



The Uniper Group of the Electricity Supply Pension Scheme

MEPS Final Salary Category

Member booklet – October 2015

FOREWORD

The aim of this booklet is to explain the benefits of the MEPS Category of the Uniper Group of the Electricity Supply Pension Scheme to enable you to understand the advantages of being a member.

Without using formal legal terms it is not possible to be totally accurate for every member of the Scheme or to convey the exact meaning of every Rule. This booklet has no legal authority and cannot be taken as a substitute for the legal provisions of the Scheme or any HM Revenue & Customs (HMRC) requirements.

The conditions of this booklet apply to all members although where conditions have changed in the past these have been recorded and the terms or conditions that apply to you will depend on the date you joined the Scheme.

The booklet deals with the hybrid terms of MEPS which applied until 30 June 1998, where the Scheme had a Money Purchase section, with an option to transfer to the Final Salary section under certain conditions, or the Final Salary section where entry depended on age. From 30 June 1998 membership of these hybrid terms ended when a new Money Purchase section was introduced for all new members. The New Money Purchase section was closed to new members on 1 April 2005. MEPS was then transferred to become a benefit category of the E.ON UK Group of the ESPS (the E.ON UK Group) in 2006.

The Uniper Group of the Electricity Supply Pension Scheme (the Scheme) is only open to active members of the MEPS final salary Category of the E.ON UK Group immediately prior to becoming part of the Uniper business. If existing members of the E.ON UK Group decide not to join the Scheme or opt out, they will not be able to join at a later date.

The Scheme was established to provide an identical benefit structure to the E.ON UK Group of the Electricity Supply Pension Scheme (the E.ON UK Group) for colleagues becoming part of the Uniper business from 1 October 2015. Colleagues will automatically be invited to join the relevant Category of the Scheme by letter and will be offered the chance to transfer their past service from the E.ON UK Group later in October.

If members agree to the transfer, they will be provided with an equivalent service credit in the Scheme – this means benefits will be calculated as if they joined the Scheme at the original date they joined the Electricity Supply Pension Scheme (please note this point when you see references to Scheme start dates within this booklet). These transfer terms apply for a limited period of two months (from the date of the offer in mid-October).

Please note, this booklet mainly focusses on the final salary benefit structure within the hybrid terms (as this is the structure applying to you). If you require further information on the Money Purchase sections, please contact the Scheme administrators (details are provided in the contact information).

INTRODUCTION

MEPS was originally a separate pension scheme established on 1 May 1992 called the Midlands Electricity Pension Scheme until all the assets and liabilities were transferred to the Uniper Group of the Electricity Supply Pension Scheme (ESPS) in September 2006 to become the MEPS Category of the Scheme.

MEPS does more than provide you with a pension. It offers valuable financial safeguards for your family, and it gives you choice. Choice as to when you retire; choice as to the form of your retirement benefits; choice if you should leave the company before you retire; and choice in the level of contributions you pay towards your benefits.

The MEPS benefit Category has been replicated in the Uniper Group of the Electricity Supply Pension Scheme.

MEPS has three Sections:

The **Final Salary section** was for employees aged 35 or over. This section and the Old Money Purchase section were both closed to new members on 30 June 1998 when the New Money Purchase section (see below) was introduced.

It provides retirement benefits based on your earnings close to retirement and the length of time you are a member MEPS – final salary section. It also offers the security of ill-health and life cover for you and your family.

You contribute towards your benefits at a rate of either 4% or 5% of your Pensionable Salary, and the Company pays the rest of the cost including the cost of administration. There are two 'tiers' or levels of benefit available, which correspond to the two contribution rates; you choose which you can afford.

You are a member of the final salary section.

The **Old Money Purchase section** was for employees aged 18 or over, but under 35. This section was closed on 30 June 1998 and replaced with the New Money Purchase section (see below). It was designed to provide security of ill-health protection and life cover for you and your family now, while allowing you to start saving for your retirement at a price you can afford. At age 35, you will normally be transferred into the Final Salary section, although you could choose to stay in the Old Money Purchase section until retirement, if you preferred.

You pay contributions at the rate of 4% or 5% of your Pensionable Salary – the rate you choose is up to you – and the Company will match your contribution as well as funding the ill health and live cover and the cost of administration. The combined contributions accumulate with interest and investment returns in an account in your name. This account will be integrated into the Final Salary section if you transfer at age 35 or if you choose to remain in the Old Money Purchase section until you retire, it will be used to buy retirement benefits for you then.

The **New Money Purchase section** was introduced for all new staff who joined the Company on and after 1 July 1998. This section is similar to the Old Money Purchase section in that it

provides security for your family in the form of life cover and, subject to being able to obtain insurance, cover for long term disability income. The details of this section do not apply to you and are not covered in this booklet.

The full terms of MEPS are set out in formal documents called the Trust Deed and Rules, which are available for inspection at the offices of the Scheme administrator, RPMI EPAL. It may be possible to obtain a copy although a charge may be made for the cost or reproduction. The Clauses and Rules may be amended by the Company to reflect changing legislation or company policy and any such changes will be communicated to you. This guide is simply intended to explain the arrangements in force and it cannot override the Clauses and Rules.

If you have any questions about MEPS please contact the Scheme administrators, RPMI EPAL, in the first instance:

RPMI EPAL
Unit 2, Rye Hill Office Park
Birmingham Road
Coventry
CV5 9AB

Telephone	02476 472542
Fax	02476 472545
Email:	enquiries@rpmico.uk

TERMS WITH SPECIAL MEANINGS

Throughout this guide you will find certain terms which have particular meanings. These are listed below in alphabetical order and you can refer to this page as you read the guide. In most cases these terms are shown in the text with capitalisation.

Basic State Pension or the “old age” pension, which is paid from State Pension Age by the Department of Work and Pensions.

The Company – means Uniper UK Limited and any subsidiary or associated companies that participate in the Scheme.

Final Pensionable Salary – means your Pensionable Salary in the 12 months before your retirement or earlier date of leaving service or death, or such other period as may be allowed by HMRC if this produces a higher figure.

GMP (Guaranteed Minimum Pension) – is broadly equivalent to the benefit you would have been entitled to under the earnings-related part of the State Scheme had you not been contracted-out of it as a result of joining MEPS.

Normal Retirement Age – is your 63rd birthday (for men and women).

Pensionable Salary – in the case of the Final Salary sections it means Schedule Salary (the same as Annual Salary) plus certain items of regular pay but not including overtime.

Prospective Service – means the total period of Reckonable Service you could have completed up to Normal Retirement Age had you been able to carry on working until then.

Reckonable Service – means your service as a contributing member of the Scheme and in respect of members of the Final Salary section includes any service credit in respect of a transfer from the Old Money Purchase section to the Final Salary section or transfer from membership of a previous pension arrangement.

Section – refers to one or other of the Old Money Purchase section, the Final Salary section or the New Money Purchase section depending on your age and the date you joined the Scheme.

JOINING AND CONTRIBUTIONS

Joining

Who can join?

As referred to in the foreword above, the Scheme was established to provide an identical benefit structure to the E.ON UK Group of the Electricity Supply Pension Scheme (the E.ON UK Group) for colleagues becoming part of the Uniper business from 1 October 2015. Colleagues will automatically be invited to join the relevant Category of the Scheme by letter and will be offered the chance to transfer their past service from the E.ON UK Group.

For completeness, MEPS (the predecessor scheme), was closed to general new entrants in April 2005.

How do I join?

You will formally be invited to join and you should complete the Pension Entry Form to confirm your membership.

Can I join later?

You will not have the right to join at a later date.

Can I withdraw from the Scheme?

Yes, you may withdraw from membership whilst remaining in the employment of the Company by giving written notice to the trustee or their administrators, RPMI EPAL. However, the date of withdrawal will be at least one month after the notice of withdrawal. Your contributions to the Scheme will stop and you will start to pay the full rate of National Insurance contributions.

Please contact the administrators RPMI EPAL to understand the details of your options in this situation.

If I withdraw, can I join at a later date?

You will not have the right to join at a later date.

Contributions

If you joined **before 1 July 1998** then whichever section of the Scheme you belong to, you will be able to choose the level of contributions which suits you best.

The final salary section also offers two rates: 4% or 5% of your Pensionable Salary, and there are two levels or 'tiers' of benefits which correspond to these contribution rates. The Company will pay the balance of the cost of your benefits as well as the cost of administration.

When you join you will automatically start paying contributions at the 4% rate. If, when your membership starts you wish to contribute at a different rate you will need to advise RPMI EPAL by completing the appropriate section of the enrolment form (see below). You can switch contribution rates (up or down) twice in the money purchase section and twice in the final salary section but only with effect from the beginning of the Scheme year (1st April). A form is available from the Scheme administrators, RPMI EPAL, if you wish to switch contribution rates after you first join the Scheme.

Contributions are deducted from your Salary before tax so you automatically receive full income tax relief. From April 2011, the tax treatment of contributions changes for those members who receive higher earnings and as a result you may not receive the higher rate tax relief. Please contact RPMI EPAL for further information.

You also save money on your National Insurance contributions as a result of being contracted-out of the State Earnings Related Pension Scheme (see the section of State pension). In addition to the substantial contributions the Company pays towards the cost of your benefits in either the old money purchase or final salary section it also pays all the costs of running the Scheme.

Salary Sacrifice

In July 2009, the Company introduced Salary Sacrifice which in simple terms means that, by contractual agreement, your salary is reduced by the amount of your normal contribution (the 4% or 5% mentioned above) and instead the same amount is paid to the Scheme by the Company. Your pension benefits are unaffected by this arrangement and you will pay less in National Insurance contributions. As this was a voluntary arrangement, members were given the option to continue to pay their contribution if they wished.

The Company intends to continue to offer the Salary Sacrifice option unless it is no longer permitted by HMRC or more generally becomes no longer viable.

Additional Voluntary Contributions

Although the Scheme already provides the scope for a generous benefit you may feel that you wish to increase your benefits further and this can be achieved by the payment of Additional Voluntary Contributions or AVC's for short. As AVC's are additional the Company do not make any contribution and it is only the contribution that you decide that can be paid as AVC's.

Further details on AVC's can be obtained from the administrators, RPMI EPAL.

Although AVCs may be an appropriate way of saving for retirement for many people there may be other more flexible or tax efficient forms of investment available to you. You should consider seeking independent financial advice before deciding to pay AVCs or before investing in any financial product.

If you joined the Scheme before 1 July 1998 and you are contributing at the lower rate of 4% you should consider increasing your contributions to the higher rate of 5%. For final salary members this means that any benefits are paid at the higher tier. Members of the old money purchase section will benefit from the corresponding increase in the Company contribution which is not available through AVCs alone.

THE FINAL SALARY SECTION

This section describes the benefits for employees who joined the Company before 1 July 1998 when this section was closed to new members.

The final salary section is for people aged 35 and over. If you joined the Company (before 1 July 1998) as a full-time employee on or after your 35th birthday and before your 58th birthday you will automatically be enrolled in this section.

You can choose from two rates of contribution (4% or 5% of pensionable Salary); there are two levels or tiers of benefits which correspond to these rates.

Transfers in from the Old Money Purchase Section

If you are younger than 35 when you became a member of the Scheme you will have been first enrolled in the old money purchase section and then automatically transferred across to the final salary section on reaching age 35 unless you decide to remain in the old money purchase section (see page 19). When you transfer you are awarded a 'service credit' which will count towards your eventual final salary benefits. The service credit is calculated to take into account:

- the level of contributions you were paying in the old money purchase section; and
- the level of contributions you will be paying in the final salary section (in other words whether you have chosen the lower or upper tier of benefits).

The tables below show the period of Reckonable Service which will be credited to you **for each year of Reckonable Service you have actually completed**.

Final Salary Lower Tier (4% contribution rate)

Old money purchase contribution paid	Reckonable Service credit for each year of membership of the old money purchase section
5%	16 months' Reckonable Service
4%	1 years' Reckonable Service

Final Salary Upper Tier (5% contribution rate)

Old money purchase contribution paid	Reckonable Service credit for each year of membership of the old money purchase section
5%	1 years' Reckonable Service
4%	9 months' Reckonable Service

If you increased or decreased your old money purchase contributions during your membership then separate calculations are made to determine your total service credit. Fractions of a year are counted on a prorata basis using the above tables.

Someone transferring into the final salary lower tier for example after paying 4% contributions for four years and then 5% contributions for two years in the old money purchase section would be credited with Reckonable Service as follows:

1 year x 4	= 4 years (or 48 months)
16 months x 2	= 2 years 8 months (or 32 months)
Total service credit	= 32 months + 48 months
	= 80 months' Reckonable Service

You cannot transfer into the final salary section earlier than age 35 under any circumstances. However you will be offered the option of remaining in the old money purchase section until normal retirement or earlier date of leaving service. Also from 1 December 2006 changes were made to age discrimination legislation that resulted in such a restriction potentially being discriminatory and so this age condition was removed and all existing members of the old money purchase section were given the option to transfer. This option is repeated each 1 April.

The Scheme administrator would have contacted you approximately three to six months before your 35th birthday to explain the options to you and allow you time to think about your decision.

It is important that you consider your options very carefully, because if you decide to stay on the old money purchase section you will not be able to switch to the final salary section later. Similarly if you decide to switch to the final salary section at age 35 you will not be able to revert to the old money purchase section subsequently although you will still have the freedom to switch contribution rates whichever section you chose although you can only switch contributions twice in each section.

Your retirement Benefits

The final salary section offers you a choice of two 'tiers' or levels of benefits. The level of contributions you pay will be lower or higher depending on which tier you pick; 4% of Pensionable Salary for the lower tier or 5.5% for the upper tier.

Pension

Your annual pension at Normal Retirement Age will be either:

LOWER TIER:

$1/80 \text{ (or 1.25\%)} \times \text{Final Pensionable Salary} \times \text{Reckonable Service}$

So, for example, if you retire at Normal Retirement Age with 30 years' Reckonable Service and a Final Pensionable Salary of £18,000 your pension will be calculated as follows:

$1/80 \times £18,000 \times 30 = £6,750 \text{ p.a.}$

or:

UPPER TIER:

$1/60 \text{ (or 1.66\%)} \times \text{Final Pensionable Salary} \times \text{Reckonable Service}$

So, for example, if you retire at Normal Retirement Age with 30 years' Reckonable Service and a Final Pensionable Salary of £18,000 your pension will be calculated as follows:

$$1/60 \times £18,000 \times 30 = £9,000 \text{ p.a.}$$

In other words you will receive one-sixtieth or one-eightieth of your Final Pensionable Salary for each year of Reckonable Service depending upon which tier you opted for.

If you switch tiers during your membership of the final salary section then your pension will be worked out by adding together the benefit built up while contributing at the lower rate to that built up while you were contributing to the higher rate.

So, for example, if you retire at Normal Retirement Age with 30 years' Reckonable Service, 22 of which were at the lower tier and 8 of which were at the higher tier and a Final Pensionable Salary of £18,000 your pension will be calculated as follows:

$$1/80 \times £18,000 \times 22 = £4,950 \text{ p.a. plus}$$

$$1/60 \times £18,000 \times 8 = £2,400 \text{ p.a.}$$

$$\text{Total pension} = £7,350 \text{ p.a.}$$

Early retirement

Although Normal Retirement Age is 63 provided the Company and the Trustees agree you can retire as early as age 55 under the current legislation.

If you do so, your pension will be calculated as described above based on your Final Pensionable Salary and your Reckonable Service at your actual date of retirement. If you retire between the ages of 55 and 60 your pension will then be reduced by 4% for each year by which your retirement precedes age 60 to compensate for early payment.

So, for example, if you retire with 25 years' Reckonable Service at age 57 with a Final Pensionable Salary of £18,000 your pension will be calculated (under the upper tier) as follows:

$$1/60 \times £18,000 \times 25 = £7,500 \text{ p.a.}$$

$$\text{Less } 3 \times 4\% \times £7,500 = £900 \text{ p.a.}$$

$$\text{Total pension} = £6,600 \text{ p.a.}$$

The reduction does not apply if you retire on or after age 60 but you still require the agreement of the Company and the Trustees.

Late Retirement

If you continue working after reaching your Normal Retirement Age of 63, you can continue to pay contributions and build up extra retirement benefits until your actual date of retirement. Your pension will be based on your Final pensionable Salary and your Reckonable Service at that time.

Until 6 April 2006 there were limits on the total amount of pension you could receive and this may have limited the actual pension. However from 6 April 2006 a new set of conditions were introduced where the total pension from all sources was limited by a new Life Time Allowance (LTA). The LTA was calculated as 20 times the amount of pension plus the value of any funds such as AVCs or personal pensions. The limit at 6 April 2006 was set as £1.5 million and is subject to review each April by the State. However from 6 April 2015 the LTA was reduced to £1.25m and is due to reduce to £1.0m from 6 April 2016.

Early Retirement on Health Grounds

If after completion of five years' Reckonable Service, you become so seriously ill or disabled that you are unable to continue working, you can retire and receive an immediate pension. There is no age restriction, but the Company and the Trustees will need medical evidence of your incapacity. If your incapacity is the result of an accident or injury sustained in connection with your employment, the five year qualifying period does not apply.

The benefit payable will be based on your Final Pensionable Salary at the date of your ill-health early retirement and on your Prospective Service.

If you retire early on health grounds you will receive a pension which is never less than your normal accrued pension at that date.

Your service is calculated as if you were retiring at Normal Retirement Age and your pension maybe more than your normal accrued pension.

If your Prospective Service is 40 or more years, the benefit payable will be half (50%) of your Final Pensionable Salary.

If you have less than 40 years' Prospective Service, then the benefit will be scaled down in proportion.

In either case, the benefit payable will **never be less than** the pension already earned at the date of your early retirement.

Payment of Your Pension

Your pension will be paid by monthly instalments in arrears and like your salary, will be taxed at source.

Once your pension comes into payment, any Guaranteed Minimum Pension (GMP) element will be increased in line with the price inflation each year, some of this increase being provided by

the State. Your pension in excess of the GMP will also be increased in line with prices up to a maximum of 5%.

Tax-free Cash Sum

When you retire, you will normally be able to give up part of your pension in exchange for a cash sum (free of tax under current legislation). This option applies on early and late retirement, as well as in cases of ill-health retirement.

Until 6 April 2006 you could take up to 2.25 times your annual pension in cash. On and from 6 April 2006, the rules were changed so as to permit you to take up to 25% of the value of your pension pot (your pension, any Old Money Purchase fund and any AVC).

SECURITY FOR YOU AND YOUR DEPENDANTS

Death in Service before Normal Retirement Age

- A lump sum of four times your pensionable Salary will be paid to your dependants, tax free.
- If you are married, your widow/widower will receive a spouse's pension of one-third (33.3%) of your Final Pensionable Salary. If your Prospective Service is less than 40 years, this benefit will be scaled down in proportion. In either case, the benefit payable will **never be less than 50%** of your potential pension (based on your Final Pensionable Salary at the date of death).
- If you are not married (including divorced) but have adult dependants a pension equal in value to the spouse's pension may be payable at the discretion of the Trustee. It is most important that you fill in a nomination form to advise the Trustee of your wishes (see page 17).
- If you have children under the age of 18, (or 22 if still in full-time education), each of up to four children will receive a pension equal to one-quarter (25%) of the spouse's pension. If you have more than four children, they will each receive a pension equal to the spouse's pension, divided between them, until four or fewer qualify. If no spouse's pension is payable, these pensions will be doubled. If you leave a child who is disabled and unable to support him or herself, the Trustee has the discretion to continue his or her pension indefinitely.

Death in Service on or after Normal Retirement Age

- A lump sum of four times your pensionable Salary will be paid to your dependants, tax free.
- If you are married, your widow/widower will receive a spouse's pension of one-third (33.3%) of your Final Pensionable Salary. If your Prospective Service (actual service to Normal Retirement Age plus contracted service beyond Normal Retirement Age) is less

than 40 years, this benefit will be scaled down in proportion. In either case, the benefit payable will **never be less than 50%** of your potential pension (based on your Final Pensionable Salary at the date of death).

- If you are not married (including divorced) but have adult dependants, such as a common law wife or husband, a pension equal in value to the spouse's pension may be payable at the discretion of the Trustee. It is most important that you fill in a nomination form to advise the Trustee of your wishes (see page 17).
- If you have children under the age of 18, (or 22 if still in full-time education), the same benefits as 'Death in Service before Normal Retirement Age' will apply.

Death while on Pension

- If you are married, your widow/widower will receive a spouse's pension of half (50%) the amount of your own pension, before any reduction made if you gave up pension in exchange for tax-free cash. If you have retired early due to ill-health your widow/widower will receive a spouse's pension of two-thirds (66.6%) of your pension. This is subject to a maximum of one-third (33.3%) of your Pensionable Salary at the time of your retirement taking into account any pension increases between date of retirement and death.
- If you are not married (including divorced) but have adult dependants, such as a common law wife or husband, a pension equal in value to the spouse's pension may be payable at the discretion of the Trustee. It is most important that you fill in a nomination form to advise the Trustee of your wishes (see page 17).
- If you have children under the age of 18, (or 22 if still in full-time education), the same benefits as 'Death in Service before Normal Retirement Age' will apply.
- Your pension is payable for your lifetime, but if you die within five years of the date you retired, there is a guarantee of the remainder of the first five years' pension, which would be paid to your dependants as a tax free lump sum.

Death after Leaving Service

If you die after leaving the Company's service with an entitlement to a deferred pension (see page 17) your surviving spouse will receive a pension of 50% of your deferred pension. If you are not married (including divorced) but have an adult dependant a pension equal to 50% of your deferred pension may be payable at the discretion of the Trustee.

If you do not leave a spouse or dependant, your contributions (plus interest at 3% a year compound) will be paid as a lump sum.

Dependant's Pension Increases

The pensions described in this section, payable to spouses, dependants and children, will increase during payment in the same way as your own pension, as described on page 14.

Payment of Death Benefits

If your spouse or dependant is more than 10 years younger than you the pension payable may be reduced.

In order to avoid any liability to Inheritance Tax and delays in payment, the Trustee has complete legal discretion over to whom the payment of the lump sum death benefits is paid.

Although the Trustee cannot be bound by your wishes, they will always try to take account of your preferences when deciding upon the beneficiaries. To help them do so, you should fill in a nomination form, (a copy of which can be obtained from the Scheme administrators, RPMI EPAL). This will indicate to whom you would like the money to be paid and should be sent to the Scheme administrators, RPMI EPAL, where it will be kept in complete confidence. If your personal circumstances change and you wish to alter your nominated beneficiaries you can do so by sending in a new form. Extra copies are available for the Scheme administrators, RPMI EPAL. Your old one will be destroyed.

LEAVING

If you leave the Company's service you will have several options depending on how long you have been a member of the Scheme.

Less than two years' Reckonable Service Refund of Contributions

It may be possible to have a refund of the contributions (less tax) that you have paid to the Scheme.

Two or more years' Reckonable Service Deferred Benefits

You will be entitled to a deferred pension from the Scheme, payable from your Normal Retirement Age. A deferred pension is calculated in the same way as a normal retirement pension, but is based upon your Final pensionable Salary and Reckonable Service at the date you leave. It is then increased between leaving and the start of payment.

Your deferred pension will then be revalued over the period to your Normal Pension Date:

- (i) your GMP will be revalued in line with the contracting-out requirements; and
- (ii) the balance over your GMP will be revalued by the rise in the cost of living over the period (as measured by the Consumer Prices Index or CPI), subject to a maximum of 5% per annum compound on service to 6 April 2009, and 2.5% for service after that date.

Once in payment a deferred pension is increased in the same way as a normal retirement pension (see page 14 'Payment of Your pension').

It is normally possible to exchange part of you deferred pension for a tax free cash sum at retirement, as with a normal retirement pension.

Transfer Values

If you are entitled to a deferred pension, then as an alternative, a transfer of pension rights may be made to a new employer's pension scheme or to a personal pension scheme of your own choice. If you want to investigate this option you will be provided with a statement of the guaranteed cash equivalent quoting the amount which would be payable, and giving instructions on how to go about exercising the option. Requests for guaranteed cash equivalents may only be made once every 12 months (unless the Trustee agrees otherwise) and if you wish to go ahead with the transfer you would be required to reply within 3 months of the date the quotation was given. Further details will be provided on request.

Members in active service are entitled to request an estimate of their cash equivalent once a year. This would be calculated assuming that Pensionable Service was going to cease at the date the calculation was carried out.

The transfer value is calculated in accordance with instructions provided by the Scheme Actuary and is the current cash value of your preserved benefits. The transfer value is calculated by discounting the expected future benefit payments at an assumed rate of interest advised by the Scheme Actuary. The calculations take into account the rate at which the deferred pension will increase both before and after the benefit becomes payable. It also takes account of the probability of each benefit payment being made, based on your and your dependants' expected life spans.

The Trustee has decided that on advice of the Scheme Actuary transfer values will not include the value of any additional benefits which are payable subject to the discretion of the Company and/or Trustee – such as pension increases in excess of the contractual rates.

Leaving the Scheme

If you decide to opt out of the Scheme while remaining in the Company's employment the options described above will still apply. You will not be able to re-join the Scheme at a later date.

Scheme Documentation

It should be remembered that this booklet is only intended to be a guide although every effort has been made to ensure it describes the benefits correctly. The benefits must be calculated and paid in accordance with the Clauses and Rules which take priority over this booklet. For more information regarding the Scheme the following documents may be helpful and will be available in due course:

- The Clauses & Rules of the Scheme;
- The Trustee's Annual report and Accounts;

- The Actuarial Valuation;
- The Trustee's Statement of Investment Principles;
- The Summary Funding Statement.

Assigning Benefits

You may not assign your benefits to anyone else or use them as security for a loan for example.

Where should I go if I have a dispute with the Scheme?

In the first instance any dispute should be addressed to the Scheme Secretary (details below) on an informal basis and every endeavour will be made to settle the matter.

Where should I go if I cannot settle the dispute informally?

As required by the Pensions Act 1995, the Scheme has an internal procedure for resolving any disputes which may arise.

The Trustee has established a Determinations Committee to deal with all complaints under a one stage process. The Determinations Committee has delegated powers to consider complaints and to respond on behalf of the Trustee.

A member or beneficiary who has a disagreement with the Trustee (for example, regarding a decision the Trustee has taken or the services provided by the Scheme's administrators) should write to the Secretary at the address shown below giving full details of their complaint.

The application should be signed and contain certain particulars of the dispute, including the member's (or applicant's) full name and address. The member's national insurance number should also be included in the application, and where the applicant is not the Scheme member, details of his or her relationship to the Scheme member should also be included.

The Secretary will investigate the complaint and prepare papers for consideration by the Determinations Committee of the Trustee. The Determinations Committee meets regularly and an agenda and papers will be circulated at least five working days before the date of the meeting. The Secretary will write to the complainant advising when their case will be reviewed. The Determinations Committee will consider the complaint and send a written reply within three calendar months of receipt. If it is not possible to reply within the three month period the member or beneficiary will be notified of the expected date by which a written reply will be sent.

If the complainant is not satisfied with the response from the Trustee given by the Determinations Committee then the member or beneficiary can submit the case to tPAS (the Pensions Advisory Service) for consideration. tPAS is an independent organisation which exists to help members and beneficiaries of registered pension schemes and trustees resolve problems.

If tPAS is unable to find a satisfactory solution the case can be referred to the Pensions Ombudsman. Complaints usually have to have been considered by tPAS before they will be

heard by the Pensions Ombudsman. The Pensions Ombudsman decision is generally final and binding.

Contact/address details for the Secretary to the Scheme:

Uniper UK Limited, Westwood Way, Westwood Business Park, Coventry, CV4 8LG

STATE PENSIONS

Will I receive a pension from the State?

Yes - the State pension is currently provided by a combination of the Basic State Pension and the State Second Pension (S2P), formally known as the State Earnings Related Pension Scheme (SERPS). These will be replaced by the new single-tier State Pension, which will apply to those reaching State Pension Age from 6 April 2016.

The current Basic state pension until April 2016

All employees who have paid full rate National Insurance contributions for a certain period of time will be eligible for a basic state pension. The Department for Work and Pensions (DWP) produce a number of leaflets on state pension entitlement and National Insurance qualifications which can be obtained from your local DWP office or from the DWP's website. State Pension Age (SPA) is currently 65 for men. For women it is being gradually increased from 60 to 65 over the period from April 2010 to November 2018. Having equalised, it is then to gradually increase to age 66 by October 2020, and to 67 between 2026 and 2028. SPA varies by month of birth and the Pensions Act 2014 introduces a regular review of it going forward, with the timetable for review being at least every six years.

State earnings related pension scheme and state second pension until April 2016

In April 1978 the Government introduced an additional earnings related pension scheme, the State Earnings Related Pension Scheme (SERPS) designed to provide additional pension related to earnings within certain limits. SERPS has been changed several times since 1978. SERPS was superseded by the State Second Pension (S2P) from 6 April 2002.

From April 1997, the E.ON UK Group contracted out of SERPS (and then S2P) on a salary related basis. This means that the Scheme must provide a minimum level of benefits set out in the reference scheme test by the DWP. By contracting out both the members and the Company pay less in National Insurance contributions. Before April 1997 occupational pension schemes that were contracted out on a salary related basis had to provide a Guaranteed Minimum Pension (GMP) which was broadly equivalent to the additional pension that would have been earned in SERPS.

When a member leaves the Scheme, any GMP has to be preserved either in the Scheme, or transferred to another registered pension arrangement or by payment to the DWP.

The Uniper Group will also apply to contract out in the same way as the E.ON UK Group until contracting out ends for all pension schemes in April 2016 on the introduction of the new single-tier State Pension.

The new State Pension from 2016

The Pensions Act 2014 sets out the provisions for the new single-tier State Pension to apply to those who reach State Pension Age on or after 6 April 2016. The full rate of State Pension (which will be set in the autumn of 2015) will be payable to individuals with 35 or more 'qualifying years'. It should be noted that transitional arrangements will apply for those with qualifying years before 6 April 2016 and you should contact the DWP directly requesting a forecast to understand how this applies to you.

OUTSIDE BODIES

There are organisations outside the Scheme which have been set up to help members, which you should be aware of. They are:-

❖ The Pensions Advisory Service (tPAS)

tPAS is available to assist members and beneficiaries in connection with any pension query they may have, or with any difficulty they have failed to resolve with the Scheme Trustees or administrators. tPAS can be contacted at:

11 Belgrave Road
London
SW1V 1RB

Tel. 0845 601 2923
Web: www.pensionsadvisoryservice.org.uk
Email: enquiries@pensionsadvisoryservice.org.uk

❖ Pensions Ombudsman

The Ombudsman has the power to investigate any complaints and settle disputes between Trustees and managers or employees and the complainant. He will usually only become involved if tPAS has been unsuccessful in sorting out the problem. Complaints must normally be referred to the Ombudsman within three years of the act or omission occurring. The Ombudsman cannot investigate a dispute once formal legal procedures have been started. The Ombudsman may be contacted at the same address as tPAS (see above).

❖ Pension Tracing Service

Information about the Scheme (including the address at which the Trustees may be contacted) has been given to:

Pension Tracing Service
The Pension service
Tyneview Park
Whitley Road,
Newcastle Upon Tyne
NE98 1BA

Tel. 0845 600 2537
Web: www.thepensionservice.gov.uk

The Tracing Service acts as a central tracing agency to help individuals keep track of the benefits they have in previous employers' schemes.

❖ The Pensions Regulator

The Pensions Regulator is the regulator of work based pensions in the UK. The Pension Regulator works with pension scheme trustees and scheme managers, and with your employer, to help protect your pension. The Pension Regulator may be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Tel: 0870 6063636
Web: www.thepensionsregulator.gov.uk

❖ Data Protection

Your details are held on computer for use by the Trustees of the Scheme. This information and its use have been registered under the Data Protection Act 1998 which gives you certain rights to ensure that the information is accurate and that proper security is maintained.