# Know your pension

Your member booklet for the Defined Benefits (DB) Section of the FDR Limited Pension Scheme (the Scheme)

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# An Introduction to the Scheme

The defined benefit (DB) section of the FDR Limited Pension Scheme closed to new members on 1 August 2004 and closed to future accrual on 30 June 2009. This booklet describes the DB Section of the Scheme for those members who have deferred benefits remaining in the Scheme.

The DB Section operated two tiers of pension benefit, the 60ths tier and the 80ths tier. The 80ths tier was introduced on 1 August 2004. All members of the DB Section were in the 60ths tier prior to 1 August 2004, but had the option of switching to the 80ths tier for service from 1 August 2004 onwards.

The DB Section was closed on 30 June 2009. Although Pensionable Service ceased on this date, benefits continued to be linked to salary until 31 December 2012.

## What benefits does the Scheme provide?

The main benefits can be summarised as: -

- A pension for you when you retire. Your pension will be paid in monthly instalments for the rest of your life;
- The opportunity to exchange part of your pension for a lump sum (currently free of tax) when you retire;
- A pension for your wife, husband or civil partner upon your death, whether you die before or after retiring. Their pension will be paid in monthly instalments for the rest of their lives.

The level of retirement benefits you receive will depend on: -

- Your Pensionable Earnings
- Whether you have been a member of the 60ths tier or the 80ths tier of the DB Section, and
- Your length of Pensionable Service in each tier of the DB Section.

## Who runs the Scheme?

The Scheme is administered by a Trustee Board. The assets of the Scheme are held in a trust fund that is entirely separate from the Company or any employer assets. The Scheme is registered with Her Majesty's Revenue & Customs (HMRC), which means that both you and the Scheme benefit from certain levels of tax relief. The DB Section of the Scheme was contracted out of the Additional State Pension. As a result you will have paid reduced National Insurance Contributions.

This booklet provides a simple explanation of the main aspects of the Scheme. For full details of the Scheme's rules, you should refer to the Trust Deed and Rules. A copy is available on request from the FDR Limited Pension Scheme helpline (see below). In the event of any inconsistency between this booklet, or any previous announcements, and the provisions set out in the Trust Deed and Rules, the Trust Deed and Rules will prevail.

## Where can I find out more?

If you would like more information about the Scheme, you can contact the FDR Limited Pension Scheme helpline:

**By Email:** fdr@capita.co.uk

**By Phone:** 0345 604 5316

**By Post:** FDR Limited Pension Scheme, Capita, PO Box 555, Stead House, Darlington, DL1 9YT

**Online**: www.fdrlimitedpensionscheme.com

This booklet applies to employees and former employees who are members of the DB Section of the Scheme and is current at June 2020. The terms and conditions under which the DB Section operates are subject to change at any time as provided for in the Trust Deed and Rules.

# Jargon Buster

Some words have a specific meaning when used in the context of the pension scheme. Words that are used in this booklet are defined below.

| | |
|---|---|
| ***Basic State Pension*** | This means the annual rate of the single person's full basic state pension applicable at the time your pension is calculated (i.e. the earliest of your retirement, leaving service, or leaving the DB Section). For example the Basic State Pension was £4,953 for the 2009/10 tax year when the DB Section was closed. |
| ***Company*** | This means FDR Limited and any associated companies which participate in the Scheme. |
| ***DB Section*** | This means the defined benefit section of the Scheme as described in this booklet. |
| ***DB Section Closure Date*** | This is 30 June 2009. |
| ***Earnings Cap*** | This was the maximum remuneration allowed by the Inland Revenue upon which your contributions and benefits can be calculated. It continues to apply to members who joined the Scheme on or after 1$^{st}$ June 1989. For the 2009/10 tax year when the DB section closed the Earnings Cap was £123,600. |
| ***Guaranteed Minimum Pension (GMP)*** | This is the minimum pension which the ***Scheme*** must pay you as a result of contracting out of the State Earnings Related Pension Scheme (SERPS). It is calculated in roughly the same way as SERPS and accrues in respect of any Pensionable Service you may have from 6$^{th}$ April 1978 to 5$^{th}$ April 1997. See the section on State Pensions and Contracting Out for further information. |
| ***Normal Retiring Date*** | If you joined before 1 March 1992 this is your 60$^{th}$ birthday. If you joined on or after 1 March 1992 it is your 65$^{th}$ birthday. For Former Lloyds Cardnet employees who transferred to the Scheme on 1 January 1998, it is your 60$^{th}$ birthday. |
| ***Pensionable Earnings*** | This figure is, at any time, the annual rate of your basic salary (where applicable subject to the Earnings Cap as noted above). The Pensionable Earnings used to calculate your benefits will depend on when you left the Scheme:<br><br>If you left the Scheme before 30 June 2009 your benefits will be based on your Pensionable Earnings on the date that you left the Scheme.<br><br>If you were a member of the Scheme until its closure on 30 June 2009, and you remained employed by the Company until at least 31 December 2012, your benefits will be based on your Pensionable Earnings as at 31 December 2012. |

If you were a member of the Scheme until its closure on 30 June 2009 but your employment with the Company ended before 31 December 2012 your benefits will be based on your Pensionable Earnings on the date you left the Company.

| | |
|---|---|
| ***Pensionable Service*** | This is the period of your service with the Company from the date you are admitted to the Scheme up to your date of leaving service or the DB Section Closure Date whichever is earliest.<br><br>If you worked part-time, or changed your part-time hours, your Pensionable Service for the period prior to the change will be multiplied by the number of hours worked before the change over the number of hours worked after the change. |
| ***Scheme*** | This means the FDR Limited Pension Scheme. |

# Eligibility & Contributions

## Who is eligible to become a member?

With effect from 30th June 2004 the DB Section closed to new members. No new members were admitted after this date.

## Can I join the defined contribution section of the Scheme?

The Scheme also operates a defined contribution section (the 'DC Section') but this is also closed to new members and new contributions. If you have contributed to the DC Section you should refer to the separate handbook available on the Scheme website.

## How much do I pay?

All Member contributions to the DB Section ceased when the DB Section Closed to future accrual.

## How much does the Company pay?

FDR Limited continues to support the Scheme. Every three years the Scheme's actuary performs a valuation of the Scheme and annual updates take place for the years in between. If there is a shortfall in the funding of the Scheme, the Company pays contributions to make good any shortfall. Therefore, even though the funding level may be below 100%, benefits can continue to be paid in full.

The Trustees are required by law to give members of the Defined Benefit Section of the Scheme a summary funding statement following each actuarial valuation or actuarial report on funding. This is usually provided within the Scheme newsletter. You can register to receive this electronically by visiting the Scheme website.

# Benefits on Retirement

## When will I receive my retirement benefits?

Your benefits will be payable from your Normal Retiring Date. The Scheme administrators will contact you shortly before this date to arrange for the benefits to be paid.

Note that if you are a woman who joined the Scheme between 1 March 1992 and 5 April 1997, or if you joined after 5 April 1997 and transferred benefits into the Scheme, you may be entitled to receive a Guaranteed Minimum Pension from age 60 even though your Normal Retiring Date is 65. You are entitled to take your benefits at age 60 if you wish, but any benefits over and above your GMP will be reduced for early payment. You should contact the Scheme helpline if you intend to take your benefits at age 60. If you do not take your benefit at age 60 you will be deemed to have postponed your GMP and the Scheme administrator will contact you when you reach age 65 to arrange for your benefits to be paid.

## How much pension will I receive?

The amount of pension you receive will depend on when you joined and left the Scheme. It will also depend on your Pensionable Earnings and whether you remained in the 60ths tier or moved to the 80ths tier. You can use the table below to find the formula that applies to you. You should also refer to your individual deferred benefit statement for details of your own pension entitlement and any special terms which might apply to you.

## How is my pension calculated?

**If you joined before 1 March 1992 and stayed in the 60ths tier:**

1/60$^{th}$ x Pensionable Service x Pensionable Earnings

**If you joined before 1 March 1992 and opted to switch to 80ths tier:**

1/60$^{th}$ x Pensionable Service in the 60ths tier x Pensionable Earnings
PLUS
1/80$^{th}$ x Pensionable Service in the 80ths tier x Pensionable Earnings

**If you joined on or after 1 March 1992 and stayed in the 60ths tier:**

1/60$^{th}$ x Pensionable Service x Pensionable Earnings
LESS
1/40$^{th}$ x Pensionable Service x Basic State Pension at date of leaving

**If you joined on or after 1 March 1992 and opted to switch to 80ths tier:**

1/60$^{th}$ x Pensionable Service in the 60ths tier x Pensionable Earnings
PLUS
1/80$^{th}$ x Pensionable Service in the 80ths tier x Pensionable Earnings
LESS
1/40$^{th}$ x Pensionable Service x Basic State Pension at date of leaving

**If you transferred from Cardnet on 1 January 1998 and stayed in the 60ths tier:**

1/60$^{th}$ x Pensionable Service x Pensionable Earnings
LESS
1/80$^{th}$ x Pensionable Service x Basic State Pension at date of leaving

**If you transferred from Cardnet on 1 January 1998 and opted to switch to the 80ths tier:**

> 1/60th x Pensionable Service in the 60ths tier x Pensionable Earnings
> PLUS
> 1/80th x Pensionable Service in the 80ths tier x Pensionable Earnings
> LESS
> 1/80th x Pensionable Service x Basic State Pension at date of leaving

Please refer to the Jargon Buster for an explanation of the terms used in this section.

## Will my pension increase between my date of leaving and my retirement?

To help protect your preserved pension against inflation, it will be increased between the date you leave the Scheme and your Normal Retiring Date (or the date you take your pension, if earlier).

Any amount in respect of Guaranteed Minimum Pension (GMP) will be increased by a fixed percentage for each tax year between your date of leaving and age 65 (or age 60, if you are a woman). Details of the fixed percentage that applies to you will have been stated on your deferred benefit statement.

If you take your benefits after the date on which GMP becomes payable (Age 65 for a man or age 60 for a woman, known as 'GMP Age'), your GMP will be increased by 1/7% for each week beyond GMP Age. In addition, you would receive any pension increases that would have applied to your GMP had it been in payment from GMP Age.

Note that if you are a woman who joined the Scheme between 1 March 1992 and 5 April 1997, or if you joined after 5 April 1997 and transferred benefits into the Scheme, you may be entitled to receive a Guaranteed Minimum Pension from age 60 even though your Normal Retiring Date is 65. You are entitled to take your benefits at age 60 if you wish, but any benefits over and above your GMP will be reduced for early payment. You should contact the Scheme helpline if you intend to take your benefits at age 60. If you do not take your benefit at age 60 you will be deemed to have postponed your GMP and the Scheme administrator will contact you when you reach age 65 to arrange for your benefits to be paid.

The amount in excess of your GMP will be increased in line with the increase in the Retail Prices Index for each complete year between your date of leaving and your Normal Retiring Date, but subject to a maximum of 5% a year.

If you left the Scheme when it closed on 30 June 2009 your pension will have remained linked to your Pensionable Earnings until 31 December 2012. If, between 30 June 2009 and 31 December 2012 your salary increased by more than the increase described above, your pension will be based on your Pensionable Earnings at 31 December 2012. The increases described above will then apply from 31 December 2012 onwards. Note that the GMP element is subject to revaluation in line with a fixed percentage from 30 June 2009. If your salary increased by more than the fixed percentage over the period up to 31 December 2012, any additional increases will be added to your pension in excess of your GMP.

## Can I take a lump sum when I retire?

When you retire you will have the option to exchange part of your pension for a tax free cash lump sum. This is known as a Pension Commencement Lump Sum.

The maximum amount you can receive is 25% of the value of your total benefit. The amount by which your pension is reduced is determined by a conversion factor known as a 'commutation factor'. The commutation factor varies according to your age. The factors are reviewed from time to time to ensure they offer a fair value to members. Currently the commutation factor for a member retiring at age 65 is 18.03. This means that a member retiring at age 65 would receive a lump sum of £18.03 for each £1 of pension given up.

The following formula is used to determine the maximum cash lump sum available:

(20 x Pension x Commutation Factor) / (20 + 3 x Commutation Factor)

For example, if you retire at age 65 with a pension of £10,000 a year the maximum cash lump sum would be calculated as follows:

(20 x £10,000 x 18.03) / (20 + 3 x 18.03) = £48,670

If you opted to receive the maximum cash lump sum your pension would be reduced using the formula:

Pension – Lump Sum / Commutation Factor

Using the example above, your reduced pension would be:

£10,000 - £48,670 / 18.03 = £7,300 a year

Note – If you have benefits in the DC Section, or have paid AVCs, you are able to draw your cash lump sum from any part of your benefits, so you will be able to take your tax-free cash allowance from your DC or AVC benefits first before reducing your DB pension. This will only apply if you take your DB and DC and/or AVC benefits at the same time. The calculation will be different from the example shown above. Further details will be provided on retirement.

## How will my pension be paid?

When you retire your pension will be payable for life. Your pension will normally be paid in the following manner: -

- Your pension will take effect from the day you retire and continue for the rest of your life;
- It will be paid in equal instalments directly into your bank account at the beginning of each month;
- Your pension will cease upon your death with the final instalment being the last one falling due immediately before your death;
- Any pension payable to your dependants after your death will similarly be paid in monthly instalments, with effect from the date of your death;
- Your pension will be subject to income tax which will be deducted from your pension payment each month. The amount of tax you pay will depend on your personal circumstances.

## Will my pension increase in payment?

Your pension will be increased in payment to give you some of protection against inflation. Increases will be applied annually on 1 April. The first increase after you retire will be a proportionate amount based on the number of complete months between your date of retirement and your first pension increase.

Your pension will be increased as follows:

- Any Guaranteed Minimum Pension (GMP) will be increased in line with statutory requirements. Currently this means that GMP relating to service before 6 April 1988 will not be increased and GMP relating to service from 6 April 1988 to 5 April 1997 will be increase in line with the Consumer Prices Index (CPI) up to a maximum of 3% each year.

- Any pension arising from Additional Voluntary Contributions will be increased at the rate chosen by you on retirement.

- Any other pension will be increased in line with the Retail Prices Index (RPI) up to a maximum of 5% each year.

- Any pension relating to pensionable service before 20 June 1991 (other than GMP and pension resulting from the payment of AVCs) is subject to an underpin to ensure that your increase is no less than you would have received under the previous Rules in force before this date. (See below for more details)

Note that Guaranteed Minimum Pension becomes payable from age 60 for a women (although it may be postponed in practice until you retire from the Scheme, as described above) or from age 65 for a man (known as GMP Age). If you retire before GMP Age, your entire pension will initially be increased in line with the RPI up to a maximum of 5% until you reach GMP Age. It will then be separated out as indicated above. For example if you are male retiring at age 60, your entire pension will increase in line with RPI up to 5% a year until you reach age 65. From then onwards, the GMP would be increased by up to 3% a year, as detailed above, and the remainder of your pension would continue to increase by RPI up to 5% a year.

The increases can be summarised as follows:

<table>
<tr><th>Pension Element</th><th>Increases before age 60 (females) or age 65 (males)</th><th>Increases after age 60 (females) or age 65 (males)</th></tr>
<tr><td>GMP relating to service between 6 April 1978 and 5 April 1988</td><td rowspan="3">In line with RPI to a maximum of 5% a year</td><td>No increase</td></tr>
<tr><td>GMP relating to service between 6 April 1988 and 5 April 1997</td><td>In line with CPI to a maximum of 3% a year</td></tr>
<tr><td>Scheme pension in excess of GMP</td><td>In line with RPI to a maximum of 5% a year</td></tr>
<tr><td>Scheme pension in excess of GMP relating to service before 20 June 1991</td><td colspan="2">Each year the pension will be compared to an underpin based a 3% annual increase since retirement (see below)</td></tr>
<tr><td>Pension resulting from AVCs</td><td colspan="2">Rate chosen on retirement</td></tr>
</table>

**Pension Increase Underpin for Pensionable Service before 20 June 1991**

An underpin applies to any pensioner who was in active service at any time before 20 June 1991. If you were in employment as a member of the Scheme at any time before 20 June 1991 your pension will be compared to the underpin.

On retirement, we will calculate how much of your pension related to Pensionable Service before 20 June 1991. Then on each 1st April we will calculate the increase to your pre-June 1991 pension in two ways:

A = Pre-June 1991 pension increased in line with RPI up to 5% each year since retirement
(or since 20 June 1991 if you had already retired before then)

B = Pre-June 1991 pension by 3% a year since retirement

Your pre-June 1991 pension will be the higher of A or B. We will continue to make this comparison every year and you will receive the higher of the two results.

## Can I retire earlier than my Normal Retiring Date?

You may apply for an early retirement pension any time from age 55* onwards subject to the agreement of the Trustees. You do not have to leave employment to take your benefits but any pension that you will receive will be subject to income tax alongside any earned income.

The pension you receive will be reduced for early payment to take account of the fact that it will be payable over a longer period of time. The amount of the reduction is reviewed from time to time based on the advice of the Scheme's actuary.

If you unable to work because of ill health, it may be possible retire earlier than age 55 if you are able to provide satisfactory medical evidence.

* The minimum retirement age is increasing from age 55 to age 57 in the year 2028 and is then expected to be set at 10 years before State Pension Age.

## Can I retire later than my Normal Retiring Date?

If you continue working beyond your Normal Retiring Date, you will have the following options:

- You can take your pension on reaching your Normal Retiring Date; or

- You may defer the payment of your pension until the date of your actual retirement or age 75 if earlier. Your pension will be calculated at your Normal Retiring Date but then be increased to take account of the period for which payment was postponed. The rate of increase is determined by the Trustees based on advice from the Scheme's actuary. The rate of increase is reviewed from time to time to ensure it offers a fair value to members.

# Benefits on Death

## What happens if I die before taking my benefits?

If you die before taking your benefits a pension will usually be paid to your Spouse or Civil Partner. A lump sum may also be payable. The benefit will depend on your circumstances:

## Death in Service before Normal Retiring Date

If at the time of your death you are still working for FDR Limited and you were a member of the DB Scheme at the closure date on 30 June 2009, your Spouse or Civil Partner would be entitled to a pension based on the greater of:

- one-third of your Pensionable Earnings at 30 June 2009; or
- 50% of your pension entitlement as at 30 June 2009.

These amounts are subject to revaluation for each complete year between 30 June 2009 and your date of death.

In addition to a pension, any contributions you paid while you were a member of the DB section will be paid out as lump sum. This lump sum would be paid to your beneficiaries at the discretion of the Trustees.

## Death after leaving Service but before Normal Retiring Date

If at the time of your death you have a deferred pension in the DB Section but are no longer working for FDR Limited, your Spouse or Civil Partner would be entitled to a pension calculated as follows:

- Any Guaranteed Minimum Pension payable to your Spouse or Civil Partner; plus
- 50% of your pension entitlement relating to Service after 5 April 1997

A widow will generally be entitled to 50% of a member's Guaranteed Minimum Pension. A widower or Civil Partner will generally be entitled to 50% of the Guaranteed Minimum Pension relating to service between 6 April 1988 and 5 April 1997 only.

Note that the pension is only payable to a legally married Spouse or Civil Partner and not to an unmarried partner.

In addition to a pension, any contributions you paid while you were a member of the DB section will be paid out as lump sum. This lump sum would be paid to your beneficiaries at the discretion of the Trustees.

## Death after Normal Retiring Date but before taking pension

If you have passed your Normal Retiring Date but have not yet taken your pension, your Spouse or Civil Partner would be entitled to a pension calculated as follows:

- 50% of the pension you would have been entitled to if you had retired on the day before your date of death.

In addition, a lump sum would be payable equivalent to the Pension Commencement Lump Sum you could have received on retirement if you had retired on the day before your date of death, plus 5 years' worth of the pension instalments you would have received after allowing for the payment of the Pension Commencement Lump Sum. If greater, a lump sum would be payable equivalent to the sum of the contributions and the value of any AVCs you have paid into the Scheme. This lump sum would be paid to your beneficiaries at the discretion of the Trustees.

## What happens if I die after taking my benefits?

If you die after you have retired from the Scheme, a pension will be payable to your Spouse or Civil Partner. The pension will be calculated as follows:

- If you did not take a cash lump sum on retirement, 50% of the pension you are receiving at your date of death; or
- If you did take a cash lump sum on retirement, 50% of the pension you would have been receiving at your date of death had you not exchanged part of it for a lump sum.

In addition, if you die within 5 years of retiring from the Scheme, a lump sum would be payable equivalent to the balance of the first 5 years' worth of the pension instalments.

If you do not leave a Spouse or Civil partner, the pension would still be payable if you have any children under the age of 18 or up to age 23 if they are in full time education.

The amount of the spouse's or civil partner's pension may be reduced if your spouse or civil partner is more than ten years younger than you, or if you married or entered into a civil partnership after retirement and died within six months of your marriage/civil partnership.

If you paid any voluntary contributions to provide extra pension, a pension to your spouse or civil partner would only be payable in respect of your extra pension if you arranged this at your retirement.

# Is there anything else I should know?

## Can I transfer my preserved pension benefits?

You are entitled to request a transfer of your preserved benefits at any time up to one year before your Normal Retiring Date (or up to six months after leaving if this is later). The transfer value of your preserved pension will be calculated by the Scheme's actuary and may be paid to any of the following:

- your new employer's pension scheme, if the trustees of that scheme are able and willing to accept the transfer;
- a personal pension scheme, including a stakeholder pension scheme;
- an authorised insurer, who will provide you with a pension policy in your own name.

The method of calculating transfer values is established by the Scheme's actuary and agreed with the Trustees on the basis of periodic guidance provided by the professional actuarial body. The essential principle is that the calculation should represent an equitable cash value of the preserved pension benefits, as described in this booklet, having regard to market rates of interest. The Trustees have not directed that the calculation method used should take account of possible discretionary benefits that might be awarded by the Trustees.

You are entitled to request a transfer value quotation once a year, but if you are thinking about transferring your preserved pension benefits you should consider taking appropriate financial advice and may be legally required to do so if your transfer value exceeds a prescribed limit (currently £30,000).

## What if I move house?

It is important that you notify the Scheme Administrators of any change in your address after you have left service. This will help avoid any possible delay in the payment of your preserved pension when it becomes due.

## Can I use my Scheme benefits to get a loan?

No. Any benefit to which you, or any of your dependants, are entitled under the ***Scheme*** cannot be assigned to another party. Any attempt to do so may result in the loss of benefit.

## Are there any general restrictions on the benefits provided by the Scheme?

**The Lifetime Allowance** is the maximum overall amount of pension savings you can have at retirement and still get tax relief on. It was £1,073,100 for the 2020/21 tax year. The amount applicable for the current tax year can be found online at www.gov.uk.

When you retire we will tell you the value of your pension as a proportion of the Lifetime Allowance. Currently for Lifetime Allowance purposes, pensions are valued using a factor of 20:1. For example a pension of £10,000 per annum would be valued at £200,000 for Lifetime Allowance purposes.

**The Annual Allowance** is a limit on the level of contributions that get tax relief. The maximum amount of contribution or pension accrual in any one tax year cannot exceed the Annual Allowance. The amount applicable for the current tax year can be found online at www.gov.uk. For DB schemes it is the capital value of any additional pension accrued during the period.

## What happens if I get divorced?

If you get divorced, the value of your pension benefits will usually be included in the calculation of your overall assets.

You will come to an agreement with your spouse about the allocation of the assets owned by each of you during the divorce process. In relation to your pension benefits, these will normally be offset against other assets but there are other options: -

- Pension earmarking – where a share of your pension and death benefits may become payable to your ex-spouse, but only when they become payable to you (or to any new spouse);
- Pension sharing – where a portion of the value of your pension benefits is transferred, shortly after the date of divorce, into another pension arrangement of your ex-spouse's choice.

Pension earmarking and pension sharing can be complicated and your legal adviser will be able to give you more information.

It is important that you ask your solicitor to contact the Scheme Administrators at the earliest opportunity if your pension benefits under the Scheme are likely to be part of any divorce settlement.

## Can I transfer benefits from other pension arrangements into the Scheme?

No. The Scheme does not accept transfers from other occupational or personal pension schemes.

## Will working part-time affect my pension?

If you worked part time your pension will have been adjusted to reflect the full time equivalent of your Pensionable Service and Pensionable Earnings.

## Can I increase my spouse's pension?

As well as paying voluntary contributions, you can, subject to certain limits, give up part of your main Scheme pension at retirement in exchange for a pension to be payable after your death to a dependant of your choice, or to increase the widow's or widower's pension described previously. You can obtain full details of this before you retire.

# State Pensions & Contracting Out

## State Pension Benefits

From 6 April 2016 a new flat rate of State Pension was introduced to replace the Basic State Pension and the State Second Pension.

State pensions are paid from State Pension Age (SPA) – by October 2020 this will be age 66 for both men and women. It is then set to increase to age 67 between April 2034 and April 2038, and under current Government plans, to age 68 by 2039. Details of any further changes will be included in future Newsletters, however your own State Pension Age will depend upon your personal circumstances.

You can check your own State Pension Age at www.gov.uk/calculate-state-pension

## What is the New State Pension?

The New State Pension replaced the Basic State Pension and State Second Pension for people who reached SPA from 6 April 2016. Details of the current State Pension can be found online at www.gov.uk. To receive the full amount people will need to have paid National Insurance contributions for 35 qualifying years. You will receive a proportion of the new State Pension if you have between 10 and 35 qualifying years. Transitional arrangements will apply for people who have built up an entitlement to the existing State Pension benefits.

## Where can I find out about State pensions?

If you would like more information on State pensions, visit: www.gov.uk/calculate-state-Pension

For help making a claim, you can call the Pensions Service on 0800 731 7898.

## Contracting Out of S2P / SERPS

Whilst you were a member of the DB Section of the Scheme, you and the Company will have paid a lower rate of National Insurance Contributions and, in return, the Scheme must undertake to provide you with a certain level of benefits instead. This is called contracting out.

For contracting out prior to 6 April 1997, the Scheme must provide you with a Guaranteed Minimum Pension (GMP). For contracting out after 5 April 1997, the Scheme must meet an overall quality test, known as the Reference Scheme Test.

## What is a Guaranteed Minimum Pension?

The Guaranteed Minimum Pension (GMP) is calculated broadly in the same way as your pension under SERPS, based on band earnings, and must be paid by the Scheme as a condition of being allowed to contract out. Pensions under the Scheme are normally higher than the GMP, but the GMP is the minimum that must be paid in any case.

You may have built up an entitlement to a GMP if you joined the Scheme before 6 April 1997. The most important conditions attaching to GMP are as follows:

- The GMP must be payable from age 65 for men, and from age 60 for women (although it may be postponed in practice until you retire from the Scheme, as described above).
- Widows' benefits must not be less than one half of the member's GMP.
- Widowers' and Civil Partner's benefits must not be less than one half of the member's GMP earned after 5th April 1988.
- On a member leaving service, the GMP must be preserved and protected against inflation until retirement.
- Once it becomes payable, that part of your GMP accrued since 6th April 1988 must be increased by the Scheme each year in line with increases in prices up to a maximum of 3%.

## What is the Reference Scheme Test?

To enable the Scheme to contract out from 6 April 1997, the scheme must meet a minimum quality standard known as the Reference Scheme Test.

# Other sources of information and assistance

## Scheme Accounts

Scheme Accounts are prepared each year in accordance with requirements laid down by legislation and these accounts are independently audited. The Scheme's latest audited accounts are available via the FDR Limited Pension Scheme helpline.

## Trustees' Annual Report

Each year a report is drafted by the Trustees of the Scheme, containing the latest audited accounts and also giving further details about the Scheme, including information about its finances. This report is available upon request from the FDR Limited Pension Scheme helpline.

## Disputes

If you have a complaint please contact the FDR Limited Pension Scheme helpline for assistance. If your complaint is not resolved to your satisfaction, then a formal procedure exists for resolving any disputes which arise between the Trustees and any person who is a prospective member, existing member, spouse or surviving dependant of a deceased member, and any person claiming to be any of these people.

The formal procedure is known as the Internal Dispute Resolution Procedure (IDRP) which operates in accordance with the provisions of the Pensions Act 1995. There are two stages: the first is where a person nominated by the Trustees will try to resolve your formal complaint.

The person nominated by the Trustees for stage one complaints is the Secretary to the Trustees. Correspondence should be sent care of:

> Secretary to the Trustees of the FDR Limited Pension Scheme
> Capita,
> 17-19 Rochester Row
> Westminster
> London
> SW1P 1JB

If you are not happy with the response at stage one then you can ask for it to be considered by the Trustees. This is the second stage.

You can get further details of the procedures through the FDR Limited Pension Scheme helpline.

While every effort will be made to resolve any disputes or queries that may arise, the organisations on the next page can also assist you when needed.

## The Pensions Advisory Service

The Pensions Advisory Service (TPAS) (now part of the Money and Pensions Service) is available at any time to assist members and beneficiaries of pension schemes with any pension scheme query they may have. Their services are free.

You can contact them at:
120 Holborn
London, EC1N 2TD
Tel: 0800 011 3797
Website: www.pensionsadvisoryservice.org.uk

## Pensions Ombudsman

The Pensions Ombudsman 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 the Pension Schemes Act 1993.

You can contact the Pensions Ombudsman at:
10 South Colonnade, Canary Wharf, E14 4PU.

Phone: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

You can also submit a complaint form online: www.pensions-ombudsman.org.uk/making-complaint.

The Pensions Ombudsman will usually expect the Trustees to have been approached before undertaking any further investigation.

## The Pensions Regulator

The Pensions Regulator (TPR) is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties.

TPR also acts as the Registrar of Occupational and Personal Pension Schemes. The register contains basic information on all registered pension schemes to enable employees to trace the source of their benefits. You should quote the Scheme's registry number 100551609. Information concerning the Scheme has been supplied to the Registrar.

TPR can be contacted at the following address:
The Pensions Regulator Napier House Trafalgar Place Brighton East Sussex BN1 4DW

Phone: 0870 606 3636 Website: www.thepensionsregulator.gov.uk

## Data Protection

Organisations that process personal data are subject to the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. The Trustee of the FDR Limited Pension Scheme together with any other parties who deal with your personal details under the Scheme, need personal information about you to run the Scheme and pay benefits. In legal terms, the Trustee is a 'data controller' of this information. The Trustee has produced a data privacy policy which sets out how we use your personal information and what your rights are in relation to it. The latest privacy notice can be found on the Scheme website at www.fdrlimitedpensionscheme.com. Copies are also available on request from the Scheme administrator or the Secretary to the Trustee using the contact details shown at the end of this booklet.

## Scheme Enquiries

If you have any questions about the Scheme generally, you should address your enquiries to the FDR Limited Pension Scheme helpline.

**By Email:** fdr@capita.co.uk

**By Phone:** 0345 604 5316

**By Post:** FDR Limited Pension Scheme, Capita, PO Box 555, Stead House, Darlington, DL1 9YT

**Online**: www.fdrlimitedpensionscheme.com