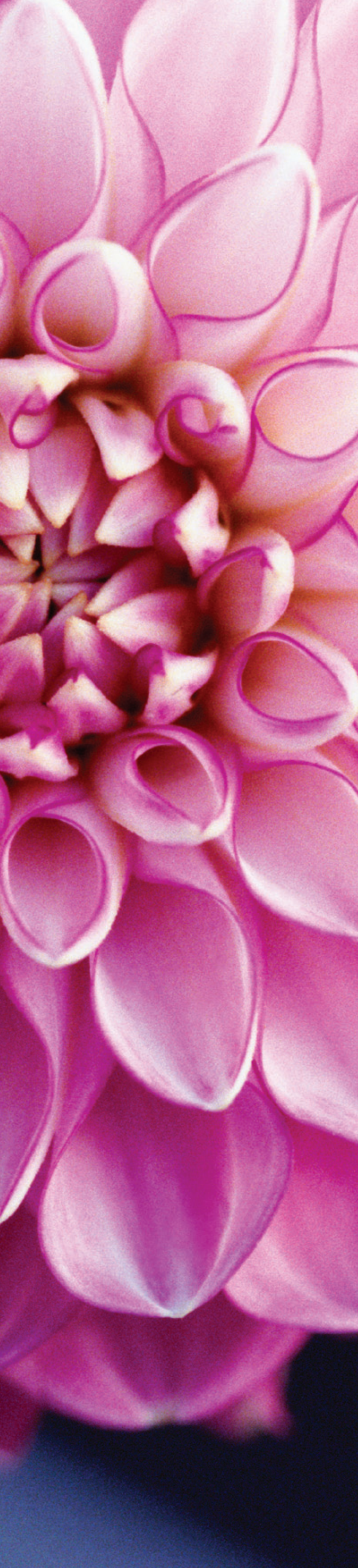
Human Resources

University of Reading

A guide to the

University of Reading Employees' Pension Fund (UREPF)

August 2011 | Please keep this guide in a safe place for future reference



Contents

Welcome to the University of Reading Employees' Pension Fund (UREPF)

Your membership of the UREPF is an important and valuable part of the package of benefits you receive from your employer. The UREPF provides you with a tax efficient way to save for your retirement.
You should read this main guide in conjunction with the 'Small Print' information which you will find on pages 14–21, this contains further details about the UREPF.

This guide tells you about the benefits available from the UREPF from 1 August 2011. If you left employment or opted out of the UREPF before that date, please ask the Pensions Office for a copy of the guide applicable to you.

Once you have read the guide, if you have any questions about the UREPF please contact the Pensions Office at:

University of Reading
Whiteknights
PO Box 217
Reading
RG6 6AH

0118 378 7121
pensions@reading.ac.uk
www.reading.ac.uk/humanresources

The UREPF is operated under a trust which is administered by appointed Trustees and is governed by a set of rules (known as 'the Rules'). The Trust is legally separate from the University and so the UREPF's investments do not form part of the University's assets.

This guide is a summary of the provisions of the UREPF and is for information only; it does not give rights to benefits for or in respect of you. Your rights to benefits under the UREPF arise from the Rules. Every effort has been made to reflect accurately the Rules. However, this guide (and any other member literature issued to you) does not confer any entitlement additional to that under the Rules, and if there are any differences, the Rules will always take precedence.

Please note that this guide is based on current understanding of the tax and pensions law and is subject to change at any time in the future. Contributions and benefits will be subject to tax in accordance with tax law and applicable HM Revenue & Customs (HMRC) practice at the relevant time.

Membership

Joining

The UREPF closed to new members from 31 July 2011 and a new Defined Contribution arrangement (the University of Reading Pension Scheme) is now available.

You will cease to be eligible for membership of the UREPF if your employment contract is amended to state that you are not eligible.

Opting out

If you wish to opt out of the UREPF at any time you should ask the Pensions Office for a withdrawal form. Once you have signed the form to say that you want to withdraw from the UREPF you will stay a member until the last day of the month after the one in which you signed the form. However, no pension or retirement lump sum will be paid to you until you leave Service unless the University agrees, and the benefits you have built up in the UREPF will be deferred. You will be treated as leaving Service on the date your opt out takes effect (see page 13 for more information). You cannot receive any pension (except on grounds of ill health) before age 55.

As the UREPF is now closed to new members, if you leave the UREPF you will not be able to rejoin at a later date. However, you would be able to join the University of Reading Pension Scheme and build up benefits in that way.

If you opt out of the UREPF you will not be covered for the lump sum death in service benefit (see 'Death benefits' on page 10) or incapacity enhancements.

Membership of other pension schemes

You can pay into as many pension schemes as you wish. So as well as being a member of the UREPF you may also pay into other pension arrangements. This could include a stakeholder or personal pension scheme, or could be another occupational pension arrangement.

The Annual Allowance and the Lifetime Allowance are tax charges which will apply to the total of your contributions to, and your benefits from, all registered pension schemes of which you are a member. It is your responsibility to keep records of the combined value of your pension benefits in all of your pension arrangements. More information on the Annual Allowance and Lifetime Allowance are given in the 'Definitions' section.

As you have had the opportunity to join the UREPF, your employer will not make contributions for or in respect of you to any other pension arrangement in connection with the employment covered by the UREPF, other than the University of Reading Pension Scheme.

Contributions

Both you and your employer contribute to the cost of building up your benefits. Your contributions are currently 6.25% of your Pensionable Salary in each pay period. This rate is not guaranteed and may change in the future.

Contributions are taken from your pre-tax pay and so under current tax law receive immediate tax relief at your highest rate of tax. If you are a basic rate tax payer (20% in 2011/12) every £10 you pay in contributions to the UREPF reduces your take home pay by just £8.

You also pay lower National Insurance contributions as the UREPF replaces part of your State pension benefits, reducing further the cost of membership. For example, in the 2011/12 tax year, a member earning £18,500 a year would save £231 in tax, plus £211 in National Insurance contributions over 12 months (based on a lower earnings limit of £5,304). For more details see 'The UREPF and the State Pension Scheme' in the Small Print on page 14.

Your employer pays the difference between the contributions you pay as a member and the cost of providing your benefits. The level of contributions your employer will pay is set out in a schedule of contributions which is, in the opinion of the UREPF's Actuary, sufficient to provide the benefits of the UREPF and which is agreed by the University and the Trustees from time to time.

Retirement benefits

Pension

From 1 August 2011, the UREPF became a career average revalued earnings (CARE) pension scheme. This means that your pension in relation to your employment from 1 August 2011 is based on your average salary (with an inflation adjustment) instead of your final salary.

Your pension from the UREPF consists of two elements:

1. pre CARE pension built up to 31 July 2011; and
2. CARE pension earned from 1 August 2011.

Pre CARE pension benefits for Service up to 31 July 2011

Your pension to 31 July 2011 built up at a rate of 1/60th of your Final Pensionable Salary for each complete year of Pensionable Service to this date, plus an additional proportion for each additional complete day. So your pension at Normal Pension Age is worked out as follows:

1/60 × Final Pensionable Salary at 31 July 2011 × Pensionable Service up to 31 July 2011 = annual pension.

Pensionable Service also includes any part years you completed to 31 July 2011. So, for example, if you retired with a Final Pensionable Salary at 31 July 2011 of £20,000 and Pensionable Service at that date of 10 years and 175 days, you would receive a pension of:

1/60 × £20,000 × (10 + 175/365) = £3,493 a year.

The pre CARE benefits you have built up will be increased each year on 31 July (starting on 31 July 2012) until you leave the UREPF or retire. Your benefits will be increased in line with inflation over the 12 months ending on the previous 30 September, as measured by the Consumer Prices Index (CPI), subject to a minimum of 0% and a maximum of 5% per year. There will also be a final part year inflation adjustment to allow for the part year between the last annual increase and your date of leaving or retirement.

As this is different from the way your benefits would have increased before CARE was introduced, a check is carried out to make sure that your pre CARE pension at retirement is not less than you would have been entitled to if you had left the UREPF on 31 July 2011.

CARE pension benefits for Service from 1 August 2011

For each year of Pensionable Service in the UREPF from 1 August 2011 you will earn a unit of pension as follows:

1/60th x Pensionable Salary for that year.

For part years of Pensionable Service, the CARE pension earned will be 1/60th of the Pensionable Salary actually earned. If you work part time then your Pensionable Salary will automatically reflect your earnings, so the pension unit is 1/60th of what you actually earn over the year.

Each unit of pension will be increased at the end of each year on 31 July (except in the year in which that unit is earned) – see example below. Your benefits will be increased in line with inflation over the 12 months ending on the previous 30 September, as measured by the Consumer Prices Index, subject to a minimum of 0% and a maximum of 5% a year until you leave or retire. There will also be a final part year inflation adjustment to allow for the part year between the last annual increase and your date of leaving or retirement.

Example of how benefits build up under CARE

The following example will help to explain how your pension as a member of the UREPF builds up. In the example below, it is assumed that the annual rate of increase in the CPI is 2.5% per year:

UREPF year (starts each 1 August)	Pensionable Salary during the year	Pension unit of 1/60th	Accumulated pension at the end of the UREPF year (ends 31 July)
Year one	£19,000	1/60 × £19,000 = £317	£317
Year two	£19,750	1/60 × £19,750 = £329	(£317 + 2.5% increase + £329 = £654
Year three	£20,500	1/60 × £20,500 = £342	(£654 + 2.5% increase + £342) = £1,012

Example of your UREPF pension

As at 1 August 2011, you were four years and five months from retirement at age 65 (1 January 2016) and you had 10 years of past Pensionable Service and a Final Pensionable Salary of £15,571 at 31 July 2011.

Your pre CARE pension to 31 July 2011 is calculated as 10/60 × £15,571 = £2,595

Over the next four years and five months, you remain in Pensionable Service and your pre CARE pension increases in line with CPI, subject to a maximum of 5% each year. For this example, the rates of CPI are as shown in the table:

Increase at	CPI increase	Revalued pre CARE pension
31 July 2012	2.4%	£2,657 (£2,595 + 2.4%)
31 July 2013	1.8%	£2,705 (£2,657 + 1.8%)
31 July 2014	5.2% but limited to 5.0%	£2,840 (£2,705 + 5.0%)
31 July 2015	1.1%	£2,871 (£2,840 + 1.1%)
1 January 2016	3.2% but from 1 August – 31 December only	£2,909 (£2,871 + 5/12ths of 3.2%)

You also build up some CARE pension over this period.

Period of Pensionable Service	Pensionable Salary over period	Previous year's CARE total increased by CPI (limit 5%)	CARE pension earned in year	Total revalued CARE pension at end of year
1 August 2011 to 31 July 2012	£15,571	–	£260 (1/60 × £15,571)	£260
1 August 2012 to 31 July 2013	£16,505	£265 (£260 + 1.8%)	£275 (1/60 x £16,505)	£540 (£275 + £265)
1 August 2013 to 31 July 2014	£17,661	£567 (£540 + 5.2% but limited to 5%)	£294 (1/60 × £17,661)	£861 (£294 + £567)
1 August 2014 to 31 July 2015	£19,603	£870 (£861 + 1.1%)	£327 (1/60 × £19,603)	£1,197 (£327 + £870)
Year of retirement				
1 August 2015 to 1 January 2016	£20,289	£1,213 (£1,197 + 5/12 of 3.2%)	£141 (1/60 × £20,289 x 5/12)	£1,354 (£141 + £1,213)

So in this example, your total pension on retirement at age 65 would be £2,909 + £1,354 = £4,263.

Your pension will be paid in instalments in arrears with each payment being made on the last working day of each month. Alternative arrangements may be made if your pension is very small.

The value of pension benefits you can build up in a tax-efficient way is limited by the Annual Allowance and the Lifetime Allowance. Any benefits accrued or paid above these allowances will be subject to taxation. Further details are available in the 'Definitions' section.

Retirement benefits continued

Tax-free cash sum

You have the option to convert part of your pension into a cash sum on retirement, which is currently paid tax free, on terms decided by the Trustees based on advice from the UREPF's Actuary. Taking a cash sum in this way reduces the amount of pension you receive. When you approach your retirement date you will be able to get more information about this option from the UREPF Administrator.

You can normally take up to approximately 25% of the value of your pension as a tax-free cash sum, up to a maximum of 25% of the Lifetime Allowance.

Extra pension for Dependants

When you retire you may choose to give up part of your own pension to provide an extra pension payable on your death for one or more of your Dependants. This option must be taken up at least a month before you retire, and is subject to certain restrictions. Further information is available from the UREPF Administrator.

Pension increases

For pensions in payment, pension increases are currently paid on 1 April each year, but the Trustees have the power to change this date.

For pensions relating to benefits built up on a pre CARE basis (i.e. before 1 August 2011), the part of your pension above your Guaranteed Minimum Pension (see '**The UREPF and the State Pension Scheme**' in the Small Print on page 14) will be increased each year in line with inflation over a period decided by the Trustees and the University, currently measured by the Retail Prices Index. Increases to your pension will be subject to a minimum of zero and a maximum of 6%.

CARE pensions built up from 1 August 2011 will be increased once in payment in line with inflation over a period decided by the Trustees and the University. Increases are currently calculated using the Consumer Prices Index, subject to a minimum of zero and a maximum of 5% each year.

Early retirement

Currently you may be able to retire and take an immediate pension at any time from the age of 55, as long as the University and Trustees agree. Your pension will be calculated as described above up to the date of your retirement. Your pension will then be reduced for early payment by an amount decided by the Trustees after considering advice from the UREPF's Actuary.

If you are thinking of retiring early you should contact the UREPF Administrator as soon as you can for an estimate of the reduced pension payable so that you can decide if your retirement income will be enough. It is recommended that you start the retirement process around six months ahead of your planned retirement date to ensure there is ample time to complete all the necessary pension administration.

Late retirement

You may wish to continue to work beyond your Normal Pension Age. You can continue to pay contributions until you leave Service and build up further CARE pension. When you retire, your pre CARE and CARE pensions will continue to increase to your actual retirement date as described on page 6.

Alternatively, you can choose to stop contributing to the UREPF from your Normal Pension Age. You will then receive a pension on late retirement. This will be based on your pension calculated as if you had retired at Normal Pension Age but increased for late payment on a basis decided by the Trustees after considering advice from the UREPF's Actuary.

The benefits payable on your death or incapacity following late retirement may be affected.

Your pension must start by your 75th birthday.

Ill-health retirement

If you become too ill or disabled to continue working you may be able to retire and get an immediate pension from the UREPF whatever your age. To qualify you must have completed at least five years' Pensionable Service.

You will need the permission of the University to retire through incapacity. You will have to satisfy the Trustees that you are suffering from incapacity within the meaning of the Rules of the UREPF. You will also have to provide medical evidence to the Trustees from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation.

Partial incapacity

This is physical or mental impairment which prevents you from following your normal occupation, seriously impairs your earning capacity and which, in the Trustees' opinion is likely to be permanent but you may be capable of working in another capacity where your earnings would be substantially impaired.

Your ill-health pension based on partial incapacity will be worked out as for early retirement (see page 8) but disregarding the usual minimum age limit and without reduction for early payment.

Total incapacity

This is physical or mental impairment which prevents, and is likely to continue to prevent, you from carrying on any form of gainful employment and which in the Trustees' opinion is likely to be permanent.

Your ill-health pension based on total incapacity will be worked out as for partial incapacity but in addition you will be credited with additional pension equal to 0.5 × 1/60th × Pensionable Salary × Potential Service, where Pensionable Salary is based on annualised earnings in the period since the previous 1 August and Potential Service is the additional Pensionable Service you could have completed if you had continued as a UREPF member to age 65, adjusted for part time working.

Serious ill-health lump sums

If the Trustees receive evidence that you are expected to live for less than one year, and you have not yet started to receive your pension from the UREPF, the Trustees may allow you to elect to take all of your benefits as an immediate lump sum.

Continued incapacity and review

If you take an ill-health pension the Trustees may ask for evidence of your continued incapacity from time to time if the pension is to carry on being paid. The Trustees can adjust or suspend your pension if you do not provide the information requested or if the Trustees are not satisfied as to your continued incapacity. The Trustees' decision as to whether you are suffering from incapacity will be final.

Death benefits

Death before you retire and while you are still in employment

If you die while you are still in employment, and providing you are a contributing member of the UREPF, the following benefits are payable:

- a lump sum of three times your average Pensionable Salary in the twelve months immediately before the date of your death; plus
- a return of all the contributions you have paid into the UREPF (with interest); plus
- a return of any money purchase AVCs; plus
- a pension for your Spouse or Civil Partner of half of the pension you would have received if you had retired immediately before your death, with no reduction for early payment. Special rules will apply if your Spouse or Civil Partner is more than 10 years' younger than you. Please ask the Pensions Office for more details; plus
- pensions for any Children you leave, which will be equal to half of the pension for your Spouse or Civil Partner as described above, multiplied by the number of Children you have (up to a maximum of two). The pension payable will be shared between your Children as decided by the Trustees. If you do not leave a Spouse or Civil Partner, the Children's pensions will be doubled;
- a Dependant's pension payable at the Trustees' discretion, if you were unmarried and not in a Civil Partnership at the time of your death.

Any lump sum payable on your death in service up to your Lifetime Allowance will be paid free of income tax. Any excess will be taxed. The lump sum will be paid to one or more of your Beneficiaries. For further details please refer to page 11.

Under the Rules of the UREPF, if a contributing member dies there is a lump sum payment of three times Pensionable Salary. The Trustees have agreed with their legal adviser that they should introduce a discretionary power allowing this payment to be reduced in certain extreme circumstances. The extreme circumstances would have to involve an event resulting in the deaths of a number of members which would seriously jeopardise the solvency of the UREPF if the full payments were made. Naturally, it is very unlikely that the Trustees would ever have to use this power but it has been introduced to protect the membership as a whole.

Death after your pension starts

If you die after your pension starts your Spouse or Civil Partner will receive a pension of half the pension you were receiving when you died. If your own pension was reduced because you took a cash sum on retirement or if you chose to provide an extra Dependant's pension, the reduction will be disregarded when calculating the Spouse's or Civil Partner's pension. Special rules will apply if your Spouse or Civil Partner is more than 10 years' younger than you. Please ask the Pensions Office for more details.

A pension will also be paid to any Children you leave, which will be equal to half of the pension for your Spouse or Civil Partner as described above, multiplied by the number of Children you have (up to a maximum of two). The pension payable will be shared between your Children as decided by the Trustees. If you do not leave a Spouse or Civil Partner, the Children's pensions will be doubled. If you were not married and not in a Civil Partnership, a Dependant's pension is payable at the Trustees' discretion.

If you die within five years of your pension coming into payment the unpaid balance of five years' pension instalments is paid as a lump sum to your Beneficiaries in the same way as the payment of lump sum benefits on death before retirement (see page 11). If you die on or after your 75th birthday, and within five years of your pension coming into payment, the balance of five years' pension payments may be paid as pension and not as a lump sum.

Death after you leave the UREPF but before your pension starts

If you leave the UREPF (for example because you move to another employer) and keep your benefits in the UREPF, the following benefits will be payable if you die before Normal Pension Age and before your pension starts:

- a return of all the contributions you have paid to the UREPF, with interest; plus
- a return of your money purchase AVCs; plus
- a pension for your Spouse or Civil Partner equal to half of your own pension preserved in the UREPF. Special rules will apply if your Spouse or Civil Partner is more than 10 years' younger than you. Please ask the Pensions Office for more details; plus
- pensions for any Children you leave, which will be equal to one quarter of your pension preserved in the UREPF, multiplied by the number of Children you have (up to a maximum of two). The pension payable will be shared between your Children as decided by the Trustees. If you do not leave a Spouse or Civil Partner, the Children's pensions will be doubled;
- a Dependant's pension payable at the Trustees' discretion, if you were unmarried and not in a Civil Partnership.

If you die on or after Normal Pension Age, but before your pension starts, your benefits will be different because they will be calculated as if you had started to receive your pension immediately before your death (ignoring any pension you may have given up for a lump sum or an optional Dependant's pension) and lived for five years.

If you die on or after your 75th birthday, and within five years of your pension coming into payment, the balance of five years' pension payments may be paid to your estate as pension and not as a lump sum.

Expression of Wish forms

So that any lump sums payable on your death can be paid free of inheritance tax, the Trustees make the final decision over which of your Beneficiaries should receive these benefits. However, they will always take your wishes into account and so you should use the Expression of Wish form accompanying this guide to let them know who you would like to nominate as your Beneficiaries. You should regularly update this form, and in particular if your circumstances change (for example if you get married or divorced, or if your Civil Partnership is dissolved, or if you have children). You can get new forms from the Pensions Office or online at

www.reading.ac.uk/internal/humanresources/WorkingatReading/Pensions/humres-UREPF.aspx

Dependant's nomination form

If you are not married or in a Civil Partnership you can indicate to the Trustees any individual that you consider to be financially dependent upon you. The Trustees can take this into consideration when determining if that person should receive a Dependant's pension. You can get a form from the Pensions Office or online at

www.reading.ac.uk/internal/humanresources/WorkingatReading/Pensions/humres-UREPF.aspx

Boosting your benefits

It may be possible to pay more to increase the benefits you receive. These extra payments are called Additional Voluntary Contributions (AVCs).

You can pay up to 100% of your Pensionable Salary into the UREPF (which includes your regular contributions of 6.25% of your Pensionable Salary) and tax relief will normally be available on the full amount in any year up to the Annual Allowance. You may also be able to contribute based on elements of pay which do not fall within Salary. Please ask the Pensions Office if this is relevant to you.

If you were paying AVCs into the UREPF on an 'added years' basis prior to 31 July 2011, you can continue to do so on the terms already agreed. Your AVCs will buy you extra years and days of Pensionable Service which will be taken into account when your pension is calculated.

From 1 August 2011 the only AVC scheme available is a 'money purchase' or 'Defined Contribution' arrangement. Your AVCs will be invested in an individual account and when you retire the value of this account will be used to buy you extra benefits.

You can start, stop, increase or decrease money purchase AVCs at any time and so you can pay them even if you know you will have to reduce or even stop paying them in the future. Subject to the Annual Allowance, you also receive tax relief on AVCs in the same way as on your regular contributions, making them a tax-efficient way of increasing your benefits.

For more information on paying AVCs please contact the Pensions Office.

There may be other ways of increasing your pension benefits, outside of the UREPF arrangements, which suit you and your personal circumstances better than paying AVCs. Before investing in any financial product you should take independent financial advice.

Leaving the UREPF

Your Options

You have the choice of:

- leaving your benefits in the UREPF until you retire. This is known as opting for a deferred pension;

or

- transferring your benefits out of the UREPF to another suitable pension arrangement (providing you leave the UREPF at least a year before Normal Pension Age).

Your deferred pension is calculated in the same way as your normal retirement pension but based on your pre CARE and CARE pensions, revalued to the date you leave. It is then increased from the date you leave the UREPF to the date you retire in line with statutory requirements. Currently this is broadly based on increases in the Consumer Prices Index (CPI), up to a maximum of 5% p.a. compound for pension earned before 6 April 2009, and up to a maximum of 2.5% p.a. compound for pension earned on or after 6 April 2009.

The part of your pre CARE pension which constitutes Guaranteed Minimum Pension (GMP) will be increased on a different basis. The Rules of the UREPF provide that this element of your pension will be increased in accordance with the requirements of the law.

It may be possible to re-join the UREPF if you did not leave employment voluntarily and if you are re-employed by the University within six months of leaving.

Leaving while you are still employed

If you wish to opt out of the UREPF while you are still employed you should complete a withdrawal form (available from the Pensions Office). Once you have left the UREPF your choices are the same as those described above.

If you opt-out of the UREPF you should be aware that:

- you will not build up any further benefits in the UREPF;
- you will not be covered for death in service benefits or incapacity enhancements;
- you may not be able to rejoin the UREPF at a later date. However, you will have the opportunity to join the University of Reading Pension Scheme.

The Small Print

The UREPF and the State Pension Scheme

The UREPF operates in conjunction with the State Pension Scheme.

The State Pension Scheme

There are two parts of the State Scheme:

1. the Basic State Pension, which is a flat rate retirement pension paid to everyone who has paid sufficient National Insurance contributions; and
2. the State Second Pension (S2P), (previously the State Earnings Related Pension Scheme or 'SERPS'), which is an additional pension, currently related to your earnings.

The UREPF is contracted-out of the S2P and so you will not normally build up S2P benefits while you are a member of the UREPF. In return, both you and your employer pay lower National Insurance contributions.

If you earn below a certain level you may receive some benefits from the S2P even though the UREPF is contracted-out.

Contracting out before April 1997

Before 6 April 1997, in order to be contracted-out of SERPS the UREPF had to promise to provide a pension broadly equivalent to the amount of pension a member would have had if they had been in SERPS for the same period of time. This amount was known as the Guaranteed Minimum Pension (GMP).

Benefits for members who were contracted-out of SERPS through the UREPF before 6 April 1997 will not be less than the GMP. Spouses' and Civil Partners' benefits will not be less than the widow's or widower's GMP which is:

- **for men** – half your own GMP, and
- **for women and Civil Partners** – half your own GMP earned from 6 April 1988.

Once in payment, any GMP earned from 6 April 1988 will be increased by the Trustees as required by regulation. Broadly this is based on increases in the Consumer Prices Index, subject to a maximum of 3% each year.

If you leave the UREPF before your Normal Pension Age and you are entitled to a deferred pension from the UREPF, the GMP part of your deferred pension will be increased between the date you leave and your Normal Pension Age at the rate laid down by the Government (currently 4% a year).

Contracting out from April 1997 to 31 July 2011

From 6 April 1997 until 31 July 2011 the UREPF has been contracted out of the S2P (and previously SERPS) on a 'protected rights' basis.

In practice, this means that as well as the contributions you and your employer pay into the UREPF, HMRC pays a contribution to the UREPF on behalf of each member, the amount of which increases with the member's age. The benefits provided from these contributions from HMRC and the contracting-out rebates are called 'Protected Rights' and there are some special restrictions which apply to Protected Rights benefits:

- if you have a Spouse or Civil Partner at the date of your retirement, you must provide a pension for your Spouse or Civil Partner to come into payment at the date of your death
- if you die before your Protected Rights have come into payment and you do not leave a Spouse or Civil Partner, the Trustees will pay your Protected Rights as a lump sum, usually in accordance with any instructions you made on your Expression of Wish Form, or to your estate.

Contracting out from 1 August 2011

From 1 August 2011 the UREPF is contracted out of S2P on a different basis (known as the salary related basis). This requires a certificate from the UREPF Actuary stating that the level of benefits provided meets a sufficient standard when measured against a 'reference scheme'.

Basic State Pension

Your eligibility for the Basic State Pension is unaffected by your membership of the UREPF.

State Pension age

Your State Pension age is determined by law and depends on the date on which you were born. The Pensions Office can confirm your individual State Pension age.

Alternatively, you can find out when your State benefits will start to be paid by using the calculator at **www.direct.gov.uk**

State Pension forecast

You may obtain a forecast from the Department for Work and Pensions (DWP) of how much pension you are likely to receive from the State. This can be done at any time by completing Form BR19, available from your local social security or pension service office, or online at **www.direct.gov.uk** under the pensions and retirement planning section and returning it to the DWP.

Please note: the DWP are currently working through the implications of expected changes in State pensions on their forecasting system and therefore this service is unlikely to be available for a period of time towards the end of 2011.

How the UREPF is managed

The UREPF is operated under a Trust which is administered by appointed Trustees. Four Trustees are appointed by the University and three are nominated by the members (Member Nominated Trustees).

The Trust is legally separate from the University so its assets are held separately from the University's assets.

The Trustees use outside experts to ensure that the UREPF Rules are up to date and the UREPF is run efficiently. They also delegate some of the day-to-day decision making, such as investment decisions, to their advisers. The advisers change from time to time and you will find up to date details of who the Trustees' advisers are in the Annual Report and Accounts which is available on request from the Pensions Office.

Absences

Temporary absence

Most absences from work are for a short period of time and your membership of the UREPF may be continued by the University for a period of time, depending on the circumstances of your absence, provided you continue to pay contributions.

If you are absent because of sickness, contributions will continue to be deducted from your sick pay at the normal rate (even if you are only receiving half pay) so that you carry on building up pension.

For any period of unpaid sick leave contributions are not payable and you stop building up pension.

Please note that if you take unpaid leave of any kind, you can choose to make back-dated contributions on your return to work so there is no gap in Pensionable Service.

Family leave

Special rules apply if you are away from work for family reasons:

Maternity leave

If you are away from work for maternity leave, your membership under the UREPF will continue during your maternity leave.

Ordinary maternity leave

During your ordinary maternity leave while you are receiving statutory maternity pay or other pay from your employer, you will continue to build up benefits from the UREPF based on the Pensionable Salary you would have been receiving if you were working normally. However, you will only pay contributions during paid maternity leave based on the pay you actually receive.

Additional maternity leave

If at the end of ordinary maternity leave you go on to additional maternity leave, your membership of the UREPF will continue in the same way as during ordinary maternity leave for any part of the leave that you continue to receive pay from your employer, including statutory maternity pay.

If you do not receive pay from your employer during any period of additional maternity leave, neither you, nor your employer will contribute to the UREPF during that period of your absence and you will not build up further pension benefits, although you will continue to be entitled to death benefits.

If you do not return to work after your maternity leave you will leave the UREPF. The date you leave the UREPF is taken as the date when both your and your employer's contributions stop.

Paternity leave

If you qualify for paternity leave you will continue to build up benefits in the UREPF based on the Pensionable Salary you would have been receiving if you were working normally. You will continue to pay contributions during paid paternity leave based on the pay you actually receive.

Adoption leave

If you take adoption leave your pension and death benefits will be continued in the same way as for maternity leave. References to maternity leave should be read as adoption leave.

Tax and other important information

HM Revenue & Customs

The UREPF is a 'registered' scheme for HM Revenue & Customs (HMRC) purposes. As a registered scheme the UREPF enjoys various tax advantages:

- tax relief is generally available on contributions paid into the UREPF;
- the money in the UREPF largely builds up free of tax;
- lump sum benefits are usually payable tax-free.

However, any benefits paid in excess of the Lifetime Allowance or contributions paid in excess of the Annual Allowance will be taxed.

You are responsible for monitoring your own position regarding the Lifetime Allowance and submitting the relevant information to HMRC. The Trustees will supply information to assist with the completion of tax returns. Shortly before your benefits become payable the Trustees will ask you for information about the amount of Lifetime Allowance you have used in respect of other pension arrangements. Once your benefits commence the Trustees will provide details of the amount of your Lifetime Allowance your benefits from the UREPF have used up. You should keep all details issued to you about the Lifetime Allowance in a safe place. If you do not provide the Trustees with the information which they request, they reserve the right to assume that your benefits are above the Lifetime Allowance and to deduct the appropriate amount of tax.

Benefit statements

You will receive a benefit statement each year showing the pension you are expected to receive (based on your current Pensionable Salary) if you continue your UREPF membership on the same terms to your Normal Pension Age. In addition, the benefit statement will show the expected amount of Spouse's or Civil Partner's pension payable in the event of your death and the expected amount of your lump sum death benefit cover.

If you have a 'money purchase' AVC account, you will also receive a benefit statement each year showing the value of your AVC account and the level of benefit it may provide at Normal Pension Age in today's money.

Transfers in

Transfers into the UREPF from previous arrangements are subject to the discretion of the University and the Trustees. The Trustees and University are not currently accepting transfers into the UREPF itself.

Transfers out

If you leave the UREPF at least one year before your Normal Pension Age, instead of leaving your benefits in the UREPF you may be able to transfer them to your new employer's pension scheme, a personal or stakeholder pension scheme or an individual insurance policy. Various rules and regulations apply to transfers and you will be advised if these affect you.

Although the University may from time to time provide discretionary pension increases, these are not taken into account in calculating transfer payments.

You may ask the Trustees for an estimate of the transfer payment available to you at any time. The Trustees are not obliged to give you another estimate within 12 months of your last request. If another estimate is provided a charge may be made for the additional administration involved. The transfer value will be the value of your pension benefits at the time the transfer payment is made.

Divorce or dissolution of a Civil Partnership

If you get divorced or dissolve your Civil Partnership your benefits under the UREPF may become subject to a Court Order. This would require the Trustees to allocate a specified part of your retirement benefits and death benefits under the UREPF to your ex-Spouse or your ex-Civil Partner. Your S2P benefits may also be affected.

If a Court Order applies to your UREPF benefits you will be given details of the reduction to apply to your benefits. You should provide the Trustees with drafts of any Court Orders affecting your pension benefits before the order is finalised by the Court. Any pension deducted from your own entitlement will count towards your ex-Spouse's or ex-Civil Partner's Lifetime Allowance rather than your own.

On divorce or dissolution you should tell the Trustees about the changes in your personal details. You should also consider changing any Expression of Wish form you previously completed (see page 11).

The Trustees may charge you for the cost of any work relating to a divorce or dissolution of a registered Civil Partnership.

Assigning your benefits

You are not allowed to assign your benefits under the UREPF or to use them as security for a loan.

Right of amendment

Under the terms of the Rules of the UREPF, the University, with the consent of the Trustees, may, subject to legislation in force at the time, alter, modify or cancel any or all of the provisions of the Rules.

The University also has the right to terminate the UREPF at any time, although in such a case you would receive an appropriate amount of notice.

UREPF documentation

Any UREPF member can ask to see the Trust Deed and Rules, the latest Actuarial Valuation Report and the Annual Report & Accounts. Please contact the Pensions Office.

Data protection

Information about you and your entitlements which is held by the Trustees, or by the UREPF administrators who act on their behalf, is kept secure and is only disclosed in limited circumstances.

For example, information may be disclosed to the administrators so that they can advise you and the University about your entitlements under the UREPF, to insurance companies to arrange particular entitlements, to actuaries to advise the Trustees and to the University and any future potential employers.

Information may also need to be given to the government or regulatory organisations. Some of this data is categorised as 'sensitive data' under the Data Protection Act 1998.

By joining the UREPF you agree to this data being held and used in this way.

Resolving disputes

If you have a dispute which you are unable to resolve informally, you should follow the procedure below.

Stage 1 – Director of Finance and Corporate Services

Put your case in writing (please ask the Pensions Office for a form) and address it to the Director of Finance and Corporate Services who can be contacted at University of Reading, Whiteknights, PO Box 217, Reading, RG6 6AH.

Please include the subject of your complaint, an outline of the facts and the following personal details:

- if you are a member – your full name, address, date of birth and National Insurance number;
- if you are the Dependant of a former member – your full name, address, date of birth and relationship to the member; and the member's full name, date of birth and National Insurance number.

The Director of Finance and Corporate Services will acknowledge receipt of your letter within two weeks. You should expect a written reply within two months. If this is not possible you will be notified as to why there is a delay and when a reply can be expected. You may, if you wish, nominate someone to represent you in making your complaint (for example a solicitor or colleague). Your representative should include their full name and address as well as your personal details, the subject of your complaint and an outline of the facts.

Stage 2 – The Trustees

If you disagree with the reply from the Director of Finance and Corporate Services you may write direct to the Trustees within six months of receiving that reply, asking for the complaint to be reconsidered by the Trustees. Again you should ask the Pensions Office for a form. You should address your correspondence to the Chairman of the Trustees, also at the above address. Please give the reasons why you disagree with the response from Stage 1, and also include the same personal details as in Stage 1. The Trustees will acknowledge receipt of your letter within two weeks. You should expect a written reply within two months. If this is not possible you will be notified as to why there is a delay and when a reply can be expected.

Stage 3 – External Advisory

If the reply from the Trustees is not satisfactory, you can take your case to The Pensions Advisory Service (see page 21).

Exclusions

Please note that this procedure does not cover:

- any dispute which has nothing to do with the Trustees (for example, a dispute which is solely with your employer);
- a dispute which is already being investigated by the Pensions Ombudsman or where proceedings have started in a court or industrial tribunal;
- if you transfer out of the UREPF then this procedure is only available to you for six months after your transfer out.

Useful addresses

The Pensions Regulator

The Pensions Regulator is a regulatory body which has a range of powers to help safeguard pension rights of members of pension schemes and is able to intervene where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator may be contacted at:

Napier House	0870 606 3636
Trafalgar Place	customersupport@thepensionsregulator.gov.uk
Brighton	**www.thepensionsregulator.gov.uk**
BN1 4DW	

TPAS (The Pensions Advisory Service)

TPAS is an independent voluntary service that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. TPAS is available at any time to assist you and other beneficiaries with any pension query you may have or any difficulty you have failed to resolve with the Trustees or administrators of the UREPF. If you want to contact TPAS the address is:

11 Belgrave Road	0845 601 2923
London	enquiries@pensionsadvisoryservice.org.uk
SW1V 1RB	**www.pensionsadvisoryservice.org.uk**

Pensions Ombudsman

The Pensions Ombudsman may investigate and decide upon any complaint or dispute of fact or law in relation to an occupational pension scheme referred to him. However, the Pensions Ombudsman normally insists the matter is first dealt with through the UREPF's own internal dispute resolution procedures and raised with TPAS. If you have any complaint or dispute that cannot be resolved by the internal dispute resolution procedures or by TPAS, you may refer it to the Pensions Ombudsman at:

11 Belgrave Road	020 7630 2200
London	enquiries@pensions-ombudsman.org.uk
SW1V 1RB	**www.pensions-ombudsman.org.uk**

The Pension Tracing Service

The Trustees have given information about the UREPF, including details of an address at which they can be contacted, to the Pension Tracing Service. This service, part of The Pension Service, provided by the Department for Work and Pensions, may be of help to you if you need to contact the trustees of a previous employer's pension scheme and cannot trace them yourself. The service may be contacted at:

The Pension Tracing Service	0845 600 2537
The Pension Service	**www.direct.gov.uk**
Tyneview Park	
Whitley Road	
Newcastle-upon-Tyne	
NE98 1BA	

Independent financial advice

Before making any decisions about your membership of the UREPF you may wish to seek independent financial advice. You can do this by contacting IFAP, an organisation that promotes independent financial advice. IFAP will give you contact details for a number of Independent Financial Advisers in your area – you can visit their website at **www.unbiased.co.uk**

Definitions

Annual Allowance

An upper limit on the amount by which the value of your pension savings can grow in a registered pension scheme in a tax year before being subject to tax, across all the pension arrangements you may have. The Annual Allowance set by HM Revenue & Customs (HMRC) for the 2011/12 tax year is £50,000 and there are no plans to increase this figure before 2015/16. Your pension savings are measured for comparison with the Annual Allowance over the period which runs from 1 August to the following 31 July. This is called the 'pensions input period'.

To work out the figure that counts towards the Annual Allowance for your Defined Benefit pension benefits is complicated. For more information regarding the calculation of the figure that counts towards your Annual Allowance, please visit HMRC's website at **www.hmrc.gov.uk**

For any Defined Contribution pension benefits, such as the AVC Plan (see 'Boosting your benefits' on page 12), the figure that counts towards the Annual Allowance is the total contributions to your account during the year.

Beneficiaries

Someone who is entitled to receive a benefit from the UREPF on your death. The full list of potential Beneficiaries is set out in the UREPF Rules, but it includes your widow, widower or surviving Civil Partner, your parents and Children, your Dependants and anyone nominated by you in your Expression of Wish form.

Career average revalued earnings (CARE)

This is a type of 'defined benefit' pension scheme (i.e. benefits are defined by a formula in the rules). The pension under a CARE scheme depends on a member's average pay over their period of membership. This is how members build up benefits under the UREPF from 1 August 2011.

Child

Your Child or Children, including legally adopted Children, step Children who are financially dependent upon you at the time of your death, and any other Children who in the Trustees' opinion were dependent on you at the date of your death and who the Trustees agree to treat as your Children.

Each Child must be under the age of 18, or 23 if in full-time education approved by the Trustees. If any Child is dependent on you because of a mental or physical disability, the Trustees may continue to treat the Child as a Child for the purposes of the UREPF as long as they are satisfied that the Child is suffering from the disability and the Child remains a dependant within the meaning of current legislation.

Civil Partner – The person you are in a registered Civil Partnership with.

Dependant

Anyone who is financially dependent on you or was financially dependent on you at the date of your death. This includes anyone who shares living expenses with you, or receives financial support from you, and whose standard of living would be affected by the loss of that contribution or support. The Trustees' decision on who is a Dependant is final.

Final Pensionable Salary

For pre CARE pension benefits earned before 31 July 2011, this is the highest amount of your Pensionable Salary received in any period of 12 consecutive complete calendar months in the last three years ending on 31 July 2011. If you were not in Service for 12 calendar months, your Final Pensionable Salary will be the yearly equivalent of your Pensionable Salary. **If you work part time the full time equivalent pay is used.**

Guaranteed Minimum Pension (GMP)

The Guaranteed Minimum Pension (GMP) is the minimum pension which an occupational pension scheme has to provide for those employees who were contracted out of the State Earnings Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997. The amount is said to be 'broadly equivalent' to the amount the member would have received had they not been contracted out.

Lifetime Allowance

The overall limit set by HMRC annually on the pension savings that will qualify for tax relief. The Lifetime Allowance applies to all of the pension benefits you build up over your entire working life. If the overall value of your total pension benefits (from all pension arrangements, not just the UREPF) at retirement or death exceeds the Lifetime Allowance, certain tax charges will apply.

The Lifetime Allowance is £1.8 million worth of benefits for the tax year 2011/12, reducing to £1.5 million from April 2012. The allowance may vary in the future.

In broad terms, to work out the value of your benefits in the UREPF compared with the Lifetime Allowance, the value of your pension is taken as roughly 20 times its annual amount. You also need to include the value of any AVCs you have paid, any tax-free cash sum you take at retirement and any pension payments you receive from other sources.

Normal Pension Age – Your 65th birthday.

Pensionable Salary

Your basic annual salary, any payments which the University designates as payments for 'unsocial hours', plus any other payments that are determined by the University as pensionable.

Please note that special provisions apply where you participate in the childcare vouchers scheme or the cycle-purchase salary sacrifice scheme, or any other similar scheme operated by the University.

Pensionable Service

The number of years and days of continuous Service as a contributing member of the UREPF (if you work, or have worked, part time your Pensionable Service will be adjusted to reflect this), together with any service credited to you following payment of any Additional Voluntary Contributions which you pay into the UREPF to buy extra Pensionable Service. See 'Boosting your benefits' on page 12 for eligibility criteria and further details.

Service – Your employment with the University or any other participating employer.

Spouse – This is the person you were married to at the date of your death.

State Second Pension (S2P)

The State Second Pension (previously the State Earnings Related Pension Scheme or 'SERPS'), is an additional pension, currently related to an individual's earnings.

University – The University of Reading.

UREPF – The University of Reading Employees' Pension Fund.

A guide to the
University of Reading Employees'
Pension Fund

The UREPF administrator, Capita Hartshead Limited, can be contacted at (quoting your National Insurance number):

University of Reading
Employees' Pension Fund
PO Box 2822
Bristol, BS1 9EB

Tel 0844 39 12 414
Fax 0844 3911 999
Email uor@pensionsoffice.com

Pensions Office
University of Reading
Whiteknights, PO Box 217
Reading, RG6 6AH

Tel 0118 378 7121
pensions@reading.ac.uk
www.reading.ac.uk/humanresources

The Queen's Anniversary Prizes
2009