

PEARL GROUP STAFF PENSION SCHEME

MONEY PURCHASE INFORMATION

These notes accompany the benefit statement issued to you as a member of the money purchase section of the Pearl Group Staff Pension Scheme (“the Scheme”).

They provide additional information about your benefits in the Scheme and give answers to many questions that may be asked by any advisers appointed by you to review your pension arrangements.

SCHEME INFORMATION

The right to a deferred pension is governed by the Rules of the Scheme and a pension will only be paid in accordance with those rules. The Scheme is a registered pension scheme under the Finance Act 2004, previously being approved by HM Revenue & Customs (HMRC) under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. The Scheme reference number is SF016/118607/000000/Z, and the Pension Scheme Tax Reference (PSTR) number is 00274756RX.

The Pearl Group Staff Pension Scheme is a non-contributory Scheme providing benefits on a defined contribution basis, but with a defined benefit underpin (see the section below relating to the Reference Scheme Test pension).

The information provided summarises the main features of the benefits available to you from the Scheme. It is a summary only and not legally binding. The full rules governing the Scheme are set out in the Trust Deed and Rules which will always override this information leaflet.

Retirement ages have been equalised for men and women. It is not the Trustee’s policy to sign equalisation disclaimer forms.

No transfers are accepted into the Scheme.

The date of the last actuarial valuation was 30 June 2021. A summary of the valuation report can be found in the Member section of the Scheme website under Documents.

The Scheme is not in the process of being wound up. The Scheme is not a member of any transfer club.

BENEFIT INFORMATION

Money Purchase Fund

The statement shows the investment funds that your pension pot is invested in, and the number of units held on your behalf in each fund. The value of your investments depends on the “unit price” of each fund on a particular day. The unit prices can change on a daily basis depending on the market conditions.

As you approach retirement you will want to review your current investment choices. More details about the investment choices you have in the Scheme can be found on the Scheme’s website at www.pearlstaffpensionscheme.co.uk

You can change how your pension pot is invested (known as switching) free of charge up to three times a year. There is a £25 charge for each extra switch in each year.

Reference Scheme Test Pension

As a member of the Scheme, you were contracted out of the State pension on a salary related basis from the date you joined the Scheme to 5 April 2016. As a result of this, both you and the Company would have paid a lower rate of national insurance contributions for that period.

In return, the Scheme has to make sure that the value of your pot is enough to enable you to get a pension that is at least as good as that provided by a 'reference scheme'. This is known as the Reference Scheme Test.

Details of the Reference Scheme Test pension are set out in your statement and is payable from your 65th birthday.

If benefits are taken before age 65, the Reference Scheme Test pension will have an early retirement reduction factor applied as follows. They are subject to change by the Trustee Directors, acting on the advice of the Scheme Actuary and Phoenix Life Limited.

Number of years to age 65	Reduction factor
5	0.85
6	0.82
7	0.80
8	0.77
9	0.75
10	0.73

Transfer of Pension

You can transfer the value of your pension pot to another registered pension scheme. This could be to a new employer's scheme or an individual arrangement such as a personal pension.

If, in the view of the Scheme Actuary, the value of your pension pot (excluding your AVCs) would not be sufficient to provide a pension equivalent to the Reference Scheme Test pension, your pension pot will be increased to this level. You will lose this guarantee if you decide to transfer your pension pot to another pension arrangement.

You can transfer your pension pot at any time up to the point it is used to provide retirement benefits.

Death Benefits

If you die before retirement the value of your account will be used to buy an annuity on the open market for your spouse, civil partner or dependants.

Benefits before age 60

You may be able to take your benefits from age 55. However, if the value of your pension pot (excluding the value of any AVCs) is not enough to cover the value of the Reference Scheme Test pension, then you will not be able to take your benefits.

Benefits at age 60 or later

If the amount in your pension pot at your chosen retirement date is not enough to cover the cost of providing the Reference Scheme Test pension, then the Scheme will uplift the value to that required.

At your chosen retirement date you can transfer your pot to another arrangement to either access other ways of taking your pension savings, such as an annuity, or to combine your pension savings. Or provided your pot hasn't been uplifted to cover the 'Reference Scheme Test', you can take all your pension pot as a cash lump sum. The first 25% would be paid tax-free with the rest taxable.

Tax Free Cash Lump Sum

When you take your benefits, part of your pension pot (including your AVCs) can be used to provide a tax free cash lump sum, with the remainder being used to purchase a pension on the Open Market.

The most you would be able to take is 25% of the value of your pension pot.

Limits on lump sum payments from the Scheme

The Government has set limits on the amount of benefits that can be paid tax-free from your pension scheme. These limits won't affect most people, but before we can pay you your benefits, we'll have to ask you about other pensions and lump sums you've already taken.

How much tax-free lump sum can I receive from all my pension benefits?

The Government has set a limit of £268,275 as the maximum an individual can take as tax free lump sums from their pension benefits. This limit will not impact most people, but remember, the limit relates to all your pension benefits, not just from this scheme.

Are there any other limits I need to be aware of?

The Government has also set an overall limit of £1,073,100 on certain lump sum death benefits that can be paid tax-free, and tax-free lump sums individuals can take from their pension benefits. This limit also applies to all your pension benefits, not just from this scheme.

Open Market Option

You can purchase a pension on the Open Market.

If you would like the Trustees to buy an annuity with a provider you have selected, you will need to get a quotation from that provider and send it to us along with any application forms.

If you are married, you must make sure that your chosen pension includes a pension payable to your spouse when you die of at least 50% of your Reference Test Pension.

Future Statements

An annual benefits statement will be sent to you showing the value of your pension pot as of 5th April together with a projection of the amount of pension this might provide you with at age 60.

Scheme Administrators

First Actuarial LLP, First House, Minerva Business Park, Peterborough, PE2 6FT.