

The Defined Benefit (DB) section of the scheme closed on 31 March 2004. All active members joined the Defined Contribution (DC Plus) Section of the Fund on 1 April 2004.

**This factsheet is for illustrative purposes only and confers no right to benefit.**

**The Trustee has taken care to ensure that this fact sheet is accurate. However, the Trustee can only pay benefits in accordance with the Rules of the Fund and the law. In the event of any error, the Rules and the law will always override this fact sheet.**

**The Rules applicable to you, and the benefits to which you are entitled, depend on the date on which you left "Service" in the Fund. If you left Service before 31 March 2004, not all of the benefits set out in this factsheet will apply to you.**

### 1. Flexible benefits

The DC Plus Section of the Fund does not provide flexible benefits or income drawdown. If a member wishes to access pensions flexibilities, they will need to transfer out of the Fund to a provider who offers this facility.

### 2. Member contributions

The CSFB section of the Credit Suisse Group (UK) Pension Fund is non-contributory and therefore no contributions are recorded.

### 3. Normal retirement

Normal retirement age (NRA) is 60.

Normal retirement date (NRD) is the member's 60<sup>th</sup> birthday.

### 4. Transfer of benefits

Members may transfer their CSFB Section benefits to another registered pension arrangement at any time before they become payable. However, if the application to transfer is made within one year of the member reaching normal retirement age, the transfer can only go ahead with the approval of the Fund Trustee.

The transfer quotation from the Fund is guaranteed for three months from the "guarantee date". If acceptance is received after that time a new quotation will be required and a charge will need to be paid for this new quotation. This will be clearly set out on any paperwork relating to a transfer value.

Members are only entitled to receive one free of charge transfer value quote within a 12 month period. Should an additional calculation be required a fee of £300 (inc VAT) is payable.

If members also have a DC fund or have been paying Additional Voluntary Contributions (AVCs) to the Fund, these can be added to the CSFB DB transfer value and included in the amount transferred or they can remain in the Fund. Equally, the DC fund and/or AVCs can be transferred out without transferring the DB benefits.

Active DC Plus members must opt out of the Fund in order to take a statutory transfer of DC benefits, otherwise transfer out may be possible with Trustee consent.

### 5. Transferring fund details

PSTR Number	00016198RT
ECON	E3800773B
SCON	S0319881M

### 6. Fund registration

The Fund is registered with HM Revenue and Customs (HMRC) for the purposes of Chapter 2 Part 4 of the Finance Act 2004.

### 7. Contracted-out status

The Fund was contracted out of the State Second Pension (S2P) until 1 April 2004. However, if a member left the Fund prior to this date, their date of contracting out would have ceased at their date of leaving.

## 8. Deferred pension for CSFB section

The preserved pension at date of leaving is calculated as follows:

- Prospective Pension x Pensionable Service up to 01/04/2004 / Prospective Pensionable Service to Normal Retirement Date (NRD)

where, Prospective Pension is calculated as for Normal Retirement Pension (see below) using Prospective Pensionable Service to NRD and Final Pensionable Salary at the date of actually leaving Service.

- Normal Retirement Pension: the greater of:

(a)  $1/60^{\text{th}}$  x Final Pensionable Salary x Aggregate Pensionable Service (being actual Pensionable Service plus any additional Pensionable Service where the member was in Pensionable Service pre-31/07/1986) (max 40 years); and

(b) a pension equal to:

- If the member had completed 25 years' Aggregate Pensionable Service at NRD: 60% of Final Pensionable Salary; or
- If the member had completed less than 25 years' Aggregate Pensionable Service at NRD, take the percentage of Final Pensionable Salary from the table to the right.

*Note: for members of the legacy CSFB Section, Final Pensionable Salary is at the date of actually leaving Service, taking a transfer of benefits, NRD or death (whichever occurs first). Some members elected for inflation-proofing of their Final Pensionable Salary instead, in which case different calculations apply. The Earnings Cap applies to certain members. For legacy CSFB Section members, Pensionable Service will only be accrued in the DB Sections up to 31 March 2004 (or, if earlier, the date of leaving Service).*

CSFB pension scale	
Years of Aggregate Pensionable Service	Percentage of FPS
1	1.67
2	3.33
3	5.00
4	6.67
5	8.33
6	10.00
7	11.67
8	13.33
9	15.00
10	17.00
11	19.00
12	21.00
13	23.00
14	25.00
15	27.00
16	29.00
17	32.00
18	35.00
19	38.00
20	41.00
21	44.00
22	48.00
23	52.00
24	56.00
25 or over	60.00

Where Aggregate Pensionable Service is not an exact number of years calculate by interpolation at actual age (using complete months)

## 9. Increases in deferment

The revaluations that apply in deferment for the CSFB section of the Fund are as follows:

Section	CSFB
<b>Pre 88 GMP</b>	Fixed rate dependent on date of leaving
<b>Post 88 GMP</b>	Fixed rate dependent on date of leaving
<b>Pre 97 excess</b>	Statutory increases (where the date of leaving is before 1 January 1986, statutory revaluation rates do not apply to non-GMP elements).
<b>Post 97</b>	Statutory increases

**GMPs** are subject to Fixed Rate Revaluation for each complete tax year from date of leaving to GMP Age (60 for females, 65 for males) as shown below:

Date of leaving:

- prior to 06/04/1988 **8.5% p.a.**
- after 05/04/1988 but prior to 06/04/1993 **7.5% p.a.**
- after 05/04/1993 but prior to 06/04/1997 **7.0% p.a.**
- after 05/04/1997 but prior to 06/04/2002 **6.25% p.a.**
- after 05/04/2002 **4.5% p.a.**

## 10. Increases in payment

The increases that apply in payment for the CSFB section of the Fund are as follows:

Section	CSFB
<b>Pre 88 GMP</b>	No increases
<b>Post 88 GMP</b>	Statutory (CPI max 3%)
<b>Pre 97 excess</b>	No guaranteed increases – discretionary
<b>Post 97</b>	Leavers between 6 April 1997 and 31 December 1999: CPI max 5% Leavers Post 1/1/2000: RPI max 5%

Increases in payment are applied on 1 April each year.

## 11. Definition of a spouse

A person the member is legally married to or a registered Civil Partner at the date of death. The Trustee may use their discretion to award a spouse's pension to an unmarried partner [or a dependant]. Proof of financial dependency would be required, and other conditions apply.

## 12. Death benefits

Members are encouraged to keep details of their nominated beneficiaries up-to-date by completing a Nomination Form. A nomination form can be obtained by contacting the DB Administration team on 0800 368 6870.

The recipient(s) of any lump sum are determined at the discretion of the Trustee, and in making their decision the Trustee will take account of any nomination form completed by the member.

### i. Active members (death before pension commences)

An active member of the Fund is a member who is actively contributing to the DC Plus Section of the Fund. They will have active member benefits under DC Plus as well as deferred benefits in the CSFB Section.

**Lump sum benefit:** A lump sum benefit would be payable as follows:

- a. CSFB Section benefit: if the member dies on or after NRD, a lump sum equal to the maximum PCLS the member could have taken if they had retired immediately before death, plus a lump sum equal to the remainder of the 5-year guarantee (disregarding increases); and
- b. DC Plus Section benefit: 4 times the member's pensionable salary (plus AVCs), **less** any amount provided under the CSFB Section as described above.

**Spouse's pension:** A spouse's pension would be payable as follows;

- a. CSFB Section benefit: if the member dies before NRD, a pension of  $1/160^{\text{th}}$  of Final Pensionable Salary for each complete year of Pensionable Service pre-6 April 1997 (or, if greater, the GMP) and  $1/160^{\text{th}}$  of the member's Final Pensionable Salary for each complete year of Pensionable Service post-6 April 1997, but no less than the reference scheme test benefit.
- b. DC Plus Section benefit: Spouse's pension from DB benefits is increased to the equivalent of  $1/3^{\text{rd}}$  of the member's pensionable salary unless the DB pension is higher.

### Children's pension

A child's pension would be payable as follows:

- a. CSFB Section benefit; None.
- b. DC Plus Section benefit: Children's pension is equal to  $1/6^{\text{th}}$  final pensionable salary as at date of death up to maximum of  $1/3^{\text{rd}}$  of the member's pensionable salary as at date of death

### ii. Deferred members (death before pension commences)

A deferred member of the Fund is a member who is no longer contributing to the Fund.

**Lump sum benefit:** If the member dies on or after NRD, a death benefit would be payable equal to the maximum PCLS the member could have taken if they had retired immediately before death, plus a lump sum equal to the remainder of the 5-year guarantee (disregarding increases).

**Spouse's pension:** If the member dies before NRD, a pension of  $1/160^{\text{th}}$  of Final Pensionable Salary for each complete year of Pensionable Service pre-6 April 1997 (or, if greater, the GMP) and  $1/160^{\text{th}}$  of the member's Final Pensionable Salary for each complete year of Pensionable Service post-6 April 1997, but no less than the reference scheme test benefit.

**Children's pension:** None

### iii. Pensioner members (death after pension commences)

**Lump sum benefit:** A 5 year guarantee applies. Any balance of the 5 year guarantee (disregarding future increases) is paid as a lump sum unless the member was over age 75 at date of death (or would have been over age 75 at the date of payment) in which case the benefit will be paid as a trailing stream of payments.

**Spouse's pension:** Should a member die once payment of pension has commenced his/her spouse would receive a pension of 50% of the member's pension at date of death, before allowance for commutation or surrender for a dependant's pension.

**Children's pension:** none

Benefits may also be paid from the DC Plus Section.

### iv. Dependant's pensions

There is an option for a member to surrender pension for a dependant's pension on retirement, subject to Trustee consent.

### 13. Early retirement

Under current legislation pension benefits can be taken from age 55. Some members with a protected pension age can take benefits from age 50. Benefits taken before normal retirement age will be reduced to reflect that they will be in payment for longer.

Under early retirement, the member's excess pension is revalued to the assumed date of early retirement as described above. An assumed future revaluation rate of 3% for each year from the date of early retirement to the member's normal retirement age is applied. GMP is revalued by a fixed rate to Normal Retirement Age An Early Retirement Factor (ERF) is then applied. Early retirement factors are interpolated for years and months early.

**Fund factors are reviewed periodically by the Trustee, so please ensure you are using an up-to-date version of this fact sheet.**

The ERFs for a normal retirement age of 60 are as follows:

Age	ERF
55	0.77
56	0.81
57	0.85
58	0.90
59	0.94
60	1.00

#### **EXAMPLE: Early retirement at 55 from deferred, Normal retirement age of 60 (5 years early)**

Date of leaving:	<b>1 July 2012</b>
Assumed date of early retirement:	<b>1 July 2022</b>
Normal retirement date (age 60):	<b>1 July 2027</b>
Pension at date of leaving:	<b>£3,000.00 (all post 97)</b>
Statutory revaluation factor for 10 years:	<b>1.191</b>
ERF 5 years early:	<b>0.77</b>

Revalued for 10 years to date of early retirement: **£3,000.00 x 1.191 = £3,573.00 p.a.**

Projected for 5 years to normal retirement date: **£3,573.00 x 1.03<sup>5</sup> = £4,142.09 p.a.**

Reduced for payment 5 years early: **£4,142.09 x 0.77 = £3,189.41 p.a.**

### 14. Normal retirement

Benefits at date of leaving are revalued as described above for each complete year from the date of leaving to the date of calculation.

#### **EXAMPLE: Normal retirement age of 60 from deferred**

Date of leaving:	<b>1 July 2012</b>
Date of calculation:	<b>1 July 2022</b>
Normal retirement date (age 60):	<b>1 July 2027</b>
Pension at date of leaving:	<b>£3,000.00 (all post 97)</b>
Statutory revaluation factor for 10 years:	<b>1.191</b>

Revalued for 10 years to date of calculation: **£3,000.00 x 1.191 = £3,573.00 p.a.**

## 15. Late retirement

The member can defer taking their pension beyond their NRD. The benefits will be calculated to NRD and uplifted by a Late Retirement Factor (LRF) for complete years late (interpolate between factors for months).

**Fund factors are reviewed periodically by the Trustee, so please ensure you are using an up-to-date version of this fact sheet.**

The LRFs for a NRA of 60 are as follows:

Age	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
LRF	1.06	1.13	1.20	1.28	1.36	1.45	1.54	1.66	1.78	1.93	2.09	2.26	2.46	2.68	2.93

### EXAMPLE: Late retirement at 63, Normal retirement age of 60 (3 years late)

Date of leaving:	1 July 2012
Normal retirement date (age 60):	1 July 2022
Pension at date of leaving:	£3,000.00 (all post 97)
Statutory revaluation factor for 10 years:	1.191
LRF 3 years late:	1.20
Revalued for 10 years to normal retirement date:	£3,000.00 x 1.191 = £3,573.00 p.a.
Increased for payment 3 years late:	£3,573.00 x 1.20 = £4,287.60 p.a.

## 16. Ill health retirement

If the member's life expectancy is less than 12 months then a serious ill-health lump sum may be paid. A letter from the member together with medical reports would need to be provided.

The member may be able to take their pension early subject to satisfying the incapacity conditions under the Rules of the Fund. Benefits payable on ill health are determined on a case-by-case basis by the Actuary in accordance with the Rules of the Fund and therefore cannot be summarised in this fact sheet.

## 17. GMP at GMP Age

The Pre and Post 88 GMPs will be revalued to GMP Age using the appropriate fixed rate percentage.

For members retiring prior to GMP Age the non-revalued Pre and Post 88 GMP elements will be included in the Pre 1997 excess pension and excess pension increases in payment will be applied prior to GMP Age. Upon reaching GMP Age, the GMP elements are separated out and the Pre 1997 excess element is reduced by the total of the Pre and Post 88 GMP elements. GMP and excess increases in payment then apply.

An anti-franking check is carried out at GMP Age for all male members that retired between ages 60 and 65.

## 18. Statutory minimum underpin

A guarantee applies to the CSFB benefits of members who were active at 31 March 2004. The guarantee ensures that the benefits payable are no less than the member would have received had they left service on 31 March 2004.

The underpin check is carried out when the date of leaving is within a year of the date the estimate is produced, and the member will receive the higher benefit.

## 19. Commutation factors

Commutation means giving up part of the pension payable from retirement in exchange for a cash lump sum (Pension Commencement Lump Sum – see below). Members have the option to take a cash sum but can choose not to. The commutation factor is the amount of cash lump sum a member will receive for each £1 p.a. of pension that is given up.

Commutation factors are subject to actuarial change on a monthly basis so cannot be provided in this fact sheet.

Where members have multiple benefit types within the Fund these will be used to provide a cash lump sum (if selected by the member) in the following order:

1. **AVC Funds (direct)**
2. **Defined contribution funds (direct)**
3. **Defined benefit pension (commuted)**

## 20. Glossary terms

### Pension Commencement Lump Sum (PCLS)

Members can take part of their benefit as a tax free cash sum at retirement, called a PCLS. The amount which can be taken as cash is subject to a limit set by HMRC, usually 25% of the value of the benefits taken from the Fund.

However, the PCLS is subject to any individual transitional protection, meaning that the pre A-Day (5 April 2006) HMRC limit may continue to apply if it is more beneficial to the member (“protected tax-free cash”). Where a member does benefit from this protection, a PCLS in excess of 25% of the value of the benefits taken from the Fund may potentially be taken as a tax free cash lump sum. PCLS at A-Day will be calculated upon request to check if the member is entitled to the higher tax free lump sum. In order to calculate this, the member’s gross earnings prior to 2006 will be requested.

### The Lifetime Allowance (LTA)

The Government sets a LTA for each tax year. If the total value of your pension from all arrangements is more than this limit a “Lifetime Allowance charge” may apply. Some members may also have certain protections from the LTA charge (e.g. “fixed protection”, “individual protection”, “enhanced protection” or “primary protection”).

The LTA amount is subject to change each year in accordance with HMRC legislation.

### The Annual Allowance (AA)

The Government sets an AA for each tax year. The AA is the maximum amount of tax-relievable pension savings a person can make into the pension schemes of which they are a member in any given year.

If members flexibly access any DC or AVC benefits that they hold within any pension arrangement (e.g. where they take a taxable withdrawal), a reduced annual allowance will apply to any future DC contributions they make. This is known as the Money Purchase Annual Allowance (MPAA).

### Pension Input Period (PIP)

A PIP is the period over which the pension input amount under an arrangement is measured so that a check can be made to see if the Annual Allowance for the related tax year has been exceeded.

The current pension input period for the Fund is 6 April to 5 April of the following year.