PEARL GROUP STAFF PENSION SCHEME
SCHEME INFORMATION

This information is for members of the NPI Final Salary Section of the Pearl Group Staff Pension Scheme.

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 from 6 April 2006, 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. The date of the Constituting Deed is 22 December 1948.

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.

The Scheme provides defined benefits based on pensionable earnings for each complete year and months service.

For members leaving on or after 1 April 1994 normal retirement ages for men and women have been equalised. With the exception of Guaranteed Minimum Pension (GMP), benefits have been equalised with effect from 1 April 1994.

Before 6 April 2016, the Scheme was contracted out of the State Pension on a reference scheme test basis (SCON - S1600041B).

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

Deferred Pension

Your pension is calculated as 1/60th of pensionable salary, minus 1/80th of the single person’s basic state pension on the 1st of April prior to the date of leaving service, for each year and complete month of pensionable service. The statement shows separately the pensionable salary that applies to service before and after 31 December 1997.

The basic state pension becomes payable when you reach state pension age (SPA). You will receive a supplementary pension until you reach that age to compensate for the deduction described above.

If during your membership of the Scheme you have had a period of part-time service, then your entitlement will have been calculated using the full time equivalent of your total pensionable service and your final pensionable salary.

Guaranteed Minimum Pension (GMP) & Equivalent Pension Benefit (EPB)

If you were in service between 6 April 1978 and 5 April 1997 then you were contracted out of the State pension, and your deferred pension includes an element of GMP. The GMP at the date of leaving service appears in your statement. If you were contracted-out of the old State Graduated Scheme which ended in 1975 the deferred pension also includes an element of EPB. If you joined the scheme after 5 April 1997 your pension does not include any GMP, and you should ignore all further references to it.

Additional Voluntary Contributions (AVCs)

If you were an AVC payer your contributions will continue to be invested in the funds selected by you. AVC benefits are provided on a money purchase basis. The value of your AVCs when you retire will be used towards your tax-free lump sum subject to HMRC limits. If your AVC value exceeds the maximum tax-free lump sum permitted by HMRC the excess AVC value will be paid as an Uncrystallised Funds Pension Lump Sum (UFPLS). If no tax-free lump sum is required the AVC value can be transferred to another provider.

Transfer of pension

Members only have a statutory right to ask for one transfer value within a twelve month period. The Trustees will charge £250 for any subsequent requests for transfer values within that twelve month period.

Under pensions legislation you are entitled to transfer your deferred pension rights to another registered pension scheme. This could be to a new employer's pension scheme, a personal pension, a stakeholder plan or to an annuity contract with a suitable insurance company of the member's choice (also known as a Section 32 buy-out policy). The transfer value paid from the Scheme will be the same regardless of the type of scheme you transfer to. The option to transfer is available at any time after leaving service and before commencement of your pension.

Further investigations will have to be made if you wish to transfer your benefits to an overseas scheme. The receiving scheme would need to be registered as a Qualifying Recognised Overseas Pension Scheme (QROPS) with HMRC in the UK.

Depending on what elements of pension you hold, you may have the option of transferring only part of your pension and retaining the rest within the Scheme. For example, you may choose to take your defined benefit transfer value and leave your money purchase pension pot and/or AVCs in the Scheme. Or you could transfer only your pre 97 benefits or post 97 benefits or GMP.

The transfer value calculation allows for GMP equalisation from 17 May 1990.

Where benefits have been transferred into the Scheme from other schemes, this is included in the transfer value.

No allowance for the value of any discretionary benefits that may be awarded in the future has been made in calculating the transfer value.

Unless specified on a transfer value statement the transfer value has not been reduced in any way and represents the full value of your benefit entitlement.

When deciding whether to transfer you should consider the total benefits payable from the pension provider and the State. In all cases it is recommended that you seek independent financial advice before transferring, however where the cash equivalent transfer value exceeds £30,000 it is now a statutory requirement. Full details are provided with the transfer pack.

Increases to your pension before commencing

The pension quoted in your statement is calculated as at your date of leaving service. The pension will be revalued in the year of commencement.

If your pension includes GMP this will increase at fixed rate revaluation (see table below for applicable rate) per annum for each complete tax year until you reach GMP age.

Leavers prior to 6 April 1988	8.5%
Leavers between 6 April 1988 and 5 April 1993	7.5%
Leavers between 6 April 1993 and 5 April 1997	7%
Leavers between 6 April 1997 and 5 April 2002	6.25%
Leavers between 6 April 2002 and 5 April 2007	4.5%
Leavers from 6 April 2007	4%

Increases to your pension in excess of the GMP (including the supplementary pension) are also dependent on your date of leaving. Any increase due is applied for each complete year between your leaving date and your retirement date, as detailed in the table below.

Leavers prior to 1 January 1985	No revaluation to the excess pension
Leavers from 1 January 1985 until 31 December 1990	Only the excess pension earned from 1 January 1985 is revalued
Leavers from 1 January 1991	All the excess pension earned prior to 6 April 2009 is revalued by price inflation up to a maximum of 5%. Pension earned after 5 April 2009 is revalued by price inflation up to a maximum of 2.5%

Note regarding price inflation: Deferred pensions (in excess of any GMP) are revalued using Statutory Occupational Pensions Revaluation Orders. This is based on the movement in the Retail Prices Index up to 2011 and the movement in the Consumer Prices Index since 2011.

Commencement of your pension

You can commence your pension at any time between your 55th birthday and your 75th birthday. Please refer to your statement for your normal retirement date.

Early Retirement

You can draw a reduced deferred pension at any time between age 55, under current legislation, and normal retirement age (60 for females, see table below for details of male normal retirement age). A projection/quotation will be provided upon request.

Date of Leaving	**Normal Retirement Age**	**Penalty Free Early Retirement Age**
Before 1.1.1983	65	65
1.1.1983 to 31.3.1990	65	63
1.4.1990 to 16.5.1990	65	62
17.5.1990 to 31.3.1994	65	62 for pre 17.5.1990 service 60 for post 17.5.1990 service
From 1.4.1994	60	60

The reduction is applied to the pension revalued to the early retirement date. The early retirement reduction factors are dependent on the member's age at the date of retirement. The factors are provided by the Scheme Actuary and Phoenix Life Limited and are subject to change.

An Incapacity Pension may be granted due to ill health before normal retirement age. The granting of such a pension would be at the approval of the Company.

Normal Retirement

We will contact you approximately eight months before your normal retirement date to confirm your address and establish if you wish to receive a quote for commencing your pension.

Late Retirement

Under current pension regulations you can defer commencement of your pension up until your 75th birthday. We are currently unable to provide projections for late retirement, however, a quotation can be provided within one year of your chosen retirement date.

A late retirement quotation is based on the pension that would have been payable at normal retirement age, then uplifted in line with late retirement factors provided by the Scheme Actuary and Phoenix Life Limited.

If your pension includes an element of GMP and you wish to retire after GMP pension age (65 for men, 60 for women) your quotation will be referred to the Scheme Actuary for calculation.

Commutation option

When you commence your pension, part of your pension can be used to provide a lump sum. In general, you will be able to take 25% of the value of your pension benefit (including any AVCs) as a pension commencement lump sum. In some circumstances it may be necessary to restrict the lump sum that is available to ensure that the overall limit set by HMRC is not breached.

This option does not affect any spouse or dependant's pensions, which are based on the full pension.

The latest commutation factors can be found in the Members section of the Scheme website under General Scheme Information. They are subject to change by the Trustee Directors, acting on the advice of the Scheme Actuary and Phoenix Life Limited.

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.

Increases to your pension once in payment

Once in payment the pension receives an increase from 1 April each year.

Different increase rules apply to different parts of your pension depending on your age at commencement. If you start your pension before reaching GMP age (65 for men, 60 for women), any GMP you are entitled to will continue to increase annually between retirement and GMP age at fixed rate revaluation (as described in the section 'Increases to your pension before commencing'). The non-GMP element of your pension will increase in line with increases in the Retail Prices Index between February and February, up to a maximum of 5%.

After GMP age the different elements of your pension will increase at different rates. Any GMP earned before 6th April 1988 does not receive increases from the Scheme. Any GMP earned from 6th April 1988 receives increases equal to price inflation over the year from September to September, up to a maximum of 3%.

Death Benefits - Dependant's Pension

Upon the death of a member the spouse/civil partner at that time will become entitled to receive an immediate pension from the Scheme, payable for life.

If you are unmarried and have nominated your partner (or any person who is unmarried that you were financially interdependent with at the date of death) to receive a discretionary dependant's pension, the granting of such a pension will be at the discretion of the Trustee. It will wish to be satisfied that, at the time of death there was financial interdependency, and that the relationship was of a long-standing nature. Any nomination made may be withdrawn at any time by written notice and such nomination will automatically become void upon the subsequent marriage of either partner.

The spouse's/civil partner's pension at the date of leaving is calculated as 1/90th of pensionable salary, minus 1/80th of the single person's basic state pension on the 1 April prior to the leaving date, for each year and complete month of pensionable service.

The spouse's pension is payable if you leave a spouse or civil partner when you die. The pension will be reduced if you were married after you left NPI and your marriage was within six months of your death, or if your spouse/civil partner is more than ten years younger.

A child's pension will be payable if at the time of the members death he or she had children under the age of 18, or 21 if in full-time education or vocational training. The child's pension at the date of leaving is calculated as 1/360th of pensionable salary for each year and complete month of pensionable service. The children's pension is doubled if there is more than one child who fulfils the eligibility criteria. The pension will be paid until the children reach age 18, or age 21 if they are in full-time education or vocational training.

Any dependant's pension would be subject to the same increases as the member's pension in payment.

Death Benefits - Lump Sum

If a member dies whilst a deferred member of the Scheme before normal retirement age, there is no lump sum death benefit payable.

If a member dies whilst a deferred member of the Scheme after normal retirement age and before commencing their pension, a lump sum will be payable equal to 60 instalments of the pension payable at the date of death.

If a member has made Additional Voluntary Contributions and dies before commencing their pension, the value of the AVCs will be payable.

If a member dies within five years of the date of commencement of their pension, a lump sum will be payable equal to the balance of pension which would have been paid within those five years, but assuming no future pension increases.

The Trustee will have the discretion to decide to whom the benefit is payable. It will take into consideration any nomination you may wish to make. Nomination forms can be printed from the Scheme website.

Scheme Administrators

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