

# PEARL GROUP STAFF PENSION SCHEME

## MONEY PURCHASE INFORMATION

These notes accompany the benefit statement issued to you as a member of the money purchase section of the Pearl Group Staff Pension Scheme (“the Scheme”).

They provide additional information about your benefits in the Scheme and give answers to many questions that may be asked by any advisers appointed by you to review your pension arrangements.

## SCHEME INFORMATION

The right to a deferred pension is governed by the Rules of the Scheme and a pension will only be paid in accordance with those rules. The Scheme is a registered pension scheme under the Finance Act 2004, previously being approved by HM Revenue & Customs (HMRC) under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. The Scheme reference number is SF016/118607/000000/Z, and the Pension Scheme Tax Reference (PSTR) number is 00274756RX.

The Pearl Group Staff Pension Scheme is a non-contributory Scheme providing benefits on a defined contribution basis, but with a defined benefit underpin (see the section below relating to the Reference Scheme Test pension).

The information provided summarises the main features of the benefits available to you from the Scheme. It is a summary only and not legally binding. The full rules governing the Scheme are set out in the Trust Deed and Rules which will always override this information leaflet.

Retirement ages have been equalised for men and women. It is not the Trustee’s policy to sign equalisation disclaimer forms.

No transfers are accepted into the Scheme.

The date of the last actuarial valuation was 30 June 2021. A summary of the valuation report can be found in the Member section of the Scheme website under Documents.

The Scheme is not in the process of being wound up. The Scheme is not a member of any transfer club.

## BENEFIT INFORMATION

### Money Purchase Fund

The statement shows the investment funds that your pension pot is invested in, and the number of units held on your behalf in each fund. The value of your investments depends on the “unit price” of each fund on a particular day. The unit prices can change on a daily basis depending on the market conditions.

As you approach retirement you will want to review your current investment choices. More details about the investment choices you have in the Scheme can be found on the Scheme’s website at [www.pearlstaffpensionscheme.co.uk](http://www.pearlstaffpensionscheme.co.uk)

You can change how your pension pot is invested (known as switching) free of charge up to three times a year. There is a £25 charge for each extra switch in each year.

## Reference Scheme Test Pension

As a member of the Scheme, you were contracted-out of the State pension on a salary related basis from the date you joined the Scheme to 5 April 2016. As a result of this, both you and the Company would have paid a lower rate of national insurance contributions for that period.

In return, the Scheme has to make sure that you receive a pension that is at least as good as that provided by a 'reference scheme'. This is known as the Reference Scheme Test.

Details of your Reference Scheme Test pension is set out in your statement and is payable from your 65<sup>th</sup> birthday.

If benefits are taken before age 65, the Reference Scheme Test pension will have an early retirement reduction factor applied as follows. They are subject to change by the Trustee Directors, acting on the advice of the Scheme Actuary and Phoenix Life Limited.

Number of years to age 65	Reduction factor
5	0.85
6	0.82
7	0.80
8	0.77
9	0.75
10	0.73

## Transfer of Pension

You can transfer the value of your pension pot to another registered pension scheme. This could be to a new employer's scheme or an individual arrangement such as a personal pension.

If, in the view of the Scheme Actuary, the value of your pension pot (excluding your AVCs) would not be sufficient to provide a pension equivalent to the Reference Scheme Test pension, your pension pot will be increased to this level. You will lose this guarantee if you decide to transfer your pension pot to another pension arrangement.

You can transfer your pension pot at any time up to the point it is used to provide retirement benefits.

## Death Benefits

If you die before retirement your spouse, civil partner or dependants may be eligible for a pension from the Scheme. The value of your account will be used to provide a pension for them on your death.

## Benefits before age 60

You may be able to start receiving your benefits from age 55. However, if the value of your pension pot (excluding the value of your AVCs) is not big enough to provide a pension that is at least as good as the Reference Scheme Test pension, then you will not be able to take your benefits.

## Benefits at age 60 or later

The value of your pension pot will be used to provide a pension at your chosen retirement date. If the amount in your pension pot at your chosen retirement date is not enough to provide the minimum pension required by the Reference Scheme Test, then the Scheme will increase the value of your pension pot so that the minimum level of pension can be provided.

## Tax Free Cash Lump Sum

When you take your benefits, part of your pension pot (including your AVCs) can be used to provide a tax free cash lump sum, with the remainder being used to provide a pension.

The most you would be able to take is 25% of the value of your pension pot, however, there are some restrictions.

Your pension pot (excluding your AVCs) cannot be reduced below the level needed to provide your Reference Scheme Test pension.

Also, in exceptional circumstances, it may be necessary to restrict the amount of tax free cash lump sum you can take so it doesn't exceed the limit set by HMRC.

## Lifetime Allowance

The Lifetime Allowance (LTA) is a limit on how much tax-privileged pension savings you can take from all your pension arrangements. The LTA is currently £1,073,100. Before 6 April 2023, where benefits were put into payment that exceeded the LTA, they were subject to an additional tax.

The government is proposing to remove this limit. However, this will take some time, and until the LTA has been abolished, it will continue to exist. However, the government has announced that the additional tax on benefits in excess of the LTA will no longer apply where benefits are put into payment on or after 6 April 2023. Instead, benefits in excess of the LTA will be taxed at your marginal rate of income tax.

## Open Market Option

The Scheme will provide a pension when you retire, alternatively, you can purchase a pension on the Open Market.

If you would like the Trustees to buy an annuity with a provider you have selected, you will need to get a quotation from that provider and send it to us along with any application forms.

If you are married, you must make sure that your chosen pension includes a pension payable to your spouse when you die of at least 50% of your Reference Test Pension.

## Future Statements

An annual benefits statement will be sent to you showing the value of your pension pot as of 5<sup>th</sup> April together with a projection of the amount of pension this might provide you with at age 60.

## Scheme Administrators

First Actuarial LLP, First House, Minerva Business Park, Peterborough, PE2 6FT.