



University
of Glasgow

Pension Scheme Explanatory guide

March 2008

How to use this guide

Welcome to the University of Glasgow Pension Scheme. The Scheme offers you a wide range of benefits, helping you to enjoy financial security in your retirement and protection for your family's financial security in the event of your ill-health or death.

The main features of the Scheme are summarised in this guide. The Scheme is governed by a formal Trust Deed and Rules, and where there is any difference between the provisions of the Scheme as laid out in this guide and those set out in the formal Trust Deed and Rules, the latter will apply. If you would like to see these documents or would like further information about the Scheme or your benefits, you should contact the Pay & Pensions Section of the Finance Office.

The Scheme is a registered scheme for HM Revenue & Customs purposes and enjoys various tax advantages.

This guide explains the benefits which apply to you at present although please note that these benefits may be subject to change in the future. If you joined the Scheme before 6 April 1997, then you should also refer to the appendix at the back of the guide.

To help you to understand your benefits, the guide uses some technical terms. The definitions of these terms are shown at the back of this guide. You may find it useful to refer to these definitions whilst you are reading.

This guide is based on current understanding of tax and pension scheme law and is subject to change at any time in the future.

Please keep this guide in a safe place for your future reference.

January 2008

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Outline of the scheme

Scheme structure

You belong to what is termed a 'final salary' (or defined benefits) contracted-out occupational pension scheme. The main feature of a scheme of this nature is that you are able to determine the level of your benefits at retirement by taking into account the length of your service in the scheme and the level of your pensionable salary.

The scheme operates on a 'balance of cost principle'. This means that your contributions remain constant at the rate of 6% of your pensionable pay (less tax relief) whilst your employer is required to pay the balance of contributions necessary in order to fully meet the costs of running the scheme and paying pension benefits.

Your benefits

The Scheme provides you with a number of valuable benefits:

- A pension for you when you retire
- A cash lump sum when you retire, which is currently free of tax
- A pension payable to your spouse, civil partner or dependent partner in the event of your death before or after retirement
- Children's pensions on your death before or after retirement
- A pension for you in certain circumstances should you suffer incapacity
- Increases to all pensions when in payment
- A lump sum if you should die in service before normal retiring date
- A transfer value on leaving service

How the scheme is run

The scheme is a registered scheme for HM Revenue & Customs purposes. Money for the scheme is paid into a trust fund by both members and the university. This fund is kept quite separate from the assets of the university and is invested by professional investment managers.

Financing the scheme

At least once every three years, the scheme's actuary carries out a valuation or "financial healthcheck" to ensure that the current assets of the scheme are sufficient to pay all the benefits that have been promised to members and to ensure that ongoing contribution levels are adequate. You are required to pay contributions to the scheme although the bulk of the cost of the benefits is met by the university.

Your trustees

The trustees of the scheme are responsible for the administration and investment of the money in the fund. It is the trustees' duty to ensure that your interests under the scheme are protected. Details of the trustees and their advisers are published annually in the trustees' annual report, and a copy of the report is available on request from the Pay & Pensions Section of the Finance Office or can be viewed or downloaded from www.gla.ac.uk/services/finance/staff/pay/pensionscheme.htm.

The trustees are elected under arrangements that satisfy the requirements to have at least one third of the trustees nominated by the members of the scheme.

You and the state

In addition to the benefits from the scheme, you will receive the state basic pension at state pension age.

You may obtain a forecast from the Department for Work and Pensions (DWP) of how much pension you are likely to receive from the state. This can be done at any time by completing Form BR19, available from your local social security or pension service office or online at www.thepensionsservice.gov.uk and returning it to the DWP.

Joining and leaving the scheme

Membership

Membership is open to all employees aged between 18 and 65.

Scheme membership is voluntary. However, should you not wish to join you must advise the Pay & Pensions Section of the Finance Office by completing a non-acceptance form immediately. If you leave or opt out of the scheme, you will not be covered for death in service benefits and you will not accrue any further scheme benefits.

You will be asked for your birth certificate and your marriage or civil partnership certificate together with your spouse's/civil partner's birth certificate (original certificates required).

You will be given a death benefits nomination form to complete which indicates to the trustees who you wish to receive the lump sum payable in the event of your death in service. You will also be given a potential dependant nomination form to help the trustees establish if a dependant's pension can be paid.

If you choose not to join the scheme or to opt out at a later date, you may be allowed to rejoin the scheme if the trustees and the university agree. Your benefits will, of course, only accrue from the day you enter or re-enter the Scheme.

Leaving

On leaving the scheme, you will not lose the benefits which you have earned.

Leaving the scheme with two or more years of pensionable service

If you leave before normal retiring date with two or more years of pensionable service, you can have your benefits preserved in the scheme (see the deferred benefits section).

or

You can ask to have a transfer value paid to another suitable pension arrangement (see the transfer of benefits section).

Leaving the scheme with more than three months but less than two years of pensionable service

If you leave with between three months and two years of pensionable service, you may receive a refund of your contributions to the scheme, subject to a deduction of tax (currently at the rate of 20% on the first £10,800 and 40% on any excess).

Should you opt for a refund of contributions, you will also be reinstated into the state second pension. This means that instead of receiving your benefits from the scheme, a benefit will be secured for you under the state second pension by a payment from the scheme to the state. A share of the cost of reinstating you in the state second pension will be deducted from your refund.

Alternatively, you can ask to have a transfer value paid to another suitable arrangement (see the transfer of benefits section below). You will have three months in which to decide whether or not you wish to accept the transfer value. Otherwise this option will lapse and you will be given a refund of your contributions subject to a deduction of tax, as described above.

Leaving the scheme with less than three months of pensionable service

If you leave with less than three months of pensionable service, you will receive a refund of your contributions to the scheme, subject to a deduction of tax and a further deduction to cover the cost of reinstating you into the state second pension, as described above.

Deferred benefits

This is made up of two parts: the deferred pension and the deferred cash sum.

The deferred pension is equal to 1/60th of final pensionable salary for each year of pensionable service accrued before 1 August 2005 plus 1/80th of final pensionable salary for each year of pensionable service accrued from 1 August 2005.

The deferred cash sum is equal to 3/80ths of final pensionable salary for each year of pensionable service accrued from 1 August 2005.

The deferred benefits are increased up to retirement at 5% per annum (or the increase in the Retail Prices Index, if lower) subject to statutory obligations.

The deferred pension also incorporates a pension payable to your spouse/civil partner/dependent partner.

The deferred benefits will normally come into payment at your normal retiring date. However, you may take early payment of your deferred benefits at any time after age 50 with the consent of the trustees and the university. This will change from 6 April 2010 when the minimum early retirement age will rise to 55.

Your deferred benefits will be reduced if you retire early because they are being paid earlier than expected. However, you can currently take your benefits from age 60 without reduction.

Once the deferred pension comes into payment, it will be increased each year as described on page 11 of this guide.

Transfer of benefits

On leaving employment you may request to transfer the value of the benefits which you have already earned to your new employer's scheme, a personal pension arrangement or stakeholder pension scheme or other suitable insurance policy.

The trustees will give you a written statement of your transfer value entitlement within three months of your request. This will show your cash equivalent transfer value, which is guaranteed for a further three months from the date on which it has been calculated (the "guarantee date"). The statement will be given to you normally within ten days of the guarantee date.

If you want to transfer the cash equivalent value of your benefits to another scheme or insurance policy, you must apply in writing to the Trustees within three months from the guarantee date shown on the statement of entitlement.

The trustees are not obliged to provide another statement within 12 months of the date of the last request.

Calculation of the cash equivalent value

The cash equivalent value (or transfer value) is the amount which would be sufficient at the date of the calculation to provide your deferred benefits from your normal retiring date, allowing for statutory increases to be applied between the date you leave pensionable service and your normal retiring date.

Further details will be provided if you request a cash equivalent value.

Contributions

...by you

Your contributions are 6% of Pensionable Salary. You automatically receive full tax relief on your contributions.

Both you and the university also pay reduced national insurance contributions because you are contracted-out of the state second pension through membership of the scheme.

If the contribution rate changes, you will be notified by the Trustees of the Scheme.

...by the University

The university pays the balance of the cost of the benefits. The contributions paid by the university are variable and depend on the results of the scheme actuary's valuation of the scheme. Generally speaking, the university's contributions are significantly more than the contributions paid by members.

Transfers into the scheme

When you join the scheme, you may be able to have the value of any pension you have earned in previous employment transferred into the scheme to provide additional benefits.

Acceptance of transfers into the scheme is at the discretion of the trustees. A transfer will provide an additional benefit in the scheme. The scheme participates in the public sector transfer club. This means that transfers between schemes in the transfer club are calculated so that the benefits you receive in the scheme you are joining are broadly equal in value to the benefits you have given up in the scheme you are leaving, after taking into account differences in the benefit structures.

If you are thinking about a transfer, please contact the Pay & Pensions Section of the Finance Office. You should let the Pay & Pensions Section know about any benefits you are entitled to from previous pension arrangements, even if you do not wish to transfer them.

Additional voluntary contributions

The Scheme provides the facility to make additional voluntary contributions (AVCs).

You are allowed to contribute as much as you like towards pension provision to as many pension arrangements as you like. However, if your contributions are more than 100% of your taxable pay, the excess will not benefit from tax relief. There would also be a tax charge if the total contributions paid by you in any year, together with the value of any other benefits earned in that year, result in the value of benefits earned being in excess of the Annual Allowance (set at £225,000 for tax year 2007/08) (see page 16 for more details).

You are allowed to take your whole AVC fund as a tax-free cash sum at retirement provided that your total AVC fund is less than the maximum tax-free cash sum that can be provided from the Scheme. Alternatively you may take your AVC fund as a pension or as a combination of pension and tax-free cash. The options available to you will be set out for you shortly before you retire.

If you wish to make additional provision for retirement, you may also contribute to a stakeholder pension plan or a personal pension plan as well as or as an alternative to making AVCs.

Before making any additional pension contributions, whether to an AVC arrangement, stakeholder pension plan or personal pension plan, you should seek advice from an independent financial adviser. The adviser will determine your eligibility to make additional pension contributions and advise on the most appropriate pension arrangement for your personal circumstances.

Further details of the AVC arrangements and your investment options are available from the Pay & Pensions Section of the Finance Office.

Your retirement benefits

Calculate your retirement benefits

You will be entitled to annual pension from the Scheme when you retire. For pensionable service after 1 August 2005, you will also be entitled to a cash sum when you retire, which is currently tax-free.

This section is designed to help you calculate your retirement benefits from the scheme.

Here is an example for you to follow in making your calculation:

| | Example | Your details |
|--|------------------|--------------|
| Date of birth | 10/08/1958 | |
| Date of joining the scheme | 01/08/1997 | |
| Normal retiring date | 10/08/2023 | |
| Pensionable service completed before 1 August 2005 | 8 years | |
| Potential pensionable service from 1 August 2005 | 18 years 10 days | |
| Current pensionable salary | £18,000 | |

Your pension at normal retiring date based on current pensionable salary is worked out as follows:

$1/60 \times \text{pensionable salary} \times \text{pensionable service completed before 1 August 2005}$

plus

$1/80 \times \text{pensionable salary} \times \text{potential pensionable service from 1 August 2005}$

| | | |
|-----------------|--|------------------|
| Example: | $1/60 \times \text{£}18,000 \times 8$ | = £ 2,400 |
| | <i>Plus</i> | |
| | $1/80 \times \text{£}18,000 \times 18^{10}_{/365}$ | = £ 4,056 |
| | Total pension | = £ 6,456 |
| You: | $1/60 \times$ | = £ |
| | <i>Plus</i> | |
| | $1/80 \times$ | = £ |
| | Total pension | = £ |

Your cash sum at normal retiring date based on current pensionable salary is worked out as follows:

3/80 x pensionable salary x potential pensionable service from 1 August 2005

| | | |
|-----------------|--|------------|
| Example: | $3/80 \times \text{£}18,000 \times 18^{10}_{/365}$ | = £ 12,168 |
| You: | $3/80 \times \text{£}$ | = £ |

Your actual pension and cash sum on leaving the scheme will be based on your final pensionable salary (see definitions at the back of this guide).

If you are a part-time employee the example alters slightly and you should ask for further information.

This calculation does not take account of any additional State pension entitlements or any other entitlements you may have such as transferred-in pensions or AVCs.

You may also exchange part of your pension for an additional cash sum such that your total cash sum is not greater than the maximum allowed by HM Revenue & Customs.

If you decide to take an additional cash sum, your pension will be reduced to reflect the value of the cash sum paid. The amount of the reduction will depend on your age when you retire. If you were in service prior to 6 April 1997, it may be necessary in some cases to restrict the lump sum available in order to ensure that the remaining pension is not less than the guaranteed minimum pension.

The combined maximum tax-free cash sum that you can take from all your pension schemes will be subject to a limit of 25% of the Lifetime Allowance (see page 15).

Your tax-free cash sum is a one-off payment when you retire.

Pension increases

All pensions in payment increase in line with the Retail Price Index (RPI) up to a maximum of 10% per annum on the excess over your Guaranteed Minimum Pension.

The Guaranteed Minimum Pension accrued prior to 6 April 1988 is increased in line with the Retail Prices Index by the State.

The Guaranteed Minimum Pension accrued after 6 April 1988 is increased by the Scheme in line with the Retail Prices Index, up to a maximum of 3% per annum, with the State paying any excess up to the full Retail Prices Index.

These increases also apply to the relevant portions of any pension payable to your spouse/civil partner/dependent partner.

Your retirement options

Pension increases

When you retire at your normal retiring date you are entitled to receive a pension from the scheme and a cash lump sum. In addition you may be able to exchange part of your pension to increase your cash sum.

The scheme has other retirement options that are described below.

Early retirement

You may take early retirement and elect to receive a pension with the consent of the university at any time after age 50 with your pension calculated as for normal retirement but with pensionable service taken up to the date of actual retirement. This will change from 6 April 2010 when the minimum early retirement age will rise to 55.

Your benefits will be reduced because they are being paid earlier than expected. However, you can currently take your benefits from age 60 without reduction.

Late retirement

In some circumstances you may be able to defer taking your benefits until after normal retiring date. Payment of your pension may be postponed until the date of your actual retirement when an increased pension will be payable. The latest date at which your benefits can come into payment is your 75th birthday.

Incapacity retirement

If you leave employment due to incapacity, as determined by the university, you may apply for an immediate retirement pension if you have provided satisfactory evidence to the trustees.

An incapacity pension is calculated like your normal pension is calculated but your pensionable service may be enhanced (subject to a maximum of the pensionable service you could have completed by normal retiring date). Unlike early retirement, incapacity retirement benefits are not reduced because they are being paid earlier than expected.

The table below describes how the enhancement is calculated:

| Completed pensionable service | Incapacity pensionable service |
|-------------------------------|---|
| up to 5 years | actual pensionable service |
| between 5 and 10 years | twice pensionable service |
| 10 years and over | actual pensionable service, plus 6 ^{2/3} years, with a minimum of 20 years |

The trustees retain the power, prior to normal retiring date, to reduce, suspend or terminate an incapacity pension in respect of a pensioner who partially or fully regains his earning ability.

Benefits for your family and beneficiaries

Death in service

Lump sum

If you die whilst a contributing member of the scheme your beneficiaries will receive:

A lump sum of four x pensionable salary

plus

A refund of your contributions (plus any AVC fund)

To assist the trustees in deciding to whom the lump sum benefits should be paid, without binding them in any way, it is important that you complete a death benefits nomination form. You are advised to keep the form up to date and you can request a new form from the Pay & Pensions Section of the Finance Office at any time.

The amount of the benefits payable on your death from the scheme will be limited to the amount the trustees can insure with an insurance company, and the lump sum benefit will not exceed the Lifetime Allowance. You will be informed if you are affected by this.

Dependants' pensions

Pension for your spouse/civil partner/dependent partner

Your spouse/civil partner will be entitled to receive a pension, payable monthly for life, equivalent to half the pension you would have received based on your pensionable service to your normal retiring date and your final pensionable salary at date of death.

If you have a dependent partner you should complete a potential dependant nomination form to help the trustees establish if a dependant's pension can be paid. The trustees cannot guarantee that a dependant's pension will be payable as this can only be decided at the time of the member's death in accordance with HM Revenue & Customs requirements.

Children's pensions

The pension will continue to be payable after the death of your spouse/dependant until your youngest dependent child attains age 18, or age 23 if in full-time education. If you die but do not leave a spouse or dependent partner, the pension will be paid from the date of your death until your youngest dependent child attains age 18, or age 23 if in full-time education.

Death in retirement

If you die after your scheme pension has commenced, your spouse/civil partner/dependent partner will be entitled to receive benefits as follows.

Spouse's/civil partner's pension

Your spouse/civil partner will be entitled to receive an annual pension, payable for life, based on half your pension at retirement date, before any pension was surrendered for a lump sum, together with any pension increases which have applied since that date.

Dependent partner's pension

Your dependent partner may be entitled to receive an annual pension, payable for life, based on half your pension at retirement date, before any pension was surrendered for a lump sum, together with any pension increases which have applied since that date.

If you have a dependent partner you should complete a potential dependant nomination form to help the trustees establish if a dependant's pension can be paid. The trustees cannot guarantee that a dependant's pension will be payable as this can only be decided at the time of the member's death in accordance with HM Revenue & Customs rules.

Lump sum

In the event of your death within five years of retirement, a lump sum may be paid to your beneficiaries at the trustees' discretion.

If you die within five years of retirement, on or after your 75th birthday, no lump sum is payable, instead, your full pension will continue to be paid to your beneficiaries until the five year period from your retirement date has elapsed.

Other scheme information

Contracting-out from 6 April 1997

All employments to which the scheme relates are contracted-out of the state second pension by satisfying section 9(2B) of the Pensions Schemes Act 1993 - the conditions for salary-related contracted-out schemes.

While you are in pensionable service and remain in contracted-out employment, you are contracted-out of the state second pension. This means that both you and the university pay lower national insurance contributions on your earnings between a lower and upper limit as laid down each year by the government. The reduction in your national insurance contributions is currently 1.6% of those earnings. The reduction takes into account the benefits which this scheme provides in place of the state second pension. The rate of reduction is reviewed at least every five years by the government.

To remain contracted-out with effect from 6 April 1997, the scheme has to meet certain conditions of the Pensions Act 1995 (the "Act"). The Act was designed to improve the security of members' pension benefits and to make trustees and their advisers more accountable. The most important effects of this on the Scheme are:

- the scheme has to comply with an overall test of scheme quality in terms of the benefits it provides in respect of pensionable service from 6 April 1997. This is known as the "Reference Scheme Test" and means that scheme benefits for that pensionable service must generally be equivalent to or better than benefits in the "Reference Scheme" as set out in the Pension Schemes Act 1993;
- any pension earned in the Scheme from 6 April 1997 has to be increased each year in line with price rises or by 5%, whichever is less. Any pension earned in the Scheme from 6 April 2005 has to be increased each year in line with price rises or 2.5%, whichever is less. The Scheme actually provides increases in line with price increases up to a maximum of 10%;
- there are restrictions on the amount of investments which can be self-invested.

Lifetime Allowance

The Lifetime Allowance specifies the maximum amount of pension savings you can have when you retire without incurring extra tax. For the 2007/08 tax year, the Lifetime Allowance will be £1.6 million. It is expected that the Lifetime Allowance will increase each year as follows:

| Tax year: | Amount: |
|------------------|----------------------|
| 2008/09 | £1.65 million |
| 2009/10 | £1.75 million |
| 2010/11 | £1.8 million |

If the value of all of your pension savings exceeds the Lifetime Allowance when you retire, the excess amount over the Lifetime Allowance will be taxed at 55% (rather than the normal tax charge of 40% for higher rate tax payers).

This Lifetime Allowance will apply to your Scheme pension benefits (including AVCs) and any other pension benefits that you have from other pension arrangements except those provided by the State.

Most members are unlikely to be affected by the Lifetime Allowance because it is mainly aimed at people earning over £100,000 a year, or people who have a combined pension of over £75,000 a year.

If you are unsure whether the Lifetime Allowance is an issue for you then you can contact the Pay & Pensions Section of the Finance Office.

Annual Allowance

The Annual Allowance specifies the amount by which your pension savings can increase in value each year without incurring extra tax. The Annual Allowance does not apply in the year of retirement.

For the 2007/08 tax year the Annual Allowance will be £225,000. It is expected that the Annual Allowance will increase each year as follows:

| Tax year: | Amount: |
|------------------|-----------------|
| 2008/09 | £235,000 |
| 2009/10 | £245,000 |
| 2010/11 | £255,000 |

If the value of all of your pension savings increases by more than the Annual Allowance in any tax year then the excess value over the Annual Allowance will be taxed at 40%.

The Annual Allowance is unlikely to affect you unless you are a very high earner.

If you are unsure whether the Annual Allowance is an issue for you then you can contact the Pay & Pensions Section of the Finance Office.

Absence from work

Most absences from work are for a relatively short time and do not normally affect your membership of the scheme. If you are absent for a long time your membership will be continued, provided the university consents and continues to pay you.

Divorce or dissolution of a civil partnership

If you get divorced or dissolve your civil partnership, the trustees reserve the right to pay part of your retirement or death benefits under the scheme to your ex-spouse/civil partner, in order to comply with any court order or qualifying agreement which requires this.

If you do become involved in divorce or dissolution of a civil partnership, you should contact the Pay & Pensions Section of the Finance Office for further information about the implications for your pension rights.

Maternity leave

During your ordinary maternity leave of 26 weeks, your membership of the scheme, pensionable service and benefits will continue on the same basis which would have applied had you been working normally. Your contributions, however, will be based on your contractual remuneration or statutory maternity pay.

If, at the end of your ordinary maternity leave, you go on additional maternity leave and continue to receive pay from the university, your membership will continue in the same way as during ordinary maternity leave (subject to an aggregate maximum of 12 months). If you do not receive pay from the university during any part of additional maternity leave, that period will only count for pensionable service if the university agrees that normal contributions can be paid for the period. The contributions due must be paid within 6 months of returning to work.

Paternity leave

If you qualify for paternity leave, your membership of the Scheme will continue as though you were working normally.

Adoption leave

If you take adoption leave your pension and death benefits will be continued in the same way as for maternity leave. References to maternity leave should be read as adoption leave.

Income tax

Your Scheme pension will generally be subject to income tax. Your cash lump sum at retirement will be tax-free.

Inheritance tax

Your lump sum death in service benefits, which are paid at the trustees' discretion, will not normally be subject to inheritance tax.

Giving up your benefits

You are not allowed to assign your benefits under the scheme or to use them as security for a loan.

Alteration or discontinuance

Whilst the university has every intention of keeping the scheme running, it reserves the right to stop contributing to it. The trustees with the consent of the university also have the right to alter the provisions of the scheme. If your benefits or rights are affected you will be given written notice. If the scheme is discontinued the trustees will use the assets of the scheme as set out in the trust deed and rules.

If the scheme winds up without enough money to buy all the benefits with an insurer then, unless the university can afford to pay the difference, you are unlikely to receive the full benefits you were expecting. To help members in this situation, the Government set up the Pension Protection Fund (PPF) which came into effect on 6 April 2005. The PPF pays a legally defined level of benefits to members of eligible UK pension schemes which are wound-up when the scheme does not have enough money to cover the cost of buying this level of benefits for members with an insurer and the employer is insolvent and so cannot provide extra finance.

If the scheme were to be wound up and go into the PPF, the pension you would receive from the PPF may be less than the full benefit you have earned in the scheme, depending on your age and when your benefits were earned.

Data protection

All information about you and your entitlements held by the trustees, or by the scheme administrators who act on their behalf, is kept secure and is only disclosed in limited circumstances, such as:

- to the university as is necessary for the administration of the scheme and to advise you of your entitlements under the scheme
- to insurance companies to arrange particular entitlements
- to actuaries who advise the trustees and any future potential employers, and
- to government or regulatory organisations, if the trustees are so obliged.

Please tell the trustees of any changes in your personal details (especially in your marital status or address) by contacting the Pay & Pensions Section of the Finance Office. By keeping the trustees informed of changes you will be helping them provide your entitlements quickly when you need them.

Queries and problems

The trustees aim to ensure that the scheme is administered and managed to high standards, but it is possible there may be times when you are unhappy about something concerning your benefits or other matters relating to the scheme.

Although the trustees have set procedures for resolving complaints and disputes, (i.e. the internal dispute resolution procedures described below) any query or problem should initially be referred to the Secretary to the Trustees. Most queries and problems can normally be resolved without the need for the formal procedures to come into play.

If you need to contact the Secretary to the Trustees the address is:

**Secretary to the Trustees
Pay & Pensions Section
Finance & Purchasing Office
University of Glasgow
University Avenue
Glasgow, G12 8QQ
Telephone: 0141 330 5922**

Internal dispute resolution procedures

There are set procedures for resolving complaints or disputes about any matter relating to the scheme.

The internal dispute resolution procedures consist of two stages. Under the first stage, your complaint or dispute is fully considered and a decision is made by the Secretary to the Trustees.

The second stage is an appeal procedure. If you are not satisfied with the first stage, you can apply directly to the trustees to reconsider the decision. A decision under either stage must normally be made within two months.

Complaints and appeals must be made in an appropriate manner. Special application forms are available for these purposes. If you are unable to make the complaint yourself, you can nominate someone else as your representative to make it for you. Please note that the internal dispute resolution procedures only apply to matters concerning the Scheme which affect members and prospective members. This also applies to those who have, or who claim to have, an entitlement to a benefit under the scheme. The procedures do not apply to complaints and disputes between employees and the university or between the university and the trustees. They also do not apply to complaints or disputes where court proceedings have started or which are being investigated by the Pensions Ombudsman. You will normally be expected to have taken your complaint or dispute through this procedure before the Pensions Ombudsman will take on your case.

| | |
|--|---|
| <p>TPAS (The Pensions Advisory Service)</p> <p>TPAS is a free, independent service available at any time to assist Scheme members and their beneficiaries, who are concerned about their pension. This vice may be of use to you if you cannot resolve a problem through the Internal Dispute Procedures detailed above.</p> | <p>11 Belgrave Road, London SW1V 1RB</p> <p>Telephone helpline: 0845 601 2923 Email: enquiries@pensionsadvisoryservice.org.uk</p> <p>www.pensionsadvisoryservice.org.uk</p> |
| <p>Pensions Ombudsman</p> <p>The Pensions Ombudsman may investigate and decide upon any complaint or dispute referred to him, although complaints or disputes are normally referred to TPAS in the first instance.</p> | <p>The address of the Pensions Ombudsman is at the same address as TPAS.</p> <p>Telephone helpline: 0845 601 2923 Email: enquiries@pensions-ombudsman.org.uk</p> <p>www.pensions-ombudsman.org.uk</p> |
| <p>The Pensions Regulator (TPR)</p> <p>TPR is a regulatory body which oversees the running of occupational pension schemes. TPR is able to intervene in the running of pension schemes where trustees, employers or professional advisers fail to carry out their duties to their pension scheme.</p> | <p>Napier House, Trafalgar Place, Brighton, East Sussex, BN1 4DW</p> <p>Telephone helpline: 0870 6063636 Email: customersupport@thepensionsregulator.gov.uk</p> <p>www.thepensionsregulator.gov.uk</p> |
| <p>The Pensions Tracing Service</p> <p>The Trustees have given information about the Scheme, including details of an address at which they can be contacted, to the Pension Tracing Service. This service, run by the Department for Work and Pensions, may be of help to you if you need to contact the trustees of a previous employer's pension scheme and cannot trace them yourself.</p> | <p>Tyneview Park, Whitley Road, Newcastle-upon-Tyne, NE98 1BA</p> <p>Telephone helpline: 0845 600 2537</p> <p>www.thepensionerservice.gov.uk</p> |
| <p>Scheme contact</p> <p>The Secretary to the Trustees can be contacted at the address shown</p> | <p>Pay & Pensions Section Finance Office University of Glasgow Glasgow, G12 8QQ</p> <p>Telephone: 0141 330 3704 Email: jim.ross@admin.gla.ac.uk</p> |

Appendix

Members with service prior to 6 April 1997

Contracting-out of state second pension

The state second pension provides you with a pension in addition to the state basic pension. However, the scheme is contracted-out of the state second pension, which means that it provides benefits in place of the state second pension. To be contracted-out, the scheme has to meet certain conditions. The conditions that apply from 6 April 1997 are set out in this guide. This appendix sets out the conditions which applied before that date.

Contracting-out prior to 6 April 1997

If you were contracted out of the state second pension under the scheme before 6 April 1997, your scheme pension at state pension age will be at least equal to your guaranteed minimum pension. Since 6 April 1997, a guaranteed minimum pension will no longer be provided but any guaranteed minimum pension you built up before that date would be paid as if the contracting-out conditions had not changed.

Deferred pension

If you are entitled to a deferred pension in respect of your pensionable service up to 5 April 1997, the pension will not be less than your guaranteed minimum pension payable at state pension age. The revaluation rate of the guaranteed minimum pension is 4% p.a. compound for employees leaving the scheme from 6 April 2007 and will apply from date of leaving up to state pension age.

Pension increases after state pension age

The Guaranteed Minimum Pension part of your pension will be increased each year in line with the rise in the Retail Prices Index by the State. Guaranteed Minimum Pensions earned after 5 April 1988 are increased by the Scheme by up to 3% p.a. compound, with the State paying any balance.

Death in service/death after retirement

That part of the pension payable to your spouse/civil partner in respect of your pensionable service up to 5 April 1997 will not be less than the spouse's/civil partner's guaranteed minimum pension.

Death before retirement

After leaving the scheme, the spouse's/civil partner's pension payable in the event of your death before retirement in respect of your pensionable service up to 5 April 1997 will be your spouse's/civil partner's guaranteed minimum pension.

Guaranteed minimum pension restrictions

The scheme must guarantee that a minimum level of pension remains payable (guaranteed minimum pension) at state pension age. This may cause a restriction on the amount of your pension that can be converted to a lump sum.

Definitions

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| University | The University of Glasgow |
| Scheme | University of Glasgow Pension Scheme |
| Pensionable Service | The number of complete years of continuous service with the University as a contributing member of the scheme, with complete days counting on a proportionate basis |
| Pensionable Salary | Your basic annual pay plus, if appropriate, any additional contractual earnings |
| Final Pensionable Salary | The highest pensionable salary earned in any 12 month or 52 week period during the three years immediately preceding normal retiring date (or earlier date of death or withdrawal from the scheme) |
| Spouse/Civil Partner | The husband, wife or registered civil partner of a member at the date of the member's death |
| Normal Retiring Date | Your 65th birthday |
| State Pension Age | 65 for all men 60 for women born before 6th April 1950 65 for women born after 5th April 1955 For women born during the intervening five years, state pension age increases from age 60 by one month for each complete month and part month between 6th April 1950 and date of birth. |
| Guaranteed Minimum Pension | The amount of pension which you or your spouse/civil partner are entitled to as a result of your contributing to the State Earnings Related Pension Scheme during pensionable service prior to 6 April 1997. Your guaranteed minimum pension is payable by the scheme from state pens |

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