

# Information about your Research Machines plc 1988 Pension Scheme benefits



This document summarises key aspects of Research Machines plc 1988 Pension Scheme benefits at retirement or if you're considering taking a transfer. It also includes information on death benefits before or after retirement.

## When can I take my pension benefits?

Your normal pension date under the Scheme will depend on your date of leaving the Scheme and may also depend on the level of contributions you paid.

If you left the Scheme prior to 1 May 2002:

your normal pension date will either be the first day of the month immediately **after your 60th birthday** (if you left before 26 April 1999)

or

the **last day of the month of your 60th birthday** (if you left on or after 26 April 1999)

If you left the Scheme on or after 1 May 2002:

your normal pension date will be the **last day of the month of your 65th birthday**, unless you paid additional contributions to retain a normal pension age of 60

In some circumstances you can take your benefits earlier or later than your normal pension date (up to age 75), but you may need the consent of the Trustee to do so. If you choose to take your pension earlier or later than your normal pension date, the amount payable will normally be adjusted to take account of its early or late commencement.

## How will my retirement benefits be paid?

Your pension will be paid **monthly direct to your bank account on or around the 10th of each month**. Depending on what day of the month your pension becomes payable, your first payment may be more or less than the normal monthly amount to take account of back payments or a part month.

## How are my retirement benefits calculated?

Your starting pension will be based on your pension on leaving, increased as described on page 2. It will be reviewed once your pension starts.

# Increases to your pension

Under Scheme rules, your pension will normally be reviewed annually. Any increase will depend on when you built up your pension and whether or not pension payments have started. If you were an active member before 6 April 1997, part of your benefits are likely to be subject to the Guaranteed Minimum Pension (GMP). See further information about GMPs on page 4.

The following tables provide the level of increases normally payable:

## Increases before retirement

For service before 6 April 1997	For benefits in excess of GMP, broadly by the change in prices over the period from leaving service. The total increase is capped at 5% for each year.
For service from 6 April 1997 to 5 April 2009	Broadly by the change in prices over the period from leaving service. The total increase is capped at 5% for each year.
For service from 6 April 2009	Broadly by the change in prices over the period from leaving service. The total increase is capped at 2.5% for each year.
Bridging pension	Broadly by the change in prices over the period from leaving service.

## Increases after retirement

For service before 6 April 1997	For benefits in excess of GMP, by 3% each year if the rise in the level of prices over the 12 months (or 24 months if no increase was applied in the previous year) to the previous February is greater or equal to 5%.
For service from 6 April 1997 to 31 May 2005	Broadly in line with the increase in the level of prices to a maximum of 5% each year.
For service from 1 June 2005	Broadly in line with the increase in the level of prices up to a maximum of 2.5% each year.
Bridging pension	Broadly in line with the increase in the level of prices.

Please note, any illustrations of possible increases between your date of leaving pensionable service and the date your pension becomes payable cannot be taken as guaranteed. The actual amount you receive will **depend on the overall increase in prices over the whole period**, taking into account positive and negative inflation periods.

After your pension has started, increases normally apply with effect from 1 June.

## Considering a transfer?

Before you start drawing your pension, you have the option of transferring the value of your Scheme benefits to another pension scheme – such as a new employer's scheme, a personal pension or a suitable insurance policy. If you have defined contribution benefits, you can choose to transfer these on their own. Similarly, you can also transfer only your main final salary benefits.

After the transfer payment is made to your chosen arrangement, **the Trustee would no longer be responsible for providing any benefits** in respect of the transfer to you or your dependants under this Scheme. Benefits in the receiving arrangement are unlikely to take the same form as those under this Scheme.

If you are considering transferring your benefits out of the Scheme, you will need to **seek independent financial advice** from an authorised adviser before the Trustee can make your transfer payment. The Scheme's administrator will need to verify this. The Trustee and Scheme administrator are not authorised to give you advice.

Once you've started drawing your retirement benefits from the Scheme, you will no longer have the option to transfer.

# Death benefits

The benefits payable after your death depend on whether you die before or after you start drawing retirement benefits from the Scheme.

Further information about the benefits that would be paid are shown below.

## Death before retirement after leaving service

## Death after retirement

### Spouse or civil partner pension

This is payable if you are married or have a civil partner at the date of your death. See below for further details.

### Children's pensions

These may be payable in some circumstances. If payable, they will be reviewed in the same way as your pension, but they are not payable for life. To qualify, the child must be under age 22 and in full-time education or vocational training. Other restrictions may also apply.

### Lump sum

Payable if you die before your normal pension date. The lump sum would be equal to the value of your own contributions. See below.

Payable if you die within the first five years of taking your retirement benefits. See below.

## Spouse & civil partner pensions

If you were to die after leaving service but before retirement, the starting pension payable to your spouse or civil partner would broadly be based on one half of your pension at your date of death, increased as described on page 2.

If you were to die after your pension has started, the pension payable to your spouse or civil partner would be based on one half of the pension you were receiving just before your death, adjusted by any elections you made on retirement (such as a pension you may have exchanged for a tax-free lump sum).

If you are not married or in a civil partnership when you die, a pension may be paid to someone who is financially dependent on or interdependent with you, at the discretion of the Trustee.

**These pensions are reviewed each year and payable for life.**

## Lump sum benefit

If a lump sum is payable after your death, the Trustee will decide who receives it. If you have completed an expression of wish form, they will **take your wishes into account** but they decide who the beneficiaries will be.

If you die after your pension starts but within the first five years of taking your benefits, the lump sum would broadly be the value of the remainder of the first five years' pension instalments. If you die after your normal pension date but before your pension starts, your lump sum would be equal to five years' worth of pension payments, assuming you had retired on the day immediately before your date of death.

# Guaranteed Minimum Pensions

Although a new State Pension was introduced from 6 April 2016, some of the old rules still apply.



If you were in pensionable service in the Scheme from 6 June 1988 to 5 April 1997, you will have been contracted out of the State Pension arrangements and built up a Guaranteed Minimum Pension (GMP) under the Scheme.

During that time, you will have paid a lower rate of National Insurance contributions. To take account of this, your entitlement to part of the State Pension may be reduced.

Nevertheless, a GMP is payable to you and is a minimum level of pension for that period of service which the Scheme must provide for you from GMP age (60 for women and 65 for men). GMPs may be increased before and after GMP age on a different basis to the rest of your Scheme pension. A test is made at GMP age to ensure your pension for service before 6 April 1997 is at least equal to your GMP increased as described below.

## GMP increases before GMP age

For each complete tax year from your date of leaving pensionable service up to GMP age, the GMP part of your Scheme pension increases at the rate shown in the table below. This system of increases is known as 'revaluation'.

	Revaluation rate
Between 6 April 1978 & 5 April 1988	8.50%
Between 6 April 1988 & 5 April 1993	7.50%
Between 6 April 1993 & 5 April 1997	7.00%
Between 6 April 1997 & 5 April 2002	6.25%
Between 6 April 2002 & 5 April 2007	4.50%
Between 6 April 2007 & 5 April 2012	4.00%
Between 6 April 2012 & 5 April 2017	4.75%

## Check your State Pension

You should check your position following the recent changes in the State Pension at: [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension).

How this affects you may depend on your age.

## GMP increases from GMP age

The way your GMP increases once in payment is also subject to a minimum set out in law. The Scheme increases reflect this:

- **GMP for service before 6 April 1988** - no increases
- **GMP for service from 6 April 1988 to 5 April 1997** - increase broadly in line with the increase in prices up to a maximum of 3% a year