



D E B E E R S G R O U P

**ELEMENT SIX LIMITED PENSION AND ASSURANCE SCHEME  
EXPLANATORY BOOKLET**

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# 1. INTRODUCTION

This booklet sets out the main features of the Element Six Limited Pension and Assurance Scheme (“the Scheme”).

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 retirement. Their pension will be paid in monthly instalments for the rest of their life.

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

- Your Pensionable Salary at date of leaving; and
- Your length of Pensionable Service.

The Scheme is set up under a trust and administered by Trustees. The contributions to the Scheme are paid to the Trustees and are kept entirely separate from the assets of the Company.

The Scheme is registered with Her Majesty's Revenue & Customs (HMRC), which means that both you and the Scheme benefit from certain tax advantages. These are described briefly later.

The Scheme was also contracted out of the State Second Pension (S2P), which means that you will have paid reduced National Insurance Contributions as a result.

The Scheme is governed by a Trust Deed and Rules. It is intended that this booklet should provide a simple explanation of the main provisions of the Scheme, but for fuller information you should refer to the Trust Deed and Rules, a copy of which is available for inspection on request. 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 latter will prevail.

If you have any queries relating to the Scheme generally, or about your entitlement to benefits under it, please contact Capita at:

Element Six Limited Pension and Assurance Scheme  
PO Box 555  
Stead House  
Darlington  
DL1 9YT

Email: - [ops6enquiries@capita.co.uk](mailto:ops6enquiries@capita.co.uk)

**The booklet is current at September 2019 and replaces any previous booklet you may have received. The terms and conditions under which the Scheme operates may be subject to change.**

## 2. DEFINITIONS

Some words have a specific meaning when used in the context of the Scheme.

|   |  |
|---|--|
| <b>Annual Allowance</b>                 | The maximum amount of tax relievable pension savings that can be built up in one tax year.   |
| <b>Company</b>                          | This normally means Element Six Limited but, where appropriate, can include any subsidiary or associated employer participating in the Scheme.   |
| <b>Final Pensionable Salary</b>         | Is your Pensionable Salary over the 12 months immediately preceding the earlier of your retirement date, date of leaving service or the Scheme Closure date.   |
| <b>Guaranteed Minimum Pension (GMP)</b> | 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 accrued in respect of any Pensionable Service up to 5 April 1997. See Appendix II for further information.  |
| <b>Lifetime Allowance</b>               | Overall maximum capital amount of tax relievable pension savings that any one individual can accumulate in all pension arrangements.   |
| <b>Normal Pension Date</b>              | This is your 60 <sup>th</sup> birthday.  |
| <b>Pensionable Salary</b>               | <p>This is your basic annual salary. If you were employed by De Beers Industrial Diamonds (UK) Limited it also included 10% bonus payments. Your Pensionable Salary would have increased at the same time as your basic salary increased.</p> <p>If you joined the Scheme on or after 1 June 1989, your benefits were subject to an upper limit based on an earnings cap. This was reviewed each year in line with the Retail Price Index.</p>   |
| <b>Pensionable Service</b>              | <p>This is your period of membership in the Scheme before your retirement date, date of leaving service or the Scheme Closure date if earlier</p> <p>If you were employed by Mixelloy Limited, Pensionable Service includes company service from 1 July 1985 for senior employees and from 1 January 1988 for all other employees.</p> <p>If you were employed by De Beers Industrial Diamonds (UK) Limited before 1 January 1988 all of your company service prior to this will count as pensionable service.</p> |

**State Pension Age**

The State Pension Age is the earliest age you can claim your State Pension. Your State Pension Age depends on when you were born. To check your State Pension Age, please visit the Government website link as follows: - <https://www.gov.uk/state-pension-age>

For the purposes of your 'Guaranteed Minimum Pension' (GMP) it is age 60 for females and 65 for males.

**Scheme Closure**

The Scheme closed to active accrual effective from 31 December 2010.

## **3. JOINING THE SCHEME**

### **3.1 Who is eligible?**

The Scheme closed to new entrants with effect from 1 January 2002.

### **3.2 Transfers into the Scheme**

Transfers of benefits from either a previous employer's pension scheme or a personal pension scheme are not accepted into the Scheme.

## **4. WHO PAYS FOR THE SCHEME?**

### **4.1 What the Company Pays**

Element Six Limited continues to support the Scheme. Every three years the Scheme undertakes an actuarial valuation. If there is a shortfall in the funding of the Scheme, the Company pays contributions to make up the funding level. Even with a funding level below 100%, benefits can usually continue to be paid in full.

The Trustees are required by law to issue members of the Scheme a summary funding statement following each actuarial valuation or actuarial report on funding. This is usually provided within the Scheme newsletter.

### **4.2 Additional Voluntary Contributions (AVCs)**

Whilst you were an active member of the Scheme you may have paid additional voluntary contributions (AVCs) to provide extra benefits. Following the Scheme Closure it is no longer possible to make AVCs to the Scheme.

If you wish to pay additional pension contributions you may do so through any other registered pension arrangement.



## 5. BENEFITS ON RETIREMENT

### 5.1 When will I receive my retirement benefits?

The benefits you have accrued in the Scheme will be payable from your Normal Retirement Date. The Scheme administrators will contact you shortly before this date to arrange for the benefits to be paid.

### 5.2 How is my pension calculated?

When you left the Scheme, your pension would have been calculated as a proportion of your Final Pensionable Salary based on your Pensionable Service. On leaving service, or at the Scheme Closure date, details will have been provided on a 'deferred benefit statement'.

- For service up to 30 June 2004 pension is based on 1/45<sup>th</sup> of your Final Pensionable Salary for each year of Pensionable Service.
- For service from 1 July 2004 pension is based on 1/60<sup>th</sup> of your Final Pensionable Salary for each year of Pensionable Service.

The calculation of your final salary pension can be expressed in the following formula: -

|  |
|--|
| $\begin{aligned} \text{Pension} = & \\ & \left( \frac{1}{45} \times \text{Final Pensionable Salary} \times \text{Pensionable Service to 30 June 2004} \right) \\ & + \\ & \left( \frac{1}{60} \times \text{Final Pensionable Salary} \times \text{Pensionable Service from 1 July 2004} \right) \end{aligned}$ |
|--|

In certain circumstances benefits may have to be restricted to comply with Inland Revenue regulations. Whilst the amount of pension payable to you from the Scheme at State Pension Age will not be less than the GMP appropriate to your contracted-out employment, your total pension from all tax approved sources (other than the State Scheme) cannot exceed such maximum as is approvable from time to time by HM Revenue and Customs. Please see section 7.3 for more information.

### 5.3 Cash I take a lump sum?

When you retire you 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 by the Trustees based on actuarial advice from time to time to ensure they offer a fair value to members.

**Note:**

if you have paid AVC's, 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 AVC benefits first before reducing your DB pension. This will only apply if your DB benefits and AVC benefits are taken at the same time.

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

Your pension will be increased between the date you leave the Scheme and your Normal Retirement Date.

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 State Pension Age. Details of the fixed percentage that applied to you will have been stated on your deferred benefit statement.

The amount in excess of your GMP will be increased as follows:

- Pension built up before 1 January 2002 will increase by 5% a year.
- Pension built up from 1 January 2002 will increase in line with the increase in the Consumer Prices Index for each complete year between your date of leaving and your Normal Retirement Date, but subject to a maximum of 5% a year.

#### **5.5 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: -

- (a) Your annual pension will be payable in equal monthly instalments.
- (b) Instalments will end with the last instalment falling due before your death.
- (c) Any pension payable to your dependants after your death will similarly be paid in monthly instalments, starting from the date of your death.

Pension payments will be subject to income tax which will be deducted from the pension payments each month. How much tax is paid will depend on the amount of the pension and the recipient's personal circumstances.

## **5.6 Can I retire early?**

You may retire from service before your Normal Pension Date as long as you are over 55 years old and you have the consent of the Company. It may also be possible, if you are aged over 55 and the Company and the Trustees consent, for you to take your benefits from the Scheme and continue working for the Company.

Your early retirement pension will be calculated based on your pension at date of leaving service and taking into account increases in deferment up to the date of retirement. It will then be reduced to take account of the fact that it commences earlier than your Normal Pension Date and will therefore be payable over a longer period.

### **Notes:**

1. The pension paid at State Pension Age cannot be less than your Guaranteed Minimum Pension.
2. The minimum retirement age is increasing from age 55 to 57 in the year 2028 and later is expected to be set at 10 years before State Pension Age.

## **5.7 What if I am unable to continue working because of ill health?**

You may be able to retire at any age on the grounds of ill health which prevents you carrying on your normal employment or seriously impairs your earnings capacity. You must provide evidence from a medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of your ill-health. Your early retirement on the grounds of ill health will require the agreement of the Trustees. The pension will be reduced by the Trustees on the advice of the Scheme's actuary to take account of payment before your Normal Pension Date.

## **5.8 Can I retire later than my Normal Pension Date?**

If you continue working after your Normal Pension Date, you will have the following options:

- You can take your pension on reaching Normal Retirement Age.
- You can defer taking your pension until the date you wish to retire or age 75 if earlier. A late retirement factor will be applied to your pension at Normal Retirement to take in to account the late payment of your pension.

## **5.9 Will my pension increase in payment?**

Your pension will be increased in payment to give you a measure of protection against inflation. Increases are applied on the anniversary of your retirement.

The part of your pension in excess of the GMP which relates to Pensionable Service up to 31 December 2001 will be increased by 5% per annum.

The part of your pension which relates to Pensionable Service accrued from 1 January 2002 until 30 April 2005 will be increased in line with the increase in the Retail Prices Index, subject to a maximum of 5% per annum

The part of your pension which relates to Pensionable Service accrued from 1 May 2005 will be increased in line with the increase in the Retail Prices Index, subject to a maximum of 2.5% per annum

The Scheme will also increase part of your GMP each year in line with statutory requirements.

Your GMP is the minimum pension the Scheme must pay you for contracting out of SERPS up to 5<sup>th</sup> April 1997. You will not have a GMP if you joined the Scheme after 5<sup>th</sup> April 1997.

GMPs are payable from age 60 for females and age 65 for males and they will not be taken into account for calculating your annual Scheme increases until those ages. Part of your GMP is also payable to your widow or widower (including a civil partner) on your death.

Any pension provided by voluntary contributions you may have paid will only be increased if you have arranged this with the Trustees.

**Notes:**

1. For the purposes of this section, the increase in the Retail Price Index is measured over a twelve month period ending on the 30<sup>th</sup> September each year, prior to the date of increase in your pension;
2. Your Guaranteed Minimum Pension will also be increased by the State from State Pension Age or the date on which your pension begins, if later by adding the increase to your Basic State Pension. That part which relates to service up to 6<sup>th</sup> April 1988 will be increased in line with the Retail Price Index and that part which relates to service between 6<sup>th</sup> April 1988 and 5<sup>th</sup> April 1997 will be increased by the amount by which the increase in the Retail Price Index exceeds 3%; and
3. In addition to the increases described above, the Trustees have the power to grant discretionary increases where funds permit.
4. The maximum increase permitted to the "Inland Revenue Maximum" benefit once your pension is in payment is restricted to an increase equal to the greater of 3% per annum or the yearly increase in RPI.
5. If your pension payable from the Scheme at the date you leave the Scheme or the date you retire is less than the "Inland Revenue Maximum" level, you will be entitled to receive increases to your Scheme entitlement in excess of these limits until your Scheme entitlement reaches the maximum level. From this point, your benefits will be restricted by the maximum amounts permissible under these rules.

## **6. BENEFITS ON DEATH**

### **6.1 What death benefits are payable after leaving service but before Normal Retirement Date?**

If at the time of your death you have not retired from the Scheme, 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 preserved pension relating to service accrued on or after 5<sup>th</sup> April 1997 (Increases due to the pension between date of leaving and date of death will be applied)

**Notes:**

1. The pension is only payable to a legally married spouse or civil partner and not to an unmarried partner;
2. No pension will be paid to Special Dependants or surviving children in this case;
3. A Special Dependant is someone financially dependent on the member (eg and unmarried partner) who has been nominated to the Trustees in writing prior to the member's death.

### **6.2 What benefits are payable if I die on or after Normal Pension Date but before I receive my pension?**

If you die on or after your Normal Pension Date but before actually drawing your pension, your Spouse, Civil Partner, Special Dependants' or children would be entitled to a pension calculated as follows:

- A pension of two-thirds of your pension you would have received if you had retired immediately before death without drawing a lump sum.
- A cash sum equal to the discounted (reduced) value of the first 5 years' payments you would have received had you survived for that period will be paid at the discretion of the Trustees.

### **6.3 What benefits are paid on death in retirement?**

If you die after your Normal Pension Date, your Spouse, Civil Partner, Special Dependants' or children would be entitled to a pension calculated as follows:

- A pension of two-thirds of your pension you would have received if you had retired immediately before death without drawing a lump sum.

- If you die before your pension has been paid for 5 years, a cash sum equal to the discounted (reduced) value of the further payments you would have received had you survived for that period will be paid at the discretion of the Trustees.

**Notes:**

1. Civil partners' benefits in respect of pensionable service before 6 April 1997 will be based on the Member's Guaranteed Minimum Pension accrued between 5 April 1988 and 5 April 1997.
2. The amount of the widow(er)'s or civil partner's pension will be reduced if your spouse or civil partner is more than ten years younger than you. However, the pension will never be less than the widow(er)'s Guaranteed Minimum Pension.
3. If you paid any voluntary contributions to provide extra pension, a spouse's pension would only be payable in respect of your extra pension if you arranged this at your retirement.
4. If you surrender part of your pension for a dependant, your remaining pension must not be less than the Guaranteed Minimum Pension. After exercising any option to exchange your pension for a lump sum, your remaining pension can also not be less than the total dependants' pensions.
5. A Special Dependant is someone financially dependent on the member (eg and unmarried partner) who has been nominated to the Trustees in writing prior to the member's death.

## **7. IS THERE ANYTHING ELSE I SHOULD KNOW**

### **7.1 Can I transfer my preserved pension benefits?**

You may request a transfer of your pension fund at any time up to your Normal Pension Date. The transfer value payable will represent the capital value of the benefits you have earned under the Scheme. Your transfer value 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.

If you are thinking about transferring your pension fund, you should take appropriate independent financial advice. If your transfer value is greater than £30,000 there is a legal requirement to take financial advice before transferring to a defined contribution type scheme.

### **7.2 What if I move house?**

It is important that you notify the Trustees of any change in your address after you have left service. This will help avoid any possible delay in the payment of your pension benefits when they become due.

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

Prior to 6 April 2006, the maximum level of pension benefit that an individual was entitled to was subject to Inland Revenue maximum benefit limits. These limits could vary between individuals depending upon their service dates.

After 6 April 2006 this overriding legislation was effectively replaced by a Lifetime Allowance. This essentially replaced the various Inland Revenue limits with an overall value of benefit that an individual was entitled to before they incur additional tax consequences on benefits in excess of this limit.

The Rules governing the Scheme retain specific reference to the Inland Revenue limits that were in force prior to April 2006. Therefore, these limits continue to apply to the benefits of members of the Scheme.

As such any benefits payable from the Scheme have to be continually compared to the maximum allowable pension.

The maximum increase permitted to the “Inland Revenue Maximum” benefit once your pension is in payment is restricted to an increase equal to the greater of 3% per annum or the yearly increase in RPI.

If your pension payable from the Scheme at the date you leave the Scheme or the date you retire is less than the “Inland Revenue Maximum” level, you will be entitled to receive increases to your Scheme entitlement in excess of these limits until your Scheme entitlement reaches the maximum level. From this point, your benefits will be restricted by the maximum amounts permissible under these rules.

**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 million from 6 April 2016. The amount applicable for the current tax year can be found online at [www.gov.uk](http://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](http://www.gov.uk). For DB schemes it is the capital value of any additional pension accrued during the period.

#### **7.4 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.



#### **7.4 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 Salary.

# APPENDIX I

## DISCLOSURE REQUIREMENTS

### ***Scheme Accounts***

Accounts for the Scheme 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 for inspection at any time free of charge and are available from the Trustees.

### ***Trustees' Annual Report***

Each year a report will be drawn up by the Trustees containing the latest audited accounts and also giving further details about the Scheme, including information about its finances. This report is available on request.

### ***Disputes***

If you have a complaint, then the administration team will assist you (see end of section 1 for contact details). 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 member, widow, widower, civil partner or surviving dependant of a deceased member and any person who used to be, or is claiming to be any of the aforementioned people.

This is called the Internal Dispute Resolution Procedure (IDRP) which operates in accordance with the provisions of the Pensions Act 1995. There are two stages, the first of which is where a person nominated by the Trustees will try and 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 Element Six Ltd Pension and Assurance Scheme,  
Capita,  
65 Gresham Street,  
London,  
EC2V 7NQ

If you are not happy with the response, then you can ask for it to be considered by the Trustees under the second stage. You can obtain further details of the procedures from the Trustees.

Whilst every effort will be made to resolve any disputes or queries that may arise, the organisations below can assist you when needed.

### ***The Pensions Advisory Service***

The Pensions Advisory Service (TPAS) 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:

11 Belgrave Road London SW1V 1RB

Phone: 0345 6012923

Website: **[www.pensionsadvisoryservice.org.uk](http://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](mailto:enquiries@pensions-ombudsman.org.uk)

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

You can also submit a complaint form online: [www.pensions-ombudsman.org.uk/our-service/make-a-complaint/](http://www.pensions-ombudsman.org.uk/our-service/make-a-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 10137123. 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](http://www.thepensionsregulator.gov.uk)**

### ***Data Protection***

Please refer to the Trustees' General Privacy Notice below.

### ***Scheme Enquiries***

If you have any questions about the Scheme generally, you should address your enquiries to the administration team (see section 1 for contact details).

## **Element Six Pension & Life Assurance Scheme**

### **General Privacy Notice**

#### **Who we are**

We are the Trustees (“the Trustees”) of the Element Six Pension and Life Assurance scheme (“the Scheme”).

As the Trustees of the Scheme we hold certain personal information (known as “personal data”) about scheme members and, where applicable, their dependants and beneficiaries. Most of the information held about you and processed by the Trustees in running the Scheme will be personal data (in other words, because we hold information from which you as an individual can be identified, any information we hold in respect of you will be subject to certain protections).

For legal purposes, the Trustees are known as the “data controller”, as we decide the purposes for and the means by which the personal data we hold is processed.

#### **What information we collect about you**

Depending on the circumstances and the stage of your membership, we may hold some or all of the following information about you:

- your name and date of birth
- your address
- your national insurance number
- details of your bank account (to pay benefits)
- details about your dependants and/or beneficiaries
- medical and other details about your health
- other information used to determine benefits (including salary, employment dates, contributions paid)

#### **How we use that information**

The Trustees have a legitimate interest in holding and processing the above information about you as it is needed for us to properly administer the Scheme and to calculate and pay benefits. We also keep the above information in order to allow us to comply with our obligations towards members under the Scheme governing documents, as well as under relevant legislation. Your personal data will generally be collected directly from you or from your employer. We will not collect any personal data from you that we do not need.

Personal data relating to the Scheme is held on paper and on computer systems. As the “data controller”, the Trustees must process this information fairly and lawfully.

As part of running the Scheme, we may also need to hold and process particularly sensitive information about you and/or your dependants and beneficiaries (known as “sensitive personal data”). Under the legislation, details relating to health, racial or ethnic origin, religious or other similar beliefs, sexual orientation and political affiliations are regarded as “sensitive personal data”. Except where the legislation allows it, this information cannot be processed or passed to a third party without your explicit consent.

### What else we might do with personal data

Although the Scheme is based in the UK, your personal data may be shared outside the European Economic Area (EEA). For example, if a Scheme provider undertakes part of its services outside the EEA, you live outside the EEA or want to transfer your benefits abroad. However, personal data will only be shared outside the EEA where appropriate safeguards are in place in accordance with data protection law. In those cases, except where the relevant public authority has determined that the non-EEA country already provides an adequate level of data protection, or the EU-US Privacy Shield applies, such transfers would generally be made based on the European Commission's standard contractual clauses, copies of which can be found on the European Commission's website ([https://ec.europa.eu/info/law/law-topic/data-protection/data-transfers-outside-eu/model-contracts-transfer-personal-data-third-countries\\_en](https://ec.europa.eu/info/law/law-topic/data-protection/data-transfers-outside-eu/model-contracts-transfer-personal-data-third-countries_en))

### Who we share it with

We are not allowed to disclose personal data about you to other parties except:

- when required for contractual or legal reasons or other specifically identified purposes; or
- where you have given your consent.

However, as the Trustees need help from various advisers to properly administer the Scheme, we share personal data with the following:

- your current, past or future employer which may include group companies which are based outside the EEA. Where data is sent outside the EEA, appropriate safeguards are put in place to ensure that your data is kept secure
- the Scheme's professional advisers, including the Scheme actuary, auditor, medical advisers, investment adviser and lawyers
- the third parties who are responsible for the day-to-day administration of the Scheme on behalf of the Trustee
- HM Revenue & Customs and other statutory bodies (such as the Pensions Ombudsman and the Pensions Regulator) – the Trustees can be fined and subject to other action if it fails to provide certain information to these authorities
- the advisers and printers who help us prepare various communications we send to you, such as the annual benefit statement
- our appointed insurance company or companies for the purposes of life insurance and additional voluntary contributions
- beneficiary or mortality tracing agencies
- our Scheme actuary – as we are required by law to have the Scheme's funding level assessed every three years. In order to do this, the actuary needs certain scheme membership information, and details about contributions and investments. The actuary also calculates transfer payments, retirement benefits and other Scheme benefits on our behalf.

The Scheme's administrator is currently Capita. When providing administration services to the Scheme, Capita acts as a data processor and processes member data on behalf of the Trustees.

Capita also provides actuarial, investment and consultancy services, including advice and analytics to the Trustees of the Scheme, including through the Scheme Actuary. When providing

actuarial services, the Scheme Actuary (currently Jonathan Isted) and Capita act as a joint data controller with the Trustees.

### How long we keep personal data for

We must keep all personal data safe and only hold it for as long as necessary. To meet the requirements of both UK tax and pensions law, we must keep certain personal data (for example, details about the date a member joins the Scheme, their name and address, and details of benefits paid) for a minimum of 6 years. But, given the nature of pension schemes, the Trustees may be required to keep some of your personal information for the rest of your life.

However, we review the personal data held in relation to the Scheme on a regular basis in accordance with our data protection policy. If we conclude that certain personal data is no longer needed, that personal data will generally be destroyed.

### Your rights

- **Right of Access** – you have the right to see personal data that is held about you and a right to have a copy provided to you, or someone else on your behalf, in a machine readable (namely, digital) format
- **Right to Rectification** – if at any point you believe that the personal data we hold about you is inaccurate/wrong, you can ask to have it corrected
- **Right to Restrict processing** – you can require the Trustees to restrict/limit the processing of your personal data in certain circumstances, for example, whilst a complaint about its accuracy is being resolved
- **Right to object to processing** – as we are relying on legitimate interests as a reason for processing, you can object to your personal data being processed, although the Trustees can override this objection in certain circumstances.
- **Withdrawing consent** – where you have given us your consent to processing your personal data, you can withdraw that consent at any time by notifying us (see “Who to contact about your personal data” below). However, withdrawing your consent will not affect the processing of any personal data which took place beforehand and it may be possible for the Trustees to continue processing your personal data where this is justified.
- **Right to be forgotten** – you can request that your personal data is deleted altogether, although the Trustees can override this request in certain circumstances.

You should be aware that taking any of the above steps could impact on the payment of your benefits, your participation in the Scheme, and/or our ability to answer questions relating to your benefits.

Information will generally be provided to you free of charge, although the Trustees can charge a reasonable fee in certain circumstances.

## **APPENDIX II**

# **STATE PENSIONS & CONTRACTING OUT**

### **State Pension Benefits**

The new single-tier structure replaced the existing Basic State Pension and S2P and will be paid to those who have a minimum of 7-10 years of National Insurance contributions (NICs), and could be around £168.60 a week (2019/20) if you have paid NICs for 35 years. See [www.gov.uk](http://www.gov.uk) for details of the current amount.

State pensions are payable from State Pension Age. From December 2018 the State Pension Age for both men and women is increasing and will reach 66 by October 2020.

Plans to increase the State Pension Age from 66 to 67 have been brought forward by eight years. The State Pension age for men and women will now increase to 67 between 2026 and 2028.

Under the current law, the State Pension age is due to increase to 68 between 2044 and 2046. Following a recent review, the government has announced plans to bring this timetable forward. The State Pension age would therefore increase to 68 between 2037 and 2039.

### **Contracting Out of S2P / SERPS**

Before 2016 there were two parts to the State Pension: The Basic State Pension was a flat rate weekly amount paid to everyone with a satisfactory National Insurance Contribution record. The second part was an earnings related element based on two schemes:

- The State Earnings Related Pension Scheme (SERPS) which operated from 6 April 1978 to 5 April 2002, and
- The State Second Pension (S2P) which started on 6<sup>th</sup> April 2002.

Whilst you were an active member of the Scheme, you and the Company 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 of the earnings related element of the State Pension. This is called contracting out. The Scheme was contracted out under section 9(2) of the Pension Schemes Act 1993.

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.

When the new single tier state pension was introduced on 6 April 2016, contracting out ceased.

## **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 State Pension Age.
- 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%.
- Any period of contracted out service will be taken into account when working out your single tier State Pension entitlement.

## **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.