FULLER, SMITH & TURNER PENSION PLAN

Explanatory Leaflet for Gales section members

December 2016

Introduction

This leaflet has been prepared to give you a simple explanation of the benefits provided for you through the Fuller, Smith & Turner Pension Plan (“the Plan”).

Following the merger of the George Gale & Company Limited Staff Pension and Assurance Scheme and the Fuller, Smith & Turner Directors’ Pension Plan into the Plan on 23 March 2007, the Plan is split into three sections;

- Main Section.
- Gales Section (former members of the George Gale & Company Limited Staff Pension and Assurance Scheme who have joined the Plan).
- Directors Section (former members of the Fuller, Smith & Turner Directors’ Plan who have joined the Plan).

This leaflet contains details of the benefits associated with the **Gales Section** only.

The Plan closed to future accrual from the end of 31 December 2014 and does not accept new members or further contributions from members. Accordingly, you are a deferred member and you have been given a statement which tells you the amount of benefit you can expect at Normal Retirement Date.

This leaflet explains about the Plan and, in particular, what benefits you may be entitled to on your death.

The Plan is constituted and administered by Trustees in accordance with the Trust Deed and Rules and is a registered pension scheme with Her Majesty’s Revenue & Customs (HMRC) for tax purposes. In the event of any conflict between this leaflet and the Trust Deed and Rules, the latter will prevail.

The Plan is set up under trust, which means that assets are kept entirely separate from those of the Company.

You should note that because of recent legislation:

(a) you may have to take independent advice before you (i) consider a transfer to another scheme to flexibly access any of your benefits, or (ii) take up any option (if available) to convert any benefits into flexible benefits

(b) in relation to any benefits under the Plan that may be on a money purchase basis the value of any pension will depend on several factors including the amount of contributions paid, any cost of exercising any right to transfer the benefits, any charges payable, the age at which the benefits can be accessed, performance of investments and any cost of converting the benefit into an annuity; and

(c) if appropriate there is a free and impartial Government service that helps you understand retirement options called “Pension Wise”. Pension Wise does not recommend any products or tell you what to do.

www.pensionwise.gov.uk
Tel: 030 0330 1001

If you have any queries regarding your Plan entitlement, please do not hesitate to contact the Plan Administrators at Xafinity, Phoenix House, 1 Station Hill, Reading, RG1 1NB, or by email at fullers@xafinityconsulting.com, or by telephone on (0)118 918 5236.

1. Retirement Benefits

1.1 Pension benefits

As explained, you have been given a statement which details your benefits at Normal Retirement Date.

In addition to the above you will be given details of any entitlement to retirement benefits purchased by any additional voluntary contributions ("AVCs") you have paid.

Until Normal Retirement Date your deferred pension (in excess of the Guaranteed Minimum Pension (GMP)) will be increased. This will be by the rise in the Consumer Prices Index (CPI) up to a maximum of 5% per annum per year on benefits earned up to 5 April 2009. Any benefits built up after that date will be increased in line with the CPI up to a maximum of 2.5% per year. You are guaranteed that if you ceased to be an active member of the Plan at the end of 31 December 2014 and joined the Fuller, Smith & Turner Stakeholder Pension Plan at 1 January 2015 all increases will never be less than CPI over the period since the date active membership terminated. This is to protect in case CPI is ever replaced in the future. . The part of your pension representing GMP will increase for each complete tax year between the date of leaving and State Pension Age, in accordance with statutory requirements.

You have the option, with the consent of the Company and the Trustees, to arrange for your benefits to be paid earlier than Normal Retirement Date, but not before age 55 unless it is due to ill health and with the consent of the Company and the Trustees. Ill health is dependent on being incapable of carrying out employment whether with the Company, another employer or as self employed. Your pension will be reduced accordingly as it is being paid early.

However, if you ceased to be an active member of the Plan at the end of 31 December 2014, remained an employee of the Company and joined the Fuller, Smith & Turner Stakeholder Pension Plan on 1 January 2015 the terms for ill health retirement will remain as if you are an ill health retirement from active service. In such a case ill health is in the opinion of the Company and the Trustees (having taken medical advice) such that you have become (and will continue to be) incapable of carrying out employment whether with the Company, another employer or as self employed. In all such circumstances the pension is paid reduced for early payment to take account of the period prior to age 60.

Late payment is also possible with the consent of the Company and the Trustees, but no later than age 75.

Also, you are entitled, at any time up to the date one year before your Normal Retirement Date, to request the Trustees to transfer your benefits to another approved pension arrangement, providing the new arrangement accepts transfers. The value of your accrued pension benefits (or "cash equivalent") will be calculated on actuarial advice, as the value of the benefits to which you are entitled under the Plan. In calculating this value, the actuary will use assumptions which will comply with applicable legislation and actuarial professional guidance notes. The cash equivalent will reflect market conditions at the time it is calculated and is dependent upon age. The cash equivalent will take into account the increases described in respect of deferred pensions, but will not allow for any discretionary increases which might have been granted by the Trustees had your benefits remained in, and been paid from, the Plan. The cash equivalent may be reduced by the Trustees on the advice of the actuary, if passing a full transfer value may reduce the security of the remaining members of the Plan. Within 3 months of your request, you will be provided, with details of the cash equivalent of your benefits; this figure will be guaranteed for 3 months.

1.2 Cash option

Under current legislation, you can elect to exchange part of your pension on retirement for a tax-free cash lump sum, generally referred to as a Pension Commencement Lump Sum (PCLS).

The maximum tax free cash you can take is 25% of the Capital Value of your pension benefits, including any AVCs you have paid. For most members, legislation caps the maximum amount of tax free cash to 25% of the Lifetime Allowance (LA). However, there are certain protections if you variously have benefit earned prior to 6 April 2006, or if you joined the Plan prior to 17 March 1987. Further details are available from the Company Secretary.

When calculating the value of benefits allowance must be made for the reduction in pension by virtue of taking a PCLS.

If you have paid AVCs you can take some or all of these as a PCLS depending on the size of fund you have built up. The value of your AVCs will determine whether you reduce or remove the reduction in your pension when taking a PCLS.

If you take a PCLS your pension will be reduced by a factor determined by the actuary. The rate is adjusted according to your gender and the age at which you retire. The reduction in your pension will depend on the amount of PCLS you take and whether some of this is provided by AVCs.

It is also possible to take your pension benefit fully in cash where the value of your pension from the Plan is less than £10,000 or the total of your accumulated benefits from all pension arrangements is less than £30,000. This is available if you take your pension between the ages of 55 (or such other age as permitted by legislation) and 75.

1.3 Increases to pension

Your pension in excess of your GMP will be increased each year to help offset the effects of inflation. Your pension will increase in respect of the portion accrued before 16 July 1998 by 5%, in respect of the portion between 16 July 1998 and 6 April 2005 by the lower of 5% and the rise in the Retail Prices Index (RPI) and in respect of the portion accrued from 6 April 2005 by the lower of 2.5% and the rise in the RPI.

The Trustees, with the consent of the Company, will consider the award of greater increases, subject to the financial strength of the Plan being adequate to sustain them.

Your GMP relating to service from 6 April 1988 will be increased with in line with inflation (CPI) up to 3% each year.

The State no longer pays any increases to GMP after 6 April 2016.

Pension increases will take effect on each anniversary of your retirement.

1.4 Payment of benefits

Your pension will be paid monthly in arrears as near as possible to the 1st of each month. It will be paid into a bank account or building society account of your choice.

If you elect to take a PCLS on retirement, this will be paid directly to your bank account or building society account.

2. Death Benefits

If you die within 5 years of commencement of your pension a lump sum will be paid equal to the instalments of your own pension (exclusive of any future increases) which would have been paid from the date of your death to the end of the 5 year period.

In addition, if your spouse survives you, they will receive a pension for the rest of their lifetime of 50% of your own pension, after adding back any pension you might have exchanged for a PCLS on retirement. Benefits will also be paid to a civil partner.

On the death of your spouse, or if no spouse's pension is payable, the pension will continue to be paid to your children in such proportions as the Trustees shall determine and will be paid until the youngest or only child reaches 18 (or 23 if in full time education or vocational training).

If you die before starting to receive a pension on your Normal Retirement Date, your contributions (including AVCs) will be refunded.

If you die leaving a spouse, a pension will be paid to your spouse. In respect of your Pensionable Service up to 5 April 1997 this will not be less than the greater of the spouse's GMP or 1/160th of your pensionable salary (as advised to you) for each year of Pensionable Service after 6 April 1978 up to 5 April 1997 (and proportionately for each complete month). The pension in respect of your Pensionable Service after 6 April 1997 will not be less than three-eighths of your deferred pension accrued after that date and subject to any minimum determined by legislation and including any increases made to the deferred pension. Benefits will also be paid to a civil partner.

On death of your spouse or if no spouse's pension is payable, the pension will continue to be paid to your children in such shares as the Trustees shall determine and will be paid until your youngest or only child reaches age 18 (or 23 if in full time education or vocational training).

The Trustees have the discretion to decide who should receive any cash sums payable upon your death. The Trustees will take into account your wishes, which is why it is imperative that you complete a Nomination Form, but ultimately they are not bound by this form. Payment is made in this way to avoid any liability for inheritance tax on benefits. It may be possible for the money to be transferred to the chosen beneficiaries without having to wait for probate on your estate.

To ensure that the Trustees are aware of your wishes, you should make sure that you have completed a Nomination Form which reflects your current personal circumstances. You can get a Nomination Form from the Company Secretary. You can make a new nomination at any time and you should ensure that it is kept up to date.

The Trustees have discretion to pay spouse's pensions to a person who is dependent on you.

If your spouse or adult dependant is more than 10 years younger than you, any spouse's pension will be reduced to take account of the longer period for which it will be payable.

APPENDIX 1

There is some further information which you should know as follows:

(a) The Plan is managed by trustees whose main duties are:

- To ensure the Plan is managed in accordance with the Trust Deed and Rules and the relevant legislation.
- To arrange and monitor the administration of the Plan.
- To supervise the investments of the Plan.

(b) The Plan advisers are:

Plan Actuary	Salary-related pension schemes such as the Plan must appoint an Actuary who helps value the funds liabilities against its assets. The Plan Actuary is Robert Birmingham of Xafinity Consulting Limited.
Plan Administrators	Xafinity Consulting Limited are responsible for holding the membership records and arranging for benefits to be paid.
Plan Consultants	Xafinity Consulting Limited also provide a consultancy service to the Plan. This involves help with Plan design issues, communication with members and Plan insurance benefits.
Plan Auditor	A Trustees' Report and Accounts is produced annually. The accounts are audited by Menzies LLP who are appointed as the Plan Auditor.

(c) The Plan is registered with HMRC giving the following benefits:

- Plan's investments receive favourable tax treatment.
- Cash taken at retirement is tax-free (subject to limits).

The Plan will be subject to any Lifetime Allowance (LA) which, if exceeded, would result in additional tax being payable.

Certain members may have protections relevant to them. Any member affected should refer to the literature already provided to them.

(d) All the benefits payable under the Plan are funded on a basis agreed with the Plan's Actuary.

(e) The benefits under the Plan may not be assigned, nor can they be charged or mortgaged in any way. Any attempt to do so may result in forfeiture of the benefits.

The only exception to this rule would be a division of your benefits under the 'earmarking' divorce provisions introduced by the Pensions Act 1995 or the 'pensions sharing' provisions of the Welfare Reform and Pensions Act 1999.

(f) Your pension benefits can be shared with an ex-spouse in the event of divorce. This provision also applies to those who have entered a civil partnership or same sex marriage. This will usually involve a lump sum payment from the Plan to a pension arrangement established by the ex-spouse or civil partner, with a corresponding reduction in your benefit. The cost of administering a Pension Sharing Order will be borne by you and/or your ex-spouse or civil partner by a direct charge.

(g) The Company expects the Plan to continue but reserves the right to amend or discontinue the Plan at any time. Amendments must be approved by the Trustees, who also have the power to discontinue the Plan in certain circumstances where this would be in the best interests of the members.

(h) The Trustees and the Company have both a legal obligation and a legitimate commercial need to process data relating to you for the purpose of administering and operating the Plan and paying benefits under it. This may include passing on data about you to the Plan's Actuary, auditor, administrator and such other third parties as may be necessary for the administration and operation of the Plan. The Trustees and the Company are both regarded as "Data Controllers" for the purposes of the Data Protection Act 1998.

You are entitled to see any data that is held on you, unless in providing this data other parties' data would be disclosed. You can arrange this by contacting the Company Secretary.

Each year the Trustees will issue a report on the Plan. This report will also include any other information that the Trustees consider to be relevant. A more formal Trustees' Report including audited accounts is also produced each year and is available to members on request, through the Company Secretary, along with the Trust Deed and Rules.

(i) Every member and beneficiary under the Plan must give such evidence and information as may reasonably be required by the Trustees for the purposes of the Plan. The Trustees may withhold any benefit affected until the required evidence or information is given.

Contacts

Independent Financial Advice

You can find an independent financial adviser by contacting IFA Promotion on:

Website: www.unbiased.co.uk

You will need to discuss with the independent financial adviser how they will be paid for any services they provide to you.

The DWP's Pension Tracing Service

If you have lost the details of your deferred benefits under a previous scheme you can contact the Pension Tracing Service who will provide you with an up-to-date address for the trustees of that scheme. You can contact the Pension Tracing Service at:

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU
Telephone: 0845 6002 537
Website: www.thepensionservice.gov.uk

Internal Dispute Resolution Procedure (IDRP)

The Pensions Advisory Service is available to help at any time.

Stage 1

If you have a complaint about any aspect of the Plan, you (or your representative) can write to the Secretary to the Trustees at the Griffin Brewery, Chiswick Lane South, Chiswick, London W4 2QB. Whenever you write you should give your name, address, date of birth, National Insurance number, the Plan you are in, the full nature of your complaint along with as much information as you possibly can about why you are aggrieved. Complaints can be brought by members, any surviving beneficiary, non-dependent beneficiaries of deceased members or prospective members. Complaints should ordinarily be made within 6 months. If you are or will no longer be a member or beneficiary of the Plan, you must raise the complaint within 6 months of ceasing to be so.

The Trustees must ensure you receive a written reply within 2 months following receipt of your complaint. In all cases communication of any decision will be sent to you no later than 15 days after the decision is taken, except in exceptional circumstances where they are unable to do so. The reply will state clearly the decision that has been made about your complaint and must refer to the Plan's Trust Deed and Rules or legislation, or the exercise of any discretion, which forms the basis of the decision. If the Trustees are unable to give you a full written reply within this 2 month period you will be provided with an interim response stating the reason for any delay and confirming a revised date when a full reply will be available.

Stage 2

If you do not agree with this decision you should write to the Trustees for the attention of the Chairman of Trustees at the above address, asking them to reconsider the decision. Whenever you write you must send a copy of the decision, along with your name, address, date of birth, National Insurance number and state your reasons for disagreeing with the decision. If you have ceased to be a member or are a beneficiary or prospective member you must do this within 6 months of receiving the decision under Stage 1. After considering your disagreement the Trustee must either confirm the earlier decision or make a new decision in its place. They must to do this within 2 months of receiving your complaint. In all cases communication of any decision will be sent to you no later than 15 days after the decision is taken, except in exceptional circumstances where they are unable to do so. If they are unable to respond within 2 months they will provide you with an interim response stating the reason for the delay.

This written reply from the Trustees will remind you of your right to take up your complaint with the Pensions Advisory Service (TPAS) and the Pensions Ombudsman.

The Pensions Advisory Service (TPAS)

If you are not satisfied with the outcome of the IDRP, you may then refer the matter to TPAS. TPAS is available to assist members and beneficiaries of occupational pension schemes in connection with any pension queries they may have, or to resolve any difficulties they have encountered and which they have failed to resolve with the Trustee or administrators of the Plan. TPAS can be contacted at:

11 Belgrave Road	Telephone:	0300 123 1047
London	Website:	www.pensionsadvisoryservice.org.uk
SW1V 1RB		

Pensions Ombudsman

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

The Pensions Ombudsman can be contacted at the same address as TPAS.

Telephone: 020 76302200
Website: www.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, to minimise any adverse impact on the sustainable growth of an employer, and in certain other circumstances. The address is:

Napier House	Telephone:	0845 600 1011 or 0845 600 0707
Trafalgar Place	Website:	www.thepensionsregulator.gov.uk
Brighton		
East Sussex		
BN1 4DW		

Pension Protection Fund

The Pension Protection Fund (PPF) has been established in order to protect a significant proportion of the accrued benefits in defined benefit arrangements in the event that the employer becomes insolvent and the pension arrangement is underfunded. The PPF is funded by a levy imposed on defined benefit pension arrangements.

APPENDIX 2

Some defined terms have been used in this leaflet as follows:

Capital Value

The value of your pension benefits for the Lifetime Allowance (LA). To calculate the Capital Value of your benefits under the Plan you multiply the pension you will receive on retirement by 20. If you have paid any AVCs you add in the value of these.

Company

Fuller, Smith & Turner P.L.C.

Guaranteed Minimum Pension (GMP)

That part of your pension (and any pension paid to your spouse) which approximates to the pension you would have earned under the State Earnings-Related Pension Scheme (SERPS) if you had not been contracted-out of SERPS.

Lifetime Allowance (LA)

The maximum value of an individual's pension benefits from all sources. If exceeded, a tax charge will be payable. The LA is set at £1 million for 2016/2017. The value of pension benefits is their Capital Value.

Normal Retirement Date

The date you attain age 65.

Pension Commencement Lump Sum (PCLS)

A lump sum, currently tax free, which you can elect when your pension is paid to you upon retirement.

Pensionable Service

Is your period of continuous service as a member of the Plan. Pensionable Service includes all service which counted for pension whilst a member of the George Gale & Company Limited Staff Pension and Assurance Scheme. Pensionable Service for benefit purposes shall not exceed 40 years.

Trust Deed and Rules

The legal documentation which regulates the running of the Plan and sets out the rules for its operation.