

Combined Pension Scheme



Member's Handbook

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

The Combined Pension Scheme

of

United Kingdom Atomic Energy Authority

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➤ INTRODUCTION

The Combined Pension Scheme (CPS) was formed on 1 July 1997 by merging the Principal Non Industrial Superannuation Scheme (PNISS) and the Industrial Superannuation Scheme (ISS).

The CPS provides a wide range of benefits for you in retirement and also for your family after your death. Entry to the Scheme is normally automatic unless you opt not to join.

This booklet aims to explain simply and briefly the benefits and options open to you as a Scheme member.

As a member of the Scheme you pay pension contributions of 5% of pensionable pay and your employer pays the balance of the cost of providing your Scheme benefits which are guaranteed to be paid by the Treasury.

This booklet does not form part of the Pension Scheme or affect the interpretation of the Rules. If you need further help or advice about the Scheme, please contact your HR department or the Pensions Administration Office at Thurso who can give you more detailed information about the Pension Scheme.

A list of terms highlighted throughout the text in italics may be found overleaf.

Data Protection Act 1998

As a member of the Combined Pension Scheme you will be required to provide information which is classed as Personal Data under the provisions of the Data Protection legislation. The information you provide will be used in the administration of the pension arrangements. United Kingdom Atomic Energy Authority may pass data to third parties in connection with the administration of the pension arrangements including Prudential Assurance Company Ltd (for the administration of the AVC Scheme and Shift Pay Pension Plan), the Government Actuary's Department for example to assess the future cost of pensions. In handling Personal Data, United Kingdom Atomic Energy Authority will apply the safeguards required under the Data Protection Principles contained in the legislation.

TERMS USED IN THIS BOOKLET

Back Service Credit - is the extra period of Scheme service you will be granted in the Scheme if you transfer your pension entitlements from a former pension arrangement.

Enhanced Service - is Scheme service increased beyond its actual length to give better benefits in circumstances such as ill health retirement.

Final Earnings - This refers to your highest pensionable earnings (excluding non pensionable payments such as overtime, but including any pensionable allowances) over any period of 12 months during the last three years of Scheme service. (Also known as 'Pensionable Final Earnings' or 'PFE').

Members of the CPS who were formerly members of the PNISS and who joined that scheme after April 1973 (October 1978 where the employer is BNFL) will have their pension in respect of scheme service to 31 March 1997 calculated using 93.5% of final earnings. Pensions in respect of Scheme service on or after 1 April 1997 will be calculated using 100% of final earnings.

Members who were recruited by BNFL between 1 April 1973 and 30 September 1978 will be notified separately of special arrangements which apply to them.

Guaranteed Minimum Pension (GMP) - is the minimum amount of pension which must legally be provided by the Scheme for a member at State Pension age; your Scheme benefits will normally be more than your GMP.

Participating Employers - are those organisations some or all of whose employees are eligible to be members of the CPS. These include the United Kingdom Atomic Energy Authority, the Civil Nuclear Police Authority, National Nuclear Laboratory (NNL), International Nuclear Services ((INS) and some former employees of the National Radiological Protection Board now the Health Protection Agency).

Pensions Increase (PI) - A percentage increase normally added annually to all Scheme pensions and preserved awards, in line with increases in the Retail Prices Index.

Retirement Age - Is the age specified in your contract of employment when you may retire and receive a pension.

Scheme Service – (Also known as Reckonable Service) is your service in the Scheme (in years and days), plus any *back service credit*, plus any added years which you may have bought.

➤ THE MAIN BENEFITS

- *An inflation proofed pension of up to one half of your **final earnings** when you retire plus a tax free lump sum of up to 3 years pension. The pension and lump sum are guaranteed by HM Treasury.*
- *Generous retirement terms if you are forced to retire early through no fault of your own because of ill health.*
- *A death benefit lump sum amounting to two years' **final earnings** in the event of your death in service.*
- *An inflation proofed pension for your husband or wife on your death provided you have more than 2 years' service.*
- *A short term pension for your husband or wife in the event of your death before **retirement age** even if you have less than 2 years' service.*
- *A pension for your eligible children on your death.*
- *A number of additional options to improve your pension if you wish.*
- *An annual statement showing your benefits from the Scheme.*

➤ MEMBERSHIP

Who can join the Scheme?

If you are an eligible employee of United Kingdom Atomic Energy Authority, NNL, INS or the Civil Nuclear Police Authority, you will automatically become a member of the CPS on joining your employer, unless you choose to opt out of the Scheme.

Membership of the CPS is not normally open to employees engaged on a casual or fee paid basis or if the contract of employment specifically excludes membership.

Can I decide not to join the CPS?

Membership of the CPS is voluntary, and you can decide either not to join or to opt out of the Scheme. If you do not join or opt out, you may be given one opportunity to rejoin the scheme. For information contact your HR department.

If you decide not to be a member of the Scheme, you will not be entitled to the full range of benefits offered by the CPS on death or ill health.

Can I transfer my benefits from another scheme into CPS?

Provided a transfer payment is received within 12 months of joining the Scheme, it may be possible to transfer benefits from your previous pension scheme(s) to the CPS. The *back service credit* granted in the CPS will secure additional benefits.

In most cases, your previous scheme will calculate the cash value of providing your benefits at *retirement age* and offer an amount of money to purchase the equivalent benefits in the CPS. This is known as a cash equivalent transfer value. It may well be that you will not be credited with exactly the same number of years of service as under your previous scheme because the benefits will be based on your *final earnings* in the CPS which will normally be higher than those in your previous scheme.

(For further information see the leaflet “Transferring Your Pension Benefits” obtainable from your HR department or the Pensions Administration Office, Thurso).

What if I have deferred pension benefits in the pension scheme?

If you have a deferred award in the pension scheme from previous service you will have the choice of either aggregating the two periods of service or retaining two separate awards. In most cases aggregating the award will be more favourable

as most members will have increased pensionable final earnings since they were awarded deferred benefits.

However, in exceptional cases, the pensionable final earnings used to calculate the preserved award may be higher than the pension award at retirement.

You will need to complete the option form within 12 months of joining the CPS. If you do not complete the form within this period your preserved pension benefits will be retained and your service during re-employment will reckon towards a separate pension award.

➤ **CONTRIBUTIONS**

Your contributions

The amount you have to pay is 5% of your pensionable pay; this includes a contribution of 1.5% to provide family benefits. You will automatically get income tax relief on your contributions as they are deducted from your pay before it is assessed for income tax.

The Scheme is contracted-out of the Second State Pension (S2P), and as a result you pay lower national insurance contributions.

If you are unmarried at retirement you may be given a refund of all or part of your family benefit contributions depending on your circumstances. A premium will be retained out of any refund to insure the fund against any later requirement to provide a spouse or civil partner pension, should you marry or enter into a civil partnership during retirement.

Does your employer pay anything?

Since your contributions alone would not cover the cost of providing the benefits to which you are entitled, your employer also makes contributions to your Scheme. Your basic Scheme contribution rate does not vary, but your employer will be required to make contributions at whatever rate is needed to meet the cost of providing your benefits and subsequent increases.

Early Qualification

To qualify for ill health and some death benefits you must have at least 2 years' service. Members with at least 5 years' service qualify for enhanced benefits. If your contract of employment is other than for a fixed term you may (subject to confirmation that you are in good health) become immediately eligible for enhanced benefits by making additional payments, in which case any benefits would be calculated as if you had 5

years' service plus the enhancement allowed under the Rules.

Early Qualification does not actually increase your *Scheme service*. To do that you would need to buy Added Years (see below). Early qualification provides you with the reassurance that, if you should die or your health deteriorate during your first five years of employment, you or your dependants would qualify for pension benefits. If you would like more details about the costs of paying for earlier qualification you should contact your Local Pensions Officer or the Pensions Administration Office, Thurso. If your contract is for a fixed term, the Scheme benefits will be enhanced by the service to the end of the period of your contract if you die or are retired early on medical grounds before the end of your fixed term contract.

Shift Pay Pension Plan

If you are receiving pensionable pay in respect of shift working, you may be a member of the Shift Pay Pension Plan (the Plan) which is a money purchase pension arrangement. Details of the Plan are available to affected members in separate literature.

Additional Voluntary Contributions

You may choose to pay additional contributions to increase your retirement income above the normal amount provided by the CPS.

These additional contributions qualify for full tax relief in the same way as the contributions you are required to pay to the CPS. You can pay up to a total of 15% of your gross annual income as pension contributions to the CPS. You may contribute more to the AVC Scheme.

The CPS offers two different options. Your additional contributions can be used either to secure:

- added years of service in the CPS
- money purchase benefits through an Additional Voluntary Contribution (AVC) arrangement with the Prudential

Separate literature is available which describe the two arrangements in more detail but the main features of each are as follows:

Added Years

- 1) Your benefits are paid by the CPS and calculated on *final earnings* and total service, including added years.
- 2) Purchase of added years gives you increased pension, lump sum and family benefits in the same proportions as your CPS benefits.
- 3) If you die in service or are ill health retired the full number of added years applied for are credited.*
- 4) Purchase is normally by periodical deductions from your salary.
- 5) Periodical contributions are a fixed percentage of your salary payable to age 60. The percentage is fixed by reference to your age when you start buying added years, being greater the older you are when beginning the contract.
- 6) You may cancel your agreement to buy added years but not on more than two occasions.

Prudential AVC Scheme

- 1) Your additional benefits are provided by an independent AVC Provider, and are not linked to your *final earnings*. The level of benefits depends on the amount you have paid in and the interest or growth earned for you by your investments.
- 2) On retirement the AVC scheme yields a sum which must be used to buy a range of pension benefits for yourself, your dependants or both.
- 3) You decide how much or how little you want to pay into the AVC Scheme (subject to a minimum payment for new members of £20 per month).
- 4) You may choose to vary the level of your contributions to the AVC Scheme.
- 5) You may pay contributions in respect of earnings which are not pensionable under the CPS.
- 6) You may choose to provide for additional life cover.
- 7) Contributions to an AVC Scheme may be paid for over a long or short period.

* *This does not apply to added years contracts which began prior to 1985.*

If you are in any doubt about the advantages to you of the different types of benefit from paying additional contributions, you should contact an Independent Financial Adviser.

➤ RETIREMENT BENEFITS

When can I retire?

Your normal *retirement age* is the age specified in your contract of employment.

What benefits will I receive?

You will receive a tax free lump sum and a pension, adjusted in line with prices, which is payable for life. Your pension will be paid monthly in arrears into your Bank or Building Society account.

Age Retirement

Pension

Your basic Scheme pension is based on

- (1) your *final earnings* and
- (2) your *Scheme service* (including any *back service credit* and added years)

$$\text{Annual Pension} = \frac{\text{final earnings} \times \text{Scheme service}}{80}$$

The following table illustrates the value of the retirement benefits calculated using this formula.

Example 1

Scheme Service: 40 years

Final Earnings: £15,000

Assuming Annual Pensions Increase at 4% a year

| | Annual Pension | Lump Sum | | Annual Pension | Lump Sum |
|---------------|----------------|----------|----------------|----------------|----------|
| At Retirement | 7500.00 | 22,500 | | | |
| After 1 Year | 7800.00 | | After 6 years | 9489.89 | |
| After 2 years | 8112.00 | | After 7 years | 9869.48 | |
| After 3 years | 8436.48 | | After 8 years | 10264.26 | |
| After 4 years | 8773.93 | | After 9 years | 10674.83 | |
| After 5 years | 9124.89 | | After 10 years | 11101.83 | |

Example 2

Scheme Service: 25 years

Final Earnings: £15,000

Assuming Annual Pensions Increase at 4% a year

| | Annual Pension | Lump Sum | | Annual Pension | Lump Sum |
|---------------|----------------|----------|----------------|----------------|----------|
| At Retirement | 4687.50 | 14062.50 | | | |
| After 1 Year | 4875.00 | | After 6 years | 5931.18 | |
| After 2 years | 5070.00 | | After 7 years | 6168.43 | |
| After 3 years | 5272.80 | | After 8 years | 6415.16 | |
| After 4 years | 5483.71 | | After 9 years | 6671.77 | |
| After 5 years | 5703.06 | | After 10 years | 6938.64 | |

Lump Sum

Your lump sum will normally equal three times your basic annual pension when you retire. In our examples above you would receive a tax-free lump sum of £22,500 after 40 years of service, or £14,062.50 after 25 years of service.

Some longer serving members may be required to pay an amount to be deducted from their retirement lump sum for the cost of providing family benefits.

You may choose to reduce your retirement lump sum to secure additional pension.

Early Retirement

There is no right to retire early. However if you are over age 50 your employer may choose to offer early retirement to you (for reasons other than ill health) in which case you would be eligible for immediate payment of your pension and lump sum.

Early retirement pensions also attract annual *pensions increases*, (though, if you are under 55 when you retire and your pension is paid immediately, the annual pension increases due on your pension will be deferred). *Pensions increases* will take effect once you are 55 and the rate of pension payable on your 55th birthday will take account of all the increases from your date of retirement up to that time. Subsequently your pension will then be increased in the normal way, as will pensions of members who are over 55 when they retire.

Ill Health Retirement

One of the key features of the CPS is that it may make benefits available to you if you develop a medical condition which in the view of the CPS medical advisers prevents you from working. If your employer and the CPS administrators agree that you should retire early for health reasons, you will receive benefits from the Scheme depending on your *Scheme Service* (see Table 1 below). If you have 5 or more years *Scheme Service* (or have purchased Earlier Qualification for Benefits) your *Scheme Service* will be enhanced as described in Table 2 below.

Where you receive enhanced service in these circumstances you will be required to pay a contribution which is deducted from the retirement lump sum to provide for a pension for your spouse in respect of the *enhanced service*.

Table 1 Benefits

| Qualifying service | Benefits |
|--|---|
| 5 or more years. | Immediate payment of pension and lump sum. Enhancement of service. (see table 2) |
| Less than 5 years (with Earlier Qualification) | Immediate payment of pension and lump sum. Enhancement of service. (see table 2) |
| At least 2 but less than 5 years. (without Earlier Qualification) | Immediate payment of pension and lump sum. No Enhancement of service. |
| Less than 2 years (without Earlier Qualification) | Refund of basic contributions |

Table 2 Amount of Enhancement

| Reckonable service | Reckonable service including enhancement |
|---|--|
| At least 5 but less than 10 years. | <p>Reckonable service is doubled</p> <p>Limit on enhancement: the period between the day following the last day of service and the eve of the member’s 65th birthday.</p> |
| Less than 5 years. (with Earlier Qualification) | <p>Reckonable service is enhanced to 10 years</p> <p>Limit on enhancement: the period between the day following the last day of service and the eve of the member’s 65 birthday.</p> |
| 10 years or more. | <p>Reckonable service is enhanced under Method A or B whichever gives the better result:</p> <p>Method A The enhancement is the amount of reckonable service which would bring the member’s total reckonable service to 20 years at the last day of service.</p> <p>Limit on enhancement: the period between the day following the last day of service and the eve of the member’s 65th birthday.</p> <p>Method B The enhancement is 6 2/3 years</p> <p>Limit on enhancement: the period between the day following the last day of service and the eve of the member’s 60th birthday or 65th if member has a <i>retirement age</i> of 65.</p> <p>There is also an overriding limit of 40 years’ reckonable service.</p> |

Ill health pensions are increased each year in the same way as ordinary pensions.

The Lifetime Allowance

.....

Annual Allowance

.....

➤ PROTECTION FOR YOUR FAMILY

Death in Service

The benefits that may be payable depend on the length of your service and also your family circumstances. The available benefits comprise:

- tax free cash lump sum
- spouse or civil partner pension
- children’s pension

Cash Lump Sum

If you die whilst a contributing member of the Scheme then, regardless of the length of your service, your nominee(s) or, if you have not made a nomination, your legal representatives will receive a tax free lump sum of twice your *final earnings*.

You may indicate to whom you would like your lump sum paid, if you die in service, by completing a Death Benefit Nomination Form. Payment of any lump sum may then be made to that person. If you have not already done so you are strongly advised to complete a Death Benefit Nomination Form available from the Pensions Administration Office or your HR department. If you wish to change your nominee this may be done at any time. You should note that a fresh Nomination Form will be required after marriage or registration of a civil partnership or divorce or dissolution of a civil partnership, even if the nominee remains the same.

If you are not married to the nominee, but are living together, your nomination will remain valid if your relationship with the nominee comes to an end. You should review the nomination to make sure that it contains your wishes for the disposal of the lump sum payment.

If you have not made a valid nomination, the Scheme may pay the death benefit lump sum to your legal personal representatives. You should make sure that your nomination is up to date and reflects your wishes for the distribution of the lump sum payment.

Spouse or Civil Partner Pension

If you die with 2 or more years service a pension is provided for your spouse or civil partner for life or until remarriage or registration of another civil partnership or cohabitation. A pension equal to your *final earnings* at the time of your death will be paid for at least the first three months, followed (unless you are a female member who began scheme service before April 1988 and have not elected to include the pre 1988 service for the spouse pension or for civil partner benefits which only reckon from 6th April 1988) by an annual pension normally equal to at least half the pension you would have received if you had retired on ill-health grounds on the date of your death.

For historical reasons the pension paid to your spouse or civil partner may be less than half of your pension and to establish your own position you should consult your benefit statement.

If your spouse has care of your eligible children, their pensions will be payable from the date on which the spouse annual pension starts and will be equal to $\frac{1}{4}$ of the ill health pension to which you yourself would have been entitled for each of the eldest two children at any one time, making a total of $\frac{1}{2}$ of your ill health pension payable in respect of any two children. If you have eligible children who are not in the care of your spouse, pensions may be payable for them but different limits may then apply.

If you die with less than 2 years' service your spouse or civil partner will receive a short term pension equal to your *final earnings* at the date of death for a period of at least three months and this period may be increased if you have children who are under the age of 17, or who are undertaking appropriate full-time education or training and are under the age of 23.

Eligible children will receive a child's pension from the day after the spouse short term pension ceases. If there are eligible children but no remaining spouse, the amount of the children's pension may be increased.

Death In Deferment

If you die after leaving the Scheme, but before your preserved pension comes into payment, a Death Benefit Lump Sum equal to the value of your preserved lump sum will be made to your beneficiary. In addition your spouse or civil partner will normally receive an immediate pension of at least half the current value of your own preserved pension, and a child's pension, if applicable, will be payable from the day after your death.

Death after Retirement

If you die after your pension has become payable, your spouse or civil partner will receive a pension for life or until remarriage or registration of another civil partnership or cohabitation. For the first three months this will be at the rate equal

➤ PENSION INCREASES

All pensions under the CPS are guaranteed to increase to keep pace with inflation. Presently increases are applied annually in April in line with the rise in the Retail Prices Index (RPI).

➤ BENEFIT STATEMENTS

You will receive an annual statement giving details of your benefits under the Scheme. The statements contain important information and should be read carefully. Further information can be obtained from your HR department or the Pensions Administration Office, Thurso.

➤ BENEFITS ON LEAVING THE SCHEME

If you leave your job before retirement, there are several options open to you depending on the length of your *Scheme Service*.

Estimates of the various options can be obtained from your HR department or the Pensions Administration Office, Thurso to assist you, but the final decision about which option to take is yours.

Transfer of Benefits

Whatever your length of service, it is usually possible for a transfer payment to be made to a subsequent pension arrangement. The benefits which you have accumulated in the CPS are converted into a capital sum which forms the ‘cash equivalent’ transfer value, and is used to buy credit in your new scheme.

Alternatively, within certain limitations, you may ask for a payment to be made to secure benefits with an approved Insurance Company of your choice. (For further information see the leaflet “Transferring your Pension Benefits” obtainable from your HR department or the Pensions Administration Office, Thurso).

Generally you will have up to 12 months before reaching *retirement age* to express an interest in transferring your benefits out of the CPS. You will need to establish with your new pension arrangement whether there are timing restrictions on their receiving a transfer value.

If you have 2 or more Years Scheme Service.

Preserved Benefits

If you leave with 2 or more years' *Scheme service*, you can preserve your lump sum and pension benefits in the CPS. These will become payable when you reach *retirement age*, and will be calculated in the same way as for normal retirement but based on your *final earnings* and *Scheme service* at the date you leave. Your preserved benefits would therefore be:

Pension

$1/80$ *final earnings* *Scheme service*

and

Lump Sum

$3/80$ *final earnings* *Scheme service*

Preserved benefits attract the same increases as pensions in payment and therefore increase in value while they are preserved.

Death In Deferment

See Page 13 above.

If you have less than 2 Years Scheme Service.

Refund of Contributions

If you have less than 2 years' service you may choose to take a refund of the basic contributions you have made to the Scheme. The refund you receive will be your contributions (plus compound interest) less

- a) a payment to the Department of Work and Pensions (formerly the DSS) to cover the cost of buying you back into the State pension scheme (essentially this is the difference between the full rate of National Insurance contributions and the reduced rate you have been paying as a Scheme member);
- b) a 20% tax deduction (because your initial contributions attracted tax relief).

You may request an estimate of the transfer value which could be paid to a new pension arrangement.

➤ YOUR STATE PENSION

In addition to your Scheme pension you will also, if eligible, receive your state pension when you reach state pension age. The state pension age for men is currently 65. The state pension age for women born in April 1955 or later will be 65. For women born between April 1950 and April 1955, state pension age will be between 60 and 65, for women born before April 1950, state pension age is 60. Your state pension is made up of 2 parts:

- a) The state basic pension
and, for some individuals
- b) Second State Pension (S2P)

Many schemes, including the CPS, are “contracted out” of the Second State Pension (S2P) part of the state scheme. This means that you pay a reduced National Insurance contribution; and the CPS takes over responsibility for providing you with a *guaranteed minimum pension* (GMP). The state basic pension is not affected by the “contracting out” provisions. From April 1997 the CPS is contracted out by means of an overall scheme quality test known as the Reference Scheme Test. The CPS must pay benefits at least as good as those available under the Reference Scheme to remain contracted out.

Until April 1980 contributions to the schemes were slightly reduced to take account of the state pension. If your service began before April 1980 your CPS pension after state pension age will be “modified” or reduced. The same will apply to members who participated in the State Graduated Pension Scheme (which ended in April 1975). The maximum reduction as a result of “modification” is £78 a year.

➤ THE TAX POSITION

Tax Relief on Contributions and Benefits

Members of the CPS receive the following tax relief:

- cash sums payable at retirement are tax free
- cash sums on death are tax free
- member's contributions, to either the CPS or the AVC Scheme or Shift Pay Pension Plan, within Revenue limits are deducted from salary before tax is calculated, and therefore receive tax relief
- all pensions are treated as earned income and are therefore taxed under the PAYE system

The Earnings “Cap”

The 1989 Budget introduced an arrangement for pension schemes whereby members who join on or after 1 June 1989 have their benefits and contributions limited by a maximum amount set by Government each year. The Finance Act 2004 allows schemes to disregard the pensions earnings cap from April 2006. However, public service pension schemes, such as the CPS, will retain a notional earnings cap for service before and after 6 April 2006.

➤ WHO LOOKS AFTER THE SCHEME?

The CPS is a statutory pension scheme established under the authority of the Atomic Energy Authority Act 1954 as amended. As such the Scheme does not operate under an irrevocable trust with trustees. There is no actual fund, but benefits are guaranteed by Treasury. Contributions from Members and their employers are paid to the Treasury. UKAEA PAO are responsible for the management and administration of the Scheme.

Management and Administration

The day-to-day work of keeping membership records, calculation and payment of benefits is carried out by the UKAEA at the Pensions Administration Office, Thurso, Caithness, KW14 8BA. Telephone 01847 804444. Enquiries about your pension Scheme and any of the additional options available should be made either to your HR department or to the Pensions Administration Office, Thurso.

For more information about your State pension you should enquire at your local office of the Department of Work and Pensions (formerly the Department of Social Security).

Policy

The management of the Scheme and Scheme policy is dealt with by UKAEA. The address for the Pensions Policy Team is UKAEA, PAO, The Manor Court, Chilton, Oxfordshire OX11 0RN. Telephone 01235 431975.

Pensions Forum

Representatives of the management and trade unions from the employers who participate in the pension scheme take part in a Pensions Forum at least twice a year. These meetings are designed to act as a forum for discussion and exchanging ideas about pension issues affecting the scheme.

Internal Disputes Resolution Procedure

It is a requirement of the Pensions Act 1995 (introduced in April 1997) for there to be a formal procedure for the resolution of disputes. The Disputes Resolution Procedure is set out in Annex A.

The Pensions Advisory Service (TPAS)

The office of the Pensions Advisory Service (TPAS) can be contacted to assist you or your beneficiaries with any pensions query you may have particularly if you have a dispute or disagreement with the pension administrators, which you wish to or have raised under the Scheme's own Internal Disputes Resolution Procedure. TPAS can be contacted at:

11 Belgrave Road, London, SW1V 1RB

The Pensions Ombudsman

If TPAS is unable to resolve any problems then you can contact the Pensions Ombudsman at the same address. The Ombudsman is able to investigate and determine any complaint or dispute of fact or law relating to pension schemes except that, in respect of the CPS, which is a statutory scheme, the Ombudsman is empowered to determine any complaint alleging injustice as a result of maladministration in connection with any act or omission of those responsible for administration of the pension schemes.

The Registrar of Occupational and Personal Pension Schemes

The Registrar provides a tracing service so that people can keep track of their former

pension arrangements as they move jobs. Details of the United Kingdom Atomic Energy Authority pension schemes have been sent to the Registrar.

If you wish to use this service, you should contact:

Registrar of Pension Schemes
PO Box 1NN
Newcastle Upon Tyne
NE99 1NN

Annex A: INTERNAL DISPUTES RESOLUTION PROCEDURE FOR PENSION SCHEMES

Under the terms of the Pensions Act 1995 the United Kingdom Energy authority pension schemes are required to have in place a formal internal disputes resolution (IDR) procedure for dealing with disagreements between scheme members and the scheme administrators. This Notice sets out the IDR procedures which are now in place.

The IDR procedures have two distinct levels for dealing with complaints:

First Stage:

The right of an individual to receive a written explanation of a decision taken by the Manager, Pensions Administration Office, Thurso in response to a complaint.

Second Stage:

The right of appeal to the UKAEA Head of Pensions against the first stage decision.

These arrangements are available to active, deferred and retired Scheme members, dependants of deceased Scheme members, those eligible for membership of the Scheme, and those claiming to fall into one of these categories. An application may be made or continued on behalf of an individual by a representative nominated by the person concerned (e.g. trade union, solicitor). An application may also be made or continued on an individual's behalf when a person dies, or is a minor, or is incapable of acting for him or herself (in the case of death, by the personal representative, and in any other case by a member of the individual's family or some other person or body suitable to represent him or her).

Application For A Decision

An application to the Manager, Pensions Administration Office, Thurso for a decision on a complaint must be made in writing using form UKAEA/IDR1 (available from the Manager, Pensions Administration Office, Brownhill Lodge, Thurso, Caithness, KW14 7BA) and must include details of the disagreement on which a decision is being requested. Individuals should provide their full name, home address, date of birth, national insurance number and pension reference number. A representative or relative acting on behalf of an individual must, in addition, provide their full name, address, and profession or relationship to the individual.

Decision By The Manager, Pensions Administration Office, Thurso

The reply from the Manager, Pensions Administration Office, Thurso (“the notice of decision”) will provide an explanation of the decision taken in response to the complaint, and should be issued within two months of the date of receipt of the application. Where it is clear that this will not be possible, an interim reply will be sent setting out why there is a delay and when a full reply can be expected. The notice of decision will include a reference to the relevant Scheme rules and documentation which have been applied, as well as an explanation of the individual’s right to have the disagreement referred for consideration by the Head of Pensions Manager as manager of the Scheme.

Referral To The UKAEA Head of Pensions

Individuals will have the right to ask for their case to be referred to the UKAEA Head of Pensions if they are not satisfied with the first stage decision. This appeal must be submitted within six months of the date of the notice of decision. Individuals must provide their full name, address, date of birth, national insurance number, and departmental payroll number, together with a statement that they wish the UKAEA Head of Pensions to reconsider the decision taken by the Manager, Pensions Administration Office, Thurso and why they are dissatisfied with it. The appeal must be sent on form UKAEA/IDR2 (available from the Manager, Pensions Administration Office, Brownhill Lodge, Thurso, Caithness KW14 7BA) to the Manager, Pensions Administration Office, Thurso who will arrange for it to be forwarded to the UKAEA Head of Pensions within five working days of receipt, together with all relevant documentation.

Decision By The UKAEA Head of Pensions

A decision by the UKAEA Head of Pensions on an appeal will constitute a final determination. He or she will seek to issue a notice of their decision within two months of the date of receipt of the appeal, and, where this may not be possible, an interim reply will be sent explaining why there is a delay and when a full reply can be expected. The reply from the UKAEA Head of Pensions will state whether, and if so to what extent, the original decision by the Manager, Pensions Administration Office, Thurso has been replaced. In addition it will include a reference to the Scheme rules and any other documentation which has been applied.

The notice of decision will also advise:

that the Pensions Advisory Service (TPAS) is available to assist scheme members with any difficulties which they fail to resolve with the UKAEA Head of Pensions, and include the address at which it may be contacted; and that the Pensions Ombudsman is available to investigate and determine any complaint alleging injustice in consequence of maladministration in connection with any act or omission on the part of the administrator of the Scheme, and include the address at which he may be contacted.

The Pensions Ombudsman's office normally expects complainants to seek help from TPAS before making a complaint to the Ombudsman.

An appeal to the UKAEA Head of Pensions will be rejected if a determination has already been made on an earlier occasion by the United Kingdom Atomic Energy Authority at a senior level, unless new relevant information has subsequently come to light which had not previously been considered.

Contact Point For Complaints And Appeals

All complaints and appeals under the pension scheme internal disputes resolution arrangements should be addressed to the Manager, Pensions Administration Office, Brownhill Lodge, Thurso, Caithness KW14 7BA.

If you have a concern or enquiry which is not appropriate to be dealt with under the IDR, you may contact either the Pensions Administration Office, Thurso on 01847 804444 or the Pensions Policy Team at Manor Court on 01235 431975.

