



Pension Funds

DC Section Member Booklet

'ITB-Online': www.itb-online.co.uk

1 April 2013

About the booklet

Please Note: This booklet is intended as a general guide to the benefits for Members of the **Scheme** and every effort has been made to ensure the accuracy of text and illustrations shown.

However, the booklet does not create legal rights. The Scheme is governed by its Trust Deed and Rules. If there is a discrepancy between the **Trust Deed and Rules** and this booklet, the Trust Deed and Rules will prevail.

All terms in **bold and blue** can be found in the glossary at the back of the booklet. By simply rolling over the term it will open the definition. Click on the contents page numbers you will be taken to the appropriate part of the booklet.

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Welcome to the ITB Pension Funds' DC Section

The message is simple!

From the time you become an active member of the Scheme your Employer will contribute monthly into your pension account on your behalf. The Scheme therefore provides an attractive, convenient and easy way for you to save for retirement and, as your own contributions to the Scheme are deducted monthly directly from your pay, you will receive tax relief through the payroll.

About the Scheme

The **Scheme** is set up under the ITB Pension Funds' Trust Deed and Rules and is administered by the **Trustees**. The assets of the Scheme are separate from those of your Employer and are invested through independent investment managers, whose performance is monitored by the Trustees and their professional investment advisers.

Your **Employer** participates in the **Scheme** in order to provide pension benefits for you, in addition to the benefits normally provided by the State.

Savings Process

In short you and your **Employer** contribute to into an investment account in your name. This is your **DC Account**. You have various options as to where *your money is invested to build up income for your retirement in a tax efficient way*. The pension benefits you eventually receive will rest on:

- The investment return on those contributions: and
- The cost of buying a pension when you draw your benefits

You can also make *additional contributions* as regular and one-off payments.

Death-in-service *life assurance* benefits are also provided.

Salary Sacrifice Members

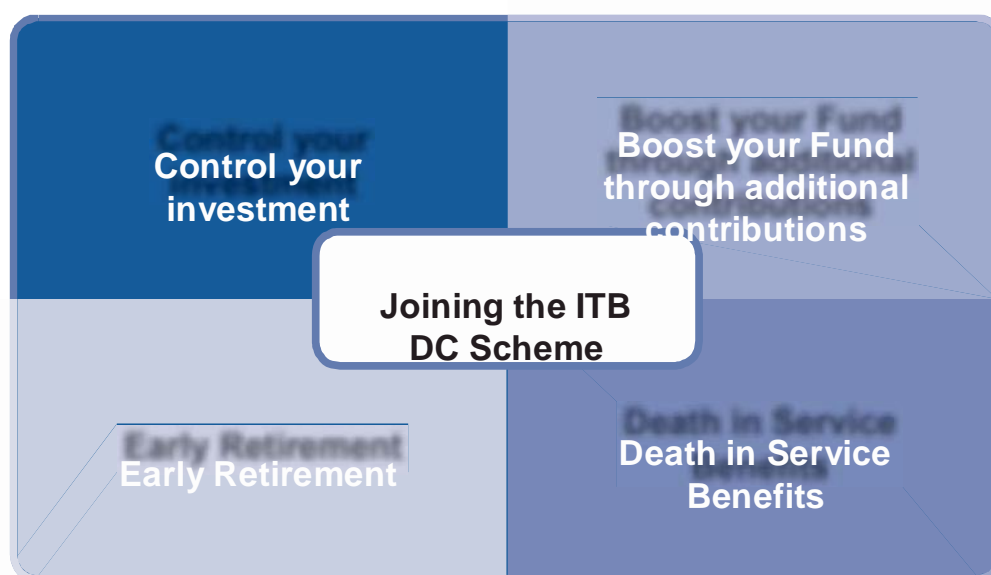
If you participate in the Scheme under a **Salary Sacrifice** arrangement you are relieved from the obligation to pay contributions to the **Scheme** – instead your **Employer** pays a corresponding contribution on your behalf.

As your own contributions and those of your Employer paid on your behalf are based on your **Pensionable Salary** before the salary sacrifice, it means that your Pensionable Salary is unaffected (i.e. it is your basic salary before salary sacrifice that is pensionable).

For example, it follows that the **death in service life assurance benefit** as described elsewhere in this booklet is unaffected by salary sacrifice and is based on your pre-salary sacrifice Pensionable Salary. However, a salary sacrifice member who ceases membership of the Scheme with less than 2 years **Qualifying Service** will not be entitled to a **refund of member's contributions** (other than those which may have been paid prior to becoming a salary sacrifice member), because, under salary sacrifice you would not pay any contributions, they will have been paid by your Employer.

Focal Points

- **Control over your investment:** You have various investment options on joining the **Scheme**, allowing you choice over where your money is invested. You also have flexibility to change your investment options throughout your membership of the Scheme in order to suit your needs and anticipated requirements.
- **Increase your contributions:** You are also able to make additional regular and one-off contributions towards your future benefits, provided the **Trustees** agree. If you wish to make additional contributions you should complete the **Contributions Increase Form** and return it to your **Employer**.
- **Retirement options:** You have the opportunity to retire and take a pension from age 55 onwards, provided certain conditions are met. You may also be allowed to take **Flexible Retirement** in certain circumstances – meaning that you can draw your pension benefits and continue working for your Employer. Whichever the case there is opportunity to take ‘tax-free’ cash in exchange for part of your pension (‘tax-free’ under current legislation).
- **Death in Service Benefits:** Upon death occurring whilst in service and whilst an active member of the Scheme a lump sum will normally become payable to your beneficiaries of:
 - 2 times your **Pensionable Salary** as at the date of death plus.
 - an amount equal to your accumulated fund value of the DC Section.
(for possible exclusions please see page 13)
- **Transferring the value of your benefits:** to another pension arrangement if you leave the Scheme before retirement, provided you have over 3 months’ membership.



Becoming a Member

How do I become a member?

Unless your Employer informs you otherwise you are eligible to become a member if you are aged 18 or over but not passed the first day of the month following your 60th birthday and completed three months' Service with your **Employer**.

If you are eligible then, upon completing three months' service, you will be *automatically entered* into membership of the **Scheme** by your Employer, [unless you choose otherwise by completing an **Opt-Out form** (see below)].

You are advised to complete a **Nomination Form** when joining the Scheme. The Nomination Form will help the **Trustees** to make decisions regarding the distribution of any lump sum benefits payable on death.

You may be asked to produce your birth certificate or passport when you join.

If you do not join the Scheme when you are first eligible you may be able to join as a late entrant, subject to the agreement of your Employer and the Trustees.

Opting-out of membership

You may choose to opt-out of the **Scheme** at any time by notifying your **Employer** using the **Opt-Out form**. *If you do opt out you will stop paying contributions and so will your Employer, and your life assurance cover under the Scheme will cease.*

Transferring in pension benefits from other arrangements:

You may be able to **Transfer-in** the value of benefits that you might hold in other pension arrangements to add to your **DC Account**.

PUT SHORT

Unless advised otherwise you can join the Scheme if you are aged at least 18 and have not passed the first day of the month following your 60th birthday + completed 3 months' Service with your Employer.

You will be automatically signed up by your Employer and must complete an **Opt-Out Form if you do not wish to join.**

You have control over the investment of your contributions and retirement benefits are a good incentive to join.

Contributing to the DC Section

Unless your Employer informs you otherwise the standard member contribution is 4.5% of **Pensionable Salary** (*annual basic salary excluding any overtime, bonus or other fluctuating payments*). Your Employer will also contribute a minimum of 4.5%, so that contributions in total of 9% will be paid into your **DC Account**. Your contributions will be deducted from your monthly pay.

If you work part-time, your contributions will be based on the actual **Pensionable Salary** being received and not on your full-time equivalent salary.

Tax relief?

The net cost of you contributing to the **Scheme** is considerably less than your gross contribution because you automatically receive *tax relief* through the payroll, currently, at the highest rate of tax you pay (as illustrated below).

Can I make additional contributions?

You are able to make *additional contributions* provided that the Trustees consent. This can be in the form of additional regular contributions and also one-off additional contributions. In order to increase your member contributions or to arrange for payment of a one-off additional contribution, you must complete an **Additional Contributions Form**.

Other schemes?

You may also join – and make contributions to – other registered pension schemes outside of the Scheme, such as a personal pension, whilst remaining a member of the Scheme. Bear in mind that you will not normally receive tax relief on any contributions in excess of 100% of your earnings in any one tax year, and see also **Annual Allowance**.

State Second Pension

The **Scheme** is not contracted-out of the State Second Pension (S2P). You can therefore build up additional pension in S2P on top of any state basic pension entitlement.

EXAMPLE

Suppose your Pensionable Salary is £30,000, and you pay 4.5% in contributions:

	£ per month
Pensionable Salary	£2,500
Your gross contribution at 4.5%	£112
Less tax relief at 20%	£22
Your net cost of membership is	£90

PUT SHORT

9% of your Pensionable Salary will be paid as contributions into your pension fund, with your Employer contributing 4.5% of this sum.

You can increase your benefits by paying additional regular and one-off contributions.

You will receive tax relief on contributions, therefore reducing the cost of your contributions.

Investment

You have a number of investment funds in which to choose to invest your own contributions and the contributions your **Employer** makes on your behalf. You may do this by completing an **Investment Choice Form**. The funds give you access to the four major asset classes (shares, Government and company bonds, property, and cash) and range from low risk to high risk.

If you do not complete an Investment Choice Form stating the available fund or funds in which you wish to invest then your contributions, and those made on your behalf by your Employer, will by default be invested in the **Default Investment Option**. This invests across a range of investments according to the period to your retirement. You may also actively choose to invest in the Default Option. The Default Option may not be suitable for everyone.

Details of the funds available and the Default Investment Option follow:

Fund Name	Fund Aim	Risk Factor	Annual Charges*
Global Equity (part UK / part overseas) <i>[Currently, investing in L&G (PMC) Global Equity Fixed Weights 50:50 Index Fund]</i>	To capture the sterling total returns of the UK and overseas equity markets as represented by the FTSE All-Share Index in the UK and appropriate sub-divisions of the FTSE World Index overseas, with fixed asset allocation between the UK (50%) and overseas (50%). The overseas exposure of 50% is divided 17.5% in Europe (excluding UK), 17.5% in North America, 8.75% in Japan and 6.25% in Asia Pacific (excluding Japan).	High	0.40%
Diversified Growth <i>[Currently comprised of two underlying funds]</i>	(1) Standard Life Global Absolute Return Strategies Fund To provide positive investment returns in all market conditions over the medium to long term. The investment team who actively manage the fund have a wide investment remit to help them try to achieve this aim. The team look to exploit market inefficiencies through active allocation to highly diversified market positions. The fund manager utilises a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts.	High	1.18%
	(2) Newton Real Return Fund To achieve significant real rates of return in sterling terms predominantly from a portfolio of UK and international securities. The sub-fund may also invest in deposits, money market instruments, derivative instruments, forward transactions and collective investment schemes.	High	1.22%

Investment (cont.)

Fund Name	Fund Aim	Risk Factor	Annual Charges*
UK index-linked government bond <i>[Currently, investing in L&G (PMC) over 5 year Index-Linked Gilts Index Fund]</i>	This fund aims to track the sterling total returns of the FTSE A Index-linked (Over 5 Year) Index (including re-invested income) to within +/- 0.25% per annum for two in three years.	Cautious	0.38%
UK fixed-interest government bond <i>[Currently, investing in L&G (PMC) over 15 year Gilts Index Fund]</i>	This fund aims to track the sterling total returns of the FTSE A Government (Over 15 Year) Index to within +/- 0.25% per annum for two years in three.	Cautious	0.38%
UK corporate bond <i>[Currently, investing in L&G (PMC) AAA-AA-A Corporate Bond over 15 year Index Fund]</i>	This Fund aims to track the sterling total returns of the iBoxx £ Non-Gilts (ex-BBB) over 15 year Index (including re-invested income) to within +/- 0.50% per annum for two years in three.	Cautious	0.42%
Ethical <i>[Currently, investing in L&G (PMC) Ethical Global Equity Index Fund]</i>	To track an index to give you a return that closely follows the performance of the FTSE4Good Global Equity Index (including re-invested income, less withholding tax).	High	0.60%
Shariah <i>[Currently, investing in HSBC Life Amanah Fund]</i>	This fund aims to offer investors the opportunity to grow their money in line with the performance of the Dow Jones Islamic Titans Index. The Fund invests in company shares from around the world and is compliant with Islamic Shariah principles.	High	1.15%
Cash <i>[Currently, investing in L&G Cash Fund]</i>	To provide capital protection with growth at short-term interest rates. The Fund invests in the short-term money markets such as bank deposits and Treasury Bills.	Minimal	0.40%

* (The charges shown above include a Scheme Annual Management Charge of 0.3% pa)

To find out more information about the funds referred to above and the risk and return associated with the different investments please refer to the Fund Factsheets (found on the ITB-Online website).

Please note that the value of your investment can go down as well as up.

For further advice on investments you are advised to consult with an FSA approved Financial Adviser a list of which can be found on the IFA Promotions website: www.unbiased.co.uk

ITB Default Investment Option

If you do not choose any of the above funds for the investment of your own contributions and the contributions that your **Employer** will make on your behalf, then as contributions are paid they will be automatically invested using the ITB Default Option.

The Default Option is determined by the ITB **Trustees** in conjunction with their independent investment advisers. It uses a lifestyle-based investment strategy, i.e. the Default Option is intended to reduce volatility in members' fund values, without a substantive reduction in the potential for expected investment returns by applying a mix of the following investments, according to the period to a member's retirement:

Typically therefore, the Default Option is a portfolio of funds with an asset mix influenced by the level of risk felt to be appropriate to your age, including:

- Diversified Growth
- Global Equities
- UK index-linked government bond
- UK fixed-interest government bond
- UK Corporate bond
- Cash

Under the Default Option you are able to provide a target retirement age, which will determine the funds into which contributions are invested on your behalf and when these investments take place. The target retirement age you provide is not binding and can be changed at any point by completing an **Investment Choice Form**. If you do not elect a target retirement age the default retirement age will be set to your 65th birthday.

Switching Investments

You may choose to invest in any of the funds available under the **Scheme** and switch between them from time to time. You can do this online via your 'manage your account' (by clicking on the 'MyITB Pension' on the ITB-Online website – www.itb-online.co.uk) or by completing an **Investment Choice Form** and returning it to the **Funds' Office**.

Changes to your investment choices

The choice of funds made available to you will be reviewed periodically by the ITB Trustees and their external investment advisers. As part of this review process certain funds may be added or removed. You will be given notice of any such changes.

Investment (cont.)

Keeping track of the value of your **DC Account** and Scheme benefits

Each year you will receive an annual benefit statement showing details of your fund(s). This will include:

- The fund or funds in which you invest.
- The value of those investments.
- A projection of your benefits, including one which takes into account the possible effect of inflation.
- The transfer value that would be available to transfer to another pension arrangement.
- The total amount of contributions paid in the last 12 months.

You can also check the value of your funds and review the investments in which you invest by visiting the **ITB-Online** site and clicking on 'MyITB Pension' on the ITB-Online website – www.itb-online.co.uk

PUT SHORT

There are a number of investment options available to you upon joining and during your membership.

The Default Option is a **Lifestyle Fund** which makes investment decisions automatically for you based on your current age.

You can change your investment choices by completing an **Investment Choice Form**.

Death whilst a Contributing Member

Upon death occurring whilst in service and whilst an **Active Member** of the **Scheme** a lump sum payment will be available of:

- A minimum of 2 times your annual pensionable salary as at the date of death

(unless advised otherwise)**.

and

- An amount equal to the accumulated fund value of your **DC Account***

**The Trustees may in certain circumstances decide to use this amount to buy a pension for your dependants, rather than paying it as a lump sum, for example where the payment of a lump sum would not be tax-efficient.*

***If part-time, the lump sum is based on part-time pensionable salary*

The same would also apply if you die as an Active Member while on paid family leave (maternity leave, adoption leave, paternity leave or parental leave) or certain types of unpaid statutory family leave.

There is flexibility as to who receives any lump sum on your death. You are strongly recommended to complete a **Nomination Form** to say whom you would like the Trustees to consider. It could be your husband, wife or civil partner, but you can nominate any person. You can if you wish send the **Nomination Form** under confidential cover direct to the **ITB Pension Funds' Office**.

The Trustees will take account of your wishes, but the final decision as to distribution of the sum payable rests with the Trustees. This ensures that the payment does not form part of your estate, and so does not give rise to inheritance tax. The lump sum itself will be tax-free, provided that it does not exceed your available **Lifetime Allowance**.

Note, for Life Cover to commence on the date of joining, ITB's insurance provider requires members to be 'Actively at work', i.e. in full active employment, physically and mentally able to perform all duties associated with your normal job. If you are not 'Actively at Work' on the date of joining, you will be advised further by the ITB Pension Funds and/or your Employer.

PUT SHORT

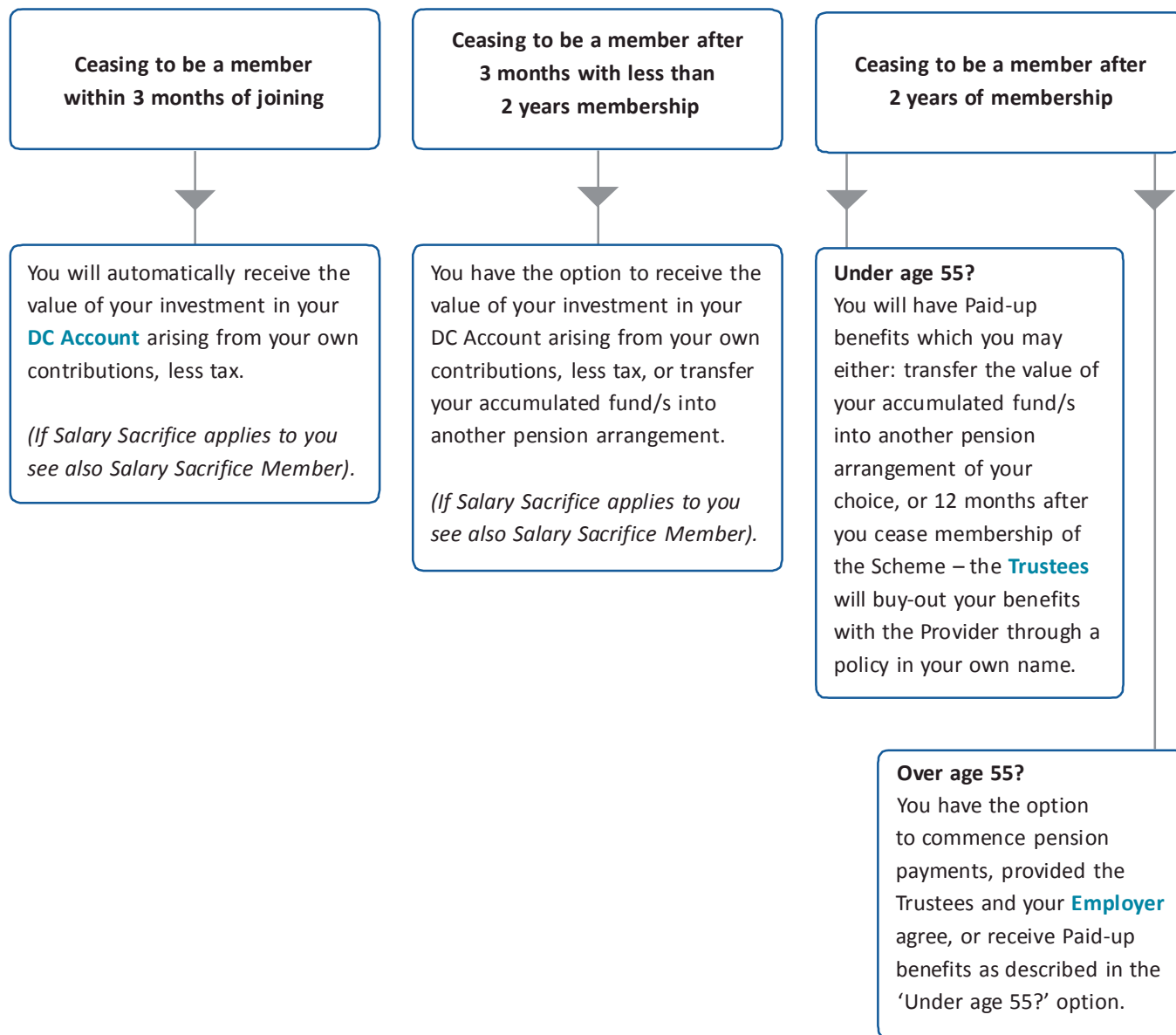
If your death occurs prior to you ceasing membership of the Scheme a lump sum payment will be available of 2 times your annual Pensionable Salary and an amount equal to your accumulated fund.

Lump sum death benefits are payable at the discretion of the Trustees, who will use your **Nomination Form to apply their discretion over the distribution of the death benefits.**

Any sums payable are currently free of inheritance tax.

Ceasing to be an Active Member

You will cease being an active member of the **Scheme** if you leave service or opt-out of membership. The following options are available on ceasing membership:



Ceasing Active Membership within two years of joining

*If you cease active membership of the **Scheme** with less than 3 months **Qualifying Service** the only option available to you is a refund of the investment value of your own contributions in your DC Account.*

*If you cease active membership of the Scheme with more than 3 months, but less than 2 years **Qualifying Service** you will have the option of taking a:*

- Refund of the investment value of your own contributions in your DC Account or,
- Arrange to transfer the value of your DC Account to another registered pension scheme, (provided you do so within 6 months of leaving the Scheme).

However, if you do not arrange to transfer your benefits within 6 months of leaving the Scheme the only option available to you after that is a refund.

Refunds will be paid direct to your bank account, details of which will be obtained from you at the time of leaving.

Where the refund option applies the amount refunded will be your own contributions less a tax charge (currently deducted at 20% on the first £10,800 of contributions and at 50% on contributions over £10,800).

If Salary Sacrifice applies to you see also [Salary Sacrifice Member](#).

Ceasing to be a Member after two years of Membership

If you cease membership of the **Scheme** with over two years' **Qualifying Service**, but prior to taking your retirement benefits, the value of your accumulated fund will be classed as **Paid-up Benefits**.

Unless you elect to transfer the accumulated value of your **DC Account** to another pension scheme within 12 months of ceasing membership of the Scheme the value of your funds will be transferred to a pension policy in your own name with the ITB **Trustees'** appointed **Provider**. Where this happens you will cease to be a member of the Scheme and the Provider will become responsible for managing and administering your benefits and all queries should be directed to them. You will be notified when this occurs. Until then you should continue to address any correspondence to the **Funds' Office**.

Note: In the event of your death after you have ceased active membership of the Scheme, but before you transfer the value of your fund to another provider or the Trustees buy-out your benefits in a policy in your name with the **Provider**, a lump sum will be payable equal to the value of your DC Account.

Transfers

Transfers-in

If you have pension benefits built-up in other pension schemes you may be able to transfer-in the **Transfer Value** of those benefits to increase your investment in the **Scheme** (subject to conditions and limitations determined by the **Trustees**). Any transfer-in payment received will be invested in accordance with your current investment option, unless you provide an **Investment Option Form** stating how your transfer-in should be invested.

For further information regarding transfers-in please contact the **ITB Pension Funds' Office**.

Transfers-out

If you cease membership with *3 or more months but less than 2 years* **Qualifying Service** in the Scheme and wish to transfer the value of your DC Account to another provider you should do so within 6 months of ceasing membership, then you should contact the **ITB Pension Funds' Office** in the first instance (otherwise the only option remaining to you is a refund of the value of your contributions).

If you have ceased membership *with more than 2 years* **Qualifying Service** in the **Scheme** and wish to transfer the value of your DC Account to another provider you should do so within 12 months of ceasing membership, then you should contact the **ITB Pension Funds' Office** in the first instance. Otherwise your benefits will be bought-out by the Trustees in a pension policy in your name, which, prior to commencing pension from the policy you could transfer to another pension arrangement of your choice.

PUT SHORT

The Scheme accepts transfers-in from other pension arrangements subject to certain conditions and limitations.

You may also transfer your accumulated funds out of your DC Account to another pension provider (subject to certain Qualifying Service conditions).

Retirement from Active Service

When you retire

The Normal Retirement Date under the Scheme is age 65. You may retire then and take your benefits. Alternatively you may retire at an earlier (but not before age 55) or later age, provided the Trustees and your Employer agree. Bear in mind that the earlier you retire, the smaller your pension is likely to be. This is because your DC Account will have had less time to grow, and your pension will cost more because it will be payable for longer.

Retirement can occur at any time after attaining age 55. When you retire the value of your **DC Account** will be used:

- to buy a pension, otherwise known as an **Annuity** (or another approved pension policy of your choice); **or**
- to pay a tax-free lump sum up to 25% of the accumulated value of the fund with the remaining 75% being used to secure a pension/annuity (or another approved pension policy of your choice).

The benefits you will receive will depend on:

- the amount of contributions paid into your DC Account;
- the investment returns those contributions have earned; and
- the cost of buying a pension.

When taking retirement, the **Open Market Option** is a useful tool in order to ensure the retirement benefits you receive are suitable for you and your expected lifestyle. The Open Market Option allows you to 'shop around' for the most appropriate annuity/pension. For more information on the Open Market Option and taking retirement benefits, it is suggested that you seek independent financial advice. A list of FSA approved Financial Advisers can be found on the **IFA Promotions website: www.unbiased.co.uk**

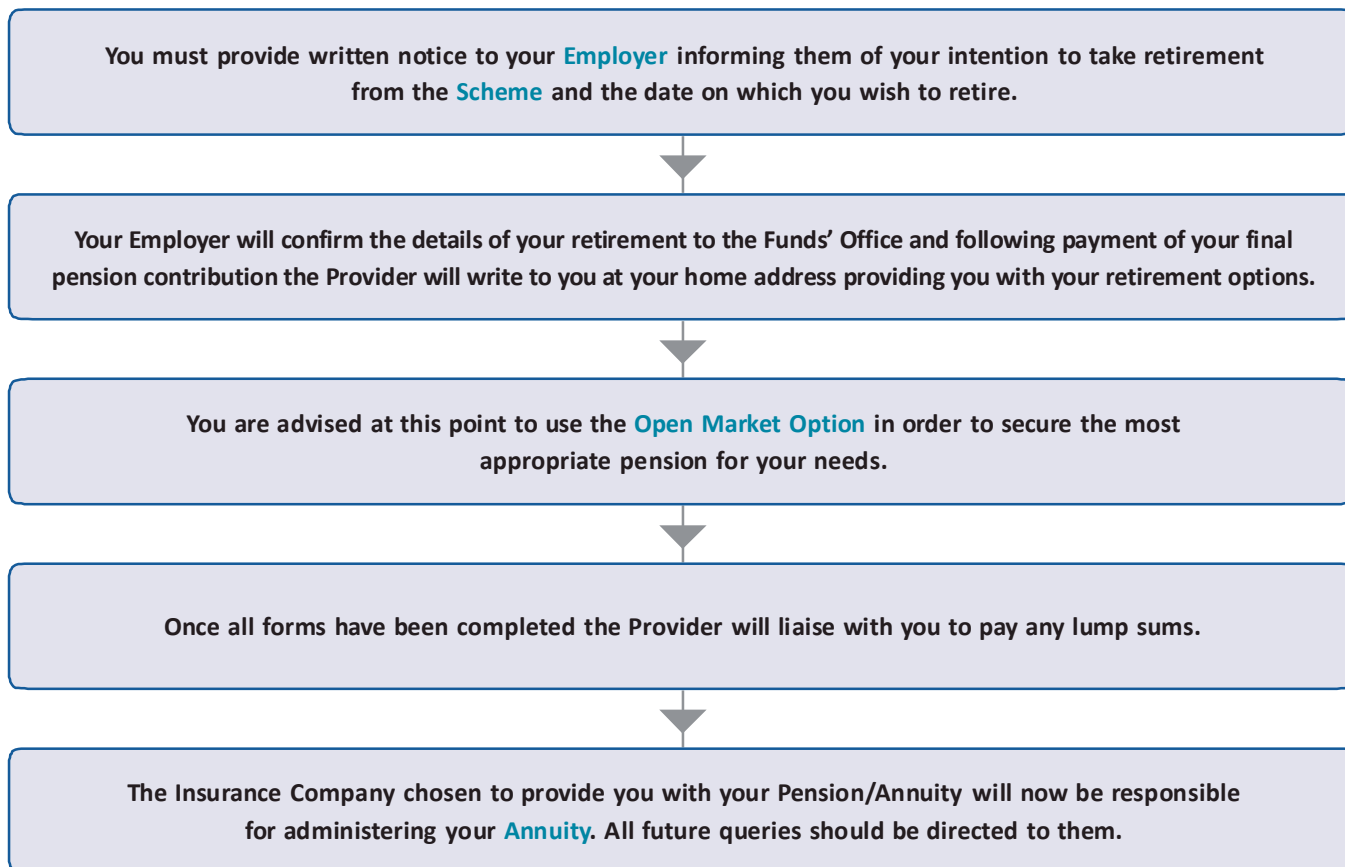
You will need to be able to make some choices about the type of annuity you want to buy. You could just choose to buy the annuity which your pension provider will offer you, but you don't have to. There are lots of different types of annuity on the market and you may find one which offers you a higher rate of income and is better for your personal circumstances.

It's important to spend time choosing the right kind of annuity for you because, once you've bought it, you can't change your mind and switch to another one.

Once an Annuity has been bought, the insurance company which provided the Annuity will be responsible for payment of your pension, and you will cease to be a member of the Scheme.

The retirement process

The flowchart on the following page describes the Retirement Process and the actions that must be undertaken in order to commence receipt of your pension benefits.



Flexible retirement

In certain circumstances you may be able to commence receipt of your benefits under the **Scheme** and carry on in employment with your ITB **Employer** whilst continuing to contribute to earn further benefits in the Scheme (subject to the agreement of your Employer and the Trustees).

In order to take Flexible Retirement you must have *attained age 55, and completed two years' Qualifying Service.*

PUT SHORT

You may retire at any time from attaining the age of 55 (subject to the agreement of your Employer). That being the case your accumulated fund will be used to secure an annuity with the ITB Pension Provider, or a provider of your choice.

You may also have the option to draw your ITB DC pension early and continue working for your Employer (subject to your Employer's and Trustees' agreement).

Life Events

things that can happen in life that may affect your pension

Changing working hours

If you work part-time when previously you have worked full time, your contributions will be calculated according to your actual pensionable salary that you receive, not the full-time equivalent. This could affect your pension fund value

Alternatively, you may increase your hours from part-time to full-time and contributions would then be calculated on the full-time equivalent salary.

Maternity/Adoption Leave

If you are absent during any period of Maternity Leave or Adoption Leave for which you are paid by your Employer, membership of the [Scheme](#) continues on the following basis:

- your contributions will change at the time you go on Maternity Leave/Adoption Leave, so that your contributions will be calculated as a percentage of the Maternity Pay/Adoption Pay you are actually receiving (if any in the case of Maternity Leave).
- if you take Additional Maternity Leave/Additional Adoption Leave, which is unpaid, you and your Employer will cease making contributions into your DC Account. Contributions will not recommence until you recommence work with your Employer.

Other Family Leave

If you are absent during any period of Parental Leave or Paternity Leave for which you are paid by your Employer, membership of the Scheme will continue, with your contributions calculated as a percentage of the pay you actually receive during that absence.

Leave of absence

If you are on leave of absence for any reason other than family leave, such as illness or accident, by giving written notice to your Employer, you may elect for your own and your Employer's contributions to continue, based on the salary you will receive during this period. If you do not elect to do this, your contributions will cease after one month's contributions and recommence when you return to work.

Divorce

If in the process of Divorce the Courts issue a **Pension Sharing Order**, your ex-spouse/civil partner will receive a Pension Credit that equates to a proportion as described by the transfer value of your Scheme entitlement. This fund value will be transferred to a pension fund with a provider of your spouse's choice. Your accumulated DC Account investments will be reduced for the amount of pension settlement. If you believe that pension sharing applies to your personal circumstances, or your legal adviser requests details of your pension rights you should bring the matter to the attention of the **ITB Pension Funds' Office** who will advise of the appropriate scale of charges relating to the provision of certain information.

Ill-Health

There are no provisions as such for Ill-Health/Disability Retirement under the Scheme. However, upon receipt of evidence from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment, the Trustee's may use their discretion to allow you to take retirement before age 55, with the value of your **DC Account** at the time being used to secure an **annuity**.

Lifetime Allowance

Since 6 April 2006 pension schemes have no longer had to limit the level of benefits paid to members. Instead the value of your benefits from all pension arrangements you belong to are measured against a new **Lifetime Allowance** at the point that they come into payment. This will include your pension from the ITB Scheme including any Additional Voluntary Contributions plus any personal pensions or any pensions you still have from previous employers' schemes. The State pension is excluded from the Lifetime Allowance calculations.

The Lifetime Allowance is £1.5m from 6 April 2012.

Pensions are valued in the following way for measurement against the Lifetime Allowance:

Pensions commencing after 5 April 2006	20 x Annual Pension
Lump Sums and DC Account funds (Money Purchase funds) taken after 5 April 2006	Face Value
Pensions in Payment before 6 April 2006	25 x Annual Pension*

**The higher factor is because under the HMRC regulations it is assumed that, in most cases, a tax-free lump sum will have been taken.*

Further information regarding Lifetime Allowance can be found on the HM Revenue and Customs website at <http://www.hmrc.gov.uk/pensionschemes/lifetime-allowance/index.htm>

As the Lifetime Allowance has been set at a high level, very few people are likely to be affected by it. If your ITB Scheme benefits push you over the Lifetime Allowance, the Trustees will require you to take the excess as a lump sum when you retire, which would be taxed at the rate of 55%. It is your responsibility to let the **Funds' Office** know of all your pension arrangements to help with the Lifetime Allowance calculation when you retire.

Please contact the **Funds' Office** for help with the Lifetime Allowance.

Annual Allowance

The **Annual Allowance** (AA) is the maximum tax-free increase in the value of your pension benefits that is allowed in the **Pension Input Period** (PIP). The Annual Allowance for the 2012/13 and subsequent tax years is £50,000.

If the Annual Allowance is exceeded in any particular year, you will be liable to a tax charge at your marginal rate on the amount by which the value of your pension exceeds £50,000.

The Annual Allowance is calculated under the **Scheme** as being the contributions paid into the Scheme (both your own contributions and those made on your behalf by your **Employer**). Your own contributions include the tax relief you are given on pension contributions.

Further information regarding Annual Allowance can be found on the HM Revenue and Customs website at <http://www.hmrc.gov.uk/pensionschemes/annual-allowance/index.htm>

Pension Input Period

Every registered pension scheme has to have a Pension Input Period, which determines the time period used to measure the benefit accrued by a pension scheme member for tax purposes. The **Trustees** have determined that the Pension Input Period for the Scheme is 1st April to 31st March.

Other Information

Changing or terminating the Scheme

The **Trustees** have power to change the terms of the Scheme. You will be notified if there are material changes which affect you.

In addition your **Employer** has the right to withdraw from the **Scheme**, or the Scheme can be terminated in certain circumstances. If your Employer withdraws or the Scheme is terminated, no further contributions will be paid, but the Trustees will use your Account to secure benefits for you.

Protecting your data

The Trustees are registered with the Information Commissioner as “data controller” in respect of the Scheme. Information which the Trustees hold about you may be used for by the Trustees and third parties (such the Scheme’s administrators and any Provider) for purposes relating to the Scheme. You can ask to see the data which the Trustees hold about you at any time.

You have the right of access to your relevant personal data records and in accordance with the terms of the 1998 Act this is currently subject to a nominal fee. If you wish to exercise this right at any time you should contact the ITB Pension Funds Office with your request. Following your payment of the appropriate fee the Funds’ Office then has a forty day period to supply the relevant personal data.

Help and Advice

More Information

More information can be found on the ITB-Online Website www.itb-online.com

Queries

If you have any queries you can contact the ITB Pension Funds by:

Post: ITB Pension Funds, 23 King Street, Watford, Hertfordshire, WD18 0LR.

Telephone: 01923 226264

Fax: 01923 818981

Email: pensions@itbpen.com

Internal Dispute Resolution Process

The Pensions Act 1995 (as amended by the Pensions Act 2004) requires that all pension schemes have a formal internal dispute resolution procedure in place allowing members, prospective members, beneficiaries and contingent beneficiaries an avenue for complaint.

It is hoped that Members and beneficiaries will always be pleased with the service provided by the ITB Pension Funds' Office and that no one has reason to complain.

However, in the unlikely event that a complaint arises and a member of the Funds' staff fails to provide a satisfactory answer, then a copy of the formal Internal Disputes Resolution procedure is available upon request to: The Director, The ITB Pension Funds, 23 King Street, Watford, WD18 0BJ.

Help and Advice (cont.)

External Pension Bodies

Pensions Advisory Service

TPAS (The Pensions Advisory Service) is available at any time to assist members and beneficiaries of the scheme in connection with any:

- (a) pensions query they may have; or
- (b) difficulty which they have failed to resolve with the trustees or administrators of the scheme,

You can contact TPAS by:

Post: 11 Belgrave Road, London, SW1V 1RB

Telephone: 0845 6012923

Fax: 02075 927000

Email: enquiries@pensionsadvisoryservice.org.uk

The Pensions Ombudsman

The Pensions Ombudsman appointed under section 145(2) of the 1993 Act may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme made or referred in accordance with that Act.

The Pensions Ombudsman can be contacted by:

Post: The Office of the Pensions Ombudsman, 11 Belgrave Road, London, SW1V 1RB

Telephone: 02076 302200

Fax: 02078 2100665

Email: enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The Regulatory Authority is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. You can contact The Pensions Regulator by:

Post: Napier House, Trafalgar Place, Brighton, BN1 4DW

Telephone: 0870 6063636

Fax: 0870 2411144

Email: customersupport@thepensionsregulator.gov.uk

Pension Tracing Service

The Pension Tracing Service can be used to contact the Trustees of another Employer's pension scheme which you have lost touch with. You can contact the Pension Tracing Service by:

Post: Pension Tracing Service, The Pension Service, Tyneview Park, Whitley Road, Newcastle Upon Tyne, NE98 1BA

Telephone: 0845 6002537

Financial Services Authority

The Financial Services Authority (FSA) is the regulator of the financial services industry in the UK. They can be contacted by:

Post: 25 The North Colonnade, Canary Wharf, London, E14 5HS

Telephone: 020 7066 1000

A further source of information regarding Financial Advisers can be found on the IFA Promotions:

www.unbiased.co.uk

The Money Advice Service

The Money Advice Service was set up by the Government to provide clear and unbiased information about financial matters.

Website: www.moneyadvice.service.org.uk

HMRC

HMRC offer information about tax. There is a section on their website which deals specifically with tax issues for pensioners.

Website: www.hmrc.org.uk

Directgov

This Government website provides information about pensions and retirement planning. The website explains how to contact the DWP's Pension Service for information about State benefits, and how to use the Pension Tracing Service.

Website: www.direct.gov.uk

Glossary

Active Member

An employee who is a member of the **Scheme** and accruing benefits and/or paying contributions under the Scheme.

Annual Allowance

The total pension savings that you can build-up from all sources in any one **Pension Input Period** without incurring a tax charge. (Excludes State pension benefits).

Annuity

A pension bought from an insurance company using your DC Account fund at retirement. It is a financial product which guarantees to provide you with an income at retirement.

Basic State Pension

The flat rate pension provided by the State, where the amount currently depends on your National Insurance contribution record.

Cautious Risk

If you've got a cautious attitude to risk, it's likely that, when investing your money, you look for the security that your investment's value won't go up and down a lot.

DC Account

The value of units purchased with both your own and the contributions paid by your Employer on your behalf.

Default Investment Option

Contributions paid by you and your Employer are invested using a fixed investment pattern in a range of pre-selected investment funds. Sometimes referred to as a **Lifestyle Fund**.

Defined Contribution Scheme

A pension scheme, like the ITB DC Section, where the pension benefits are based on the value of the contributions paid in by a member and their Employer.

Employer

The Employer with whom you have a contract of employment relevant to the DC Section.

Flexible Retirement

The ability to take all or some benefits from the scheme while remaining in the same employment.

High Risk

If you're prepared to take high risk, it's likely that you're an experienced and knowledgeable investor, whose primary aim is to achieve the highest possible returns on your money, while accepting that this means taking substantial risks.

Lifestyle Fund

An investment fund featuring an asset mix determined by the level of risk and return that is appropriate for your age.

Lifetime Allowance

The total pension savings that you can build-up from all sources during your lifetime, without incurring an extra tax charge (the lifetime allowance charge).

Minimal Risk

If you're only prepared to take minimal risk it's likely that your main concern is the security of your money.

Open Market Option

The option to apply the proceeds of your **DC Account** to buy an annuity/pension at a current market rate from another insurance company.

Paid-up Benefits

A preserved pension benefit which may be secured with a provider either by you on your behalf when you cease paying contributions.

Glossary (cont.)

Pension Input Period

The period over which the **Annual Allowance** is calculated. The Pension Input Period for the ITB Pension Funds is from 1 April to the following 31 March each year.

Pension Sharing Order

An order made by the Courts which makes provision for a member's pension rights to be split on divorce.

Pensionable Salary

Your annual basic salary excluding any overtime, bonuses or other fluctuating payments and is the salary basis for contributions and life assurance cover under the Scheme.

Pensionable Service

Service you complete whilst an Active Member.

Provider

An insurance company appointed by the Trustees to provide investments or Annuities in relation to the **Scheme**.

Qualifying Service

The period of service completed during which contributions were made into the pension by you and your Employer.

Salary Sacrifice

An agreement between you and your Employer whereby you forgo part of your future earnings. In return you are relieved from the obligation to pay contributions to the **Scheme** – instead your **Employer** pays a corresponding contribution on your behalf.

Scheme

The DC Section of the ITB Pension Funds.

Scheme Year

The financial year of the **Scheme**. The ITB Pension Funds' Scheme Year is 1 April to 31 March.

State Second Pension (S2P)

The S2P provides an additional pension from State Pension Age. You will normally accrue S2P pension whilst a member of the **Scheme**. Although S2P may be deferred beyond State Pension Age, it may not be paid early.

Transfer Value

The value which you may require to be paid as part of a Pension Sharing Order, or as part of a transfer of benefits to another pension scheme.

Trustees

Those responsible for the management and administration of the **Scheme** in accordance with the formal documents that govern the Scheme and relevant UK legislation. They are also responsible for the safekeeping of the money and investments belonging to the Scheme.

Trust Deed and Rules

The ITB Pension Funds' Trust Deed and Rules as amended from time to time. The Trust Deed and Rules include provisions about the powers and duties of the Trustees and Employers, and the basis on which contributions must be paid and benefits are provided.

Waiting Period

A period of service specified in the DC Section rules which you must serve before being entitled to join the **Scheme**.

Nomination Form

Lump Sum Death Benefit - DC Scheme



To be completed by Employee/Member/Pensioner

Once completed, please return to ITB Pension Funds' Office, 23 King Street, Watford WD18 0BJ

In the event of my death I should like the Trustees to consider paying any lump sum payable under the Scheme rules to the following:

Full Name	Address	Relationship to Member	Share (Percentage)
1.			
2.			

(must total 100%)

In the event that he/she/they predecease me I should like the Trustees to consider paying any lump sum payable under the Scheme rules to the following:

Full Name	Address	Relationship to Member	Share (Percentage)

(must total 100%)

I fully understand that my wishes are in no way binding on the Trustees and I may, at any time, revoke or revise this nomination by completing another Nomination Form. Moreover, if I join/joined the DC Section later than after 3 months after first joining. I acknowledge that a death-in-service lump sum/life assurance benefit may not apply.

I give my consent for the Trustees of the Scheme to record and hold this data on my file until such a time as it is superseded.

If you wish to expand on why you wish the Trustees to consider payment of part or all of the lump sum benefit in a certain way you can provide details, in confidence, on the reverse of this form.

I also acknowledge that the Trustees may process data which relates to me during the course of my membership of the Scheme in order to carry out their functions as Trustees of the Scheme. I agree that the Trustees may record and hold such data and make it available to third parties in the ordinary course of those functions. I understand that the Trustees and any such third party will comply with the underlying principles of the Data Protection Act 1998.

Full Name: _____ Signature: _____ This form is invalid if not signed

Private Address: _____

Company: _____ Date: _____

Please return the completed form to the ITB Pension Funds Office, 23 King Street, Watford, Herts WD18 0BJ, for safekeeping. The Trustees will take note of your wishes when considering who should receive the lump sum, such as relatives, dependants and others.

Continue overleaf if required

Nomination Form

Lump Sum Death Benefit - DC Scheme

Nominees continued.

Full Name	Address	Relationship to Member	Share (Percentage)

(must total 100%)

Opt-out Form

DC Scheme



Please print this form, complete and pass to your Employer (HR or Payroll Department).

If you are a permanent or fixed-term employee of an Employer who participates in the ITB Pension Funds, you will be eligible to become a member of the DC Section ('the Scheme') for pension benefits on the first day of your employment or after any waiting period as advised by your Employer.

Please complete this form if, having read the appropriate literature and considered your options, you wish to opt out of membership of Scheme.

About you

Full Name: _____

Date of Birth: _____ National Insurance Number: _____

Employer: _____

Please tick one of the options below as they apply to you:

I wish to Opt-Out of joining the Scheme (OPTION 1)

I wish to Opt-Out of the Scheme, with effect from _____ (OPTION 2)

By Opting-Out I understand that:

- I will not pay any/further contributions into the Scheme and neither will my Employer on my behalf.
- I will not be covered for any death in service lump sum life assurance benefits under the Scheme.
- Where I have earned benefits in the Scheme I will be entitled to those benefits as described within the 'Ceasing to be an Active Member' section of the Member Booklet (available from www.itb-online.co.uk).
- My ability to rejoin the Scheme will be subject to the agreement of my Employer and the Trustees.

I understand, upon ceasing active membership of the Scheme and have two or more years qualifying service, if I do not transfer my DC Account to another arrangement, my DC account in the DC Section may be transferred to a pension arrangement in my own name.

The ITB Open Fund DC Section is currently administered by Legal & General Assurance Society Limited (L&G). By signing this, I acknowledge that my employer will pass certain personal data it collects about me to Legal & General, which might reasonably be required by them to manage my DC account. Legal & General will hold and process your personal data for those purposes as the data controller and any enquiries concerning the processing of my personal data in connection with the ITB Open Fund DC Section should be sent to Legal & General at Legal & General Assurance Society Limited, City Park, The Droveaway, Hove, BN3 7PY.

Signed: _____ Date: _____

Note to Employer:

- If Employee has elected OPTION 1 the Employer should retain the form to confirm as a record that employee decided not to join the Scheme.
- If Employee has elected OPTION 2, then please forward this form with the relevant leaver documentation to The ITB Pension Funds' Office.





Additional Contributions Form - DC Scheme



Use this form if you would like to:

- Start paying additional contributions
- Change how much you pay in additional contributions
- Stop paying additional contributions

Complete the highlighted sections:

1	2	3	4	5
---	---	---	---	---

1	2	3	4	5
---	---	---	---	---

1	2	3	4	5
---	---	---	---	---

Any changes affecting how much you pay in additional contributions will take place on the next available payroll run (unless you advise a later date of commencement).

1. About you

Miss/Mrs/Ms/Mr/Other: _____ Surname: _____

Forenames: _____

Date of Birth: _____ National Insurance Number: _____

Employer: _____

Address: _____

_____ Post Code: _____

2. Start paying additional contributions

Please complete this section if you would like to **start** paying additional contributions, either as a monthly amount or as a one-off payment. Please note the total contributions paid (including your and your employer contributions) for the year must not exceed the Annual Allowance as described in the member booklet found on www.itb-online.co.uk.

Making regular payments

I wish to start paying additional contributions regularly of: _____ % a month (this is the percentage in addition to your regular contribution percentage as shown in the member booklet, found on www.itb-online.co.uk).

I would like my additional contributions to be deducted from my salary with effect from: _____

Making a one-off payment

I wish to make an additional contribution as a one-off lump sum payment of: £ _____

I would like this one-off payment to be deducted from my salary with effect from: _____

I understand that my contributions will be deducted on the next available payroll run.

Continued overleaf



Additional Contributions Form - DC Scheme

3. Stop paying additional contributions

Please complete this section if you would like to **stop** paying additional contributions.

I wish to stop paying additional contributions as soon as possible after: _____

4. Change your payment

Please complete this section if you would like to **change** the amount of your additional contributions.

I wish to change the amount I pay in additional contributions to: _____ % a month (this is the percentage in addition to your regular contribution percentage as shown in the member booklet, found on www.itb-online.co.uk).

I would like my additional contributions to be deducted from my salary with effect from: _____

5. Confirmation

I authorise my Employer and the ITB Pension Funds to carry out my instructions as set out in this form. I understand that my instructions will take effect as soon as possible upon receipt of my completed form.

The ITB Open Fund DC Section is currently administered by Legal & General Assurance Society Limited (L&G). By signing this, I acknowledge that my employer will pass certain personal data it collects about me to Legal & General, which might reasonably be required by them to manage my DC account. Legal & General will hold and process your personal data for those purposes as the data controller and any enquiries concerning the processing of my personal data in connection with the ITB Open Fund DC Section should be sent to Legal & General at Legal & General Assurance Society Limited, City Park, The Droveaway, Hove, BN3 7PY.

Signed: _____ Date: _____

Note to Employer:

Please amend your records immediately and forward this form to The ITB Pension Funds' Office.

Investment Option Form

DC Scheme



About you

Miss/Mrs/Ms/Mr/Other: _____ Surname: _____

Forenames: _____

Date of Birth: _____ National Insurance Number: _____

Employer: _____

Address: _____

_____ Post Code: _____

Effective Date

The change(s) detailed in this form are to be effective from: _____

Declaration

The ITB Open Fund DC Section is currently administered by Legal & General Assurance Society Limited (L&G). By signing this, I acknowledge that my employer will pass certain personal data it collects about me to Legal & General, which might reasonably be required by them to manage my DC account. Legal & General will hold and process your personal data for those purposes as the data controller and any enquiries concerning the processing of my personal data in connection with the ITB Open Fund DC Section should be sent to Legal & General at Legal & General Assurance Society Limited, City Park, The Droveaway, Hove, BN3 7PY.

I authorise the ITB Pension Funds and its nominated provider to carry out my instructions set out in this form. I understand that my instructions will take effect as soon as possible after receipt of this form, unless an effective date is shown above.

Signed: _____ Date: _____

Continued overleaf

Investment Option Form

DC Scheme

Investment Options

You have a number of investment funds in which to choose to invest your own contributions and the contributions your Employer makes on your behalf. The funds give you access to the four major asset classes (shares, Government and company bonds, property, and cash) and range from low risk to high risk.

If you do not complete this Investment Choice Form stating the available fund or funds in which you wish to invest then your contributions, and those made on your behalf by your Employer, will by default be invested in the Default Investment Option. This invests across a range of investments according to the period to your retirement. You may also actively choose to invest in the Default Option. The Default Option may not be suitable for everyone.

Further details of the funds in which you are able to Invest can be found in the Scheme Member Booklet and on the ITB-Online website (www.itb-online.co.uk).

This Investment Choice Form can be used for those who are/have recently joined the Scheme and for those who wish to switch between funds.

Completing the form

Section A allows you to make a decision as to whether you invest in one or more of the eight funds available to you, or allows you to actively invest according to the ITB (Lifestyle) Default Option. Simply tick the investment option according to which you wish your future contributions to be invested.

PLEASE NOTE: If you do not indicate how you wish your contributions to be invested on this form by ticking one of the boxes above, then all contributions paid on your behalf will be invested in the Default Option. You are however able to subsequently switch your investment out of the Default Option into any of the other available funds as you may wish.

Section B allows you to switch between the eight funds in which you are able to invest.

Investment Option Form

DC Scheme

Section A – Investment Decision

I would like to invest my DC Account using the approach indicated below
(Please tick either the Lifestyle Option or the Fund Choice).

Fund Choice

With the Fund Choice Option, you can change how your future contributions are invested by completing the table below.

Please insert the percentage that you would like to invest in each fund in the relevant columns below.

Fund	Your Future Contributions
Global (part UK/part overseas) Equity Fund	
Diversified Growth Fund – Standard Life Fund	
Diversified Growth Fund – Newton Fund	
UK Index-Linked Government Bond	
UK fixed-interest Government Bond	
UK Corporate Bond	
Ethical	
Shariah	
Cash	
Total	100%

ITB Default (Lifestyle) Option

The ITB Default (Lifestyle) Option applies to both your future contributions and how your existing DC Account is invested. Therefore, if you select the Default Option your current DC Account will be automatically re-invested according to the Default Option.

Please insert below your selected retirement age. This may be set at the earliest as age 55. The age will determine when your investments start to switch automatically out of the growth funds into the lower volatility funds such as Bonds and Cash prior to your retirement date. If you do not select a Target Retirement Age, we will use the default retirement age, which is age 65.

My selected retirement age is

Even though this reflects your intentions of when you wish to draw your pension, this does not commit you to retiring at this date and you may subsequently change this at any time by completing another Investment Option Form And returning it to the ITB Pension Funds' Office.

Investment Option Form

DC Scheme

Section B – Switch of Existing Investment

Please confirm below the percentages of the existing investment to be switched, the fund(s) to which the investment is now to be applied and the proportion to be applied to these funds. Please use the example for guidance purposes.

Example A member currently invests 50% of their DC Account in the Cash Fund. They want to switch this investment to the Diversified Growth Fund and UK Corporate Bond, with 25% into the Diversified Growth Fund and 75% in the UK Corporate Bond. This would be shown as:

Investment Fund	% of existing investment to be switched	Fund(s) into which the investment is now to be applied	% of amount being switched to be applied to each new fund
Cash Fund	100%	Diversified Growth Fund	25%
		UK Corporate Bond	75%

Investment Fund	% of existing investment to be switched	Fund(s) into which the investment is now to be applied	% of amount being switched to be applied to each new fund
	%		%
			%
			%
	%		%
			%
			%

If you require further boxes, please continue on a separate sheet of paper and enclose with the form.









Pension Funds

'ITB-Online': www.itb-online.co.uk