



Members' guide

For members who joined the ESPS prior to 31/03/1990

**Electricity North West Group
of the Electricity Supply
Pension Scheme**

Defined Benefit Section

Please keep this booklet for future reference
June 2023



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About this guide

This guide tells you about the Defined Benefit section of the Electricity North West Group of the Electricity Supply Pension Scheme (the Group) and is intended as an easy reference to the terms of this section.

Nothing in the guide, however, can override the formal terms set out in the **ESPS** Clauses and Rules, copies of which are held by the **Company** and available for your inspection.

Some of the words and phrases used have special meanings that are set out in the Glossary of Terms at the

back of the guide. Where these appear in the text they are shown in **bold print**.

The guide reflects **ESPS** Clauses and Rules as at August 2011. Some members of **ESPS** may have special provisions which have been notified to them separately and are not covered by this guide.

Keep this guide in a safe place - you or your next of kin may need to use it.



Glossary of terms

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Your choice in brief

You have a choice about whether to remain a member of the Defined Benefit section. Please consider the options very carefully before you make your choice. You might also wish to consult an Independent Financial Adviser for further guidance.

Your pension choice

Membership of the Defined Benefit Section is not compulsory. The alternatives to being a member are:

- to take out a Personal Pension with an insurance company or other financial body (NOTE: the **Company** will not make any contributions towards a Personal Pension); and/or
- to opt to join the Defined Contribution Section

The Defined Benefit section provides valuable benefits to you and your family and you should think carefully before making a decision to opt-out.

The **Company** and the **Trustee** are not allowed, under the Financial Services and Markets Act 2000, to advise you whether a particular pension arrangement is appropriate for you, or which choice you should make.

Why you should be interested in the Defined Benefit section

It provides benefits for you and your family when you retire and, in addition:

- protection if you have to retire early due to **Incapacity**
- protection for your family in the event of your death
- protection of the retirement benefits you have earned if you leave
- the opportunity to receive your benefits early
- a cash lump sum when you retire

Defined Benefit Section at a glance

The following list shows the main benefits and provisions. You will find a fuller explanation in later sections of this guide.

Eligibility

Closed to new entrants.

Member's contribution level

Usually 6% of **Salary**.

Retirement benefits

Pension - 1/80th of **Pensionable Salary** for each year of **Service** plus

Lump Sum - usually 3/80ths of **Pensionable Salary** for each year of **Service**.

Voluntary retirement (with or without the consent of the Company)

From age 50 - payment of reduced benefits (55 for joiners after 06/04/06).

Redundancy retirement

From age 50 - payment of unreduced benefits (55 for joiners after 06/04/2006).

Incapacity retirement

Pension and lump sum benefits based on potential **Service** to **Normal Pension Age** (or to age 65 for pre 1 April 1988 joiners).

Death in service

- Spouse's pension: usually 50% of the pension which would have been payable to you had you retired due to **Incapacity** on the date of your death and
- Children's pensions (if applicable) and
- Lump sum: generally 4 times your **Pensionable Salary**.

Death in deferment

- Spouse's pension: usually 50% of the pension which would have been payable to you had you retired on the date of your death, and
- Children's pensions (if applicable), and
- Lump sum: either the amount of your contributions or 5 times the annual deferred pension increased to the date of your death, whichever is greater.

Death after retirement

- Spouse's pension: usually 50% of the pension in payment, and
- Children's pensions (if applicable), and
- Lump sum: balance of the unpaid instalments of the first 5 years of your retirement pension in payment.

Pension increases

In line with the annual increase in the **RPI** to September up to 5%. The **Principal Employer** has the discretion to grant increases above 5% and up to **RPI**. **GMP** increases in line with the annual increase in **CPI** to September up to 5%.



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Joining

Membership of the Defined Benefit section is only available to employees who meet the conditions shown below.

Who can join?

You may only join the Defined Benefit section if:

- You are a **Protected Member** and the period between leaving another Group of the **Scheme** and joining the **Company** is less than 6 months.

Opting out

Once you have joined, you can opt out of the Defined Benefit section at any time by giving 2 complete calendar months' notice in writing to HR Services.

Joining or rejoining the Defined Benefit section at a later date

You can only join or rejoin at a later date if the **Company** agrees. Admittance may be subject to the production of medical information, and special conditions may be imposed.



Contributions

As a member you will be eligible for tax relief on contributions. The **Company** also makes contributions to the Defined Benefit section.



Members on maternity leave

If you take paid maternity leave then you will continue to accrue benefits based on a notional **Salary** figure equivalent to the **Salary** which you would have received had you not taken maternity leave. Your contributions will be calculated based on your actual **Salary** (including statutory maternity pay).

If you take any unpaid maternity leave you will have the option of continuing contributions during this period (based on your **Salary** immediately before the start of maternity leave). These contributions can either be paid during maternity leave or when you return to work. Your unpaid maternity leave will then count as **Service**. Otherwise, the unpaid maternity leave will not count as **Service**, but the two periods before and after your unpaid maternity leave will be treated as continuous.

Other periods of absence

If you are absent from work for any other reason on reduced or no pay, you will be informed individually by the **Company** as to how this affects your benefits and contributions for the period of absence.

How much you pay

The standard rate of contributions is 6% of **Salary**. Under current tax rules, full tax relief is allowed on your contributions.

If you are or were a 5% or 3% contributor, your benefits will be slightly different to the benefits outlined in this guide. Please contact the Pensions Team for further details (see page 21).

What the Company pays

The **Company** pays the balance of the cost of the Defined Benefit section and its contribution rate can vary from time to time. The **Scheme Actuary** values the Defined Benefit section liabilities at least every three years and advises on the level of **Company** contributions required to ensure that the benefits can be paid in the future.

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Ways to increase your benefits

You have the option to pay additional contributions which can be used to increase your benefits. Contributions to recognised pension arrangements receive tax relief.

Additional Voluntary Contributions (AVCs)

You can invest your **AVCs** with Aegon into BlackRock managed funds. Details are available on our pensions website at www.enwlpensions.co.uk or from the Pensions Team.

Alternatively, you can pay 'Free Standing Additional Voluntary Contributions' (FSAVCs) to some insurance companies and other financial organisations. If you set up FSAVCs, neither the **Company** nor **ESPS** will be involved but you will still be entitled to tax relief. You may, however, pay administration costs associated with setting up and running the FSAVC.

Subject to the limits set by **HMRC**, **AVCs** and FSAVCs may be used to:

- increase your own retirement pension or your lump sum
- increase your spouse's and dependants' pensions

Added years

Your benefits depend on your **Pensionable Salary** and your **Service**. You may purchase added years and your benefits will be calculated

by reference to that greater number of years, even though you may not have worked that long for the **Company**. You pay for added years by making extra payments before you retire. The amount you pay is calculated from a table the **Scheme Actuary** has prepared and will be notified to you if you apply to purchase added years.

If you retire early or have deferred benefits and have not finished paying for your added year(s) then only the proportion you have paid for will be added to your period of **ESPS Service**.

For some members, the scope for further provision may be restricted by the limits on benefits imposed by **HMRC**. In addition, the total contributions made in any one tax year including your normal **ESPS** contributions must not exceed the **Annual Allowance** (see page 18 for further details on **HMRC** limits).

Other additional contributions

You may also pay additional contributions to increase the level of spouse's pension or to provide standard benefits (if previously you have paid a reduced rate of contributions).

Transfers from other schemes

If you have built up benefits in another pension scheme, you may have the option to transfer the value of those benefits into **ESPS**.

The **Trustee** may accept a transfer payment from another pension scheme. Pension rights in a previous employer's scheme or a personal pension arrangement transferred to **ESPS** in this way will provide additional benefits. If you are interested in a transfer please contact the Pensions Team (see page 21).



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Retirement benefits

The following section explains how your pension and cash lump sum benefits are calculated at retirement and when your benefits can be paid.

Benefits at Normal Pension Age

You will receive an annual pension calculated as follows:

- $1/80 \times \text{Pensionable Salary} \times \text{Service}$.

You will also usually receive a cash lump sum equal to $3/80 \times \text{Pensionable Salary} \times \text{Service}$. However, this may be reduced if you paid contributions less than the basic rate in the past. Under current tax rules, this lump sum will not be subject to tax.

You will also receive any benefits purchased by **AVCs** and/or added years.

Your total benefits (from **ESPS** and any other pension scheme or pension arrangement, excluding benefits paid by the State) will be subject to the maximum limits imposed by **HMRC**.

Exchanging cash for pension

You will normally be able to exchange part of your cash lump sum for additional pension.

The rate of exchange of cash for pension varies according to your age on the date your pension comes into payment. Please contact the Pensions Team for further details (see page 21).



Early retirement in normal health

You can usually receive your benefits early if you retire with or without the **Company's** consent after age 50 (55 for joiners after 06/04/06), although the benefits will be reduced to take account of early retirement.

No reduction will apply if you retire due to redundancy or reorganisation, or if you have at least 10 years' **Service** in the **Scheme**, are aged 55 or over and the **Company** consents to your retirement request.

In all cases, your pension will be calculated by reference to your **Service** and your actual date of retirement.

The percentages by which pensions are reduced on early retirement depend on your age at retirement (calculated in years and days) and may be subject to review from time to time.

Retirement after Normal Pension Age

If you continue to work after **NPA** special terms will apply. Please contact the Pensions Team for details (see page 21).

Retirement because of Incapacity

If you become ill while you are an active member of **ESPS** you may be able to retire with immediate benefits providing you satisfy the **Incapacity** requirements.

If granted, the **Incapacity** benefits will be calculated using the same formula as at **NPA** using your **Pensionable Salary** at your actual date of retirement and potential **Service** to **NPA**. The pension will be payable without reduction for early payment.

If you were a member of **ESPS** on 31 March 1988 and have continuous **Service** from this date to the date you retire on **Incapacity** grounds, your total **Service** will be calculated as if you had remained in **ESPS** to age 65.

Service in both cases is usually restricted to a maximum of 40 years.

Incapacity pensions, once granted, are reviewed periodically by the **Trustee** and if your health subsequently improves or if you take other paid work, the **Trustee** has the power to reduce or withdraw your pension.

This consent relates to pension payment terms. It should not be confused with an agreement or consent from the Company regarding the terms under which you leave employment.

Things to remember when thinking about retirement

There are a number of factors you should also take into consideration when you are approaching retirement or thinking about retiring early.

- Once in payment, your pension will be payable for life. **Incapacity** retirement benefits, however, are subject to review by the **Trustee**.
- The total benefits payable when you retire will be subject to **HMRC** limits.
- Benefits paid on retirement between age 50 and **NPA** may be reduced for early payment.
- You may give up part of your own pension to provide a pension for any dependant or an additional pension for your spouse. An option to give up part of your pension cannot be reversed after pension payments commence even if your beneficiary dies before you. Contact the Pensions Team for further details (see page 21).
- Special rules cover those cases where employment continues after **NPA**. Where appropriate, please discuss with the Pensions Team.
- All pensions, including your own and any dependant's, are paid monthly in arrears and, under current tax rules, are taxed as earned income on a PAYE basis.
- If the actuarial value of your pension plus the pension equivalent of your lump sum is very small, **HMRC** may allow it to be exchanged for a one off cash lump sum. If you take the lump sum, your spouse will lose the right to a spouse's pension.



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State benefits and your ESPS pension

The current State Pension is a flat rate pension. The actual amount you get depends on your National Insurance record.

How the State pension is made up

The current flat rate state pension replaced the two tier system of a Basic State Pension for people reaching State Pension Age from 6 April 2016.

The full State Pension is currently £203.85 per week. To receive the full amount people will need to have paid National Insurance contributions for 35 qualifying years. If you have between 10 and 35 qualifying years you will receive a proportion of the new State Pension.

There are transitional arrangements which apply for people who have built up an entitlement under the previous State Pension system.

Where can I find out more about the State Pension?

If you would like more information about the State Pension, visit www.gov.uk/new-state-pension



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Benefits payable on death

Whether you die after you retire or whilst still working for the **Company**, **ESPS** provides a range of benefits for your spouse, children and dependants.

These include pensions and, in some circumstances, cash lump sums. Details of the benefits payable are shown in the following sections.

Death in service

How your family is protected

There will be a lump sum payment and pensions for your spouse and children.

How the lump sum is calculated

The lump sum will be:

- 4 x Pensionable Salary

How spouse's and children's pensions are calculated

Spouse's pension	½ x member's Incapacity pension* <i>*The five years' continuous employment criteria which applies to the Incapacity pension does not apply on death in service.</i>
Child's pension in addition to a spouse's pension	1/3 x the above spouse's pension
Child's pension when no spouse's pension is payable	2/3 x notional spouse's pension (calculated as above)

If there are more than three children, the total pension payable is the same as for three children but it will be shared equally amongst each of the children.

If you joined the **Scheme** before 1 April 1978, or have paid contributions at a rate less than the 6% standard rate, the benefits payable may differ from the above. Please contact the Pensions Team for details (see page 21).

Who is paid spouse's and children's pensions?

A legal widow or widower is entitled to a pension payable for life. Children will also be entitled to a pension until age 18. If they are still in full-time education, vocational training or are unable to work because of physical or mental disability, their pensions will continue to be paid to age 21 or even beyond that age if the **Trustee** agrees. Where there is no spouse, the **Trustee** may, at its discretion, pay a pension to another dependant.

Death after retirement

How your family is protected

A spouse's pension is automatically payable, plus pensions for any dependent children. There may also be a lump sum payment depending on how long you had been receiving your pension.

How much your spouse and children receive

Your spouse will be paid a pension for life usually equal to half your pension (excluding any reduction if you retire early – see page 10). Children's pensions are calculated in the same way as for death in service on page 13 but will be based on your spouse's death after retirement pension.

Who is paid spouse's and children's pensions?

The same conditions apply as for death in service (see left).

When is a lump sum payable and how much will it be?

If you die within five years of retirement, the balance of the first five years' pension instalments will be payable as a lump sum. Who will receive the money is determined in the same way as lump sums for death in service (see below). A greater amount may be payable if you retired on **Incapacity** grounds (contact the Pensions Team for details – see page 21).

Who receives the lump sum?

If you joined **ESPS** on or after 1 September 1986 the **Trustee** decides who should receive the lump sum but they will take into account your wishes as indicated on your Expression of Wish form and your personal circumstances at the time of your death. More information is given on page 14.

If you joined **ESPS** prior to 1 September 1986, the lump sum will be payable to your estate (and may be subject to tax depending on the size of your estate), unless you advise the **Trustee** to treat your lump sum in the same way as a member who joined **ESPS** on or after 1 September 1986. Please contact the Pensions Team for further details (see page 21).

Expression of Wish forms

It is very important that you complete an Expression of Wish Form to let the **Trustee** know to whom you would prefer any lump sum benefit be paid, in the event of your death.

It is your responsibility to complete and return an Expression of Wish form and keep it up to date.

When completed, your Expression of Wish form should be returned to Railpen for safekeeping. This will ensure the security of the information provided and guarantee that it is immediately available to the **Trustee**.

If you wish to change the information in the future, blank Expression of Wish forms are available at www.enwlpensions.co.uk/resources/expression-of-wish



Leaving ESPS

If you leave **ESPS**, for instance as a result of leaving the **Company**, you will still qualify for benefits from **ESPS**. The benefits available to you depend on your length of **Service** at the time you leave.

What happens to your pension rights if you leave ESPS?

Your options will be:

- preserved benefits for all your **Service** (known as deferred benefits), or
- transfer of your deferred benefit rights to another approved occupational pension scheme, personal pension plan or a buy-out annuity policy from an insurance company, or
- immediate retirement benefits if you are over age 50 (55 for joiners after 06/04/2006) (see page 10), or
- **Incapacity** pension benefits if you satisfy the **Incapacity** requirements (see page 10).

What are deferred benefits?

Deferred benefits consists of a retirement pension, retirement cash lump sum and, on death, pensions for your spouse and children, payable on the same basis as normal retirement benefits at **NPA** but based on **Service** and **Pensionable Salary** at your date of leaving. Deferred benefits receive a cost of living based increase each year prior to retirement.

When are deferred benefits payable?

At **NPA**, but they may be paid early without reduction in the following circumstances:

- if you satisfy the **Incapacity** provisions (see page 10), or
- at age 50 if you are under 50 when you cease to be in **Service** and you leave employment on grounds of redundancy or reorganisation.

Otherwise on retirement before **NPA** your pension will normally be reduced to take account of its early payment.

What happens to your deferred benefits if you die?

Pensions will be provided for your spouse and any dependent children in the same way as for death in **Service** (see page 13) although the pensions will be based on **Service** to date of leaving, increased up to your date of death, and will commence immediately on your death.

Also, on death before retirement, a cash sum is paid to your estate equal to the higher of

- a refund of your contributions with interest, or
- five times the annual deferred pension.

After you have left the **Company**, it is important that you keep the **Trustee** informed of all changes in your marital status and home address.

Transfer of your deferred benefits

If you are entitled to deferred benefits, you may ask the **Trustee** to transfer a sum of money to an approved occupational pension scheme, a personal pension plan or a buy-out policy. You may wish to seek advice on this option from an Independent Financial Adviser. It is a legal requirement where the Cash Equivalent Transfer Value is £30,000 or more, and is being transferred to a Defined Contribution pension arrangement.

If you wish to investigate this option, you will be provided with a statement of the 'guaranteed cash equivalent', quoting the transfer value available and giving instructions on how to go about exercising this option.

Requests for 'guaranteed cash equivalents' can be made after ceasing employment with the **Company** or opting-out of **ESPS**. If you wish to proceed with the transfer you must reply within three months of the date the quotation is provided.

If you are interested in transferring your **ESPS** benefits or obtaining a transfer value quotation you should contact Railpen (see page 21) in the first instance.

The transfer value is calculated in accordance with instructions provided by the **Scheme Actuary** and is the current cash value of your deferred benefits. The transfer value is calculated by discounting the expected future benefit payments at an assumed rate of investment return. The calculation takes into account the rate at which the deferred benefits will increase both before and after the benefits become payable. It also takes account of the probability of each benefit payment being made, based on your, and your dependants', expected lifespan.

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Pension increases

Pensions in payment are increased annually to take account of changes in the cost of living.

How your benefits will increase

Pensions in payment will normally be increased on 1 April each year in line with the annual increase in **RPI** to the previous September. However, if the increase in the **RPI** is greater than 5%, an increase of 5% will be applied automatically and any increase above 5% is subject to the discretion of the **Principal Employer**.

Prior to State Pension Age, all of your **ESPS** pension will increase as described above.

After State Pension Age, **ESPS** increases will apply only to the pension in excess of the **Guaranteed Minimum Pension (GMP)** element. Your **GMP** for service to April 1988 will not be increased under **ESPS** as, in most circumstances, it is inflation proofed by the State. The balance of your **GMP** is increased by **ESPS** at 3% per annum (or the increase in the **CPI** if less) and any additional inflation proofing is normally provided by the State.

Pensions for spouse's and dependent children will be increased in a similar way.

How to find out the value of the annual award

Details of pension increases are given each year in the Annual Report that is available to view on our pensions website at www.enwpensions.co.uk. In addition, pensioners are advised individually of any increase in their pensions.

Family questions

Changes in your marital circumstances can affect the benefits payable to your spouse, partner or dependants.



If you marry

If you marry as a contributing member of **ESPS** or after you have left or retired, your spouse will be covered for a spouse's pension for all your **Service**.

If you divorce

If you divorce, your former spouse may become entitled to part of your pension (or its equivalent value) as part of your divorce settlement. Your solicitor will advise you.

Unmarried partner and dependant's entitlements

An unmarried partner or a dependant has no automatic right to an **ESPS** pension. However, the **Trustee** may, at its discretion, pay a pension to an unmarried partner or dependant. In addition, and with the agreement of the **Trustee**, you may give up part of your pension to provide a pension for an unmarried partner or dependant when you retire. (Contact the Pensions Team for details – see page 21).

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HMRC limits

HMRC imposes limits on contributions to, and benefits payable from, ESPS.

Historically HMRC laid down limits on the amount of benefits that could be provided for members of an exempt approved pension scheme like ESPS. These limits had to be taken into account when determining all benefits and contributions and may have overridden the normal ESPS provisions in some circumstances.

The **Lifetime Allowance** was the amount of pension benefit (including lump sums and retirement income) that could be drawn from pension schemes without triggering an extra tax charge. It was set at £1,073,100. The **Lifetime Allowance** charge was abolished from 6 April 2023, meaning there will be no cap on how much you can build up in pension benefits, while continuing to get tax relief.

However, the amount you can take as a tax-free lump sum will be capped at £268,275.

If the value of the additional pension you accrue each year exceeds the **Annual Allowance** (currently £60,000) you will incur tax at your marginal rate on the excess.

Your annual allowance will be lower if:

- Your annual 'adjusted income' - which is the total of your taxable earnings and pension contributions, including employer contributions, amount to over £260,000

Or

- You have previously accessed benefits flexibly



General information

This section includes information on the legal basis of ESPS together with details of who to contact if you have a query.

Who to contact if you need further information, help or advice, or if your personal circumstances change.

All initial enquiries or requests for further information about ESPS should be made to Railpen (see page 21). All enquiries are dealt with in strict confidence.

Legal background

The **Scheme** is fully tax exempt registered by HMRC under Chapter 1, Part XIV of the Income and Corporation Taxes Act 1988. This means ESPS and you, as a member, qualify for some tax relief.

A number of Groups participate in the **Scheme**, principally those companies based in England and Wales which were privatised in 1990. The **Scheme** is administered by a Trust Company called Electricity Pensions Trustee Limited (EPTL). Directors of EPTL are drawn from the **Trustee** and from the Group Trustees of the other Groups participating in the **Scheme**.

Constitution of ESPS

Electricity North West Ltd is the **Principal Employer** of the Electricity North West Group of the ESPS. The **Trustee** is Electricity North West (ESPS) Pensions Trustees Limited. The Board of Directors of the **Trustee** includes representatives from the **Company** and membership. All directors of the **Trustee** have equal rights and responsibilities.

The **Trustee** is bound by its legal duty to protect your interests as an ESPS member. The benefits and operation of ESPS, together with the **Trustee's** duties and powers, are governed by the Resolution and Scheme document containing the Clauses and Rules.

Scheme overriding provisions

Please note that this guide is necessarily only a brief summary of the ESPS provisions. In the event of any conflict between this guide and the Clauses and Rules, the latter will prevail.

Disclosure of Information

You are entitled to certain information about ESPS as a right. The basic details of ESPS are contained in this Members' Guide. You are also entitled to see, on request, a copy of the Clauses and Rules, the Annual Report and Accounts and the Actuarial Report.

The **Trustee** publishes a full Annual Report that is available to view at www.enwlpensions.co.uk/scheme-documents

The **Trustee** is responsible for the investment of ESPS assets. It has drawn up a statement which sets out its principles governing decisions about the investment of ESPS assets. A copy of this Statement is available at www.enwlpensions.co.uk/scheme-documents

Provision of benefits, changes and termination

Your own contributions to ESPS together with the **Company's** contributions are invested in a trust fund which is held completely separate from the assets of the **Company**. All ESPS benefits are paid from the trust fund. The fund is subject to an independent annual audit.

The **Company** pays the balance of the cost of the benefits. The benefits are funded which means the long-term cost is assessed periodically by the **Scheme Actuary** who then advises the **Company** on the rate of its contributions.

The **Trustee** and the **Company** can agree to change or amend certain provisions of ESPS. However, no changes can be made to the detriment of members' accrued benefits without the consent of all members affected. In addition, no changes can be made to the detriment of protected members' prospective benefits or contribution obligations without the agreement of 2/3rds of the affected members who vote on the matter.

The **Company** fully intends to continue the operation of ESPS but in the unlikely event that ESPS is wound-up your benefits would be established in accordance with the Clauses and Rules and legislation covering such circumstances.

Assignment

You may not assign, charge or use your benefits as the security for a loan. This means that you cannot promise to pay your benefits over to someone else as security if you take out a loan.

Personal information

Under the Data Protection Acts, the **Trustee** and the **Company** are "data controllers" in relation to data personal to you. The **Trustee** and the **Company** have a legitimate interest in processing personal data. In doing so, they may also use carefully selected advisors who assist in the proper running of ESPS.

As a member of ESPS you consent to the **Trustee** processing your personal data for any purposes associated with ESPS.

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General information

Continued

What to do if you are unhappy with a decision about your pension rights

If you are dissatisfied with anything to do with **ESPS**, you should, in the first instance, write to the Pensions Team who will attempt to resolve your query. If you remain dissatisfied, you may then write to the Group Administrator, (see page 21), who will provide you with details of the **ESPS** Internal Dispute Resolution Procedure. In summary, the Internal Dispute Resolution Procedure is a two-stage process which involves various time limits and information requirements. Under the first stage, the Group Administrator will deal with your complaint. If you are not satisfied with their decision, you may appeal to the **Trustee** under the second stage.

Other pension bodies

A number of other pension bodies have been established to assist in the running of occupational pension schemes. Further details are given on this page and their addresses included on page 21.

Money and Pensions Service (MaPS)

MoneyHelper from the Money and Pensions Service brings together the support and services of three government-backed financial guidance providers: Money Advice Service, The Pensions Advisory Service and Pension Wise.

It offers free support on a wide range of financial matters, online and over the phone. This covers a variety of pension topics, including:

- Auto enrolment
- Building your retirement pot
- Pension problems
- Pension basics
- State Pension
- Taking your pension
- Tax and pensions
- Pensions and retirement

For more information visit www.moneyhelper.org.uk/en/pensions-and-retirement

Pensions Ombudsman

If you have a query which cannot be resolved via the Internal Dispute Resolution Procedure or with the help of MaPS, you may contact the Pensions Ombudsman. He has the power to investigate and decide any complaints or disputes of fact or law in relation to any occupational pension scheme.

Pensions Regulator

The Pensions Regulator monitors the running of occupational pension schemes and is able to intervene where trustees, employers or professional advisors have failed in their duties. It has wide powers to conduct investigations and can impose penalties on those who fail to comply with the relevant legislation.

Pension Tracing Service

The Pension Tracing Service was established to help individuals trace benefits in respect of previous employment if they have lost contact with the employer involved.



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Contacts

The following contact names are mentioned throughout this guide.

Pensions Team

Electricity North West
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Manchester
M1 4LF

Tel: 0843 311 4530
Email: pensions@enwl.co.uk

MaPS

Money and Pensions Service
MoneyHelper
Tel: 0800 011 3797
www.moneyhelper.org.uk

Pensions Regulator

www.thepensionsregulator.gov.uk

Group Administrator

Colin Ross
Electricity North West
7th Floor, Linley House
Dickinson Street
Manchester
M1 4LF

Tel: 0843 311 4530

Ombudsman

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Tel: 0800 917 4487
www.pensions-ombudsman.org.uk

DWP

www.gov.uk/browse/working/workplace-personal-pensions

Pension Administrator

Railpen
2 Rye Hill Office Park
Birmingham Road
Coventry
CV5 9AB

Tel: 02476 472 580
Email: enquiries@railpen.com

Pension Tracing Service

www.gov.uk/find-lost-pension

Glossary of terms

Some of the words and phrases used have special meanings which are set out below. Where they appear in the guide, they are shown in bold print.

Additional State Pension

Prior to 6 April 2016 the State Pension was based partly on earnings and was provided in addition to the Basic State Pension. Prior to 6 April 2002 this was known as the **State Earnings Related Pension Scheme (SERPS)**. From 6 April 2002 **SERPS** was replaced by the **State Second Pension (S2P)**.

Additional Voluntary Contributions (AVCs)

Contributions you can choose to pay in addition to the usual scheme rate and any 'added years' contributions to provide additional benefits.

Annual Allowance

This is the total amount that can be paid into your pension scheme each year and still receive tax relief.

Since 6 April 2023, anyone with taxable earnings and pension contributions (including employer contributions) of over £260,000 will have their annual allowance for that year restricted. The maximum reduction is £50,000, so if your taxable earnings and pension contributions (including employer contributions) amount to more than £360,000, your annual allowance will be £10,000 per annum.

If you have previously accessed benefits flexibly, your annual allowance will be £10,000 per annum.

Company

Electricity North West or associated companies.

Consumer Prices Index (CPI)

It is the measure adopted by the Government for its UK inflation target. The CPI is published monthly by the Office for National Statistics. Each month around 120,000 separate price quotations are collected for around 650 items which make up the Consumer Prices Index (CPI) 'basket' of goods and services.

ESPS

The Electricity North West Group of the Electricity Supply Pension Scheme.

Guaranteed Minimum Pension (GMP)

This is the minimum pension which **ESPS** has to provide you if you were contracted-out of the **State Earnings Related Pension Scheme (SERPS)** for service before 6 April 1997 only. It is broadly equal to the **Additional State Pension** you would have earned if you had not been contracted-out of **SERPS** for this period.

HMRC

HM Revenue & Customs – formally the Inland Revenue and HM Customs & Excise.

Incapacity

Physical or mental ill-health which, in the opinion of the medical adviser to **ESPS**, is other than temporary, and prevents you from doing your job or similar work which your employer may reasonably offer you.

Lifetime Allowance

This was the amount of pension benefit (including lump sums and retirement income) that could be drawn from pension schemes without triggering an extra tax charge. It was set at £1,073,100.

The Lifetime Allowance charge was abolished from 6 April 2023, meaning there will be no cap on how much you can build up in pension benefits, while continuing to get tax relief.

However, the amount you can take as a tax-free lump sum will be capped at £268,275.

Normal Pension Age (NPA)

Your 63rd birthday, unless you joined the **Principal Employer** or any other company participating in the **Scheme** before 1 April 1988, in which case **NPA** is your 60th birthday.

Pensionable Salary

Your **Salary** in the twelve months ending on the last day of your **Service**. If greater, however, the highest **Salary** over 12 consecutive months in the last five complete years or the annual average of **Salary** for any three consecutive years in the ten years before **Service** ended.

In determining **Pensionable Salary** each year's **Salary** will be increased in line with the rise in the **Retail Prices Index (RPI)** from the end of the relevant pay period to the date you leave **ESPS**.

If you are a part-time employee, benefits are calculated using your full-time equivalent **Salary** and **Service** based on the proportional hours you actually work.

Principal Employer

Electricity North West Limited.

Protected Member

An employee who joined **ESPS** before 31 March 1990 (or who was eligible to join at that date and joined later).

Qualifying Service (used to decide whether or not benefits can be awarded)

This equals:

- Your period of actual contributory membership of **ESPS** up to the date you retire or leave plus
- The period of membership of another pension scheme from which a transfer has been paid to **ESPS** (known as a 'back service credit').

Glossary of terms

Continued



Retail Prices Index (RPI)

The Index of Retail Prices (All Items) as published by the Government.

Salary

Your basic annual salary or wages plus any other contractual payment that the **Principal Employer** determines to be pensionable and advises to you.

Scheme

The Electricity Supply Pension Scheme.

Scheme Actuary

A professionally qualified independent person appointed by the **Trustee** to value the fund, and to provide advice on other financial aspects of **ESPS**.

Service (used to calculate benefits)

Your period of actual contributory membership of **ESPS** to the date you retire or leave. This includes any back service credit that may have been granted as a result of a transfer from another employer's pension scheme (including other Groups of the **Scheme**) or personal pension plan, and any added years you may have purchased up to the date you retire or leave. Service is calculated in years and days. Any fraction of a year will be rounded to the higher year. You are required to meet the extra contribution for the part year via a deduction in your pension or lump sum.

State Earnings Related Pension Scheme (SERPS)/State Second Pension (S2P)

Historical additional pension arrangements provided by the Government.

Trustee

The **Trustee** of **ESPS** is Electricity North West (**ESPS**) Pensions Trustees Limited.



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