

**Seventh-day Adventist
Retirement Plan**

EXPLANATORY BOOKLET

June 2011

**British Union Conference
Stanborough Park
Watford Herts
WD25 9JZ**

INTRODUCTION

The British Union Conference of Seventh-day Adventists (the "Church") established a new Retirement Plan for the benefit of its employees and the employees of the other employers or organisations associated with it which participate in the Plan in April 1998. These employers and organisations will be referred to in the booklet as the "Employer".

This Plan is one of the most important and valuable benefits the Employer offers you. It has been designed with your future financial security in mind.

The Plan not only provides you with a regular income after you stop working at retirement, but also benefits for your family or other dependants if you should die.

Being a member of the Plan is excellent value as the Employer pays the full cost of providing the benefits.

In addition, once you have been a Plan member for 2 years you won't lose out if you leave. You can choose to leave your benefits in the Plan, where they'll be protected against inflation within limits until they're paid to you, or you may be able to take them with you to another retirement benefits plan.

Further information

This booklet gives only a summary of the benefits provided by the Plan. It does not cover everything in the formal Trust Deed and Rules (see page 25). The Trustees operate the Plan in accordance with the Rules and, while every effort has been made to ensure the accuracy of this booklet, in the event of any conflict between this booklet and the Rules, the Rules will always prevail.

If there is anything in this booklet which you are not clear about or if you would like further information about the Plan and your benefits, you should contact the BUC Executive Secretary at the address below.

Executive Secretary
British Union Conference of Seventh-day Adventists
Stanborough Park
Watford
Hertfordshire
WD25 9JZ

July 2009

GLOSSARY OF PENSION TERMS

This booklet uses special words which may require further explanation. The following definitions should help you understand any technical terms used which may be unfamiliar to you.

Additional Voluntary Contributions (AVCs)

AVCs are contributions which you can choose to pay if you wish to increase your benefits. AVCs will be paid into an AVC Account which the Trustees will set up and maintain on your behalf.

Average Personal Salary Factor

Means the average of the Member's Personal Salary Factor over three consecutive years ending in the last 10 years (or his entire Pensionable Service, if less). For Members with more than three year's Service, the highest average will be taken and it may also be calculated by reference to the position on three consecutive Renewal Dates.

Final Pensionable Salary

Means the Pensionable Salary multiplied by the Member's Average Personal Salary Factor.

HMRC

HM Revenue & Customs (formerly the Inland Revenue).

Normal Retirement Date

Your 65th birthday.

Pensionable Service

These are the periods of continuous service with your Employer in complete years and days from the date you become a member of the Plan to your Normal Retirement Date.

Personal Salary Factor

Means the proportion of the Salary Package which a Member is entitled to receive as his or her remuneration.

Renewal Date

This means 6 April in each year.

Salary Package

Means a monthly amount by reference to which the salaries of employees of the Church are determined. The amount is determined by the Executive Committee.

Pensionable Salary

Means 90% of the pensionable proportion of your Salary Package, as determined by the Executive Committee.

State Basic Pension Scheme

Everyone who has paid enough National Insurance Contributions qualifies for the Basic State Pension from State Pension Age.

Additional State Pension

Depending on your individual circumstances, you may be entitled to additional State Pension. As its name suggests, additional State Pension is paid in addition to the basic State Pension

State Pension Age

This is currently the 65th birthday for men, and the 60th birthday for women. However, with effect from 6 April 1997, changes have been made to the State Pension Age for women. There is no change for women born before 6 April 1950 and State Pension Age will remain as their 60th birthday. The State Pension Age for women born after 5 April 1955 will be their 65th birthday. For women born between these two dates, State Pension Age will be a date between their 60th and 65th birthdays.

CONTENTS

	Page
Outline of the Plan	5
The Plan and the State Pension Scheme.....	6
Joining the Plan	7
Contributions.....	9
Additional Voluntary Contributions.....	10
Retirement Pensions.....	11
Tax-free Cash Sums	13
Early Retirement.....	14
Late Retirement.....	16
Death Before Retirement.....	17
Death After Retirement.....	19
Leaving the Plan	20
Transfer of Benefits.....	22
Absence from Work	23
Maternity, Paternity & Adoption Leave	24
Tax and Legal Notes.....	25
Data Protection Act 1998	27
Help and Advice.....	28
Plan Limits	30
Expression of Wish Form.....	31

OUTLINE OF THE PLAN

Introduction

The Seventh-day Adventist Retirement Plan is a non-contributory, defined benefit pension scheme governed by a Definitive Trust Deed and operated by a group of trustees.

Benefits

When you retire, you will receive your **pension**, which is a regular income based on your earnings close to retirement and is paid for the rest of your life.

You may be able to exchange part of your pension for a **tax-free cash sum** when you retire.

You may be able to **retire early** (with a smaller pension).

You may be able to **retire late** (with a larger pension).

If you leave the Plan before retirement and you have been member of the Plan for 2 years when you leave you will have the option of either a preserved pension left in the Plan or a transfer value to another registered pension plan.

The Plan provides **benefits for your dependants** if you should die while working for the Employer.

Annual statement

You will receive a statement each year detailing your individual benefits.

Contributions

The Plan is paid for by your Employer. Contributions are paid into a trust fund which is separate from the Employer and is invested by the Trustees of the Plan. The fund is used to provide benefits when they become payable. You may, however, pay voluntary contributions to **increase your benefits** to the Plan through the facility of either an AVC or the group Stakeholder Pension Provider nominated by the BUC and its participating employers.

Tax advantages

The Plan is registered with HMRC in accordance with the requirements of the Finance Act 2004. This means that:

- you get **full tax relief** on your contributions (if any) to the Plan;
- you may take part of your pension as a **tax-free cash sum**;
- any lump sum death benefit paid to your beneficiaries is normally **tax-free**.

The benefits provided by the Plan are, however, subject to certain limits set out in the Plan Limits (see page 30). We will endeavour to advise you if any limitation applies in your case.

The Plan's investments are largely free from income and capital gains taxes.

THE PLAN AND THE STATE PENSION SCHEME

The State Pension Scheme

The State Pension Scheme is in two parts:-

- **the State Basic Pension Scheme**
- **the Additional State Pension**

State pensions are paid from State Pension Age.

The Basic State Pension is a flat rate amount paid to everyone who has a full National Insurance contribution record. It is reviewed each year by the Government.

The **Additional State Pension** is based on an employee's earnings which fall between certain limits and the number of years you have contributed. These are adjusted on 6th April each year by the Government.

The Plan is contracted in to the Additional State Pension and provides benefits in addition to those provided by the State. Therefore, when you come to retire your retirement income will consist of:-

- (i) your Basic State Pension,
- (ii) your Additional State Pension, and
- (iii) your pension payable from the Plan.

JOINING THE PLAN

Who is eligible?

Employees who were members of the Church's previous arrangement automatically became members of the Plan on 6 April 1998.

For all other employees you may join the Plan for all benefits if you:

- (a) are employed by a participating employer of the Plan
- (b) are aged at least 16 but under age 64, and
- (c) have worked continuously for your Employer for at least two years.

You may join the Plan for all benefits on the first day on which you are eligible. This means that you will not start to build up pension benefits and not be covered for the death in service benefits until you join the Plan after two years' employment. Once you have joined the Plan, you then need to complete a further two years' pensionable employment before you become entitled to a preserved pension on leaving (see page 20). At any time after you have completed these further two years' pensionable employment, your employer may decide that your period of employment before joining the Plan is also counted as pensionable. This, however, is entirely at the discretion of your employer and is subject to agreement by the Trustees.

If you choose not to join the Plan you should advise the BUC Executive Secretary in writing. You should note that if you decide not to join you will not be covered for any benefit provided by the Plan and you will only be allowed to join at a later date if the Trustees agree. Your benefits may then be restricted and subject to medical evidence of your good health.

Forms

You may on joining the Plan be asked to produce your birth certificate and, where appropriate, your marriage certificate and spouse's birth certificate.

It is important that you complete the Expression of Wish Form to indicate how you would like the benefits to be paid if you die. This form is at the back of the booklet. Once completed, the form should be returned to the BUC Executive Secretary.

Personal information

Any information you provide will be held by the Trustees, the Employer and by the external Plan administrators appointed by the Trustees. All the information is necessary and without it you may not be able to join the Plan.

Your information is kept secure and is only disclosed in limited circumstances, for example to the Church in connection with benefits under the Plan, or to insurance companies to arrange particular benefits, to the Plan administrators to arrange and administer your benefits and to government or regulatory organisations if the Trustees are legally obliged to do so.

The information may be used to conduct statistical analysis in connection with both the Plan and surveys of similar schemes but, should this happen, you would not be identified personally.

It is important that you tell the Trustees of any changes in your personal details, especially your marital status and address, to help the Trustees to provide your benefits quickly. (Please see page 27 for a statement regarding the Data Protection Act 1998).

Pension from a previous job

If you have benefits which are not yet in payment under a previous pension scheme, a personal pension scheme, retirement annuity contract or a policy in your own name then you may be able to transfer these benefits into the Plan. The BUC Executive Secretary will give you more information.

The Trustees decide whether or not transfers may be accepted. Transfers in to the Plan are not normally considered by the Trustees within the first two years of Plan membership.

CONTRIBUTIONS

What you pay

You are not required to contribute towards the cost of the Plan.

You may, however, pay additional voluntary contributions (AVCs) to secure extra benefits under the Plan (see page 10) or make payments to a stakeholder pension via the group Stakeholder Pension Provider selected by the BUC.

Employer's contributions

The cost of providing the benefits under the Plan is calculated by professional advisers to the Trustees. At present the Employer pays the whole cost of providing all the benefits promised by the Plan.

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

You may pay additional voluntary contributions (AVCs) to increase your benefits under the Plan.

With AVCs, you do not have to commit yourself to paying them for any particular length of time.

Normally, all retirement benefits provided from AVCs may be taken as a tax-free cash sum.

Amount of AVCs

You can choose how much you want to pay and your contributions will be paid into your individual AVC Account. You can pay anything you like from a few pounds a month upwards, provided that the total of all your contributions to the Plan does not exceed 15% of your gross earnings.

AVCs may be made through the payroll system either regularly or as single contributions. However, you will need to give advance notice of any changes to your AVCs, or if you intend to make a single cash sum payment. A member may normally start, increase, reduce or stop voluntary contributions at any Renewal Date (6 April) and/or once at any other time during a period of twelve months by giving the Trustees one month's written notice.

Tax relief

Your AVCs will be eligible for full tax relief at the highest rate to which you are liable. The investment returns on your AVCs are also largely free of income and capital gains taxes.

Benefits and annual statements

When you retire or die, the total amount in your AVC Account will be available to increase your benefits. At retirement, you decide how you take your extra benefits. Normally, you will be able to take the full value of your AVCs at retirement as a cash sum, tax-free under current legislation. A statement showing the value of your AVC Account, including details of contributions paid, will be issued to you each year.

More information

Full details of the Plan's AVC arrangements can be obtained by contacting the BUC Executive Secretary. If you would like more information on stakeholder pensions or personal pension plans, or would like to understand the advantages of paying contributions to these types of plans compared with AVCs, you should seek advice from an independent financial adviser.

RETIREMENT PENSIONS

Your pension

The Plan is designed to provide you with a pension related to your earnings - and therefore to your standard of living - close to retirement.

Pension formula

The formula used to calculate your pension is:

$$1/100 \times \text{Final Pensionable Salary} \times \text{Pensionable Service}$$

Example: The example below shows the annual pension payable to a member retiring after 28 years' Plan membership with a Final Pensionable Salary of £18,000.

$$1/100 \times £18,000 \times 28 = £5,040 \text{ per annum}$$

Remember that from State Pension Age the basic state pension and any entitlement to additional State Pension is paid as well.

Payment of your pension

You will receive your pension from the date you retire, usually your Normal Retirement Date, and it will be paid by monthly instalments for the rest of your life. Your pension instalments will be paid on the 25th of each month or the last working day prior to the 25th.

What about inflation?

When you retire on pension at Normal Retirement Date your pension will be increased on the 1st January in each year.

The increase will be the percentage increase in the retail prices index for the 12 month period ending on the preceding 30 September or 5% if that is less.

If your pension has been paid for less than 12 months when the increase is first due, the increase will be proportionate to the increase you would have received based on each complete month for the period in question.

Example: In a year when inflation is 6% your pension increase for the full year will be restricted to 5%. If, you retired on the 1st July then your pension will be increased on the 1st January following your retirement by 2.5%.

If, in any tax year, the Trustees increase your pension in payment above that required by law, the next annual increase in your pension may be adjusted. In that event, the excess part of the increase above that required by law may be offset against your next increase in pension.

In addition, the Trustees will review the pensions being paid under the Plan and may make increases from time to time to further offset the effects of inflation, provided the Church agrees and sufficient resources are available.

Extra money for your family

When you retire, you have the option of taking a lower pension for yourself in exchange for providing a higher level of pension payable on your death for your legal spouse or other dependant of your choice.

However, you should seek **appropriate professional** advice before making any decision as there are a number of things to consider before you set aside benefits in this way.

TAX-FREE CASH SUMS

On retirement you may exchange some of your pension for a cash sum, which is tax-free under current legislation.

How much cash?

You may take a cash sum of up to twice your annual retirement pension.

Example: Our member, with a Final Pensionable Salary of £18,000 a year and a retirement pension of £5,040 per annum, would be able to receive the following lump sum:

$$2 \times £5,040 = £10,080$$

Reduced pension

If you take a tax-free cash sum, your pension will be reduced. At present (June 2009) your pension will be reduced by £1 for every £12 of cash you receive. However, this ratio of 12:1 is kept under review and may change from time to time.

Example: This means that our member's pension will be reduced by £840 per annum using the 12:1 ratio as described above if he decides to take the cash. If our member does take the tax-free cash sum he will be entitled to a reduced pension of £4,200 per annum.

Restrictions

The maximum tax-free cash sum you can take may have to be restricted in order to comply with limits in the Plan Rules. You will be notified near retirement if this restriction applies in your case.

EARLY RETIREMENT

You may take an immediate pension on retirement before Normal Retirement Date with the consent of the Church. This may be either at any time if in the opinion of the Trustees, based on independent medical advice obtained by them, you are suffering from ill-health which prevents you from carrying out your normal job for the Church or seriously impairs your earnings capacity, or from age 50 (age 55 from April 2010) if you retire for any other reason.

Early retirement pension

If you retire early on pension, your pension will be worked out as if you were leaving the Plan (see pages 20 - 21) and then reduced to take account of the longer time for which it will be paid.

If, on attaining your 62nd birthday, you have completed 35 years' Pensionable Service or in the opinion of the Trustees (based on independent medical advice) you are suffering from serious ill-health which means that your life expectancy is seriously reduced, no reduction will be applied to your pension.

Example: Our member is entitled to a pension of £5,040 per annum (as calculated on page 11) based on him completing 28 years' Pensionable Service by his Normal Retirement Date. If that member retired two years early after completing only 26 years' Pensionable Service then his pension would, ignoring any statutory revaluation, be calculated as follows:

$$1/100 \times £18,000 \times 26 = £4,680$$

However, because this pension is being paid 2 years' early at age 63 instead of his Normal Retirement Date it will be reduced for early payment. The pension payable immediately will be £4,135 per annum using the current reduction factors in force.

Options at retirement

You still have the option at early retirement of giving up part of your pension for a tax-free cash sum (see page 13) or to provide extra pension for a dependant (see page 12).

Inflation protection

Your pension payable on early retirement will be increased each year in the same way as your pension payable at Normal Retirement Date (see page 11).

If you are aged less than 55 on your early retirement then, unless in the opinion of the Trustees based on independent medical advice obtained by them you are permanently incapacitated by mental or physical infirmity which prevents you from working in regular full-time employment or which actually led to your early retirement on pension, your pension will not be increased until you reach the age of 55. At that age your pension will be increased each year in the same way as it would have been had it become payable from your Normal Retirement Date (see page 11) but at an annual rate as though the increases had applied from the date you retired early.

If you are permanently incapacitated by mental or physical infirmity which, in the opinion of the Trustees based on independent medical advice obtained by them, is sufficient to prevent you from working in regular full-time employment then, irrespective of your age, if you have been permitted by the Church to retire early on pension, that pension will be increased each year in the same way as it would have been had it become payable from your Normal Retirement Date (see page 11) but the increases will be applied from the date you retired early on pension.

Review of your health and continuing pension payments

The continued payment of your pension arising through your early retirement due to mental or physical infirmity and the increases to that pension up to age 55 (see 'inflation protection' above) are subject to reviews by the Trustees. For this purpose the Trustees may call for any independent medical advice or evidence they consider appropriate.

If your health improves to the extent that, in the Trustees' opinion based on independent medical advice, you are no longer suffering from the infirmity which gave rise to your early retirement on pension, the Trustees may (having obtained the advice of the actuary to the Plan) reduce, suspend or terminate your pension until your Normal Retirement Date.

If this applies to you, you will be immediately advised of the benefits which will become payable to you at your Normal Retirement Date in the light of the Plan benefits which you have already received.

LATE RETIREMENT

With the Employer's consent, you may continue working after your Normal Retirement Date. You may continue to pay AVCs and your AVC Account will also remain invested until you retire.

Late retirement benefits

Your pension at the date of your late retirement will be calculated in the same way as if you were retiring at Normal Retirement Date (see page 11), but will be based on your actual completed Pensionable Service and your Final Pensionable Salary at your late retirement date.

Options at retirement

You will be able to exercise the option to give up part of your pension for a tax-free cash sum (see page 13) or to provide extra pension for a dependant (see page 12) when you actually retire.

If you should die

If you die while employed by your Employer after Normal Retirement Date, the same benefits would be payable as if you had died before Normal Retirement Date (see page 17) except that the spouse's pension would be based on the pension you had built up to the date of death.

The Trustees have arranged an insurance policy to provide these benefits. The provision of the benefits is subject to such restrictions, and terms and conditions, as may be imposed by the insurance company. In particular, the insurance policy currently only provides cover up to age 70 and so the lump sum death benefit of 80% of your Salary Package would not continue beyond age 70. However, in any event the lump sum death benefit would not be less than the amount payable had you retired the day before you died.

Inflation protection

Your pension payable on late retirement will be increased each year in the same way as it would have been had it become payable at your Normal Retirement Date (see page 11).

DEATH BEFORE RETIREMENT

If you die in your Employer's service before your Normal Retirement Date whilst a member of the Plan, the following benefits will be payable.

Lump sum death benefit

A lump sum equal to 80% of your Salary Package at the date of your death will be paid to your beneficiaries or estate. Your beneficiaries include your family, someone who is dependent on you because of disability and any person not married to you who is financially interdependent with you and who relies on your income to maintain a standard of living which had depended on joint incomes before the date of your death.

Tax-free

Normally, any lump sums payable on your death will be tax-free. The Trustees must decide who receives the money but generally they will follow your wishes provided they have been notified of them beforehand. You should let the Trustees know how you would like any lump sums to be paid by completing an Expression of Wish Form, which you will find at the back of the booklet.

You should make sure that your Expression of Wish Form is kept up to date by filling in a new form if your circumstances change. Additional copies are available if you change your mind at any time.

A pension for your spouse

If you are married at the date of your death, a pension equal to one-half of your prospective pension will be paid immediately to your legal spouse. Your prospective pension is the pension you would have received at Normal Retirement Date based on your Final Pensionable Salary at the date of your death and the Pensionable Service you could have completed to Normal Retirement Date. This pension will be paid for the rest of your spouse's life.

A pension for your children

In addition to the legal spouse's pension above, a pension will be paid for the benefit of your children while they are under age 23.

The amount of the children's pension at any time will be one quarter of the legal spouse's pension multiplied by the number of qualifying children up to a maximum of four such children.

If, you are not survived by your spouse or if your legal spouse dies while a children's pension is payable, the amount of the children's pension will be doubled.

Inflation protection

Your spouse's pension (and any pension paid for the benefit of children) will be increased each year in the same way as your own pension (see page 11).

Are there any restrictions?

Under normal circumstances the full lump sum death benefit and legal spouse's pension will be provided automatically without any enquiry into your state of health.

Sometimes, however, restrictions are placed on these death benefits and you will be told if this applies to you.

Insured benefits

The lump sum death benefit described on page 17 is insured under a policy specifically to provide this benefit. Payment of this benefit is subject to acceptance by and any terms and conditions imposed by the insurer.

DEATH AFTER RETIREMENT

Once you retire, your pension is paid for the rest of your life. On your death in retirement, the following benefits are payable.

Lump sum

If you die within five years after your retirement, your beneficiaries or estate will receive the value of the unpaid balance of the five years' pension payments including the value of the pension increases as a lump sum.

A pension for your spouse

If you are married on your death, your legal spouse will receive a pension equal to one-half of your own pension including any increases since your retirement and any pension given up to provide other benefits such as a tax-free cash sum (see page 13).

This pension will be paid for the rest of your spouse's life.

A pension for your children

In addition, to the spouses' pension above a pension will be paid for the benefit of your children while they are under age 23.

The amount of the children's pension at any time will be one quarter of the spouse's pension multiplied by the number of qualifying children up to a maximum of four such children.

If, you are not survived by your spouse or if your spouse dies while a children's pension is payable, the amount of the children's pension will be doubled.

Inflation protection

Your spouse's pension (and any pension paid for the benefit of children) will be increased each year in the same way as your own pension (see page 11).

Extra money for your family

When you retire you have the option of taking a lower pension for yourself in exchange for providing a higher level of pension for your legal spouse or other dependant of your choice. This may include someone who is dependent upon you by reason of disability and any person not married to you who was financially interdependent of you and who relied upon your income to maintain a standard of living which had depended on joint incomes before the date of your death.

However, you should seek advice before making any decisions, as there are a lot of pros and cons to be considered before you set aside benefits in this way.

LEAVING THE PLAN

Leaving the Plan

If you leave your Employer before Normal Retirement Date after completing two years' qualifying service as a Plan member, or if assets have been transferred to the Plan for your benefit, you will be entitled to a preserved pension payable from Normal Retirement Date. Qualifying service is normally Pensionable Service from the date you join the Plan, but if any assets have been transferred into the Plan for your benefit which derived from another retirement benefits scheme, the period of employment which counted for retirement benefits under that Scheme will count as qualifying service.

This will represent the pension you earned up to the date you left the Plan and calculated in the usual way (see page 11) using your Final Pensionable Salary and completed Pensionable Service at the date you leave.

If you leave the Plan with less than two years' qualifying service, no benefits will be preserved for you in the Plan. However, providing you have completed at least three months' qualifying service, you will be entitled to a transfer value payment (see page 22), but you must take up this option within three months otherwise the option will lapse and no benefits will be available to you from the Plan.

Inflation protection

To help offset the effects of inflation your preserved pension will be increased each year in line with the percentage increase in the consumer prices index between the date you leave the Plan and the date you retire, subject to these increases not exceeding:

- (a) 5% p.a. for the part of your preserved pension relating to your Pensionable Service before 6 April 2009; and
- (b) 2.5% p.a. for the part of your preserved pension relating to your Pensionable Service on or after 6 April 2009.

Retirement options

If you leave your benefits in the Plan you will still have the normal options of retiring early (see pages 14 - 15) or giving up part of your pension in exchange for a tax-free cash sum (see page 13) or providing extra pension for a dependant (see page 12). Your pension will be payable and increased each year, in the same way as if you had remained in Pensionable Service until your Normal Retirement Date (see page 11).

Death before retirement

If you are married, your legal spouse will receive a pension equal to half of your preserved pension, including any increases made up to the date you died.

On your death after retirement, benefits will be paid as described on page 19 based on your preserved pension.

Inflation protection

Your spouse's pension (and any pension paid for the benefit of children) on your death, either before or after retirement, will be increased each year in the same way as your own pension (see page 11).

Leaving the Plan but not your Employer

If you decide to leave the Plan while continuing to work for your Employer, you must give one month's notice of your intention to do so.

If you leave the Plan in this way, your benefits will be treated in the same way as if you had left your Employer. You will cease to be covered for any other benefit under the Plan.

Rejoining the Plan

While you remain employed with your Employer, you will only be able to rejoin the Plan at a later date if the Trustees agree. Your membership may then be limited and any death benefits may be subject to medical evidence of your good health.

If you are eligible to rejoin the Plan after a break in service and have benefits remaining under the Plan, your Pensionable Service under the Plan will be linked subject to the Trustees' and your Employer's consent.

TRANSFER OF BENEFITS

If you leave Pensionable Service at least one year before your Normal Retirement Date, instead of leaving your preserved benefits in the Plan (see pages 20 - 21), you may transfer the cash equivalent of them to your new employer's scheme, provided he is willing and able to accept it and his plan is a retirement benefits plan registered with HMRC. Your new employer will be able to tell you what benefits can be provided with the cash equivalent under his scheme.

You also have the option of transferring the cash equivalent of your preserved benefits to a personal pension scheme of your choice or to an individual insurance policy in your own name (known as a 'buy-out' policy), provided such plans are retirement benefits plans registered with HMRC.

The above transfer options are available even if you are not entitled to preserved benefits in the Plan, providing you have completed at least three months' qualifying service. Hence, if you leave the Plan with less than two years', but at least three months', qualifying service, you will be offered the option of transferring the value of your accrued benefits to another pension arrangement. However, this transfer option is only available for a limited period (which will be explained to you in this eventuality) and if you do not take up the transfer option within that period, the option will lapse and no benefits will be available to you from the Plan.

At any time, whether you have left Pensionable Service or not, you may ask the Trustees for an estimate of the cash equivalent available to you on a particular date. If the estimate of the cash equivalent is needed because of a divorce settlement, you should tell the Trustees this when asking for the estimate as the Trustees may need further information from you. Within three months of your request, the Trustees will give you a written statement of entitlement. This will show your cash equivalent, which is guaranteed for three months from the date on which it has been calculated (the 'guarantee date'). The statement will be given to you normally within ten days of the guarantee date.

If you want to transfer the cash equivalent to another scheme or buy-out policy, you must apply in writing to the Trustees within three months from the guarantee date shown on the statement of entitlement.

You may not ask the Trustees for another statement within 12 months of the date of the last request.

Calculation of the cash equivalent

The cash equivalent is the cash sum which represents the Trustees' best estimate of the expected cost of the Plan providing the preserved benefits to which you are entitled. If the Plan's assets are insufficient to cover the total cash equivalent transfer values for all members, the transfer value available will be scaled down accordingly.

The value of your AVCs will be in addition to the above.

Cash equivalents do not take account of discretionary pension increases, as the Trustees do not have a policy of paying such increases.

Further details will be provided by the BUC Executive Secretary when you leave the Plan.

ABSENCE FROM WORK

Temporary absence

Most absences from work are for a relatively short time and do not affect your membership of the Plan. However, if you are absent for a long time your membership may be affected, as set out below.

Sickness

If you are away due to illness or injury, you are covered by your Employer's Prolonged Disability Insurance Scheme and your membership of the Plan will be continued.

Other absences

If you are away from work for any other reason except maternity leave, the Church will decide whether your membership should continue, whether you will be covered for the lump sum death benefit and, in each case, for how long.

What happens after the time limit?

If at the end of the appropriate period you have not returned to work, you will normally be treated as having left employment and your benefits will be dealt with as described on pages 20 - 21.

MATERNITY, PATERNITY & ADOPTION LEAVE

Your membership and benefits under the Plan will continue for the period of absence that is:

- ordinary maternity leave and additional maternity leave (as defined in the Employment Rights Act 1996);
- paternity leave (as defined in the Employment Rights Act 1996); or
- ordinary adoption leave and additional adoption leave (as defined in the Employment Rights Act 1996).

In all cases, your benefits will be based on the Pensionable Salary which would have applied to you had you been working normally (your "notional" Pensionable Salary).

Contributions

The Employer will continue to pay its contributions in respect of you to the Plan based on your notional Pensionable Salary.

You may continue to pay any AVCs to the Plan.

Leaving your Employer

If you decide not to return to work, you will be treated as having left your Employer. The date of leaving will be taken as whichever is the latest of the following:

- the date on which any period of statutory maternity leave, paternity leave or adoption leave expires;
- the last day for which you received contractual remuneration or statutory maternity pay, paternity pay or adoption pay; or
- the date on which your right to exercise the right to return to work expires (or any earlier cancellation of your notice on intention to return to work).

In all cases, your benefits will then be dealt with as described on pages 20 - 21.

TAX AND LEGAL NOTES

Plan limits

The Plan Rules contain certain limits on benefits and contributions (see page 30). You will be advised if any limitation applies in your case.

HMRC allowances

If the total value of your Plan pension, and benefits from all other pension arrangements, exceeds the Lifetime Allowance (£1,500,000 for 2012/13), you will have to pay tax at 25% on the value of your benefits in excess of the Lifetime Allowance, and pay income tax on the pension in the normal way. Alternatively, if the excess is paid to you as a lump sum, tax is payable at 55% on the value in excess of the Lifetime Allowance.

If the value of the increase in your Plan pension in any year (plus any AVCs and contributions payable under any other pension arrangements) exceeds the Annual Allowance (£50,000 for 2011/12), you will have to pay income tax at your marginal rate on the excess contributions.

Trustees

The Plan's benefits are paid from a special trust fund, which is built up by investing the Employer's contributions. The Plan's assets are entirely separate from those of the Employer.

The Trustees of the Plan are responsible for its administration and for the investment of the money in the fund. It is their duty to ensure that your interests under the Plan are protected. Details of the Trustees and their advisers are published annually in the Trustees' Annual Report.

The Trustees of the Plan have been nominated and appointed by the Employer and by the Plan members. The Trustee selection procedures will be reviewed on a regular basis and may require to be approved or re-approved by the members of the Plan from time to time.

Formal trust deed and rules

Your rights to benefit under the Plan arise from the formal Trust Deed and Rules. They are designed to meet the requirements of HMRC and other Government authorities.

This booklet does not provide full details of your benefits under the Plan. If you require further clarification of your benefits you should, in the first instance, contact the BUC Executive Secretary. For fuller details of your benefits under the Plan you may request the BUC Executive Secretary to provide you with, or arrange for you to inspect, a copy of the Trust Deed and Rules.

Income tax

Your Plan pension will be subject to income tax.

Inheritance tax

Under present legislation your lump sum death benefit will not normally be subject to Inheritance Tax. To avoid this possible tax liability and the delays, which can occur when payments are made through an estate, the Plan is arranged so that the Trustees have discretion to decide who receives the death benefits.

Normally, the Trustees will follow your wishes so you should let them know what these are and also advise them if you change your mind at any time. Please use the Expression of Wish Form at the back of this booklet, or write the Trustees a letter.

Giving up your benefits

Except in the limited circumstances allowed by law and by the formal Trust Deed and Rules, you are not allowed to give up, cash in or forfeit your benefits or use them as a security for a loan.

Divorce

The Welfare Reform and Pensions Act 1999 has introduced a new method called "pension sharing" of dividing your pension rights in the unfortunate event of a divorce. This legislation offers an alternative approach to the existing ways of dealing with pensions on divorce. The options now available are:

- **Offsetting** – this is where the value of your pension rights is included with the other matrimonial assets (e.g. house, car etc). Your pension itself is not divided but is offset against the other assets in such a way as to achieve the financial settlement required.
- **Earmarking** – part of your pension on retirement is earmarked by a court order to be paid to your former spouse. When your pension eventually comes into payment, that portion of the benefit will be paid directly to your former spouse by the Trustees.
- **Pension Sharing** – the court order will require the Trustees to value your pension rights at the time of divorce, and to split your pension, providing you and your former spouse with a clean break.

When a pension sharing court order is issued, an amount is 'debited' from your Plan benefits and an amount which is equivalent in value is 'credited' to your former spouse. In these circumstances, your former spouse would then have the option to take their share as a transfer value to another approved pension arrangement. If your former spouse does not choose to transfer out, the Trustees would either retain the benefit in the Plan or set up a separate pension arrangement on their behalf.

The cost of implementing pension sharing and providing any information over and above the required regulations will need to be met by you and your former spouse. In particular the Trustees will impose a charge for dealing with the transfer out.

Amendment or discontinuance

The Church fully intends to keep the Plan in force but reserves the right to amend or discontinue it. If your benefits or rights are affected you will be given written notice. If the Plan is discontinued the Trustees will use the assets of the Plan in the way set out in the Trust Deed and Rules.

DATA PROTECTION ACT 1998

The Trustees and the Employer have both a legal obligation and a legitimate interest to process data relating to you for the purpose of administering and operating the Scheme and paying benefits under it. This may include passing on data about you to the Scheme's actuary, auditor, administrator and such other third parties as may be necessary for the administration and operation of the Scheme.

The Trustees and the Employer from time to time are all regarded as "Data Controllers" (for the purposes of the Data Protection Act 1998) in relation to data processing referred to above and can be contacted at the address on page 1.

(The "Employer" includes the principal employer for the purposes of the Scheme and your employer from time to time).

HELP AND ADVICE

Queries and Problems

The Trustees aim to ensure the Plan is administered and managed to high standards but there may be times when you are unhappy about something concerning your benefits or another matter relating to your membership of the Plan.

Although the Trustees have set procedures for resolving complaints and disputes about matters relating to the Plan (i.e. the internal dispute resolution procedures described below), any query or problem should initially be referred to the BUC Executive Secretary, British Union Conference of Seventh-day Adventists, Stanborough Park, Watford, Hertfordshire WD25 9JZ. Most queries and problems stem from a misunderstanding of information and normally can be quickly and informally sorted out without the need for the formal procedures to come into play.

If, after referring your query or problem to the BUC Executive Secretary, you are still unhappy about the matter, you may then wish to consider making a formal complaint through the internal dispute resolution procedures.

Advice

You should note that independent financial advice is available to you should you wish advice on matters such as:

- (i) the level and adequacy of the benefits that the Plan provides you;
- (ii) the payment of AVCs to the Plan or whether you should establish a contract which is entirely separate from the Plan and known as a Free Standing Additional Voluntary Contribution Scheme to receive any voluntary contributions you may wish to pay;
- (iii) what you should do with any benefits you might have accrued under a previous pension scheme, or personal pension scheme.

If, you are interested in obtaining such advice you should contact the BUC Executive Secretary in the first instance.

Internal dispute resolution procedures

If you have a complaint or dispute about any matter relating to the Plan, there are set procedures for resolving it. Full details of the procedures can be obtained from the BUC Executive Secretary.

The internal dispute resolution procedures consist of two stages. Under the first stage, your complaint or dispute is fully considered and a decision made by BUC Executive Secretary, British Union Conference of Seventh-day Adventists, Stanborough Park, Watford, Hertfordshire WD25 9JZ a person specially appointed by the Trustees. The second stage is an appeal procedure under which, if you are not satisfied with the first stage decision, you can apply directly to the Trustees to reconsider the decision. A decision under either stage must normally be made within two months.

Complaints and appeals must be made in an appropriate manner. Special application forms are available for these purposes. If you are unable to make the complaint or appeal yourself, or if you prefer, you can nominate someone as your representative to make it for you.

The internal dispute resolution procedures only apply to matters concerning the Plan and which affect members and prospective members and others who have, or who claim to have, a beneficial interest in the Plan or who ceased to be within any of the 'complainant' categories in the six months before making a complaint.

The procedures do not apply to complaints and disputes between employees and the Employer or between the Employer and the Trustees. Nor do they apply to complaints or disputes where court proceedings have started or which are being investigated by the Pensions Ombudsman (see below).

TPAS (The Pensions Advisory Service)

TPAS (The Pensions Advisory Service) is available to help you (and other beneficiaries under the Plan) with any difficulties you may have in connection with the Plan. If you have any problems concerning your Plan benefits you can contact TPAS at 11 Belgrave Road, London, SW1V 1RB or through your local Citizens' Advice Bureau.

Pensions Ombudsman

The Pensions Ombudsman, appointed under the Pension Schemes Act 1993, may investigate and decide upon any complaint or dispute made or referred to him. Complaints or disputes may be referred directly to the Pensions Ombudsman or be referred to him by TPAS (although he normally insists that they initially be raised with TPAS).

If you want to contact the Pensions Ombudsman, the address is 11 Belgrave Road, London SW1V 1RB (the same as for TPAS).

The Pensions Regulator

The Pensions Regulator (TPR) is a regulatory body which oversees the running of occupational pension schemes. TPR is able to intervene in the running of pension schemes if trustees, employers or professional advisers fail in their duties.

If you want to contact TPR, the address is Invicta House, Trafalgar Place, Brighton, East Sussex BN1 4DW.

The Pension Service

The Pension Service can provide you with details of your state pension entitlement (including a state pension forecast), and details of other state benefits. The Pension Service also provides general information on private pension provision.

The Pension Service has access to the centralised database of occupational and personal pension schemes and provides a **Pension Tracing Service** that can help individuals trace schemes run by former employers. This service may be of use to you if you need to get in touch with the trustees of a previous employer's pension scheme but have mislaid their address.

The address of the Pension Service is The Pension Service, Tyneview Park, Whitley Road, Newcastle upon Tyne NE98 1BA. Further information is available at www.thepensionsservice.gov.uk.

PLAN LIMITS

Earnings limit

There is an upper limit on the amount of earnings to be used for calculating contributions and benefits. This limit increases each year in line with prices. For the tax year beginning 6 April 2009 the earnings limit is £123,600 a year. You will be notified if your contributions or benefits are affected.

Pension

The maximum pension is two-thirds of your earnings near retirement or two-thirds of the earnings limit, whichever is less, provided you complete 20 years' service or more.

Tax-free cash sum

The maximum tax-free cash sum is $2\frac{1}{4}$ times your pension at retirement or, if greater, $\frac{3}{80}$ ths of your Final Pensionable Salary for each year of Pensionable Service completed.

Lump sum death benefit

The maximum lump sum benefit payable on death before retirement is 4 times your earnings up to a maximum of 4 times the earnings limit, plus a refund of your own contributions to the Plan.

Contributions

The total of your contributions to the Plan including any AVCs must not exceed 15% of your gross earnings in any year. Contributions are also subject to the overall maximum of 15% of the earnings limit.

EXPRESSION OF WISH FORM

SEVENTH-DAY ADVENTIST RETIREMENT PLAN

PLEASE READ the special notes on the back of this form before completing it, using **CAPITAL LETTERS**

Surname

First name(s)

Mr/Mrs/Miss/Ms

I direct that any lump sum benefit arising under the Plan on my death be paid by the Trustees at their complete discretion in accordance with the Plan Rules.

In exercising their discretion, I wish the Trustees to consider the people I have nominated below as beneficiaries and to pay the benefit in the proportions shown. I understand that the nomination is only an expression of my wishes and is not binding on the Trustees. I also understand that, although I may change my nomination at any time in the future, I cannot direct the Trustees to pay the benefit in any way other than at their complete discretion.

1.	Name	2.	Name
	Address		Address
	Relationship		Relationship
	Proportion		Proportion
3.	Name	4.	Name
	Address		Address
	Relationship		Relationship
	Proportion		Proportion

Signed: _____ Dated: _____

I consent for the purposes of the Data Protection Act 1998 to the above information being held and processed by the Trustees.

Please return this form to the BUC Executive Secretary.

SPECIAL NOTES

Under present law, lump sum death benefits under the Plan can be paid at the discretion of the Trustees direct to your beneficiaries without any tax liability. Your beneficiaries are defined in the Plan Rules and include someone who was (1) a relative, (2) financially dependent on you, (3) nominated in your will or in writing to the Trustees, (4) dependent on you as a result of disability or (5) any person not married to you who was financially interdependent with you but relied upon a second income to maintain a standard of living which had depended on joint incomes prior to your death.

You should tell the Trustees who you wish to be treated as your beneficiary(ies) by filling in the form overleaf.

The Trustees will give every consideration to your wishes before paying any lump sums but your nomination is not legally binding on them.

You can change your nomination whenever you want, and should always keep your Expression of Wish form up to date.

Although the form allows space for up to 4 nominations, there is no restriction on the number of people you can nominate. Please write a letter to the Trustees if the form does not meet your needs. Please make sure the proportions add up to 100%.

Your nomination will be treated as confidential in any event but you may want to place your completed form in a sealed envelope, which will only be opened if you die. If so, you should address the envelope to the Trustees of the Plan and mark it clearly "Expression of Wish Form" and show your name, the Employer's name and the date.