The IBC Vehicles Pension Plan Member Booklet

These factsheets will help you learn more about the IBC Vehicles Pension Plan ('the Plan'):

Factsheets

Visit **www.thepensiondepartment.co.uk** to download Plan forms and documents.

This booklet highlights the main provisions of the Plan without setting out every detail of its operation. Please read Factsheet 6 (Miscellaneous) carefully. This booklet does not apply if your Pensionable Service ended before 1 June 2009.

June 2017

Joining the Plan

Membership of the Plan

Following consultation with the Trade Unions, the Principal Company directed the Trustees to close the Plan to all new members with effect from 1 May 2013. A new arrangement of a different type has been introduced by the Company for new employees. Please contact your Human Resources Department for further information.

Members can opt out of the Plan at any time by giving one complete month's notice. Please contact your Human Resources Department for details.

Employees who leave the Plan can only rejoin with the consent of the Principal Company and the Trustee.

Transfers in

The Trustee does not currently allow you to transfer pension benefits from a previous employer or personal pension into the Plan.

Contributions to the Plan

What does it cost?

You pay basic and tier contributions, depending on your tier of membership. The table below summarises the basic and tier contributions from 1 June 2009.

Accrual rate	Basic contribution	Tier contribution
1/60th	10% of Pensionable Pay	• Top Tier: 10% of the Lower Earnings Limit (LEL) • Middle Tier: 2.5% of the LEL • Basic Tier: no tier contribution
1/70th	8% of Pensionable Pay	• Top Tier: 8% of the LEL

Unless you participate in SMART Pensions, contributions are deducted automatically from your salary through the Pay As You Earn (PAYE) system. You start paying contributions when you join the Plan and stop when you retire or leave the Plan.

SMART Pensions

SMART Pensions is the arrangement under which instead of you paying contributions from your salary, the Company pays an amount equal to what your contributions would have been straight into the Plan. You agree that your pay is reduced by the same amount. This means you and the Company make savings on the National Insurance you would have had to pay if you had made the contribution yourself. For further information on SMART Pensions, see the SMART Pensions booklet dated February 2009. This is available from the Human Resources Department.

If you participate in SMART Pensions, references in this booklet to member contributions should be read as references to the amount of your salary sacrifice.

Tax relief

So long as you have sufficient Annual Allowance (see next paragraph), you receive tax relief on all contributions you pay to all tax-approved pension schemes (including the Plan) up to 100% of your pay from the Company. This means that for every £1 you contribute, your take-home pay is only reduced by 80p (or 60p if you are a higher-rate taxpayer).

A standard Annual Allowance (AA) of £40,000 applies for pension inputs in the tax year from 6 April, 2016 to 5 April, 2017. (See Factsheet 6 – miscellaneous). Please contact the Pension Department if you think that may apply to you. In broad terms (except for an ill-health early retirement pension) the AA of £40,000 is only expected to affect higher rate taxpayers.

Please note:
If you have accessed any flexible money purchase benefits after 5 April, 2015, a lower AA of £10,000 (there are proposals to reduce this to £4,000 from 6 April, 2017) would apply to money purchase benefits (such as AVCs) and this would impact on the AA available for DB benefits.

If you are a high income individual (with income from all sources of over £110,000 per annum) a lower AA may apply.

Further information can be obtained from the Pensions Department if you think that the AA may apply to you.

Contributions to the Plan

Absences

If you are temporarily absent from work, it is important that you seek guidance from the Pensions Department on the status of your pension benefits.

Company contributions

Under the Trust Deed and Rules, the rate of Company contributions to the Plan is determined by the Principal Company, after obtaining advice from the Plan's actuary, as the amount necessary to provide the benefits under the Plan to members after taking account of members' own contributions.

However, the amount determined by the Principal Company must not be less than the amount required under the Pensions Act 2004. The valuation assumptions, the schedule of contributions for the Plan and the recovery plan required to comply with the statutory funding requirements of the Pensions Act 2004 need to be agreed between the Trustee and the Principal Company and, in default of agreement, by the Pensions Regulator.

The Trustee must also obtain an actuarial valuation of the Plan at least every three years.

Additional Voluntary Contributions

You may, if you wish, pay Additional Voluntary Contributions (AVCs) to increase your benefits under the Plan.

It is important to understand the difference between normal Plan benefits and AVCs. With regard to Plan benefits, you pay a fixed contribution rate and in return the Plan provides a fixed level of benefits that are tied to your Final Pensionable Pay.

AVCs are different – the amount you will receive at retirement depends entirely on how well an outside AVC provider (currently either Fidelity or Prudential) invests your AVCs and, if AVCs are taken as a pension, on the cost of purchasing a pension on retirement. When you retire, the AVC fund can be used to provide additional benefits or tax-free cash. Taking tax-free cash will reduce your residual pension. Please note that information relating to AVCs and the choices available to you in respect of flexible benefits from AVCs are set out in a separate document which can be requested from the Pension Department.

Contributing to the Plan by AVCs is, subject to the next paragraph, a tax-efficient means of saving for retirement. Therefore, if you want to enhance your retirement income, give serious consideration to paying AVCs. Further details about the payment of these contributions are available on request from your Human Resources Department or Pensions Department. If you participate in SMART Pensions, any regular AVCs must also be made through SMART Pensions. For further information, see the SMART Pensions booklet.

If the effect of paying AVCs would cause you to exceed the Annual Allowance or the Lifetime Allowance, you need to consider the tax efficiency of paying AVCs most carefully. See further Factsheet 6 regarding the Annual Allowance and the Lifetime Allowance.

Contributions to the Plan

AVC investment providers
The Trustee currently holds two insurance policies – one issued by Prudential Assurance Company Limited ("Prudential") and one issued by Fidelity Insurance Limited ("Fidelity"). Both Fidelity and Prudential are insurance companies. Contributions you pay as AVCs are credited to your AVC fund in the Plan and are paid under the insurance policies to the insurance company. The insurance company then credits the policy with that premium. Your AVC fund is linked to the value of the interest in the policy purchased with your AVC fund.

If an insurance company (such as Fidelity or Prudential) becomes insolvent, the value of the policies issued by the insurance company will be reduced.

Prudential
At Normal Retirement Date or in the event of death, Prudential guarantees that your fund is always equal to at least the AVCs paid to Prudential, plus regular bonuses already added.

At other times, a Market Value Reduction (MVR) may be applied if the value of the underlying assets is less than the value of your fund including all bonuses. This will have the effect of reducing the amount payable and, if investment returns have been very poor, you may get back less than you have invested. Prudential's practice as at March 2017 on applying an MVR is to provide the full value of the accumulated fund on early or late retirement. An MVR may be applied to any full or partial withdrawals as a result of switches or transfers out of the With-Profits Fund.

Prudential's practice as at March 2017 may change at any time without prior notice.

For further information about MVRs, please refer to the Key Features document. This can be found, amongst many other useful tools and calculators, on Prudential's website at: **www.pru.co.uk/pensiondepartment**

Please remember that the value of an investment may go down as well as up and inflation may reduce what you can buy in the future.

Fidelity
You decide on the Fidelity funds in which your AVCs are invested. The size of your AVC fund at retirement depends on how well these investments perform.

It is the nature of investment markets that the value of funds may go up or down. Fidelity has a number of decision-making tools to help members plan for retirement:

- Visit the Fidelity pensions website at:
  www.fidelitypensions.co.uk
  and click on the 'Planning for retirement' section.
- Alternatively, you can visit:
  www.planviewer.fidelitypensions.com
  Click on the 'Knowledge Point' tab within PlanViewer, then click on the link to 'Tools & Learning'. For help with your username and PIN, please contact Fidelity's Pensions Service Centre via email at **pensions.service@fil.com**

Benefits on Retirement

Retirement at age 65

The Normal Retirement Date for the Plan is usually the first day of the month immediately following your 65th birthday. If you retire on or after Normal Retirement Date, you receive a Basic Pension and may also receive a Special Additional Pension (SAP).

Basic Pension

You will generally receive a Basic Pension commencing in the month of your retirement and payable for the rest of your life. This is calculated as follows:

Pensionable Service x accrual rate x Final Pensionable Pay = Basic Pension

The accrual rate is:

- 1/60th for Pensionable Service prior to 1 June 2009.
- 1/60th or 1/70th for Pensionable Service from 1 June 2009.

Your Basic Pension from the Plan depends on your Final Pensionable Pay, which is different from your Basic Pay or salary. Your Final Pensionable Pay is the average of your Pensionable Pay received in the last five years of Pensionable Service, but will not be any less than that calculated using the best continuous 24 months out of the last five years of Pensionable Service as at 1 June 2009.

Special Additional Pension (SAP)

This benefit is payable to all employees who were members of the Old Fund on 31 July 1988 and who transferred on 1 August 1988 to the Plan. The benefit is also payable to other employees who joined the Plan on or after 1 August 1988 who have contributed at the Middle or Top Tier. SAP is paid from the month you reach age 65 for the rest of your life.

How much SAP you receive depends on whether you were a member as at 1 August 1988 and whether you contribute at the Basic, Middle or Top Tier. The SAP is calculated as follows:

Pre-1 August 1988 Pensionable Service

This SAP is paid irrespective of the Tier of contribution selected.

Pensionable Service up to 1 August 1988 x 1/60 x 25% x Final Lower Earnings Limit (LEL) Pay = SAP

Benefits on Retirement

Special Additional Pension (SAP) (continued)

From 1 August 1988 Pensionable Service
In addition to any SAP related to your pre-1 August 1988 Pensionable Service, you receive a SAP related to your contribution tier as follows:

Basic Tier No SAP is payable
Middle Tier Pensionable Service on or after 1 August 1988 x accrual rate x 25% x Final LEL Pay
Top Tier Pensionable Service on or after 1 August 1988 x accrual rate x Final LEL Pay

The accrual rate is:

- 1/60th for Pensionable Service prior to 1 June 2009.
- 1/60th or 1/70th for Pensionable Service from 1 June 2009.

Your SAP is calculated in proportion to the period each tier of contribution was paid.

Early retirement

If you have at least five years' Pensionable Service, you may be able to retire at any time from age 55.

If you need five years' Pensionable Service to retire early as of right, then this is calculated counting actual Pensionable Service and prospective Pensionable Service to Normal Retirement Age.

Your pension is calculated in the same way as at Normal Retirement Date but is based on your Final Pensionable Pay and Pensionable Service at the date you actually retire from the Plan. A reduction may be applied to your pension to allow for the longer period that it is expected to be paid.

Please note that if you joined the Plan after 1 December 2006, you do not qualify for an early pension without a reduction, except in certain circumstances.

If you retire before Normal Retirement Date at the request of the Company and with Company consent, any Top-up Pension may also be paid.

Top-up Pension
The Top-up Pension is intended to bridge the gap between retiring early with Principal Company consent and the date two days prior to the date your State Pension commences or, if earlier, your 65th birthday (when the Top-up ceases). The Top-up Pension is calculated as follows:

Pensionable Service prior to 1 June 2009 (maximum of 30 years) x £46	=	Top-up Pension per year

Please note that the Top-up Pension ceased to accrue from 1 June 2009.

Retiring early without a reduction to your pension
If you joined the Plan before 2 December 2006, you have at least five years' Pensionable Service and you retire from age 62 (subject to Principal Company consent), your Post-31 May 2009 Pension is paid with no early retirement reduction. The Principal Company does not currently intend to withhold consent, except in unusual circumstances and in any event only for a few months while your work can be reorganised.

If the Principal Company does not consent to you taking your Post-31 May 2009 Pension prior to your Normal Retirement Date, your Pre-1 June 2009 Pension can come into payment and your Post-31 May 2009 Pension is either reduced for early payment or does not come into payment until age 65, if the Principal Company consents.

If you retire on or after age 55 with at least five years' Pensionable Service and you are requested by the Company to retire, your pension is paid with no early retirement reduction.

Note that the giving of consent by the Company to any early retirement does not commit the Company to giving its consent on any other occasion.

If you retire between the ages of 55 and 65 due to the Principal Company terminating your employment (other than for misconduct) and such termination constitutes unfair dismissal or gives rise to an entitlement to a redundancy payment, and you have at least five years' Pensionable Service, your pension is paid with no early retirement reduction. If you joined the Plan after 1 December 2006, your Post-31 May 2009 Pension will be reduced if it is paid before age 65 except on redundancy.

Benefits on Retirement

Retiring early with a reduction to your pension
If you retire from age 55 with at least five years' Pensionable Service and you cease to be an employee with Company consent, your Post-31 May 2009 Pension is reduced for each year it is taken before age 65, your Pre-1 June 2009 Pension is reduced for each year it is taken before age 62 and no Top-up Pension is payable.

An Old Scheme Member with at least five years' Pensionable Service may retire from age 57. The following reductions apply for pre 1 June 2009 Pensionable Service:

- For a woman, there is no reduction in relation to Pensionable Service prior to 1 October 1997.
- For a man, in relation to Pensionable Service prior to 17 May 1990, there is a reduction as if the member's Normal Retirement Date was age 62.
- For a man, there is no reduction in relation to Pensionable Service from 17 May 1990 to 30 September 1997.
- For both men and women, in relation to Pensionable Service from 1 October 1997 to 30 September 1999, there is a reduction as if the member's Normal Retirement Date was age 60.
- For both men and women, in relation to Pensionable Service from 1 October 1999 to 30 September 2001, there is a reduction as if the member's Normal Retirement Date was age 61.
- For both men and women, in relation to Pensionable Service from 1 October 2001 to 31 May 2009, there is a reduction as if the member's Normal Retirement Date was age 62.

Early retirement and Guaranteed Minimum Pension (GMP)
The GMP is that part of your pension which relates to contracting out of the State Earnings Related Pension scheme (SERPS) before 6 April 1997. Any pension that is reduced due to early retirement must not be less than your GMP at GMP Age (60 for a woman and 65 for a man). If the GMP exceeds your pension, you may not be able to retire early.

Pension increases

All pensions in payment are reviewed each year by the Principal Company and Trustee. Pensions in payment are increased each 1 April (the pension increase date). If your pension has been in payment for less than a year at the time of its first pension increase date, a proportionate increase applies. This is based on the number of complete months your pension has been in payment. The increases awarded to different parts of your pension are as follows:

- For Pensionable Service built up before 6 April 1997, any pension increases given are discretionary and are limited to one half of the increase in the Retail Prices Index (RPI) up to a maximum of 3% a year. Increases may only be made with the agreement of the Principal Company and are subject to such terms and conditions as the Principal Company may impose.
- For Pensionable Service built up on or after 6 April 1997 and before 1 October 2005, your pension increases by the increase in RPI up to a maximum of 5% a year.
- For Pensionable Service built up from 1 October 2005, your pension increases by the increase in RPI up to a maximum of 2.5% a year.

The pension increases described above are not applied to your Top-up Pension accrued before 6 April 1997 or on that part of your pension which represents your Guaranteed Minimum Pension (GMP) after you have reached GMP Age (age 60 for women and 65 for men). GMP is part of your pension which relates to pre-6 April 1997 contracted-out employment. See Factsheet 6 for further information about GMP's

Except for ill-health retirement, pension increases are not payable until age 55.

With the agreement of the Principal Company and subject to such terms and conditions as the Principal Company determines, the Trustee may provide additional increases on top of the increases detailed above. Where a discretionary increase is granted, the Principal Company does not intend that the increase should in any way impart any legal obligation to grant other discretionary increases. This applies to all discretionary increases referred to in this booklet.

Benefits on Retirement

Incapacity

Subject to satisfactory medical evidence, you may, with the approval of the Trustee and the Principal Company, retire early at any age due to incapacity as determined by the medical authority appointed by the Principal Company.

Your pension is paid in full without any reduction for early retirement. It is based on your actual Pensionable Service at the date of leaving plus half of the number of years between that date and age 65, and is based on your Final Pensionable Pay at the date of leaving. Under these circumstances, both the Basic Pension and the SAP are payable immediately upon your retirement. The accrual rate for the projected years of service is the accrual rate (either 1/60th or 1/70th) applicable to you immediately before your Pensionable Service ended. The SAP payable with respect to the projected years of service is based on the proportionate amount of time that you have spent in each of the tiers after 31 July 1988, and your Final LEL Pay at the date of leaving

No Top-up Pension is payable if you retire on the grounds of ill health. However, you may be entitled to a State Incapacity Benefit.

The incapacity pension ceases to be payable if you no longer satisfy the definition of incapacity before age 65.

Late retirement

If you continue in employment after your Normal Retirement Date, you continue to accrue pension benefits and your Basic Pension is calculated based on your Final Pensionable Pay and Pensionable Service at the date you cease to be in Pensionable Service.

If you continue in employment after your Normal Retirement Date but you opt out of the Plan, you can, with the consent of the Trustee and the Principal Company, defer payment of your benefits until you retire or reach your 70th birthday if earlier. The amount of benefits payable if you defer payment of your pension is advised to you at that time.

Commutation

At the date of your retirement you may choose to take part of your pension in the form of a lump sum, currently tax free. Further details of this option are available from the Pensions Department.

THE PENSIONS DEPARTMENT

Benefits on Death

The Plan provides benefits whether you die while still working for the Company or after you retire.

Before retirement

If you die while still contributing to the Plan or participating in SMART Pensions:

- A lump sum of three times your Pensionable Pay plus the Lower Earnings Limit (LEL) at the date of your death is payable.
- Your Spouse receives a pension, commencing immediately, equal to half the Basic Pension you would have received if you had stayed in the Plan until age 65 based on your Final Pensionable Pay calculated at the date of your death. This is on the assumption that the projected service element of the Basic Pension is calculated based on the accrual rate applicable to you at the date of your death.
- Your Spouse also receives an amount equal to half the SAP you would have received if you had stayed in the Plan until age 65 based on your Final LEL Pay calculated at the date of your death, payable from the first day of the month you would have reached age 65. The projected service element of the SAP is based on the proportionate amount of time that you have spent in each of the tiers after 31 July 1988. It is based on the accrual rate in force immediately before your death and without a change to the accrual rate applicable to your Basic Pension.

If no dependant's pensions are payable, your own contributions to the Plan with interest, including any salary sacrifice made through SMART Pensions and the value of your AVC Fund (including AVCs made through SMART Pensions) (if not previously returned to you) are also payable as a lump sum.

In addition your Eligible Children will receive a proportion of the Spouse's pension, dependent on the number of Eligible Children as follows:

No. of Eligible Children	% of Spouse's pension
1	25%
2	50%
3	75%
4 or more	100%

The pension is allocated to each Eligible Child in such proportions as the Trustee in its absolute discretion determines.

The Eligible Child's pension is payable until the child reaches age 16. If the child is in full-time education or approved training, the pension can continue during that period of education or approved training but not beyond age 23. It can also continue if, in the opinion of the Trustee, the child is both permanently disabled and, immediately before your death, had been dependent on you for the ordinary necessities of life.

Benefits on Death

In retirement

If you die when you are already in receipt of your pension from the Plan, your Spouse will receive:

- half of the Basic Pension to which you were entitled when you retired (before any exchange of pension for a cash sum or reduction on early retirement);
- half of the increases already awarded to your pension; and
- half of your Special Additional Pension (SAP) starting in the month you would have reached age 65 if you die before then or, if later, from the first day of the month after the month in which you died.

A lump sum may be payable equal to:

- your own contributions to the Plan and any contributions made through SMART Pensions with interest; less
- the total of pension instalments already paid to you and any cash sum taken in exchange for pension; less
- the total pension paid to your Spouse or Civil Partner.

This pension is only payable if there is no Spouse or Civil Partner or otherwise when the Spouse or Civil Partner's pension ceases.

Death benefit nomination form

Lump sum death benefits are payable to one or more of your dependants, relatives, personal representatives or nominated beneficiaries as the Trustee may, in its discretion, decide. It is important that you complete a nomination form to guide the Trustee about who you wish to be considered and keep it up to date.

Contact the Pensions Department to request a nomination form (see Factsheet 7 for contact details).

Civil Partners

A surviving Civil Partner is entitled to the same benefits as a widow or widower but based only on:

- benefits which you have accrued after 4 December 2005; and
- contracted-out benefits you built up after 5 April 1988 and before 5 December 2005.

Civil partners include same sex spouses.

A Civil Partner who is financially dependent upon you at the time of your death may also be entitled to additional benefits under the Scheme in respect of your Pensionable Service from 5 December 2005.

Spouse's pension on death before retirement or in retirement

Any Spouse's pension may be reduced by such an amount as the Trustee decides for each year that your Spouse is more than 10 years younger than you. This reduction is ignored in calculating the amount of the Eligible Children's pensions.

Your Spouse would only qualify for a pension if you have been married for longer than six months and you were not separated from your Spouse at the date of your death, with two exceptions. The first exception is where the Trustee, with the consent of the Principal Company if you have been married for less than six months, decides to pay the pension. The second exception is where a Spouse's pension must be paid to comply with the contracting-out requirements. In that situation the pension will be the minimum required to comply with the contracting-out requirements.

Your Spouse is the person of the opposite sex to whom you are married at the date of your death. If you were lawfully married to two or more spouses at the date of your death, no Spouse's pension is payable while there are two or more surviving spouses.

If your Spouse remarries before he or she attains State Pension Age, the pension stops on remarriage.

If your Spouse remarries on or after State Pension Age, the pension is reduced to the GMP (if any) to which the Spouse is entitled.

If you do not leave a Spouse, the pension may be paid to any dependant at the discretion of the Trustee and with the consent of the Principal Company.

Benefits on Leaving

If you leave Pensionable Service with less than three months' Qualifying Service

You receive a refund of all your own contributions with added interest less your portion of the cost required to reinstate you in the State Second Pension (S2P) and less income tax (normally at 20%). There is no refund of any contributions made through SMART Pensions.

This option does not apply if you have transferred rights from a personal pension scheme into the Plan.

As the plan is closed to new members from this class will be empty for current leavers.

If you leave Pensionable Service with at least three months but less than two years' Qualifying Service

You are entitled to a refund of your contributions as described above. As an alternative to a refund of your contributions, you can elect for a transfer payment to another tax-approved pension scheme. The transfer payment is equal to the value of your accrued benefits as determind by the Trustee.

Transfers do not take into account discretionary benefits and may be reduced by the Trustee. If you do not request a transfer within the timescale set out in the letter which gives you details of this option, you only receive a refund of your own contributions with added interest (less your portion of the cost required to reinstate you into S2P and less tax). There is no refund of any contributions made through SMART Pensions. This transfer option does not apply if you have transferred rights from a personal pension scheme onto the plan.

As the plan is closed to new members, this class will be empty for current leavers.

If you leave Pensionable Service with at least two years' Qualifying Service

A deferred pension based on your Final Pensionable Pay at the date you leave Pensionable Service, and your Pensionable Service is payable from age 62 in relation to your Pre-1 June 2009 Pension, and from age 65 in relation to your Post-31 May 2009 Pension. Your Post-31 May 2009 Pension may, with Principal Company consent, be payable prior to age 65. If so, it is reduced for early payment. If eligible, you are also entitled to a SAP payable from age 65.

Revaluation

That part of the deferred pension which represents the GMP is increased annually in the period to age 65 (60 for women) before it comes into payment by a rate set by the Government. If you were in contracted-out employment on 5 April, 2016, following the abolition of contracting-out with effect from 6 April, 2016, the rate set by the Government is 4.75% per year (as at the date of this Factsheet) if you leave pensionable service on or after 6 April, 2016. The corresponding part of a Spouse's pension is also increased by the same rate.

That part of the deferred pension in excess of the GMP and which relates to Pensionable Service before 6 April 2009 is increased over the period until normal pension age or, if earlier, when the pension comes into payment by the lower of the increase in the index (see below) over the number of complete years of deferment and 5% a year compound over the same period.

That part of the deferred pension in excess of the GMP, and which relates to Pensionable Service from 6 April 2009, is increased by the lower of the increase in the index (see below) over the number of complete years of deferment and 2.5% a year compound over the same period.

Benefits on Leaving

Index means the inflation index determined by reference to the Retail Prices Index for, in broad terms, periods prior to 2010, and for periods after 2009 by reference to the Consumer Prices Index. The exact increase is specified each year in an order made by the Government.

Transfers
As an alternative to a deferred pension, you can transfer your accrued benefits (including your AVCs - or you can also, in general, transfer your AVCs separately) to another tax-approved or tax-qualified pension scheme – such as your new employer's scheme or a personal or stakeholder pension plan – so long as that scheme agrees to and can accept the transfer. The Trustee calculates the cash equivalent of the benefits taking into account your age, Pensionable Service and investment market conditions at the time. Transfers do not take into account any possibility of discretionary benefit improvements and may be reduced by the Trustee.

Whether or not you have left Pensionable Service, you may ask the Pensions Department for an estimate of the transfer value. The written statement of entitlement that is provided to you in respect of your defined benefits is guaranteed for three months from the date that it was calculated. You are only entitled to a statement once a year, unless it is required for divorce proceedings.

If you die before retirement with a deferred pension and you are married

A Spouse's Guaranteed Minimum Pension is payable in respect of pre-6 April 1997 Pensionable Service and a Spouse's pension broadly equal to half of your revalued Basic Pension is payable in respect of post-5 April 1997 service in contracted-out membership. In addition, an amount equal to one half of the SAP is payable to your Spouse commencing the month you would have reached age 65.

Restrictions on Spouse's pension on death before retirement or in retirement (see Factsheet 4) apply to this Spouse's pension. The provisions relating to Civil Partners in Factsheet 4 apply to the deferred pension.

If no Spouse's pension is payable, your own contributions to the Plan, including any contributions made through SMART Pensions, with interest are also payable as a lump sum.

On death after the deferred pension has come into payment see Factsheet 4 death in retirement.

The value of your AVC Fund (including AVCs made through SMART Pensions) can also be paid as a lump sum.

Miscellaneous

This booklet highlights the main provisions of the Plan without setting out every detail of its operation. The Plan is run in accordance with a formal legal document known as the Trust Deed and Rules, which is amended from time to time and will prevail in the event of any discrepancy. Rights to benefits are conferred only by the formal document.

Principal Company consent

Where reference is made to the Company's consent being required, the giving of consent by the Company on any occasion does not in any way commit the Company to give its consent, whether in the same circumstances or different circumstances, on any other subsequent occasion. The Company is entitled, in giving or withholding its consent, to act in its own exclusive interest. References in this booklet to consent include any exercise of discretion by the Company.

Where the consent of both the Principal Company and the Participating Employer are needed, the previous paragraph shall apply as if references to Company are separate references to the Principal Company and the Participating Employer.

Whilst the Company intends to maintain the Plan indefinitely, it may amend or terminate the Plan at any time. In the event of termination, the benefits payable are determined in accordance with the Trust Deed and Rules.

Tax relief

The Plan is a tax-approved (or registered) pension scheme under the Finance Act 2004. This means that it enjoys certain tax privileges.

The pension that you are building up in the Plan counts towards your Annual and Lifetime Allowances under the Finance Act 2004. If you go over either of them, you pay a special pensions tax charge on the excess. However, these allowances should affect very few people.

Annual Allowance

The Annual Allowance is the yearly amount of tax-advantaged retirement benefits you can build up in the Plan, and other pension schemes registered under the Finance Act 2004, before you must pay a special tax charge on them.

From 6 April, 2016, the standard Annual Allowance (AA) is £40,000 for pension inputs for the tax year from 6 April, 2016 to 6 April, 2017. There are some transitional arrangements effecting how the AA operated in 2015/16 so individuals may have an annual allowance slightly higher than £40,000 for that year. Please see below regarding circumstances when a lower AA may apply.

If you were a member of the Plan and your pension input was less than £50,000 for the tax year 2013/14, £40,000 for the tax year 2014/15 and £40,000 (as adjusted for the transitional arrangements) for the tax year 2015/16 you will be able to carry forward that notional unused allowance.

Please note:

- If you have accessed any flexible money purchase benefits since 5 April, 2015, a lower AA of £10,000 may apply.

Further detailed information can be obtained from the Pensions Department if you think that the AA may apply to you.

Miscellaneous

The description above is a very broad summary of the AA requirements. If you think that the AA may apply to you please contact the Pensions Department for more information.

Please note that it is your responsibility to keep track of your benefits against the AA. If you go over the allowance for the tax year, you will pay a tax charge (known as the AA charge).

Lifetime Allowance

The Lifetime Allowance (LTA) is the total value of retirement benefits you can build up during your working life before you must pay a special tax charge on them.

This applies to benefits from all UK tax-approved (or registered) pension arrangements, including benefits due from tax-approved or registered company schemes you were in before you joined the Company, or any personal pension plan, stakeholder plan or retirement annuity contract.

When you come to draw your pension, the Trustee will aim to arrange for the value of your pension to be calculated and checked against the LTA.

The Trustee will need to ask for details of benefits you have in other tax-registered schemes (and may postpone payment of your benefits or deduct additional tax if you do not supply this information).

The LTA should only affect a small number of people. From 6 April 2016, the LTA was reduced to £1 million.

Please note that it is your responsibility to keep track of your benefits against the LTA. If you are over the LTA when you take your benefits, you will pay a special tax charge on the excess (at the date of this booklet, an effective rate of 55%).

Unauthorised payments

There are certain benefits which were permitted by Her Majesty's Revenue & Customs (HMRC) before 6 April 2006, but which if paid now could be classed as 'unauthorised payments'. Even if you had accrued a right to these benefits before 6 April 2006, they can now only be paid if both the Principal Company and the Trustee agree. If any benefit, through oversight, is paid by the Trustee which is classed as unauthorised by HMRC, then that benefit will be treated as paid by mistake and you will have to repay it.

The descriptions of benefits contained in this booklet must be read subject to that caveat. However, in normal circumstances, it is not expected that the benefits in this booklet would fall into this category.

Relationship with the pre-6 April 2006 tax regime

The limits imposed on the Plan by the tax regime which existed before 6 April 2006 will continue to apply to contributions and benefits payable after 5 April 2006 from the Plan, other than where the Principal Company and the Trustee expressly agree otherwise.

Your benefits may be reduced if they would otherwise exceed these limits as provided for in the Trust Deed and Rules. Furthermore, adverse tax consequences can arise if the new HMRC rules are not complied with or allowances are exceeded – see the previous paragraphs for further details.

Forfeiture

It is illegal to attempt to use any benefit under the Plan as security for a loan. Any attempt to do so could lead to a forfeiture of benefits.

Miscellaneous

Additional Voluntary Contribution (AVC) investment providers

This booklet summarises, in broad terms, certain provisions of the legal documents issued by the AVC investment providers (Prudential and Fidelity) to the Trustee. This booklet confers no rights to benefits under those legal documents.

If there are differences between the summary of the legal documents set out in this booklet and the terms of the legal documents, the terms of the legal documents will prevail over the summary. Further information about the way AVCs can be invested is given in the AVC guides provided by Prudential and Fidelity.

Please note that information relating to AVCs and choices available to you in respect of flexible benefits from AVCs are set out in a separate document which can be requested from the Pensions Department.

Contracted-out employment

If you have service in the Plan before 6 April 1997, or you were a member of another pension scheme and were contracted-out of the State Earnings Related Pension Scheme (SERPS) before 6 April 1997 and you transferred those rights into the Plan, then you have a Guaranteed Minimum Pension (GMP) in respect of those contracted-out rights in the Plan.

If you were in contracted-out employment after 5 April, 1997 and before 6 April, 2016, by reference to the Plan (or any other contracted-out salary related pension scheme from which rights have been transferred into the Plan) service was contracted-out using the reference scheme test basis.

Broadly, this required that the Plan actuary certified that the Plan was expected to provide pensions for at least 90% of contributing members, which were at least as good as those under a “reference scheme” set out in the Act.

Contracting out no longer applies from the start of 6 April, 2016.

Indexation of GMPs

As set out in Factsheet 3, the pension increases described in that Factsheet do not apply to the part of your pension which represents your GMP Prior to 6 April, 2016, GMPs were, in general, effectively "increased" in line with increases in the cost of living. Except for the increases referred to below for which the Plan is responsible, these "increases" were effectively paid by the State directly to you as part of your Basic State Pension. However, if your GMP was greater than the State Earnings Related Pension in respect of your period of contracted-out membership, such "increases" paid by the State may have been restricted until the position was equalised.

The Plan is responsible for paying the first 3% (or increase in cost of living if less) on that part of your GMP accruing from 6 April, 1988 to 5 April, 1997. The exact level of the increase is specified in an annual order made by the Government which is based on the lower of 3% and the increase in the Consumer Prices Index.

After 5 April, 2016, the part of the GMP "increase" effectively paid by the State will be included in the calculation of the new Single Tier State Pension while the Plan's responsibility will remain as set out above.

Help

Questions about the Plan

If you have any questions about the Plan or your benefit entitlement, you can contact the Pensions Manager:

Phone: 01582 427016

Email: team@thepensiondepartment.co.uk

In writing: The Pensions Department
Griffin House
Osborne Road
LUTON
LU1 3YT

Website: www.thepensiondepartment.co.uk

You can download various items from the website including:

- Forms (Expression of Wish, Change of Address, etc.)
- Annual Report
- The Trust Deed and Rules

A copy of the Annual Report and further information about the Plan is also available by contacting the Pensions Department at the address above.

Dispute resolution procedure

The Trustee tries to run the Plan so that members do not have cause for complaint. If a problem does occur, you should raise it first informally with the staff of the Pensions Department (see above for contact details). You may also, at any stage, use the services of The Pensions Advisory Service (see opposite for details).

If any disagreement cannot be resolved informally, you may use the Pensions Department's formal dispute resolution procedure. A member, beneficiary or prospective beneficiary can initiate the following procedure:

1) Request a copy of the procedure from the manager of the Pensions Department (see above for contact details).
2) Complete and return the application form (included in the copy of the procedure) to the Pensions Manager.
3) You will receive a decision from the Pensions Manager. If you are unhappy with the decision, you can send the Manager's decision to the Trustee, along with your reasons for your dissatisfaction. If you are unhappy with the Trustee's decision you may take your case to the Pensions Ombudsman (see opposite for details).

Pensions Advisory Service (TPAS)

TPAS is available to assist members and beneficiaries with pension queries and any difficulties they have failed to resolve with the Trustee or administrators. Normally, you should try to contact a local TPAS adviser through your nearest Citizens Advice Bureau but, if necessary, TPAS can be contacted at:

In writing: 11 Belgrave Road
LONDON
SW1V 1RB

Phone: 0300 123 1047

Webiste: www.pensionsadvisoryservice.org.uk
(online enquiry form to complete)

Pensions Ombudsman

In cases where a complaint or a dispute cannot be resolved, normally after the intervention of TPAS, an application for adjudication can be made to the Pensions Ombudsman. The Pensions Ombudsman can investigate and determine any complaint of maladministration or dispute of fact or law involving occupational pension schemes made or referred to him in accordance with the Pension Schemes Act 1993, The services of the Pensions Ombudsman are available to members, beneficiaries and prospective members of pension schemes.

The Pensions Ombudsman can be contacted at:

In writing: 11 Belgrave Road
LONDON
SW1V 1RB

Phone: 020 7630 2200

Email: enquiries@pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. The address is:

In writing: Napier House
Trafalgar Place
BRIGHTON
BN1 4DW

Phone: 0870 606 3636

Email: customersupport@trp.gov.uk

Data Protection

The Trustee will hold personal data provided by you (and, where appropriate, by third parties such as your employer or medical advisers or any pension scheme or arrangement from which benefits are transferred to the Plan), for the purpose of calculating and providing your benefits and your survivors' benefits under the Plan.

They may also make that information available to others (within the United Kingdom or in any other country) where the Trustee thinks it is necessary or desirable to do so in connection with the Plan or with its administration or the payment of benefits under it. In particular, the Trustee may make the information available to its professional advisers, the administrators responsible for providing benefits and any other persons who may become involved in or responsible for providing benefits.

In addition, they may make that information available to your employer and other companies in your employer's group, or with whom your employer is dealing (within the United Kingdom or in any other country) where required for the preparation of accounts or other financial information, for the calculation of remuneration packages or the development of remuneration policy or otherwise in connection with the business of your employer's group.

In particular, they may make that information available to companies which are considering or have acquired your employer or the whole or part of your employer's business, or to the trustees, administrators or professional advisers of any pension scheme to or from which your rights under the Plan may be, are being or have been transferred, or to any company participating in such a scheme.

Some data processing is or may be done outside the European Economic Area (EEA). For example, data may be transferred to databases held by other companies in your employer's group worldwide outside the EEA and access to this data may be provided to authorised persons in those companies. In territories outside the EEA, laws and practices relating to the protection of personal data may be weaker than those within the EEA.

It should be noted that the Trustee may require to hold or otherwise process data for legitimate purposes other than those described above.

The reference in this statement to the Trustee includes any person within the employer's group who processes personal data on its behalf.

Where any personal data is transferred to a third party in the circumstances provided above and that third party becomes a data controller in relation to that data, the paragraphs above will apply as if references to the Trustee were references to that data controller.

It is a condition of membership of the Plan that you consent to the holding, processing and transfer of the information needed to calculate and pay your own benefits and your survivor's benefits in the ways described above.

If you want to know more about the information held by the Trustee or the purposes for which it is held, please contact the Pensions Manager.

Glossary of Terms

Basic Pay

Basic salary or wage excluding overtime, bonuses, directors' fees, shares of profits, repayment of expenses and any other fluctuating work-related pay. If you participate in SMART Pensions, your Basic Pay includes the amount your basic salary or wage has been reduced as a result of you participating in SMART Pensions.

Civil Partner

A surviving Civil Partner is entitled to the same benefits as a Spouse, but based only on:

- benefits which you have accrued after 4 December 2005; and
- contracted-out benefits built up after 5 April 1988 and before 6 December 2005

Civil partners include same sex partners.

Company

The Principal Company or a Participating Employer.

Eligible Child

A child (including a legally-adopted child, an unborn child, a step-child, or a child in relation to whom the Trustee believes you stood in the place the child's parents) who:

(a) is under 16 (except where the child is not your natural or adopted child, in which case he or she must also have been financially dependent on you at the date of your death); or

(b) is under 23 and is receiving full-time education or training for any trade or profession or vocation approved by the Trustee (except where the child is not your natural or adopted child, in which case he or she must also have been financially dependent on you at the date of your death); or

(c) in the opinion of the Trustee, is both permanently disabled and immediately before your death, had been dependent on you for the ordinary necessities of life.

Fidelity

Fidelity Insurance Limited

Final LEL Pay

The annual average of the LEL received in the last 5 years of Pensionable Service but is not less than if it had been calculated as at 31 May 2009 using the best continuous 12 months out of the last 5 years of Pensionable Service prior to 1 June 2009.

Final Pensionable Pay

The average of your Pensionable Pay received in the last five years of Pensionable Service but is not any less than if it had been calculated using the best continuous 24 months out of the last five years of Pensionable Service prior to 1 June 2009.

Guaranteed Minimum Pension (GMP)

The part of your pension which relates to contracting out of the State Earnings Related Pension Scheme (SERPS) before 6 April 1997.

Glossary of Terms

Lower Earnings Limit (LEL)

The amount set by the State which is used (in the calculation of National Insurance contributions. The annual LEL figure for the tax year ending 5 April 2017 £5,876.

Normal Retirement Date

The first day of the month immediately following your 65th birthday.

Old Fund

The Vauxhall and Associated Companies Pension Fund.

Old Scheme Member

Members who were members of the Old Fund on 31 July 1988 who transferred to the Plan on 1 August 1988.

Participating Employer

Any employer currently participating in the Plan.

Pensionable Pay

1. Basic Pay less the Lower Earnings Limit.
2. From 1 June 2009, increases to Pensionable Pay are capped at the Retail Price Index on an annual basis. Exceptions can be made for major promotions, as determined by the Principal Company. Pensionable Pay may decrease on major demotions unless the Principal Company determines otherwise.
3. If you join after 31 May 2009, your Pensionable Pay for the first pay year is determined by the Principal Company as either:

(a) Option 1 – what the Principal Company determines it would have been had you been a member in Pensionable Service on 31 May 2009, or

(b) Option 2 – such amount as the Principal Company otherwise determines.

4. For second and subsequent pay years, paragraph 2 above applies.

Pensionable Service

Your service as a member of the Plan. This is normally continuous Company service in respect of which you have contributed to the Plan, but some members are granted extra Pensionable Service in exchange for a transfer payment from another scheme.

If you work part-time, your Pensionable Service during your period of part-time working is rated down proportionately, but for benefit purposes your Final Pensionable Pay and Pensionable Pay are calculated as if you were working full-time. For contribution purposes your Pensionable Pay is calculated as what it would have been if you were working full-time and is then rated down proportionately.

Post-31 May 2009 Pension

That part of your Basic Pension that is calculated in relation to Pensionable Service after 31 May 2009.

Pre-1 June 2009 Pension

That part of your Basic Pension that is calculated in relation to Pensionable Service prior to 1 June 2009.

Principal Company

IBC Vehicles Limited

Prudential

Prudential Assurance Company Limited

Qualifying Service

Your service as a member of the Plan. This may also include other categories of service. For example, benefits may have been transferred to the Plan from another employer's plan.

Reference Scheme pension

A pension of 1/80 of 90% of Average Qualifying Earnings for each year of contracted-out Pensionable Service after 5 April 1997. Average Qualifying Earnings are, broadly, taxable earnings between the LEL and the UEL averaged over the last three complete tax years before leaving.

Glossary of Terms

Spouse

The person of the opposite sex to you to whom you are married.

State Pension Age (SPA)

The table below gives an indication of an individual's state pension age by reference to his or her date of birth and gender (but please note that this is subject to review and increase by the Government from time to time).

	Date of birth	State Pension Age
1	Woman born before 6 April, 1950	60
2	Man born before 6 December, 1953	65
3	Woman born after 5 April, 1950 but before 6 December, 1953	Greater than 60 but less than or equal to 65
4	Man or woman born after 5 December, 1953 but before 6 October, 1954	At some point between 65th and 66th birthday depending on exact date of birth
5	Man or woman born after 5 October, 1954 but before 6 April, 1960	66
6	Man or woman born after 5 April, 1960 but before 6 March, 1961	At some point between 66th and 67th birthday depending on exact date of birth
7	Man or woman born after 5 March, 1961 but before 6 April, 1977	67
8	Man or woman born after 5 April, 1977 but before 6 April 978	At some point between 67th and 68th birthday depending on exact date of birth
9	Man or woman born after 5 April, 1978	68

The Plan

The IBC Vehicles Pension Plan

Trustee

IBC Pension Trustees Limited