

## Introduction – Scheme Template

Whether the information below is provided on a scheme-level or member-level basis is to be decided by the scheme based on the scheme structure. However, if the same approach applies to all members in a category or section, it would be most efficient if this provided once upfront. If differing approaches apply to differing sections of membership, the scheme should take a view as to how best to provide the relevant information. Where there is significant and frequent variation in benefit structure, it is likely to be more appropriate to provide information at an individual member level. The below set of questions should give a guide to level of detail required.

Where additional questions are asked by advisers the scheme should look at whether any additional clarification should form part of an update to this document.

This is intended to be a living document and we will be pleased to receive feedback on how it works in practice and will adapt the template as necessary to ensure improved effectiveness in future versions.

### Scheme Level detail

Ceding Scheme Name	
Pension Scheme Tax Reference Number	
Scheme section the below related to	
Date last updated	

*It would be extremely useful to include a calculation of a member's pension at NRD for each section of benefits. This would bring to life the methodology used. Alternatively, a blank copy of any relevant proforma used would also be very helpful.*

### Scheme documents and factors

Please provide the following either by inserting the detail directly or providing it as an attachment;

1. Current early / late retirement factors and when last reviewed   
Please provide the retirement factors at earliest retirement age, 55, 60, 65, 70, 75 and maximum age for late retirement factors to apply.

It is key we know how these factors are applied in practice, please provide details below. This should include applicable ages benefits are revalued to before factors are applied. If late retirement factors are applied, do they allow for increases in payment for example? If they have not done so already, schemes should consider taking legal advice on the entitlements to early and late retirement and revaluation, in light of historic changes to pension ages and preservation requirements.

Comments

2. Current commutation factors and when last reviewed

Comments

*Example – last reviewed Q1 2019*

These documents can be provided as appendix to this Template but unless appropriate to do so, do not need to be provided for each section of the scheme

3. Current CETV Basis and when last reviewed

Comments

4. Latest report and accounts

Comments

5. Recovery Plan/Summary Funding Statement if appropriate

Comments

6. Covenant Assessment if appropriate

(we note this may well be withheld on the grounds of confidentiality)

Comments

### Cash options and transfers

As an alternative to completing this section, schemes can provide the information in their own format, and as a statement of the generic scheme provisions, as long as they cover all the areas listed.

Is early / late retirement permitted under scheme rules? If so, is trustee and / or employer consent needed?	
Normal Retirement Age	
Earliest retirement age without reduction	
Where the earliest age is different from the Normal Retirement Age please provide details around application of early and late retirement factors	
Details of any current additional pension options e.g. Pension Increase Exchange at retirement, options around different levels of spouse's benefits, partial transfers	
Anything else relevant / not covered For example: <ul style="list-style-type: none"><li>• are partial transfers available;</li><li>• is the scheme currently paying reduced or full transfer values?</li></ul>	
How often are CETVs available and how much do subsequent CETVs cost?	
Are transfers available within 12 months of normal retirement age?	
Are transfers available after normal retirement age?	

### Scheme equalisation basis

From what date were benefits equalised for existing members?	
From what date were benefits equalised for new joiners?	

## Scheme benefit tranches and revaluation

If it is easier, please set this information out in a table as shown in the example below.

<p>Please set out the revaluation basis applied to the individual tranches of benefits (excluding GMP) together with the earliest unreduced retirement age for each tranche.</p> <p><i>Please note, each benefit tranche applicable at date of leaving needs to be split out and presented as part of the member data.</i></p>	<i>Example table</i>		
	<b>Service Period</b>	<b>Revaluation</b>	<b>Projected to</b>
	Post 85 – Pre 6/4/1997	CPI max 5%	62
	Post 5/4/1997 – Pre 6/4/2005	CRI max 5%	65
	Post 5/4/2005	CPI max 2.5%	65
Where the earliest age is different from the Normal Retirement Age please provide details around application of early and late retirement factors			

Please ensure member data reflects any relevant splits in NRA or other adjustments.

## GMP Equalisation

Has the scheme equalised GMP benefits?	<i>If so what method is used and is this reflected in the member data</i>
Are CETVs calculated on an equalised basis?	
Will the scheme make top-up transfer payments if needed once GMP equalisation resolved?	

## GMP benefits

This section should set out all the relevant details about the member's entitlement to GMP and how the scheme calculates this. Where different GMP elements apply to a member, schemes should ensure that each element is clearly set out. The format of this provision will depend on individual schemes, but will need to cover the following areas if they are relevant to the member. Schemes also should make sure that any unusual features of the scheme are covered, and / or include the scheme rules. **Schemes should also make sure that the scheme's anti-franking provisions are explained where relevant.**

What is the GMP revaluation method?	
What are the increases in payment?	
If member takes benefits BEFORE GMP Age, how are notional GMP benefits increased in deferment and in payment if before GMP age?	
How do increases interact with non-GMP benefits? If member takes benefits BEFORE GMP Age, how are benefits redistributed at GMP Age	
Is any permitted franking done?	

## Paying out benefits – on retirement or death of member

Schemes should provide details of how benefits can be paid when a member retires or dies. As each scheme will have different rules about this, the layout of this section is non-prescriptive. Schemes should cover the following areas, broken down by benefit tranche if relevant.

### Benefits payable on retirement

- Pension commencement lump sum – how is this calculated, are there any scheme-specific protections and if so how much? Can DC AVCs be used to ‘fund’ the PCLS or does it have to be taken by commutation? If PCLS is calculated with reference to the final pensionable salary, please also provide this on any member communications. Are all benefit tranches commuted proportionately or in a specific order?

- How do pensions increase in payment?

- Is the pension guaranteed to be paid for a minimum time after retirement? If so, what are the options?

- What are the rules for ill health pension (for active / deferred members as relevant)?

- What choices does the member have about benefits payable (e.g. frequency of payment, commutation of own benefit for increased spouse pension, bridging pension to state pension age)?

### Benefits payable on or after death of a member

Schemes should make it clear where there is a difference between death before retirement and death in retirement.

Current value of any lump sums payable on death before retirement and interest rate applied up to death, or any 5 year guarantee on death in retirement (and whether discounted and/or including future increases).

It is helpful if schemes could list all (potential) classes of beneficiaries.

For each potential beneficiary, the following information should be provided where relevant:

- the scheme's definition of each potential beneficiary (e.g. spouse on leaving / any spouse) whether a dependant pension is payable on a discretionary basis or as of right and whether only if there is no surviving spouse
- circumstances under which benefit would / could be paid (e.g. 50% children's benefit only if there is no spouse)
- Basis of calculation (and based on pre or post-communication of member pension)
- Whether there is a reduction depending on age of dependant, and what the potential reduction would be
- (In terms of spouse / civil partner) Whether the benefit ceases on remarriage
- (In terms of children's pension) What the minimum benefit is and whether this is shared between children or per child, whether this is paid in addition to other benefits (e.g. spouse's pension), when does it stop being paid (e.g. maximum age / duration / child ceases full-time education / last child ceases to qualify)
- Any provision not captured above

### Other scheme features

This checklist is not intended to be exhaustive, and schemes may well have other features that it would be useful for an adviser to know. If schemes have features not mentioned above, please provide details in this section. This should include details of any pension sharing or earmarking orders and if or how they have been accounted for in the details provided elsewhere.