



# D&B (UK) Pension Plan

DEFINED CONTRIBUTION (DC) SECTION

# Appendix

Important – this appendix only applies if you are currently contributing to the Defined Contribution (DC) Section and were previously a member of either the old Money Purchase section or the Final Salary or CARE section of the Plan. If you are unsure whether you have benefits under any of these sections, please contact UK People Team. Your latest annual benefit statement may clarify your entitlement under these other sections.

Below is a list of benefits under the DC section and the relevant equivalent information for the old Money Purchase section, the Final Salary section or the CARE section of the Plan. If you would like further information on the DC section, please refer to the page numbers listed below in your DC Scheme guide.

## END OF CONTRACTING-OUT

The three sections described in this appendix were all ‘contracted-out’ of the Second State Pension (‘S2P’) and its predecessor (the State Earnings Related Pension Scheme, or ‘SERPS’). This means that the Plan has to provide a minimum

level of pension comprising a Guaranteed Minimum Pension (‘GMP’) for service up to 6 April 1997 and a Reference Scheme Test (‘RST’) pension for service beyond that date.

Legislation governs quite tightly the payment of a GMP. In particular, it must be paid as a pension, from age 65 for men and age 60 for women (‘GMP pension age’), and this requirement may in some cases restrict a member’s ability to retire before these ages or to take cash instead of pension. The RST represents more of a ‘background’ minimum pension at State Pension Age (SPA), which can, if desired be commuted for cash or reduced for early retirement. You will be advised if contracting-out restrictions limit your benefit flexibility.

DC section benefit (page number of DC section guide)	Benefit payable in addition to benefits from the DC section		
	Old Money Purchase section	Final Salary section	CARE section
<b>Retirement benefits</b>			
<b>Normal Retirement Age (NRA)</b> (page 17)	Age 65 but subject to the following: <ul style="list-style-type: none"> <li>If you are a female member who joined the Plan before 6 April 1988, your NRA is 60 for those benefits you built up before 1 April 2004. For any benefits built up after that date, your NRA is age 65.</li> <li>If you are a male member who joined the Plan before 6 April 1988, your NRA is 60 for those benefits you built up between 17 May 1990 and 1 April 2004, but 65 for benefits built up outside these dates.</li> <li>If you would like further information on your NRA and how this will affect your benefits, please contact Mercer, on 0121 733 4059.</li> </ul>		Age 65
<b>Retirement at NRA</b> (page 18)	A pension based on the value of your Money Purchase Account at your NRA (this pension will not be less than the minimum amount that must be paid because you were ‘contracted-out’ whilst a member of the old Money Purchase section). Your Account will be used to buy an annuity from an insurance company.	A pension based on your service completed to, and Final Pensionable Salary at, 31 March 2004. This pension will be increased between 31 March 2004 and your NRA in line with price inflation, subject to a limit set by the Government (currently 5% a year).	A pension for each complete year or part year that you were a member of the CARE section, reflecting your earnings in each year. This pension will also receive some inflation protection – see the CARE section member guide for full details.

DC section benefit (page number of DC section guide)	Benefit payable in addition to benefits from the DC section		
	Old Money Purchase section	Final Salary section	CARE section
<b>Retirement benefits</b>			
<b>Tax-free cash sum</b> (page 18)	Generally, up to 25% of the value of your Money Purchase Account will be available as a tax-free cash sum so long as an annuity is bought with the balance of your Account which is enough to meet the Guaranteed Minimum Pension ('GMP') element of your 'contracted-out' pension.	The maximum single tax-free cash sum you can take in total from all sections of the Plan is 25% of the value of your total benefits, subject to enough pension remaining to meet the GMP. Cash can be taken from the DC or old Money Purchase sections or you can give up ('commuting') part of your pension under the Final Salary or CARE sections. Members with split benefits will normally take cash from the DC or old Money Purchase sections before commuting.	
<b>Increases to pensions in payment</b> (page 19)	Your pension from the old Money Purchase section that represents your GMP must increase in payment, in line with legislation.  For any pension above this amount, you will be able to choose what level, if any, of increases are bought with your annuity.	Any Final Salary section pension for service from 6 April 1997 to 31 March 2004 will increase, once in payment, in line with price inflation up to a limit of 5% a year.  Pensions for service before 6 April 1997 have no guaranteed increases other than the element that represents your GMP that must increase in payment in line with legislation.	Any CARE pension will increase each year in line with price inflation, subject to an upper limit set by the Government, currently 2.5% a year (a higher limit of 5% a year applies to accrual from 1 April 2004 to 5 April 2005).  See the CARE section member guide for full details.
<b>Early retirement</b> (page 19)	With the consent of the Company and provided that the pension that will be paid from your GMP pension age is at least equal to the minimum 'contracting-out' pension, your old Money Purchase section pension can be paid from age 55 or later. Just as for DC section pensions, your Money Purchase Account will buy a smaller annuity the younger you retire.	With the consent of the Company, any Final Salary/CARE section pension can be paid from age 55, although the amount will be reduced to reflect its earlier start date, since it will be paid for longer.	
<b>Flexible Retirement</b> (page 20)	If you opt to take your DC section benefits whilst continuing to work for the Company, you will normally be required to draw your old Money Purchase/Final Salary/CARE section benefits at the same time.		
<b>Death whilst a contributing member – lump sum</b> (page 22)	The value of your Money Purchase Account may be paid as a lump sum, subject to any pension that must be purchased for your spouse/civil partner to provide their GMP.	None	None
<b>Death whilst a contributing member – spouse's/civil partner's pension</b> (page 23)	Part of your Money Purchase Account will be used to provide a spouse's GMP (the remainder would be paid as a lump sum as described in the row above).	A pension equal to 50% of your preserved pension in the Final Salary/CARE section will be paid to your spouse or civil partner.	



DC section benefit (page number of DC section guide)	Benefit payable in addition to benefits from the DC section		
	Old Money Purchase section	Final Salary section	CARE section
<b>Retirement benefits</b>			
<b>Death whilst a contributing member – children’s pension</b> (page 23)	No part of your Money Purchase Account needs be used to provide a children’s pension.	An allowance equal to 50% of your preserved pension in the Final Salary/CARE section will be paid to your children (divided equally) while they remain ‘dependants’ (up to age 18, or 23 if in full-time education).	
<b>Death whilst in receipt of your pension – lump sum</b> (page 24)	The benefit payable will depend on the type of annuity bought with your Money Purchase Account on retirement.	If you die within 5 years of retiring, a lump sum will be paid equal to the unpaid part of any Final Salary or CARE section pension that would have been paid during this period.	
<b>Death whilst in receipt of your pension – spouse’s/civil partner’s pension</b> (page 24)	The benefit payable will depend on the type of annuity bought with your Money Purchase Account on retirement.	A pension equal to 50% of your Final Salary/CARE section pension being paid at the date of death (disregarding any reduction for any tax-free cash sum taken at retirement) will be paid to your spouse or civil partner.	
<b>Death after NRA but before retiring</b> (page 24)	The value of your Money Purchase Account will be used to provide benefits in line with any requirements because you were ‘contracted-out’ whilst a member of the old Money Purchase section.	Benefits based on your preserved Final Salary/CARE pension will be paid assuming you had retired immediately preceding your death.	
<b>Death after leaving but before benefits have started</b> (page 24)	The value of your Money Purchase Account will be used to provide benefits in line with any requirements because you were ‘contracted-out’ whilst a member of the old Money Purchase section.	Benefits based on your preserved Final Salary/CARE pension will be paid assuming you had retired immediately preceding your death.	
<b>Leaving the Company with at least 2 years Plan membership</b> (page 26)	Your old Money Purchase/Final Salary/CARE section benefits will be preserved in the Plan until you retire. If you opt to transfer the value of your DC section benefits to another pension arrangement, you may also transfer the full value of your old Money Purchase/Final Salary/CARE section benefits as well. Alternatively, you can transfer the value of your DC section benefits only.		

If you want to contact the Trustee you can email the Plan Secretary at: [secretary@dnbpensionplan.co.uk](mailto:secretary@dnbpensionplan.co.uk)