or substantially dependent upon you.

"Inland Revenue Maximum Benefit Limits"

These are maximum limits on your total benefit entitlement. They cover:

- Your pension and lump sum entitlement from the Scheme
- Pensions and lump sum entitlement referring to previous employment
- Additional benefits secured by Additional Voluntary Contributions
- Additional benefits secured by a transfer payment made to the Scheme on your behalf.
3. Membership

Who is Eligible?

The Scheme is now effectively closed to new entrants. The only exception is in respect of employees of the CSEU who, at the discretion of the CSEU, may be invited to join the Scheme.

Can I transfer rights from a previous employer?

This is often possible; however, each case must be considered individually.

May I withdraw from the Scheme?

You are free to withdraw at any time and thereby become entitled to leaving service benefits from the Scheme (as described in Section 12) provided that you notify the Trustees of your intention in writing and subject to at least one month's notice being given before your membership is terminated. However, you will not normally be allowed to re-enter the Scheme at a later date.
4. Contributions

How much must I contribute?

You must contribute 5% of your Pensionable Salary each year. Your contributions will be deducted monthly from your pay and will qualify automatically for full tax relief.

How much does the Union pay?

The Union pays the balance of the costs of the Scheme. Expenses are borne directly by the Scheme.

Actuarial valuations of the Scheme are carried out at least every three years to enable the Trustees to determine the level of annual contributions required from the Union.

Additional Voluntary Contributions

You may pay Additional Voluntary Contributions ("AVCs") in order to increase your pension benefits under the Scheme, but your maximum overall contribution in any one tax year must be limited so that your total contribution (including the 5% of Pensionable Salary described in Section 4) does not exceed 15% of your Pensionable Salary. Your total contribution will qualify for full tax relief at your marginal rate.

Your AVC’s may also have to be restricted to ensure that your total Scheme benefits remain within the Inland Revenue Maximum Benefit Limits.

If your pension on retirement from both the Scheme and your AVCs exceed the Inland Revenue Maximum Benefit Limits then it will be necessary to refund any excess contribution after deducting tax.

The Trustees have established investment vehicles for AVCs with the Abbey National and Eagle Star. Details of these arrangements have been advised in a separate announcement. Further copies of this announcement are available from K W Humphrey, Head of Administration, as are application forms.
5. Retirement

When do I retire?

You will normally retire on your Normal Pension Date.

May I retire early?

If, with the consent of the Union, you retire after age 50 but before your Normal Pension Date, or at any time before your Normal Pension Date on account of incapacity as defined in the Scheme Rules for the Staff Section, you may receive a pension immediately.

The amount of pension will be calculated as a proportion of your prospective pension payable at Normal Pension Date using your Final Pensionable Salary and your Pensionable Service at the date of early retirement. The pension is reduced to take into account the cost of earlier payment. The rate of reduction is determined by the Trustees on the advice of Scheme’s actuary. However, no such reduction will apply if for any reason you retire on or after your 60th birthday or if the Trustees agree that your retirement is due to incapacity.

You should note that your maximum pension payable at Normal Pension Date must not exceed the maximum fraction permitted by Inland Revenue for an approved Scheme. This fraction is based on your Pensionable Service. At the date of early retirement your pension may have to be restricted in accordance with the following formula.

\[ \frac{N}{NS} \times P \]

where

N is the actual years of Pensionable Service with a maximum of 40.

NS is the number of years of potential Pensionable Service to Normal Pension Date with a maximum of 40.

P is the maximum pension approvable has you remained in service until Normal Pension Date (including any retained benefits).

In no circumstances will your pension from State Pensionable Age be less than your Guaranteed Minimum Pension increased at the rate of 6.25% for each tax year in the period since the date of early retirement. This may require the initial pension to be reduced further if you retire earlier than the age of 60.

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On early retirement, you may also take advantage of the option to exchange part of your pension for tax free cash, subject to the provision that the remaining pension payable at State Pension Age is not reduced below the minimum described in the paragraph above.

Notes:

1. If you were an active member prior to 6 April 1988 you will retain the right to retire at age 64 and receive a credit of an additional 12 months Pensionable Service.

2. If you retire early you will not receive the Basic State Pension until State Pension Age, (65 for men and between 60 and 65 for women depending on date of birth). You may also need to make up National Insurance Contributions to ensure that you will receive the full Basic State Pension payable at State Pension Age. You would need to contact your local DSS Office to obtain and complete Form BR7 to ascertain if this applies in your particular case.

May I retire late?

If, with the consent of or at the request of the Union, you remain in service after your Normal Pension Date, no further contributions will be payable. Your pension and cash sum will be calculated as though you had retired at Normal Pension Date but increased to take account of the later payment. If you joined the Scheme before 1 June 1989, you may take the cash sum (referred to below) on your Normal Pension Date or on your actual date of retirement. If you joined the Scheme after June 1989 then you will only be able to take your tax free cash sum when you actually retire.
6. Pension Benefits

How much is my pension at Normal Pension Date?

Your pension at Normal Pension Date will be:

\[
\frac{1}{60} \times \text{Final Pensionable Salary} \times \text{Pensionable Service}
\]

for Pensionable service completed up to and including 28 April 1990,

plus

\[
\frac{1}{45} \times \text{Final Pensionable Salary} \times \text{Pensionable Service}
\]

for Pensionable service completed on or after 29 April 1990.

In certain circumstances your pension may have to be restricted to comply with Inland Revenue requirements. In particular your pension may not exceed 2/3rds of your Final Pensionable Salary at Normal Pension Date. You will be notified if this applies to you.

Your pension from State Pensionable Age must be at least equal to your Guaranteed Minimum Pension.

If you remain in service after your State Pensionable Age and provided you remain in service for at least seven weeks, your Guaranteed Minimum Pension will be increased by at least 1/7th of 1% for each complete week to your actual date of retirement.
7. Lump Sum Cash Benefit

How much cash can I take at retirement?

Cash Sum

With the consent of the Union you may, on retirement, give up part of your pension in order to receive a tax free cash sum, calculated as:

\[
\frac{3}{800} \times \text{Final Pensionable Salary} \times \text{Pensionable Service}
\]

The cash sum must not exceed 1 1/2 times your Final Pensionable Salary.

For the time being the pension you give up at Normal Pension Date to receive a cash sum will be £1 for each £9 (if you are a man) or £9:80 (if you are a woman) of cash received. Different rates apply if you retire at other ages, and the rates are subject to alteration.

Only that part of the pension which exceeds the Guaranteed Minimum Pension may be given up and on early retirement the amount may be limited to ensure that the remaining pension will meet the statutory requirements at State Pensionable Age.

Details of this option will be provided on request.
8. Death Benefits

What benefits are payable if I die in employment?

If you die whilst a member of the Scheme in the Union’s service before Normal Pension Date, a lump sum equal to four times your Annual Basic Salary at the date of your death will be paid. Payment will be made by the Trustees under discretionary trust to or for the benefit of your dependants and relations or to your estate. In addition, the contributions you have paid into the Scheme together with interest at a rate of 2.5% per annum compound on post April 1988 contributions will be paid.

The lump-sum benefit of four times Annual Basic Salary is secured by a life assurance policy with a reputable Insurance Company and you will normally be insured without evidence of good health. You will be personally notified if or when evidence of good health is required and of any limitation on the death benefits payable.

If you are a married member at the date of your death or leave at least one Dependent Child, a spouse’s or orphans’ pension will become payable. The details are set out in Section 9.

May I nominate the recipient of my lump sum death benefit?

You may complete a form nominating the recipient(s) of the lump sum death benefit. Should the address of your recipient change, or if you wish to alter your nomination, you should contact K W Humphrey, Head of Administration. However, it must be understood that your nomination is in no way binding and that the Trustees have absolute discretion in deciding the recipient. This enables payment to be made quickly and means that, under present law, there is no liability to inheritance tax.

What benefits are payable on my death after retirement?

If you die whilst receiving your pension but have been paid less than sixty monthly payments, then a sum will be paid equal to the value of the balance of the sixty instalments that would otherwise have been payable.

If you are a married member at the date of your death or leave at least one Dependent Child, a spouse’s or orphan’s pension will become payable as described in Section 9.
9. Spouse’s Pension Benefit

Death in service before Normal Pension Date

Your surviving spouse will receive a pension of one-half of the pension to which you would have been entitled at Normal Pension Date had you lived that long, based on your Pensionable Salary immediately preceding your death. In addition an orphan’s pension (subject to maximum of two at any one time) of 25% of the pension you would have received had you continued in service until your Normal Pension Date without further changes to your Pensionable Salary. This pension ceases in the event of your surviving spouse remarrying before State Pension Age.

Death in service after Normal Pension Date

If you die in service on or after Normal Pension Date and have yet to receive any benefits, you will be treated as though you had retired on the day of your death and the benefits will be paid as described below in Death after Retirement.

Death after retirement

Your surviving spouse will receive one-half of the pension in payment at the date of your death (or which would have been in payment had you not elected to exchange part of your pension for a cash sum as described in Section 7 nor the option in Section 10). The pension will similarly be payable for the benefit of your Dependent Child or Children if you do not leave a surviving spouse.

Is my spouse’s age relevant?

Provided you are not more than ten years older than your spouse, the spouse’s pension benefit will not be affected; however, if your spouse is more than ten years younger than you, the pension may be reduced to take account of the actual age difference.

If I take a cash lump sum, does this affect my spouse’s pension?

No - the spouse’s pension is based on your pension before you exchange part of it for cash.
If my spouse subsequently dies, are any benefits payable?

If your spouse is survived by at least one Dependent Child, a pension at the same rate as the spouse’s pension will be payable until the youngest of them ceases to be a Dependent Child.

Any pension payable to your spouse will cease in the event of re-marriage prior to State Pensionable Age.

Proof of marriage and your spouse’s date of birth will be required before benefit is paid.

If you are a male member and you die leaving a widow, her pension will not be less than one-half of your Guaranteed Minimum Pension.

If you are a female member leaving a widower, his pension will not be less than half of that part of your Guaranteed Minimum Pension which is in respect of contracted-out membership of the Scheme after 6 April 1988.

Your pension will take into account any statutory increases applicable as a result of current legislation.
10. Dependant’s Pension Option

May I provide a pension for a dependant?

It is possible to provide a larger pension for your spouse, or a pension for a named dependant, should he or she survive you by reducing your own pension (provided that your own pension is not reduced below the level of your GMP). This must be set up by giving written notice to the Trustees of your intention before your retiring date. To provide this benefit, your pension will be reduced by an amount calculated as having a value equal to the cost of the dependant’s benefit established.

Full details are available on request.
11. Payment of Pensions

How often are pensions paid?

Pensions are payable by monthly instalments in advance on the fifth day of each month.

When does my retirement pension begin?

Your pension will commence on the 5th of the month immediately following your retirement. It will continue for the rest of your life.

Are pensions increased in payment?

Once the pension begins to be paid, it will be subject to increases as follows:

a) Before Attainment of State Pension Age

The pension will increase each year in line with the annual increase in the Retail Prices Index (RPI) subject to a maximum of 5%.

b) After Attainment of State Pension Age

The part of your pension in excess of the Guaranteed Minimum Pension will continue to increase as in a) above. The post 6 April 1988 element of the GMP will increase at the rate of 3% per annum (or the increases in the RPI if less). The pre 6 April 1988 GMP will be increased by the State along with the Post 6 April 1988 GMP over and above the 3% mentioned previously. (You will receive these increases as an addition to your Basic State Pension.)

Payment of Pension

The pension is taxed as earned income and any tax for which you are liable will be deducted under the PAYE system. No National Insurance contributions are deductible.
12. Leaving Service (other than by retirement)

What happens if I leave before Normal Pension Date?

If you leave the employment of the Union for any reason, you cease to be covered for lump sum death benefit.

You also have certain pension rights within the Scheme. Your options depend upon the length of your Pensionable Service.

Leaving after less than 2 years’ Qualifying Service

If you leave service before you have completed 2 years’ Qualifying Service you will be entitled to elect one of the following options:

1. A refund of your total contributions to the Scheme less certain deductions. Firstly a deduction will be made towards the cost of buying back your benefits under the SERPS. Secondly, a deduction for tax (currently at the rate of 20%) on the net amount payable will be made.

or

2. A pension payable from your Normal Pension Date equal in value to the refund of contributions described above, but ignoring the tax deduction (which will not be made).

or

3. Transfer the value of your own contributions to your new employer’s scheme or an approved insurance policy or personal pension.

Leaving after at least 2 years’ Qualifying Service

If you leave service after you have completed at least 2 years’ Qualifying Service you will be entitled to a pension payable from your Normal Pension Date, a “preserved pension”. This will be calculated based on a proportion of your prospective pension at your Normal Pension date as per Section 6 using Final Pensionable Salary at the date of leaving, and the proportion of your actual Pensionable Service to your prospective Pensionable Service to your Normal Pension Date.
This pension will be revalued during the period between leaving and Normal Pension Date in accordance with legislative requirements; any GMP will be revalued up to your Normal Retiring Date in accordance with pensions legislation, and the excess over your GMP will be revalued by 5% for each year between the date of leaving and the date payment begins, or the rise in the RPI over the whole period if less.

**If I am entitled to take a pension, how will it be paid?**

Your pension will commence payment on the 5th of the month after your Normal Pension Date. It will be paid in exactly the same way as a normal retirement pension under the Scheme and attracts the same increases in payment. You will also have the option to exchange part of the pension for a cash sum as described in Section 7.

**If I am entitled to a deferred pension, what benefits are payable upon my death?**

a) Death between leaving service and Normal Pension Date

If you die between leaving service (with entitlement to a preserved pension) and Normal Pension Date, and your spouse survives you, then:

i) The qualifying widow’s pension will be a minimum of half the GMP at date of leaving to date of death. For qualifying widower’s this minimum is half of the post 6 April 1998 GMP at date of leaving revalued to date of death. In addition in respect of pensionable service accrued on or after 5 April 1997 a pension equal to that required by the Reference Scheme Test will be payable. This will receive statutory revaluations to the date of your death.

ii) your contributions paid to the Scheme will be returned together with compound interest payable at a rate of 2.5% p.a. compound on the post April 1988 contributions. They will be returned at the Trustees’ discretion in the same manner as described on page 11.

b) Death after Normal Pension Date or earlier date of retirement

If you die after your Normal Pension Date or earlier date of retirement, and leave a surviving spouse and/or Dependent Children a pension will be payable as described in Sections 9 and 11 equal to one-half of the pension in payment at the date of your death (or which would have been in payment had you neither elected to exchange part of your pension for a cash sum as described in Section 7 nor the option under Section 10).
In the event of your death after you have started to receive your pension but before you have received sixty monthly instalments, a sum will be paid equal to the balance of value of the sixty instalments that would otherwise have been paid. This payment is additional to any pension payable to your surviving spouse and/or Dependent Children.

**Instead of receiving pension, may I transfer my benefits to another scheme?**

You have the right to transfer the value of your pension to another suitable pension arrangement (e.g., another employer’s pension scheme or a personal pension plan). You are entitled to a written quote once a year and this should be provided within 3 months of your request. The quote provided is guaranteed for 3 months and if you decide to proceed with the transfer, payment should be made within 6 months of your request.

Your transfer value represents the capital value placed on your pension benefits and is calculated on the advice of the Scheme’s Actuary and in accordance with current legislation. As there is no customary practice of awarding discretionary benefit improvements, these are not taken into account in the calculation of transfer values.

**Can I retire early?**

Subject to the consent of the Union, you may retire early under the same terms as those described in Section 5

**What happens if my Pensionable Service ends but I do not leave service?**

If your Pensionable Service ends but you remain employed by the Union i.e. you opt out of the Scheme then you will be entitled to a pension calculated in the same manner as for leaving service (see Section 12).

Provisions similar to those which apply in respect of the revaluation of preserved pensions on leaving service also apply to these benefits.

Cover for the lump sum death benefit will cease.

If you are temporarily absent from work, for example through maternity leave or sickness, you will not necessarily cease to be in Pensionable Service. Please refer to Section 19.
13. Taxation

The tax position at the time of going to print is as follows:

- All pensions payable under the Scheme are taxable as earned income under the PAYE system.

- A lump sum cash benefit taken instead of part of your pension is free of tax.

- The lump sum death benefit payable in the event of your death in service will be free from inheritance tax.

- Refunds of contributions payable on your death in service will form part of your estate and may, therefore, be liable to inheritance tax.

- Spouses' and orphans' pensions are not liable to inheritance tax.

- A refund of contributions in lieu of a pension upon withdrawal is taxed at the rate of 20% on the net amount payable after any deductions.

**Do I get tax relief on my contributions?**

Subject to continued approval by the Inland Revenue, your contributions (including AVCs) will qualify for income tax relief at the highest rate you pay.
14. The Registrar of Pension Schemes

The trustees have given details of the Scheme to the Registrar of Occupational Pension Schemes. The Registry was set up by the Government to assist members of pension schemes and their dependants to find the people responsible for paying benefits should they lose contact.

The Registrar holds pension schemes details such as plan name, names of trustees, administrator and participating employers, and the address at which they can be contacted.

If you need to contact the Registrar the address is:

The Registrar of Pension Schemes
P O Box 1NN
Newcastle-upon-Tyne
NE99 1NN

The telephone number is (0191) 225 6393.
15. The Occupational Pensions Regulatory Authority

The Occupational Pensions Regulatory Authority ("OPRA") is the statutory body responsible for overseeing pension schemes and it has the power to intervene in the running of the Scheme in the event that the Trustees, the Union or its professional advisers fail to carry out their duties. OPRA can be contacted as the address below:

Invicta House
Trafalgar Place
Brighton
East Sussex, BN1 4DW

The telephone number is (01273) 627 600.
16. Solving Disputes

If you have cause to complain about the Scheme you should initially talk it through informally with the Personnel Department. If your complaint cannot be resolved in this way then there are formal procedures for the resolution of complaints. The formal procedures apply to you or any of your dependants regardless of whether or not you join the Scheme as long as you are eligible to do so. To resolve formal complaints the Trustees have appointed an arbiter. The arbiter’s name is K W Humphrey, Head of Administration, who can be contacted at the Union’s office:

AEEU
Hayes Court
West Common Road
Hayes
Bromley
Kent BR2 7AU

The Scheme’s “Guide to the internal dispute resolution procedure” sets out further details of what you should do if you wish to raise a complaint and this will be made available to you.

Generally, however, your complaint should be put in writing and the arbiter will endeavour to inform you his decision within two months. You have a right of appeal to the Trustees and if you are still not satisfied you can refer your complaint to the Occupational Pensions Advisory Service (“OPAS”) or the Pensions Ombudsman. Both are referred to later in this section of this booklet.

OPAS is a grant aided body which provides free help and advice to members of the public. It may be contacted via your local Citizens Advice Bureau or else at:

Occupational Pensions Advisory Services
11 Belgrave Road
London
SW1V 1RB

The telephone number is (0171) 233 8080.
The Pension Ombudsman has the power to investigate and make judgements on complaints of injustice or disputes of fact or law in connection with the Scheme. Normally the Pensions Ombudsman would only be involved after OPAS had tried to resolve a dispute. His decision is final and binding, subject only to appeal on a point of law.

His address is:
11 Belgrave Road
London
SW1V 1RB

His telephone number is (0171) 834 9144.
17. Disclosure of Information

The Scheme's annual report and accounts are available on request. Please contact K W Humphrey, Head of Administration for a copy.

For further information about the Scheme, enquiries should be sent to be addressed to the above.
18. State Benefits and the Scheme

The State Pension consists of a basic flat rate pension and an earnings related supplement. Currently (the tax year 1998/99) the flat rate pension is £3,364.40 per annum for a single person and £5,376.80 for a married couple. Provided you satisfy the contribution conditions of the State Scheme you will receive the full basic State pension in addition to your benefits under the Scheme.

As a full member of the Scheme you are contracted-out of the earnings related part of the State Scheme i.e. the State Earnings Related Pension Scheme (“SERPS”). This means that your National Insurance contributions are at the lower contracted-out rate and that you will receive no earnings-related benefit from the State Scheme. Instead the Scheme guarantees that any pension earned prior to 6 April 1997 will never be less than what is known as the Guaranteed Minimum Pension (GMP). The level of GMP is set by government regulations and is broadly equivalent to the earnings-related benefits which you would otherwise have received under SERPS It is also guaranteed that a widow’s pension under the Scheme will never be less than half your GMP.

Since 6 April 1997 the benefits provided by the Scheme have been subject to a test by the Scheme Actuary. This test is required by law and is known as the Reference Scheme Test. The purpose of the test is to ensure that the Scheme as a whole provides an adequate level of benefit for it’s members. The Scheme Actuary has to certify every three years that the Scheme has passed the Reference Scheme Test and if he is unable to do so then the Scheme may lose it’s contracted out status. As a consequence of this change the Scheme no longer has to provide a GMP for any pension benefits earned on or after 6 April 1997.

If you do not have a full National Insurance contributions record, you may need to make-up contributions to ensure that you receive the full Basic State Pension. You should check your entitlement with the DSS.
19. Miscellaneous

Can my benefits be used to obtain a loan?

You cannot use your benefits under the Scheme to obtain a loan or in any other way assign or charge them. Any attempt to do so may result in your benefits being forfeited.

How the Scheme Works

The Scheme is governed by a Trust Deed and Rules and is administered by Trustees appointed by the Union. The Trustees' duties, powers and responsibilities are defined in the Trust Deed and Rules. The power of appointing and removing Trustees is vested in the Union; a Trustee may resign his office.

Notifications to the Trustees

You should advise the Trustees (via K W Humphrey, Head of Administration) of any change of name or marital status, or any change of nominated beneficiary in respect of death benefits. Before benefits can be paid, your birth and (if married woman) marriage certificates must be produced.

Evidence of Health

You will not normally need to produce evidence of good health. If you do, however, you will be advised individually and your entitlement to benefits may be restricted until satisfactory evidence has been provided.

What if I am away from work?

If you are temporarily absent from work, your membership of the Scheme will continue for such a period as the Union and the Trustees may decide.

If you are absent from work on maternity leave you have certain legal rights. Your membership of the Scheme will be maintained until you decide whether or not you are returning to work. If you are in receipt of pay (including Maternity Pay) you will be required to continue contributing to the Scheme and you will accrue benefit based on the normal rate of pay you would have received had you not been on maternity leave. Any period of unpaid maternity leave taken will be treated as a period of temporary absence during which you will not accrue benefit. If you decide not to return to work, your Service will cease, and you will be treated as having left.
Extra Pension for your Family

In addition to the option to increase your pension by payment of Additional Voluntary Contributions (see page 6), you may give up part of your pension at retirement for a dependant’s or additional spouse’s pension (see page 14). Details are available on request.

Can the Scheme be amended or terminated?

Although there is every intention of maintaining these arrangements, future conditions cannot be foreseen and therefore the Union and the Trustees have the right to amend or discontinue the Scheme at any time. In such an event, your benefits are protected as set out in the Trust Deed and Rules.

Actuarial Valuations

The Scheme’s assets are valued once every three years by the Scheme Actuary appointed by the Trustees, to ensure that the Scheme is adequately funded.

Transfer from Other Schemes

If you join this Scheme from another scheme it may be possible for the assets which have been built up in respect of you under such other scheme to be transferred to this Scheme in order to provide extra benefits. Further details are available upon request.

Further Information

Further information concerning the benefits described in the Booklet can be obtained by writing to the General Secretary for the attention of the Head of Administration, K W Humphrey, Amalgamated Engineering and Electrical Union, Bromley.

Limitation of Benefits

As a condition of approval of the Scheme by the Inland Revenue, all benefits under the Scheme are subject to maximum limits as described in the Trust Deed & Rules and where necessary the amount of any particular benefit under the Scheme may have to be restricted in order to preserve such approval.