

Factsheet B

Benefits following closure of the Scheme on 30 November 2016

This factsheet explains the benefits you are entitled to as someone who was an active member on closure of the University of Exeter Retirement Benefits Scheme (or if you had previously become a deferred member prior to the closure of the Scheme) and sets out the options and entitlements all deferred members have. Words and terms beginning with capital letters in this factsheet are defined in the appendix to factsheet A.

What am I entitled to following the Scheme's closure on 30 November 2016?

If you were still in service with the University when the Scheme closed, or if you had previously become a deferred member, you will be entitled to a deferred pension together with a tax-free lump sum of three times your starting annual pension.

The deferred pension is based on the Pre-1 August 2010 Pension and the CARE Pension accrued by you while an active member. If you were an active member on closure, you should have received a closing benefit statement in April 2017.

The Scheme protects your deferred pension against inflation by revaluing (or increasing) it over the period between the date of closure (or your earlier date of leaving) and the date on which it comes into payment. The rate of increase is a statutory requirement which is the percentage rise in inflation over that period (currently measured by reference to the Consumer Prices Index). For pension built up prior to 6 April 2009 the increase is up to a maximum of 5% per annum compound. For pension built up after 6 April 2009 the increase is up to a maximum of 2.5% per annum compound.

If your deferred pension includes any GMP then this will increase in line with the laws on Contracting-out (rather than the statutory requirement outlined above) at a fixed rate for each year ending 6 April between leaving service and the date it comes into payment. The fixed rate is set by regulations in force at the time of leaving service. (For further information on GMP and contracting-out see **factsheet E**).

When can I draw my deferred pension?

You are entitled to draw your deferred pension from Normal Pension Date.

What happens if I die as a deferred member?

Please refer to **Factsheet C**.

Can I receive my deferred pension before my Normal Pension Date if I become ill?

Yes, provided that the Trustees are satisfied that you are suffering from Incapacity, in which case no reduction will be applied for early payment.

Incapacity involves a permanent breakdown in your health. The Trustees must take their decision based on evidence from a registered medical practitioner, and may require you to undergo a medical examination.

Until you reach Normal Pension Date, the Trustees may periodically require evidence of your continued Incapacity and details of any work that you are able to undertake. If the Trustees decide, based on their review of the evidence, that you have made a partial or complete recovery, they may adjust or suspend the payment of your pension until you reach Normal Pension Date. If you fail to reasonably co-operate with the Trustees' review (for example, by refusing to undergo a medical examination), the Trustees may suspend payment of your pension until they are able to satisfactorily complete their review (or you reach Normal Pension Date, if earlier).

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Can I receive my deferred pension before my Normal Pension Date if I am not ill?

Yes, but you may need the consent of the Trustees (see below) and it is likely that your pension will be reduced for early payment (further details about these reductions are also provided opposite).

Will I need the consent of the Trustees if I wish to take my deferred pension before Normal Pension Date and I am not suffering from Incapacity?

Legal advice taken by the Trustees in relation to the sex equalisation of pension benefits means that the following consent requirements apply:

- if you are a member who had Pensionable Service in the Scheme before 17 July 1995, and you left the Scheme on or after 26 March 2004, you may retire from age 60 without requiring the consent of the Trustees. However, if you wish to retire before age 60, you must obtain the consent of the Trustees;
- if you are a member who had Pensionable Service in the Scheme before 17 July 1995, and you left the Scheme before 26 March 2004, you may retire from age 60 without requiring the consent of the Trustees unless you are a male member who left before 17 May, 1990, in which case the consent of the Trustees will be required. If you wish to retire before age 60, you must obtain the consent of the Trustees;
- any other member must obtain the consent of the Trustees whether you are retiring before or after age 60.

Will my deferred pension be reduced if I take it before Normal Pension Date and I am not suffering from Incapacity?

Your deferred pension will be reduced to take account of the fact that the pension will be paid from the Scheme earlier than expected. The Trustees set the reductions with the advice of the Scheme Actuary. Different reductions apply to the pension and the lump sum.

Please note that as a result of legal advice taken by the Trustees in relation to the sex equalisation of pension benefits, reductions will not apply to the following elements of your pension:

- **Female members who had Pensionable Service in the Scheme before 7 November 1989 and who left service with the University before 26 March 2004**

No reduction will be applied to benefits built up by reference to Pensionable Service before 17 July 1995 if you retire on or after age 60. However, benefits built up by reference to Pensionable Service from 17 July 1995 will be subject to a reduction if you retire at any age before Normal Pension Date.

- **Female members whose Pensionable Service in the Scheme started before 7 November 1989 and who left service with the University on or after 26 March 2004**

No reduction will be applied to your benefits built up by reference to Pensionable Service before 1 August 2010 if you retire on or after age 60. However, benefits built up by reference to Pensionable Service from 1 August 2010 will be subject to a reduction if you retire at any age before Normal Pension Date.

- **Female members whose Pensionable Service in the Scheme started on or after 7 November 1989 but before 17 July 1995**

No reduction will be applied to benefits built up by reference to Pensionable Service before 17 July 1995 if you retire on or after age 60. However, benefits built up by reference to Pensionable Service from 17 July 1995 will be subject to a reduction if you retire at any age before Normal Pension Date.

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- Male members whose Pensionable Service in the Scheme started before 7 November 1989 and who left service with the University before 26 March 2004

No reduction will be applied to benefits built up by reference to Pensionable Service between 17 May 1990 and 17 July 1995 if you retire on or after age 60. However, benefits built up by reference to Pensionable Service outside of this window will be subject to a reduction if you retire at any age before Normal Pension' Date.

- Male members whose Pensionable Service in the Scheme started before 7 November 1989 and who left service with the University on or after 26 March 2004

No reduction will be applied to benefits built up by reference to Pensionable Service between 17 May 1990 and 31 July 2010. However, benefits built up by reference to Pensionable Service outside of this window will be subject to a reduction if you retire at any age before Normal Pension Date.

- Male members whose Pensionable Service in the Scheme started on or after 7 November 1989 but before 17 July 1995.

No reduction will be applied to benefits built up by reference to Pensionable Service between 17 May 1990 and 17 July 1995 if you retire on or after age 60. However, benefits built up by reference to Pensionable Service outside of this window will be subject to a reduction if you retire at any age before Normal Pension Date.

Can I receive my deferred pension later than my Normal Pension Date?

You may, with the consent of the Trustees, choose to start receiving your deferred pension after Normal Pension Date. If your pension starts after Normal Pension Date, the Trustees will increase it for late payment on a basis they decide after considering the advice of the Scheme Actuary.

Can I transfer my deferred pension to another pension scheme or arrangement?

As an alternative to preserving your benefits in the Scheme as a deferred pension, you can ask to transfer your benefits to your new employer's scheme or another approved pension arrangement (if that scheme or arrangement is willing to accept such a transfer).

You can choose this option at any time up to a year before Normal Pension Date provided you have not started to receive your benefits. Cash transfer values are calculated on a basis recommended by the Scheme Actuary, and which complies with statutory requirements. If you wish to consider a transfer, please contact BBS for a transfer value statement. This sets out the cash equivalent value of your deferred pension and is guaranteed for three months. The value takes into account the increases that will be applied to your deferred pension between the date you leave and your Normal Pension Date.

You should advise your new employer or your personal pension provider if you are interested in the transfer option and they will be able to tell you what benefits the transfer value will provide in their scheme.

The Trustees' liability to pay any benefits in respect of you under the Scheme ceases upon payment of the transfer value to your new employer's scheme or to an individual pension policy, and the Trustees cannot be held responsible if the benefits or investment performance of your new scheme or policy fails to match that under the Scheme.

If you choose an individual pension policy, you should note that, depending on investment performance, the benefits may or may not increase to a larger value than the deferred pension.

The Trustees cannot give you advice on whether it is in your interests to take a transfer and strongly recommend that you seek independent financial advice before doing so.

You can ask for a transfer value statement at any time between leaving service and one year before your Normal Pension Date.

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Contact Points

If you have any questions about your benefits or wish to notify change of personal details, please contact the Scheme administrators:

The ERBS Administration Team
BBS Consultants & Actuaries Ltd
Canard Court
23-25 St George's Road
Bristol
BS1 5UU

Tel: 0117 9378700

Email: erbs@bbs-actuaries.co.uk

For general queries about the Scheme or to obtain formal documents relating to funding, investments or the annual accounts please contact:

Secretary to the Trustee Directors
Anne Shrubshall
131 Crediton Road, Okehampton EX20 1NZ
Email: anne.shrubshall@gmail.com
Telephone: 01837 658948

We have prepared a series of factsheets to give you additional information about key topics:

Factsheet A – General Scheme Information

Factsheet B – Benefits of deferred members

Factsheet C – Death benefits

Factsheet D – Divorce and Dissolution of Civil Partnership

Factsheet E – State Pension Benefits and Contracting-out

Factsheet F – Disputes and Complaints

Please note that these factsheets are intended as a guide and are not legal documents. Full details of the benefits provided on retirement can be found in the formal Rules of the Scheme. The Rules, together with statutory provisions, take full precedence over any information contained in this factsheet. If there is any conflict between this factsheet and the Rules, the Rules will prevail.