The Royal College of Nursing Pension Scheme

Member guide for the Defined Benefit Scheme

tpt Retirement Solutions

About the Scheme

The Royal College of Nursing (RCN) Scheme (the Scheme) has been designed to provide security for you during your retirement and for your dependants in the event of your death. The Scheme provides benefits related to your earnings and the length of your membership. Administration is carried out by TPT Retirement Solutions.

The Scheme is a Career Average Revalued Earnings scheme ("CARE" for short). It is a type of defined benefit (DB) scheme. A member's final pension is worked out using a proportion of the average of their salaries during the time they have been actively contributing to the scheme.

This guide provides basic information about the Scheme. It gives general guidance only, and you should not regard it as a complete or authoritative statement on the formal Rules. It is made available to all Active and Deferred members and consolidates and replaces previous Scheme booklets, announcements and disclosure leaflets.

If you were a member of the previous final salary scheme operated by the Royal College of Nursing of the United Kingdom prior to 1 June 2007 you should refer to the Appendix in this booklet for further details.

If you have any queries or require further clarification or detailed information about your own benefits you should contact:

The RCN Pension Scheme
TPT Retirement Solutions
5th Floor, Aire Park, 3 South Brook St, Leeds
LS10 1FT

Tel: **0113 394 2552**
Email: **enquiries@tpt.co.uk**

March 2024

Contents

Joining the Scheme	4
Leaving	6
Retirement	7
Death benefits	10
Your pension	13
Boosting your pension – Additional Voluntary Contributions (AVCs)	14
What if...	16
Further information	18
Complaints	22
Definitions	24
Appendices	28

Joining the Scheme

Can I join the Scheme?

No, the Scheme was closed to new entrants from 1 November 2013.

How much do I pay?

The contribution that you pay to the Scheme is dependent upon the Benefit Option that you participate in.

Option	CARE Benefit Basis	Member Contribution rate
1 – Normal Pension Age 65	1/80th	8.2%
2 – Normal Pension Age 67	1/80th	6.2%
3- Normal Pension Age 60*	1/80th	13.2%

*This option is only available to Members of the Previous Scheme.

An opportunity to switch between the Normal Pension Age 65 to 67 options is provided annually on 1 April. A switch from 67 to 65 is not available.

The net cost of the contribution rate from your take home pay is lower than the amount quoted above as you don't pay tax on contributions paid to the Scheme.

Until 5 April 2016, the Scheme was contracted-out of the State Second Pension Scheme and both you and RCN paid lower National Insurance Contributions. From 6 April 2016 the ability to contract out ended, so therefore both you and RCN now pay a slightly higher level of National Insurance Contributions.

Salary Sacrifice

The RCN makes available a Salary Sacrifice arrangement for members of the Scheme. The details of this arrangement are provided by the RCN and if you require further information please get in touch with the HR Team at the RCN.

How much does my employer pay?

The RCN pays the balance of the total contribution rate which will vary from time to time. RCN contributions are determined by the Trustee having taken advice from the Scheme Actuary.

Can I transfer previous benefits into the Scheme?

No, it is no longer possible to transfer pension benefits into the Scheme.

How will my pension be calculated?

Example: Accrual Rate of 1/80th with a Normal Pension Age of 67

Under the RCN Pension Scheme each year you will build up an amount of pension which is a fraction of the earnings you have received in that year. The Normal Pension Age selected will determine the age at which pension benefits are payable in full without reduction for early payment.

The pension built up will be revalued at the end of each subsequent Scheme year by the rise in the Retail Prices Index (RPI) up to a maximum of 2.5% per annum.

On your eventual retirement (or earlier leaving service) your pension will be made up of the total revalued pension built up throughout your period of membership of the Scheme.

Please note: A different accrual rate and RPI revaluation maximum applied to periods of membership completed before 1 November 2013.

Table A: Example Data £30,000 starting salary joins the Scheme at age 57 (1 November 2013), receives 3% per annum pay increases and completes 10 years of membership:

	Assumed Earnings	Pension earned	Assumed RPI Inflation
Year 1	£30,000	£375.00	n/a
Year 2	£30,900	£386.25	2.0%
Year 3	£31,827	£397.84	2.2%
Year 4	£32,781	£409.76	2.5%
Year 5	£33,765	£422.06	2.1%
Year 6	£34,778	£434.73	1.9%
Year 7	£35,822	£447.78	1.7%
Year 8	£36,896	£461.20	2.0%
Year 9	£38,003	£475.04	2.2%
Year 10	£39,143	£489.29	2.5%

Table B: Example Data £30,000 starting salary joins the Scheme at age 57 (1 November 2013), receives 3% per annum pay increases and completes 10 years of membership:

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of year 6	End of year 7	End of year 8	End of year 9	End of year 10	Total
Year 1	**£375.00**	x1.020	x1.022	x1.025	x0.021	x1.019	x1.017	x1.020	x1.022	x1.025	£453.00
Year 2		**£386.25**	x 1.022	x 1.025	x 1.021	x1.019	x1.017	x1.020	x1.022	x1.025	£457.45
Year 3			**£397.84**	x 1.025	x 1.021	x1.019	x1.017	x1.020	x1.022	x1.025	£461.03
Year 4				**£409.76**	x 1.021	x1.019	x1.017	x1.020	x1.022	x1.025	£463.26
Year 5					**£422.06**	x1.019	x1.017	x1.020	x1.022	x1.025	£467.35
Year 6						**£434.73**	x1.017	x1.020	x1.022	x1.025	£472.41
Year 7							**£447.78**	x1.020	x1.022	x1.025	£478.45
Year 8								**£461.20**	x1.022	x1.025	£483.13
Year 9									**£475.04**	x1.025	£486.92
Year 10										**£489.29**	£489.29
Total pension earned											**£4,712.29**

Leaving

What happens if I leave the Scheme?

If you leave the Scheme, this will normally be because you change jobs. You may also leave the Scheme and continue to work for RCN. In both cases you can choose to:

- Become a deferred member of the Scheme; or
- Transfer your benefits to another pension arrangement.

Please note: If you choose to opt out of the Scheme, you must give the RCN one month's written notice. You will remain a member of the RCN Group Income Protection Policy and will still be provided with three times' salary life assurance cover while working for RCN.

Deferred pension

Your deferred pension will remain in the Scheme and will be calculated at your exit date in the same way as described in the 'Retirement' section of this booklet. The pension will be revalued by the rise in the Retail Price Index up to a maximum of 5% per annum, in respect of pension earned before November 2013 and to a maximum of 2.5% per annum for pension earned after November 2013 until you retire. An example is provided earlier in the booklet.

Once you have retired, your pension will increase as shown in the 'Retirement' section.

Transfer of your benefits

You may transfer your benefits to another pension arrangement (such as your new employer's pension scheme or to a personal pension plan) at any time after you leave the Scheme, but before you take your pension.

Transfer values are calculated as the best estimate of the cash sum required to be invested in the Scheme to reproduce your benefits. A Statement of Entitlement to a guaranteed cash equivalent transfer value of your benefits will be provided on request. The transfer value will not be increased to reflect future discretionary increases to benefits which, on the basis of established practice, may be awarded to benefits.

Before electing to transfer your benefits the Trustee would recommend that you seek independent financial advice **www.unbiased.co.uk** to ensure that proceeding with the transfer is in your best financial interests.

Following the changes introduced by the Government in the 2014 Budget, transfers from defined benefit schemes to defined contribution (money purchase) schemes, will continue to be allowed. However, from 6 April 2015, members will have to receive independent financial advice before any transfer can proceed (unless the transfer value is less than £30,000). TPT will seek evidence that this advice has been received before proceeding with a transfer to a defined contribution arrangement.

Retirement

Provided you have reached age 55, and subject to the RCN's consent you may choose to start receiving your pension and continue to work for the RCN. With the exception of ill-health early retirement and members with a 'Protected Pension Age' (see Definitions), any reference to retirement in this booklet includes those members who choose to receive their pension benefits **and** continue working, as well as those retiring in the more traditional sense (i.e. stopping work).

When can I retire?

For any pension earned before October 2013, the Scheme's Normal Pension Age (NPA) is 65. This is the age that will be used for normal funding purposes for Scheme benefits. For pension earned after 1 November 2013, the NPA will depend upon the Benefit Option that you select. As a reminder:

- Benefit Option 1: NPA is age 65; and
- Benefit Option 2: NPA is age 67

Members of the Previous Scheme (see Definitions) retain a NPA of 60.

This is the age that will be used for normal funding purposes for the Scheme benefits. If your pension does not start until after NPA it will be more – and if it starts before NPA it will be less. Further information on the calculation of late retirement is contained further in this guide. The position for members who have decided to switch between Benefit Options is more complex and members who have done this should contact TPT for further details.

Whilst the information below explains when you can take your pension, the age at which you choose to retire is an employment issue, the timing of which you should discuss with RCN.

Flexible retirement

Members are not permitted to take part of their pension (phased retirement) whilst continuing to work for RCN. Members can draw the whole of their pension whilst continuing to work, but will not then be permitted to accrue further benefits from the Scheme.

Please note that if you are awarded early retirement on grounds of ill health, you must leave work before you can receive your pension.

What will I get?

At retirement, you have the option to take a pension (calculated on the appropriate Benefit Option) or a lump sum and a reduced pension.

Example calculations are provided within the next page.

Can I retire early?

Yes, subject to RCN's consent, you can currently take your pension from age 55 even if you choose to continue working. However, you may only take your pension benefits before age 55 if you are retiring on the grounds of ill health.

You may apply for your pension to be paid early on the grounds of ill-health at any age. Note: this is subject to the approval of the Trustee – see 'What happens if I am too ill to continue working?' on page 9.

Your pension will usually be lower than at Normal Pension Age (NPA) because you will have been a member of the Scheme for a shorter period and it will be reduced to allow for the fact that pensions paid early are expected to be paid for longer.

If you retire early, you still have the option to take a lump sum. This sum will also be smaller than it would be if you retired at Normal Pension Age.

Can I take a lump sum?

Yes, you can give up part of your pension and exchange it for a pension commencement lump sum (PCLS). This will leave you with a smaller pension, reduced according to your age.

The maximum lump sum available is broadly 25% of the value of your pension benefits. This is usually tax-free, although a tax charge may apply if your pension savings exceed the Lifetime Allowance (see Definitions). Unfortunately the calculation is not straightforward, but, as an indicator, some examples are shown below of the cash sums available to individuals at age 65.

Please note: These figures are only provided as examples only – written quotations can be provided on request.

Option 1 Full Pension	Option 2 Maximum Lump Sum	 Reduced Pension
£5,000 per year	£18,250	£3,750 per year
£10,000 per year	£36,500	£7,500 per year
£15,000 per year	£54,750	£11,250 per year

Taking a PCLS at retirement will leave you with a reduced pension. The table above shows comparisons between a full pension (Option 1) or a PCLS with a reduced pension (Option 2) for an individual male aged 65.

The terms used to calculate early/late retirement pensions and cash conversion rates are revised regularly to reflect expected future interest rates, inflation and life expectancies. Any quotations provided to you will be subject to a guarantee period, after which they will be recalculated using the most recent terms available. As such, early/late retirement quotes and cash conversion rates could go up or down between two calculation dates.

Can I continue active membership after Normal Pension Age?

You will have the following options in relation to your pension benefits:

- To continue contributions at the same rate to the Scheme and accrue additional benefits for your continuing service. The pension would be calculated when you actually retire from pensionable service as if your retirement date were the NPA. **The calculation is based on your pensionable service and final pensionable earnings at the date you retire. Your benefits will not be increased by a Late Retirement Factor.**
- To draw your pension and remain in service but you will not then be entitled to accrue any further benefits for future service.
- To cease contributing to the Scheme when reaching Normal Pension Age and opt for your pension to come into payment when you later retire from employment. The whole of your pension would be calculated at Normal Pension Age and increased by a Late Retirement Factor. Further information on late retirement can be found in the Definitions section.

Scheme death benefits will continue to be provided on the same basis as they were before age 65.

What happens if I am too ill to continue working?

For up to 5 years you will usually be covered under the RCN's Group Income Protection policy during which time you will continue to build up pension benefits as normal in the Scheme. If you do not qualify for benefits under the Group Income Protection policy or you have reached the end of the 5 year coverage of the policy, you may be considered for early retirement on health grounds.

The Trustee of the RCN Pension Scheme must agree to any request for early retirement on medical grounds. To make that decision, the Trustee will need satisfactory evidence that you are and will continue to be unable to work again in any capacity. Your doctor (and possibly the Trustee's medical advisor) will be asked to provide medical evidence for consideration. Your pension can be paid immediately.

Where ill-health retirement is awarded, the pension benefits you have built up are paid to you from the date the retirement is approved (or the date your employment is terminated) without reduction for early payment. You will also have the option to take a lump sum (PCLS).

The Trustee reserves the right to request updated medical evidence on your state of health and has the discretion to suspend your pension if eligibility changes. Guidance on eligibility is available on request.

You may also apply for early payment if you are too ill to continue working and have a deferred pension after leaving your employment or leaving the Scheme. If your application is successful, your deferred pension would be payable, although it would be reduced to reflect the fact that it has been paid early.

Dependants' or survivors' benefits

What benefits are payable if I die before retiring?

If you die whilst employed by RCN and are contributing to the Scheme, the following benefits will be payable:

Lump Sum

- of three times your earnings at the date of your death; and
- a refund of your own contributions, with interest (which is calculated at the rate of 3% each year compound from the year the contributions were paid to the Scheme until death).

Survivor's Pension

- The calculation of the Survivor's pension is based on the Benefit Option that you select.

Orphan's pension

- In the event that there is no survivor's pension payable or the survivor subsequently dies leaving dependent children, orphan's pension equal in total to the survivor's pension, will be paid, where appropriate, until the youngest child reaches age 18, or age 23 in full time education or is dependent on you because of a disability.

What happens if I die after leaving the Scheme?

If you die before Normal Pension Age whilst entitled to a deferred pension, the following benefits will be payable:

Survivor's Pension

- 3/8ths of the pension you would have received calculated on the value of your deferred pension at the date of your death.
- If you do not have a survivor, the Trustee will hold on a discretionary trust, an amount equal to five and a half times' the amount of your annual deferred pension that would have been payable assuming you retired on the day you died, together with the amount of the AVC fund (if any). The amount may be paid to any person named on your Nomination form as the Trustee sees fit.

What happens when I die after retiring?

If you die after your pension starts, the following benefits payable to your nominee(s) are:

Lump Sum

- If you die within five years of retiring, a cash lump sum death benefit is paid. The sum paid is equal to the unpaid balance of the five years' pension payments, at the rate applicable at the date of death.

Survivor's Pension

- Of 3/8th of the pension payable at the date of your death.

Orphan's pension

- In the event that there is no survivor's pension payable or the survivor subsequently dies leaving dependent children, orphan's pension equal in total to the survivor's pension, will be paid, where appropriate, until the youngest child reaches age 18, or age 23 in full time education or is dependent on you because of a disability.

Young survivor reduction

- If your survivor is more than ten years' younger that you, the pension will be reduced by 2.5% for each year in excess of then that he/she is younger. The reduction is not applied in cases where the survivor's pension is shared between one or more orphans.

Nominations

- You must complete a Nomination Form or put your nominations to us in writing. You can download a form by visiting **www.tpt.co.uk** and visiting the RCN Scheme page.
- Separate nominations are required for lump sums and pensions (even if you have nominated the same person to receive both).
- You should ensure your nominations are kept up to date. If you wish to make any changes to the nomination or a nominee's address, please notify TPT Retirement Solutions in writing.

Please note: upon marriage / entering into a civil partnership or upon divorce / dissolution of the civil partnership any existing nomination will usually be revoked. Additionally, if you have nominated a partner who lives with you and at a later date you cease cohabiting, the nomination will be revoked. If you wish to re-nominate a person whose nomination was revoked in any of the circumstances outlined above, please contact TPT Retirement Solutions to check whether that person is eligible. If they are, a further signed nomination form needs to be provided.

Who gets what?

Lump Sum

- you can nominate one or more persons or organisations;
- if you choose more than one you must state the percentage you want each person or organisation to receive;
- you should not use the words 'Executor', 'Administrator', 'In Trust for' or 'Estate' for your nomination, but the proper names of persons or organisations.

The Survivor's Pension may be paid to:

- your spouse/civil partner; or
- another person who is, at the date of your death, financially dependent on you although this is entirely at the Trustee's discretion.

Orphans' pensions may be paid to:

- any child who is aged under 18; or
- any child below age 23 in full-time education or dependent on you because of disability.

Orphan's pensions are payable where:

- any children of the member are orphans; or
- the member has children and no survivor's pension is paid.

'Child' will have the meaning defined in the formal Rules. Orphans' pensions cease on reaching age 18 or 23 as described.

Your pension

How will my pension be paid?

You will receive your first pension payment shortly after either your date of retirement, or the date TPT Retirement Solutions receives the appropriate forms, if later. Thereafter pensions are paid quarterly in advance, on the 6 January, April, July and October. They will be paid direct to your bank or building society account.

If tax is due on the pension, it will be deducted under the Pay As You Earn (PAYE) system.

When will my pension increase?

Pension increases are applied on 6 April each year. Increases are based on any rise in the relevant index (see below) in the 12 months to the December of the previous year, as detailed below. Proportionate increases will apply where you retire within twelve months of the first increase.

How does my pension increase?

Before you reach the age from which any Guaranteed Minimum Pension (GMP) (see definitions) becomes payable (see below for details), any pension you built up before June 2007 will increase in line with the Retail Price Index (RPI) up to a maximum of 5% each year. Any pension earned in the Scheme from June 2007 to November 2013 is increased in line with the Limited Prices Index (LPI) up to a maximum of 5% each year. LPI is currently measured by reference to the Consumer Prices Index (CPI).

Any pension earned in the Scheme from November 2013 onwards is increased in line with LPI to a maximum of 3% each year.

The increases explained apply to your own retirement pension, or your survivor's pension.

Once you have reached the age from which GMP becomes payable (60 for women; 65 for men):

- The GMP part of your pension, if any, will increase in line with the Consumer Price Index (CPI). This increase is paid partly by the State and partly by the Scheme
- Any pension in excess of the GMP will increase as described above.

Boosting your pension – Additional Voluntary Contributions (AVCs)

AVCs are payable to a separate arrangement within TPT and not to the Scheme. AVCs operate on a defined contribution basis and are a way of helping to boost your retirement savings.

Should I pay AVCs?

There are various reasons for choosing to pay AVCs. These include:

- increasing the pension or cash you will receive or
- to offset the reduction which is applied to pensions paid early; or
- to boost your pension in order to reduce the impact of previous breaks in employment or periods where you did not have access to a pension scheme.

You should be aware that AVCs are extra provision for retirement. You will not be able to access this fund before retirement.

Neither TPT Retirement Solutions, nor RCN can give financial advice and the decision to pay AVCs is your responsibility. You may wish to discuss this with an Independent Financial Adviser **www.unbiased.co.uk**

How much can I pay?

You will receive full tax relief on contributions to as many different tax-registered pension arrangements as you choose, provided that the total paid in each year does not exceed your annual earnings or the 'Annual Allowance' (see Definitions).

As long as the total increase in your benefits in any one year does not exceed the Annual Allowance, you will receive tax relief on up to 100% of your earnings. If your contributions exceed 100% of your earnings in any tax year, tax on the excess, at your marginal rate, is payable through self-assessment.

If you are a high earner, please also read the section on 'Annual Allowance' (see Definitions).

Who do I pay AVCs to?

You can pay them to TPT Retirement Solutions or pay additional contributions to an alternative pension provider of your choice. RCN offers you the option to pay AVCs to TPT Retirement Solutions' Flexible Retirement Plan. Full details of the options available to you, and further information about AVCs are available on request from TPT Retirement Solutions.

How do I pay AVCs?

Your AVCs to TPT Retirement Solutions will be deducted from your salary in the same way as your normal contributions, gaining tax relief immediately. They are usually a percentage of your salary and can be stopped, started, increased and decreased on request.

Lump sum payments of AVCs/extra contributions instead of regular monthly payments can be accepted. However, these must be made via your employer's payroll as TPT Retirement Solutions cannot receive personal payments or cheques directly from members.

Before making any payment you will need to complete an AVC Application Form and hand it in to the HR team.

What can I do with my AVC fund?

Your AVC fund will be used to provide additional pension benefits on a defined contribution basis. This means the amount of pension will depend on variable factors such as:

- how much you pay;
- the investment return; and
- the cost of pensions when you retire.

Alternatively you are able (under legislation introduced in 2015) to take your entire AVC fund as a one-off lump sum. The first 25% will be paid tax-free with tax at your marginal rate payable on the remainder.

If you choose to take a pension from your AVC fund, the AVC pension is usually payable from the same date as your main Scheme benefits although AVC benefits can be taken on, before or after retirement. The pension will be paid to you directly from your chosen provider.

How can I find out more?

Please get in touch with TPT Retirement Solutions using the details provided on page 2.

What if...

What if I work part-time?

It does not matter how many hours you work because your pension is calculated from your actual gross earnings and contributions received.

What if I divorce?

The courts may order that your pension rights must be shared with your ex-spouse. An information leaflet is available on request from TPT Retirement Solutions. Members should take appropriate legal advice. On the dissolution of a civil partnership, the same pension sharing rules as those used for divorce will apply.

What if I take maternity leave?

You will pay contributions on the pensionable earnings you receive from RCN during the first 39 weeks of maternity leave. The RCN will pay its full contribution as normal and, as your pay gradually reduces, an additional amount to cover any shortfall in the contributions you pay. For example, if your pay has halved after 10 weeks' maternity leave, at that point you will pay contributions based on half your normal pay; RCN will pay its normal amount, plus an amount equal to half your normal contribution in order to bring the total contribution up to the normal level (i.e. as though you were at work).

Please note: If you return to work before 39 weeks' absence, your normal contributions must resume immediately.

During weeks 40 to 52, unless you are still receiving pay from RCN, no contributions are due and no benefits will accrue.

On your return to work your employer should resume deducting contributions as normal.

Note: Should you die during paid or unpaid maternity leave, the full range of death benefits will be paid based on your normal pensionable earnings (not your maternity pay, if any).

If you decide not to return to work your membership will continue up to week 39 of your maternity leave or later where you have continued to be paid.

What if I take family leave?

In the rules 'family leave' means leave that men or women are entitled to take by law – either paternity leave when a child is born or adopted, or parental leave to care for a child. If such leave is paid, the rules apply as for maternity leave. If unpaid, the rules apply as for any other temporary absence.

If you die whilst on family leave the full range of death benefits will be paid. These would be based on the rate of earnings you would have been receiving if you were not on family leave.

What if I am absent from work?

Your contributions will continue as normal with no break in your membership, provided you are still receiving full pay.

If your pay ceases, contributions will stop and you will cease to build up pension. If you are not being paid, but remain employed by RCN, you will continue to be covered for death-in-service benefits for up to two and a half years after your absence started.

If you were to die more than two and a half years after your absence started, you would be treated as if you left service on the day before you died.

If your absence is for less than five years and you are covered under the Group Income Protection policy, membership will continue until your cover under the policy expires.

What happens if I am absent for other reasons?

If you are absent with the approval of RCN, and fulfil any of the following criteria, you will remain a member of the Scheme but will not build up pensionable service for any periods during which pension contributions are not paid:

The criteria are:

- Period of absence is taken to take up work of national importance;
- Period of absence is for taken for an approved course of study or training; or
- Period of absence is taken for approved leave of absence or secondment.

You will continue to be covered for death-in-service benefits for up to one year (or three years for work of national importance). If you were to die more than one year after the absence started (or three years for work of national importance) you would be treated as if you had left the Scheme on the date before you died.

Death-in-service and Group Income Protection policy cover will be subject to any exclusion imposed by the insurer and staff should take advice before starting any period of absence.

Further information

Who looks after the Scheme?

The day-to-day administration is entrusted to TPT Retirement Solutions (formerly The Pensions Trust), which has been providing pension schemes since 1946. TPT Retirement Solutions is directly answerable to its members – the employers who choose its pension schemes and the active members, pensioners and deferred members who belong to these schemes. TPT Retirement Solutions is not an insurance company.

The Trustee Company

The Trustee Company, Verity Trustees Ltd, is responsible for all policy matters and for ensuring that TPT Retirement Solutions operates lawfully and within the provisions of the formal Rules. The Trustee Board is made up of nine directors (three are elected by the members and pensioners of TPT Retirement Solutions and three who are elected by participating employers). There are a further three co-opted directors.

Investments are managed independently by external authorised fund managers. Investment performance is reviewed regularly by TPT's Investment Committee.

Scheme registration

The Scheme is a registered pension scheme for the purposes of Part 4 of the Finance Act 2004. The Pension Scheme Tax Reference is 00281218RV.

Benefit limits

HM Revenue & Customs no longer impose limits on the pension benefits you can receive. However, if the value of your benefits from all tax-registered schemes exceeds the Lifetime Allowance, tax charges will apply to the excess. It should be noted that both the Lifetime and Annual Allowances (see Definitions) are only likely to affect those with very high earnings and/or significant pension benefits held elsewhere. For example, if your pensions from all tax-registered schemes do not exceed £50,000 a year, you are unlikely to be affected.

Can I assign my pension?

No, except where permitted by law on divorce or dissolution of a civil partnership, you cannot sign away your pension rights, even temporarily, for example as security for a loan.

The State Pension Scheme and contracting-out

The new State Pension

A flat-rate State Pension was introduced with effect from 6 April 2016, for people who reach State Pension age, on or after this date. This affects;

- Men born on or after 6 April 1951
- Women born on or after 6 April 1953

You will normally need at least 10 years qualifying years on your National Insurance record, or equivalent credits to get any State Pension. To get a full State Pension, you will need at least 35 years of qualifying National Insurance payments, or credits.

If you are born before the above dates, your State Pension Age will be based on the old rules. Information on this can be found on the Government's website:
www.gov.uk/new-state-pension

How much is the new State Pension?

The maximum flat-rate pension has been set at £155.65 a week from 6 April 2016.

You may get less or more than the new maximum State Pension, if you had paid National Insurance contribution, or received credits, prior to 6 April 2016. A calculation will be carried out to determine the starting amount if you have already built up a National Insurance record. This will be a comparison of the entitlements built up to date under the old State Pension, compared to the new State Pension. The higher of the two will be your foundation starting amount for the new State Pension.

If you were in contracted out-employment, at any time, before 6 April 2016 you will find that a deduction has been made from the starting amount. This is because you will normally have paid National Insurance contributions at a lower rate whilst you were a member of a contracted-out pension scheme.

If your starting amount is less than £155.65 a week, you will be able to build up more State Pension for any further qualifying years, i.e. years in which you pay or receive National Insurance contributions/credits from 6 April 2016, until you reach state pension age.

Again, further information can be found here: **www.gov.uk/new-state-pension**

Contracting-out

As a member of the Scheme before 5 April 2016 your employment was contracted-out of the State Second Pension. This means that for that period of time you do not accrue the full State Second Pension.

The minimum level of pension to be provided by contracted-out schemes is determined by a statutory 'Reference Scheme' test.

For pensionable service before April 1997, a Guaranteed Minimum Pension (GMP) has to be provided (see Definitions).

Pension Tracing Service

The purpose of this registration is to help individuals trace their pension rights.

Details of TPT Retirement Solutions (and all pension schemes) have been logged with the Pension Tracing Service. Find out more by calling **0345 6002 537** or visiting **www.gov.uk/find-pension-contact-details**.

Rights, obligations and limitations

The rights and obligations of members of the RCN Pension Scheme are set out in the Rules and the Scheme Document which are the formal documents of the Scheme. This booklet is intended to provide a clear and simple explanation of the main benefits you are entitled to under the Scheme.

If there is any conflict between the interpretation given in this booklet and the formal Rules, or the Scheme Document, the legal interpretation of the formal documents will prevail. Copies of the Rules and Scheme Document are available from TPT Retirement Solutions.

Before making any financial commitment on the basis of any information provided, please contact TPT Retirement Solutions for final confirmation of the expected level of benefits.

TPT Retirement Solutions is not registered under the Financial Services and Markets Act to give financial advice. Any information that is provided to members or prospective members should therefore be taken to constitute information and not to be taken to constitute advice. When providing information to members, TPT takes care to provide an accurate service but the decision and choice remains the individual's for which TPT Retirement Solutions cannot be responsible.

General Data Protection Regulation (GDPR)

For more detailed information on how we use and disclose personal information, the protections we apply, the legal basis for our use of personal information and your data protection rights under the General Data Protection Regulation, see our privacy notice at www.tpt.co.uk/privacy-policy.

If you would like a copy of the privacy notice to be sent to you, please email privacy@tpt.co.uk or call 0113 394 2779.

Annual Report & Financial Statements

Members receive a summarised version of TPT Retirement Solutions's Annual Report and Accounts each year, but are entitled to the full version on request. A copy can be viewed on TPT's website **www.tpt.co.uk**

Amendment

The Scheme is intended to provide long-term security for the benefit of its past and present members. RCN is committed to providing a good quality pension scheme for staff and is making regular contributions towards your pension benefits.

It is also that RCN (with agreement of the Trustee) may amend the benefits offered by the Scheme. However, no amendment will be made which will reduce the benefits you have built up to the date of any amendment.

If, at some future date, RCN decided to wind up the Scheme, under current legislation, RCN would be required to pay sufficient additional funds into the Scheme in order that the pension you had built up could be secured by an external insurance company.

In the event that RCN becomes insolvent and is unable to fund the pension you had built up, the Scheme would be considered for entry to the Pension Protection Fund.

The Pension Protection Fund (PPF)

The PPF is a fund designed to protect members' rights under company defined pension schemes should the employer become insolvent. The PPF is funded by a levy on company pension schemes that are potentially eligible to benefit from it. The levy on the Scheme will not result in a reduction to your pension.

Benefits payable under the PPF are, briefly, as follows:

- Your full pension if you have reached your scheme's Normal Pension Age or receive an ill-health pension (regardless of your age).
- 90% of the expected scheme pension for all other members, subject to a current (2016) maximum of £33.678.38 (this is 90% of the £37,420.42 capped figure) a year at age 65. This maximum figure is reduced actuarially for those under age 65;
- Widow/ers', civil partners' or survivors' pensions of 50% of the members' pensions.
- Pension earned from 6th April 1997 will increase each year in line with the Pensions in Payment Index up to a maximum of 2.5%. Pension relating to service before 6th April 1997 will not be increased under the PPF.

In general, benefits will be paid from the PPF, as opposed to your own scheme, when:

- your employer becomes insolvent, or in circumstances where the Trustee or Pensions Regulator consider this likely; and
- the assets of the pension scheme are insufficient, i.e. there is not enough money to pay at least the level of pension described above.
- The PPF will only assume responsibility if all the participating employers in the scheme become insolvent, or if there is concern that all of the employers are unlikely to continue as going concerns.
- Further information on the PPF can be found on its website: **www.pensionprotectionfund.org.uk**

Complaints

Complaints procedure

If you have a problem or complaint in connection with your pension, we recommend that you initially discuss this with your usual contact at TPT Retirement Solutions. If they are unable to resolve the matter you may find it helpful to speak to the Administration Manager and/or the Head of Pensions Administration Services.

If your complaint cannot be resolved informally and you remain dissatisfied you may at any time follow the formal complaints procedure; this has two stages and is summarised below.

Disputes – formal resolution

If you remain dissatisfied, you may request (in writing) a formal resolution from the Chief Executive. A decision should be provided within two months of your formal request.

Appeal

If you remain unhappy or disagree with the formal resolution from the Chief Executive, within six months of the decision you have the right to appeal to the Trustee. The result of your appeal should be provided within two months of your request.

The Pensions Advisory Service (TPAS)

TPAS is available at any time to assist members and beneficiaries of the Scheme in connection with difficulties they have failed to resolve. The address is:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
Telephone: **0300 123 1047**
Email: **enquiries@pensionsadvisoryservice.org.uk**

Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to the Scheme where TPAS has not resolved the issue. The address is:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: **020 7630 2200**
Email: **enquiries@thepensions-ombudsman.org.uk**

The Pensions Regulator

The Pensions Regulator is able to intervene in the Scheme administration where Trustee, employers or professional advisers have failed in their duties. The address is:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW
Telephone: **0345 606 3636**
Email: **customersupport@thepensionsregulator.gov.uk**

Definitions

Additional Voluntary Contributions (AVCs)

The name given to any contributions you pay to secure extra benefits, on a defined contributions basis, with another provider.

Annual Allowance

This is the amount by which the value of your pension benefits may increase in any one year period without you having to pay a tax charge. The standard Annual Allowance is £40,000, although there is provision to carry forward unused Annual Allowance from the previous three years. Please contact TPT Retirement Solutions if you require further information.

In defined benefit schemes, like the RCN Scheme, the input value is measured by the increase in the value of the pension over the year. The input value is calculated as the increase in the annual pension amount, allowing for inflation, multiplied by 16.

In defined contribution schemes, such as TPT Retirement Solutions' Flexible Retirement Plan (which may be used for the payment of Additional Voluntary Contributions), the input value is the total of all contributions paid in by the member and the employer.

If the amount by which the increase in your input value in any one year exceeds the Annual Allowance of £40,000, and you do not have sufficient unused Annual Allowance from the previous three tax years to cover the excess, you will be liable for an 'Annual Allowance tax charge', even if your contributions are less than 100% of your earnings.

The tax charge on any increase in benefits above the Annual Allowance is payable either through self-assessment, or via a deduction from benefits payable from the Scheme where the charge is greater than £2,000.

You will be responsible for reporting any excess growth on your annual self-assessment tax return. You are also responsible for paying the Annual Allowance tax charge, where this charge is less than £2,000. As noted above, if the charge is greater than £2,000, you can opt for this to be paid by the Scheme and in return for having your benefits reduced (this is known as Scheme Pays). Please contact TPT Retirement Solutions for further information on Scheme Pays.

If you should die, become entitled to a serious ill-health lump sum, or retire on the grounds of ill-health where you are not likely to work again, then the input value of the tax year in which the event occurs will not count towards the Annual Allowance.

Benefits

Are the pensions and other payments made to members and their dependants on death, retirement and after leaving the Scheme.

CPI

Is the Consumer Prices Index.

Deferred pension

Is the pension secured for you on leaving the Scheme and is payable on retirement.

Earnings

This refers to your fixed annual salary (including London weighting) but excluding fluctuating payments such as commission, bonuses and overtime.

Exit Date

This means the latest date on which you are treated under the Rules as being in pensionable service – normally the date of leaving the Scheme, date of retirement or date of death.

Guaranteed Minimum Pension (GMP)

Is that part of your pension, or your legal spouse's or civil partner's pension, which represents the equivalent of the State Earnings-Related Pension (SERPS), for pensionable service before 6 April 1997. The Scheme pays a GMP to you during retirement or your legal spouse or civil partner upon your death, as part of the Scheme pension, to replace the State Earnings Related Pension.

Interest

This means compound interest at the rate of 3% calculated annually on the amount of the Members' contributions at the end of the preceding September. For refunds of contributions on death, interest only accrues up to the date of death.

Late retirement

Your CARE pension has a set retirement age (Normal Retirement Age or NRA), which could be 60, 65 or 67 – depending which option you have chosen. This is the age at which you can draw your pension without any reduction in it's' value. Information on how Late Retirement pensions are calculated are set out in this guide. Information is also contained on the RCN Intranet.

Lifetime Allowance

Each individual in the UK is allowed to accumulate pension benefits up to a value of £1 million without incurring any tax charge.

Each year your Benefit Statement will show the value of the pension benefits you have accrued as a percentage of the current Lifetime Allowance. You must also take into account the value of any pension benefits you have from previous pension arrangements in estimating whether you have scope to pay AVCs without any danger of breaching the Lifetime Allowance.

If the Lifetime Allowance is exceeded, a tax charge of 55% will be levied on the excess fund if the benefits are taken as a cash lump sum. If the excess benefits are taken as pension then a tax charge of 25% will be levied, as well as the usual income tax payable on the pension instalments.

If you are concerned that your benefits from all sources may breach the Lifetime Allowance you should consult an Independent Financial Adviser (IFA) as to your best course of action.

Please note: TPT Retirement Solutions and its representatives are not permitted to give financial advice.

Normal Pension Age (NPA)

is dependent upon the Benefit Option selected. It is the age at which Scheme benefits are payable in full without reduction, except that members of the Previous Scheme retain a NPA of 60.

Orphan

This means for the purposes of any orphans' pension:

- Any child who is aged under 18; or
- Any child below age 23 if in full-time education or dependent on you because of a disability.

Pensionable Service

This is your years and days as a contributing member of the Previous Scheme.

Previous Scheme

This means the Royal College of Nursing of the United Kingdom Pension Scheme which was in operation prior to 1 June 2007.

Protected Pension Age

Members who joined the Previous Scheme before 6 April 2006 have a 'Protected Pension Age' of 50. If applicable, this will allow these members to retire from age 50, but if they retire before age 55 the member will be required to leave the employment to which the pension relates.

Reference Scheme test

To contract-out of the additional State Pension Scheme, from 6 April 1997 the Scheme must provide benefits at least equal to the Reference Scheme (as defined by legislation for contracting-out purposes).

Revaluation date

This means 1 April each year

Revalued career earnings

This means the sum of:

- earnings in the period from the last revaluation date up to the member's Exit Date;
- earnings in the 12 months ending on that revaluation date; and
- total revalued earnings as at the revaluation date calculated in accordance with the relevant rule of the Revalued Salary (CARE) Rules.

Revalued earnings

Earnings in one scheme year are revalued in line with inflation in subsequent scheme years, according to the Rules, for the purposes of calculating your pension. For example, your earnings/ pension in year 1 will be revalued at the end of year 2.

Survivor

This means for the purposes of the survivor's pension:

- your spouse or civil partner; or
- anyone who is financially dependent on you to more than a nominal extent or cohabiting with you and habitually sharing expenses.

The Scheme

The Royal College of Nursing of the United Kingdom Pension Scheme (The RCN Pension Scheme) administered by TPT Retirement Solutions.

These definitions are provided as a summary. Please see the formal Trust Deed and Rules, as appropriate, for further clarification.

Appendices

Appendix A: Special terms applicable to members who were members of the Previous Scheme prior to 1 June 2007

If you were a member of the Previous Scheme prior to 1 June 2007 your benefits have been transferred and are now payable from the RCN Pension Scheme, administered by TPT Retirement Solutions.

Your final salary benefits are payable **in addition** to the benefits you earn from 1 June 2007 and the following special terms apply.

Deferred final salary pension

As at 31 May 2007 you became entitled to a deferred pension under the final salary pension scheme. Your deferred final salary pension was calculated based on your final pensionable salary at 31 May 2007 and your completed pensionable service to 31 May 2007 and the corresponding 1/60th or 1/70th pension accrual rate that applied to you.

Your deferred pension, calculated at 31 May 2007, is subject to revaluation each year in deferment by the lower of 5% or the rise in the Index.

In the event of your death before you start to receive your pension the benefits payable to your nominee (s) in respect of your service before 31 May 2007 are:

- A refund of your contributions with interest, but only on death-in-service.
- A survivor's pension of 3/8th of the deferred pension payable at the date of your death.

The above benefits would be payable in the same manner as any benefits attributable to your pensionable service after 1 June 2007.

Normal Pension Age (NPA)

The NPA for payment of your deferred pension is age 60.

Option to retain age 60 NPA

Only members in pensionable service at 31 May 2007 were entitled to choose to pay a higher rate of contribution in order to retain the right to an NPA of 60 for all pensionable service prior to 1 November 2013.

Salary sacrifice option

Members have the option of agreeing to a reduction in salary, or salary sacrifice, as an alternative to paying the contribution rates. Further details on this option are available from RCN's HR Team.

Early and late retirement

Members who were in the Scheme prior to 1 June 2007 are entitled to receive their retirement benefits at any age after age 60 on the following terms:

1. **For members with NPA of 65 from June 2007 (or 65 or 67 from November 2013) who wish to retire before age 65**

   You will have the option of drawing the whole of your pension i.e. the final salary element accrued up to 31 May 2007 and the benefits accrued from 1 June 2007 and remain in service, but you will not then be entitled to accrue any further benefits for future service.

   Benefits accrued up to 31 May 2007 will be paid from age 60 onwards without reduction. Benefits accrued from 1 June 2007 will be paid immediately but will be subject to an actuarial reduction to take account of early payment.

2. **For members with NPA of 60 for benefits accruing from June 2007**

   You will be entitled to continue in service after that age. You will have the following options in relation to your pension benefits:

- To continue contributions at the same rate to the Scheme and accrue additional benefits for your continuing service. The pension would be calculated when you actually retire from pensionable service if your retirement date were the NPA. **The calculation is based on you pensionable service and final pensionable earnings at the date you retire. Your benefits will not be increased by a Late Retirement Factor.**
- To draw your pension and remain in service but you will not then be entitled to accrue any further benefits for future service.
- To cease contributing to the Scheme on reaching age 60 and opt for your pension to come into payment when you later retire from active service. The whole of your pension including pre-2007 benefits would be calculated at the NPA and increased by a late retirement factor.

3. **For members who have switched from the NPA 60 category to the NPA 65 category at some date between 2007 and 2013 and / or the NPA 65 or 67 category sometime after 2013 and who decide to retire before the age of 65**

   You will have the option of drawing your pension and remaining in service, but you will not then be entitled to accrue any further benefits for future service.

   Your benefits earned after the switch date will be subject to an actuarial reduction from age 65. Benefits earned for service before the switch date will be subject to actuarial reduction from age 60. For members over age 60, benefits earned for service before the switch date will be payable in full with revaluation to the date of retirement. Since 2010, under legislation, early retirement may only be permitted from age 55 (except on grounds of ill-health).

Pre October 2004 service

If you were a member of the previous scheme prior to 1 October 2004 unreduced early retirement benefits between the ages of 55 and 60 may be available subject to the agreement of RCN. All applications for early retirement must be authorised by RCN.

Appendix B: Example Calculation

How will my pension be calculated?

Under the RCN Pension Scheme each year you will build up an amount of pension which is a fraction of the earnings you have received in that year. The Normal Pension Age selected will determine the age at which pension benefits are payable in full without reduction for early payment.

The pension built up will be revalued at the end of each subsequent Scheme year by the rise in the Retail Prices Index (RPI) up to a maximum of 2.5% per annum.

On your eventual retirement (or earlier leaving service) your pension will be made up of the total revalued pension built up throughout your period of membership of the Scheme.

Please note that a different accrual rate and RPI revaluation maximum applied to periods of membership completed before 1 November 2013.

Example: Accrual Rate of 1/80th with a Normal Pension Age of 67

Table A: Example Data £30,000 starting salary joins the Scheme at age 57 (1 November 2013), receives 3% per annum pay increases and completes 10 years of membership:

	Assumed Earnings	Pension earned	Assumed RPI Inflation
Year 1	£30,000	£375.00	n/a
Year 2	£30,900	£386.25	2.0%
Year 3	£31,827	£397.84	2.2%
Year 4	£32,781	£409.76	2.5%
Year 5	£33,765	£422.06	2.1%
Year 6	£34,778	£434.73	1.9%
Year 7	£35,822	£447.78	1.7%
Year 8	£36,896	£461.20	2.0%
Year 9	£38,003	£475.04	2.2%
Year 10	£39,143	£489.29	2.5%

Table B: Revalued pension:

Pension	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of year 6	End of year 7	End of year 8	End of year 9	End of year 10	Total
Year 1	**£375.00**	x1.020	x1.022	x1.025	x0.021	x1.019	x1.017	x1.020	x1.022	x1.025	£453.00
Year 2		**£386.25**	x 1.022	x 1.025	x 1.021	x1.019	x1.017	x1.020	x1.022	x1.025	£457.45
Year 3			**£397.84**	x 1.025	x 1.021	x1.019	x1.017	x1.020	x1.022	x1.025	£461.03
Year 4				**£409.76**	x 1.021	x1.019	x1.017	x1.020	x1.022	x1.025	£463.26
Year 5					**£422.06**	x1.019	x1.017	x1.020	x1.022	x1.025	£467.35
Year 6						**£434.73**	x1.017	x1.020	x1.022	x1.025	£472.41
Year 7							**£447.78**	x1.020	x1.022	x1.025	£478.45
Year 8								**£461.20**	x1.022	x1.025	£483.13
Year 9									**£475.04**	x1.025	£486.92
Year 10										**£489.29**	£489.29
Total pension earned											**£4,712.29**

TPT, 5 Floor,3 South Brook Street, Aire Park, Leeds LS10 1FT.
Tel: 0113 234 5500 **Email:** enquiries@tpt.co.uk **www.tpt.co.uk**

RCN.DBMG.0926

t|p|t
Retirement Solutions