

**The J. O. Grant & Taylor (London)  
Ltd. Staff Pension Scheme**

**Member's Booklet**

**1990 Edition**

## **Pension Life Assurance and Personal Accident Schemes**

**for employees of**

J. O. Grant & Taylor (London) Ltd

**Arranged by in conjunction with**

Prudential Corporate Pensions  
Abbey Gardens  
55 King's Road  
Reading RG1 3AH

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## Introduction

### Note

**All benefits and contributions under the Scheme are subject to overall limits laid down by the Inland Revenue.**

This booklet gives a brief outline of the pension and other benefits available to you as a Member of the Scheme. The full provisions of the Scheme are set out in the formal documents constituting the Scheme and in the event of doubt the provisions of the latter will prevail.

All benefits are funded, which means that the contributions required to secure the benefits (see sections 3 and 5) are paid in advance of the date on which the benefits will become payable.

The Scheme benefits will be in addition to any benefits to which you are entitled under the State Scheme.

Each year you will receive a benefit statement which shows the benefits to which you will be entitled if you remain in Pensionable Service until your Normal Retiring Date and your earnings do not change and also the benefits that will apply if you die in Pensionable Service. You will also receive any other information required to satisfy the statutory Disclosure of Information requirements.

The Company feels that operating and making substantial contributions to the Scheme is the most effective way of providing retirement and death benefits for employees and their dependants. In consequence the Company (in common with the majority of other employers with an occupational pension scheme) is **NOT** prepared to contribute to an alternative personal pension scheme above any minimum statutory national insurance contribution rebate.

If you have any queries about the Scheme in general or about your entitlement to benefits please write to the Financial Director at J.O. Grant & Taylor (London) Ltd, 7 Little Mundells, Welwyn Garden City, Herts AL7 1EW.

## Summary of the Scheme

### 1. Member's contributions

5% of Pensionable Salary.

*See section 3*

### 2. Pension at Normal Retiring Date

1.5% of Final Pensionable Salary for each year of Pensionable Service.

Part of your pension may be available in the form of a tax-free cash sum.

*See sections 7 and 11*

### 3. Death in Pensionable Service on or before Normal Retiring Date

A cash sum of 3 x Pensionable Salary  
**plus**  
the return of your own contributions.

*See section 13*

### 4. Death after retirement

A widow's pension of half your pension

**plus**  
if you die before receiving your pension for 5 years a cash sum equal to the total pension payments due over the remainder of that period at the rate applicable at the date of your death.

*See section 15*

### 5. Leaving the Scheme before Normal Retiring Date

Depending on the number of years of Qualifying Service you have completed **either** a deferred pension payable from Normal Retiring Date **or** (subject to certain deductions) a return of your own contributions when you leave.

As an alternative to a deferred pension it will normally be possible to transfer the value of your benefits to an individual policy or personal pension arrangement or, if you leave the service of the Company, to a suitable scheme of your new employer.

*See sections 17, 18 and 19*

## **Terms used in this booklet**

### **The Company**

The Company means J.O. Grant & Taylor (London) Limited and any associated or subsidiary company which participates in the Scheme.

### **Normal Retiring Date**

Normal Retiring Date is the day before your 65th birthday if you are a man or the day before your 60th birthday if you are a woman.

### **Scheme Year**

Scheme Year is a period of twelve months commencing on a 1st January.

### **Pensionable Salary**

Pensionable Salary is fixed on the day you become a Member and at the beginning of each subsequent Scheme Year and is your annual rate of basic pay exclusive of commission, bonus and any other fluctuating remuneration; but in relation to any Member who is a director, inclusive of any fees payable to him as a director.

### **Final Pensionable Salary**

Final Pensionable Salary is your average Pensionable Salary over the three complete consecutive Scheme Years ending with the Scheme Year in which your Normal Retiring Date (or the earlier date on which you cease to be a Member) occurs.

### **Pensionable Service**

Pensionable Service is whole-time service with the Company after joining the Scheme and ending on your Normal Retiring Date or the earlier date on which you cease to be a Member. If you join on the commencing date (1st January 1960) continuous whole-time service with the Company before that date but after age 18 also counts as Pensionable Service.

If you are temporarily absent from service you may at the discretion of the Company be treated as continuing in Pensionable Service for up to three years. If your absence is due to ill-health or to secondment to a United Kingdom Government Department the Company may extend the period of three years for so long as they may decide.

### **Qualifying Service**

Qualifying Service is the period of service which determines whether, if you leave the Scheme, you are entitled to a deferred pension under the Scheme as required under the Social Security Act 1973. It broadly means service whilst a Member of the Scheme but may include other categories of service. For example, if your benefits under another pension scheme have been transferred to the Scheme then service while a member of the former scheme will also count as Qualifying Service.

## General

### 1. Constitution

The Scheme is constituted by a Trust Deed and will be administered in accordance with Rules by Trustees appointed by the Company. These documents will be available for your inspection on request. Alternatively a copy of the documents will be made available for your personal use although a charge will be made to cover the cost of this service.

### 2. Eligibility

If you are invited by the Directors, you may join the Scheme on the 1st January on which you first satisfy the following conditions:

(i) you are a director or whole-time employee aged 18 or over but under 60 if you are a man and under 55 if you are a woman; and

(ii) you have completed 2 years' continuous service with the Company.

Before joining the Scheme you must sign an application card and return it to the office together with your birth certificate and, if you are a married woman, your marriage certificate. If these certificates are not readily available you should produce them as soon as possible. You should also provide details of any other pension arrangements under which you will be entitled to benefits.

If you are an employee of the Company you will be covered for the life assurance benefit from the attainment of age 18 (see Section 13(i)). If you are not invited to become a full Member of the Scheme, the benefit will continue to apply while you remain in the service of the Company up to age 65 (males) or 60 (females).

Membership of the Scheme is voluntary. If you fail to join the Scheme when first invited you will not be entitled to any of the benefits described in this booklet. If you opt-out of the Scheme before your Normal Retiring Date whilst remaining in the service of the Company you will not be entitled to any benefits in respect of your future service with the Company. In particular it should be noted that you will cease to be covered for the life assurance benefit described in section 13(i) and the Personal Accident Scheme (see Section 25).

If you decide to opt-out or not join the Scheme when first invited, the Company is under no obligation whatsoever to offer membership at a later date.

## Contributions

### 3. Your contributions

You will contribute at the rate of 5% of Pensionable Salary in each Scheme Year. Your contributions will be deducted from your pay and will continue until the last day of the Scheme Year which is or next precedes your Normal Retiring Date, or the earlier date on which you cease to be a Member of the Scheme.

### 4. Tax relief

Your contributions are deducted from your pay before you are assessed for income tax. Thus full tax relief on the top slice of earnings is given. The following example illustrates the effect of tax relief if you pay tax at the basic rate:

	£
Pensionable Salary	14,000
Your Contributions (5%)	700
Less Tax Relief (currently 25%)	175
Your Net Contributions	525

### 5. The Company's contributions

The Company pays the balance necessary to provide the benefits and also pays the cost of administering the Scheme.

### 6. Additional voluntary contributions

Subject to Inland Revenue limitations you may increase your contributions to the Scheme by the payment of additional voluntary contributions. Your additional voluntary contributions will be accumulated year by year with interest and at retirement the total sum will be applied to increase your benefits under the Scheme. Your additional voluntary contributions will be deducted as explained

in section 4 above before you are assessed for income tax. If you are interested in the payment of additional voluntary contributions further details will be supplied on request. In circumstances where the appropriate benefit in accordance with the provisions of this booklet is a return of your contributions, the accumulated value of any additional voluntary contributions you have paid will also be returned.

## Retirement benefits

### 7. Retirement at Normal Retiring Date

If you retire on your Normal Retiring Date your pension will be 1.5% of Final Pensionable Salary for each complete year of Pensionable Service, subject to a maximum of 44 years. Thus the pension for a Member whose Final Pensionable Salary is £16,000 and who at Normal Retiring Date has thirty years of Pensionable Service will be calculated as follows:

$$£16,000 \times 30 \times 1.5\% = £7,200 \text{ per annum.}$$

If your Scheme contributions have not been fully paid (for example, because of a period of absence from work) your pension may be reduced accordingly.

### 8. Early retirement

You may retire early with an immediate pension if you have the consent of the Company and are aged 50 or over, or at any time if retirement is because of incapacity. Your early retirement pension will be calculated in the same way as a deferred pension on leaving the Scheme (see section 17) adjusted so as to take into account revaluation until your Normal Retiring Date as described in that section except that sub-paragraph (b) will not apply.

The pension will then be reduced because it is being paid early but it will not be less in value than the alternative deferred pension.

### 9. Retirement after Normal Retiring Date

If your retirement is deferred until after your Normal Retiring Date you may elect by notice in writing to the Trustees to postpone the payment of your pension until you actually retire, in which case your pension will be the amount appropriate to you at your Normal Retiring Date increased to have regard to your age on the date of retirement.

However, if you continue in service after age 70 if you are a man or age 65 if you are a woman, your pension will be paid from the appropriate age unless you agree to its continued postponement.

### 10. Payment of pension

Your pension will be payable for life, normally by monthly instalments, commencing on the day following your retirement.

The Company has discretion under the Rules to provide increases to pensions in payment.

Your pension is treated as earned income and will be subject to tax if your total retirement income is such as to make you liable for tax.

### 11. Cash option

With the consent of the Trustees you may exchange part of your pension (excluding any pension purchased by additional voluntary contributions) for a tax free lump sum either at the time you retire or at your Normal Retiring Date if you continue in service after that date.

If you exercise the option at your Normal Retiring Date the maximum lump sum will normally be 3/80ths of your Final Pensionable Salary for each complete year of service with the Company (and so in proportion for each complete month) subject to a maximum of 40 years.

However if you were a Member of the Scheme on 16th March 1987 certain higher limits, particularly if you are unable to complete 40 years' service at Normal Retiring Date, may apply and if you paid additional voluntary contributions before 8th April 1987 it may be possible to exchange pension purchased by your additional voluntary contributions for a tax-free lump sum.

Full details will be supplied on request shortly before you retire.



## 12. Additional dependant's pension

A widow's pension is provided under the Scheme (see section 15(ii)) but if you wish to make additional provision on your death for a dependant (including your spouse) you may be able to surrender part of your own pension to achieve this. The exercise of this option is subject to the restriction that the resulting dependant's pension must not be greater than the pension remaining payable to yourself.

It should be borne in mind that if any person other than a spouse is chosen there may be a liability to Inheritance Tax in certain circumstances.

Further details will be supplied on request shortly before you retire.

## Benefits on death

### 13. Death in Pensionable Service on or before Normal Retiring Date

The life assurance benefit described in this section may be subject to evidence of good health and you will be told if any limitations or special conditions apply to you.

If you die in Pensionable Service on or before Normal Retiring Date

(i) A life assurance benefit will be payable equal to 3 times your Pensionable Salary.

#### Note:

The amount payable will be reduced by any life assurance benefit payable under the Joint Industrial Benefit Scheme.

(ii) Your contributions will be refunded without interest.

### 14. Death in service after Normal Retiring Date

The benefits available if you die in service after your Normal Retiring Date before the commencement of your pension are the same as those applicable on death after retirement (see section 15). For this purpose it will be assumed that you retired on the date of your death.

### 15. Death of a pensioner

(i) If you die within five years of the commencement of your pension a lump sum will be payable equal to the further payments you would have received over the remainder of the five year period at the rate applicable at the date of your death. Thus, if you die having received monthly instalments of pension for one year and

six months and at the date of your death you were in receipt of a pension of £8,500 per annum, the lump sum would be calculated as follows:

$$\begin{aligned}\text{Lump Sum} &= (5 \text{ years} - 1.5 \text{ years}) \times £8,500 \\ &= 3.5 \times £8,500 \\ &= £29,750\end{aligned}$$

(ii) In addition if you are a married man, and you die leaving the wife to whom you were married at the date you left the Company's service a pension will be payable to her for the rest of her life.

Your widow's pension will be equal to half your own pension (including any pension you exchanged for a lump sum or any part given up to provide a pension for an approved dependant). Any pension purchased by additional voluntary contributions will be excluded from this calculation. If your widow is 11 or more years younger than you, the pension will be reduced. The widow's pension will commence on the day following the date of your death and will normally be payable by monthly instalments.

#### **16. Payment of lump sum benefits on death**

The life assurance benefit arising under sections 2 and 13(i) may be paid by the Trustees at their discretion to or for the benefit of any one or more of a wide class of your relations, dependants, persons interested under your will and your legal personal representatives. If the discretion is not exercised the benefit will be paid to your spouse or, if you are not married, to your legal personal representatives.

A Nomination of Beneficiaries Form is available on which you may notify the Trustees of the person or persons to whom you would like payment of the benefits to be made, although the Trustees are not bound by your wishes. In particular, if you should die in service after your 75th birthday they may be

obliged, in order to meet the requirements for Inland Revenue approval, to pay the benefit to your spouse or, if you are not married, to your legal personal representatives. If due to a change in personal circumstances you wish to change your nomination, please ask for a new form for completion.

## Leaving the Scheme before Normal Retiring Date

### 17. Deferred pension

If you leave the Scheme having completed two or more years' Qualifying Service you will be entitled to a deferred pension which will commence on the day following your Normal Retiring Date. It will be calculated in the same way as a pension at Normal Retiring Date except that it will be based on your Final Pensionable Salary and Pensionable Service at the date you leave the Scheme.

The part of your deferred pension which relates to Pensionable Service on and after 1st January 1985 will be revalued each year until your Normal Retiring Date and the revaluation will be added to your deferred pension.

The revaluation is the smaller of the following amounts

(a) 5% per annum compound for each complete year during the period from the date you leave the Scheme until your Normal Retiring Date and

(b) the rise in prices during the same period.

Any pension secured by additional voluntary contributions will be excluded from this calculation.

Alternatively you may if you are leaving the service of the Company choose a reduced deferred pension plus a refund without interest of the contributions paid before 1st January 1975.

If you were a Member of the Scheme before 6th April 1975 you would have been contracted-out of the State Graduated Pension Scheme which terminated on 5th April 1975 and a deferred pension must be preserved for this earlier period of contracted-out service. The pension will be provided under the Scheme and to help secure this pension an amount will be deducted from the return of your contributions.

Tax (currently 20%) will be deducted by the Trustees from the amount of any refund.

If you die before your deferred pension becomes payable your contributions will be refunded without interest to your legal personal representatives.

With the consent of the Trustees and provided you have then attained age 50 you may subsequently elect to take a reduced immediate pension in lieu of the deferred pension. Further details will be supplied on request.

When your deferred pension commences it will be payable in accordance with section 10.

If you die after the deferred pension commences to be paid the provisions of section 15 will apply.

### 18. Alternatives to a deferred pension

The value in cash terms of your deferred pension (and dependants' benefits) under the Scheme (revalued on a basis similar to that described in section 8 until your Normal Retiring Date), may at your request (subject to the note below)

(a) if you are leaving the service of the Company be transferred to your new employer's scheme provided that the new scheme is willing to accept a transfer payment; or

(b) be applied as a single premium under a policy taken out with an insurance company of your choice. The policy will usually be issued in your name and will be unaffected by any future changes of employment. The benefits eventually available will depend on the type of policy chosen and the options available at retirement under that policy.

(c) be transferred to a Personal Pension Plan.

If you exercise any of these alternatives, then subject to the note below no benefits will be payable under the Scheme to or in respect of you or your dependants.

**Note:-**

If you leave Pensionable Service but remain in the service of the Company you may transfer the value in cash terms of your deferred pension as described in (b) and (c) above but unless the Trustees otherwise determine only in respect of that part of your pension which relates to Pensionable Service completed after 5th April 1988. A transfer payment in respect of the remainder of your pension rights will be available should you subsequently leave the service of the Company.

**19. Refund of contributions**

If you leave the Scheme having completed less than two years' Qualifying Service a refund of your contributions without interest will be made.

Tax (currently 20%) will be deducted by the Trustees from the amount of your refund.

## **Other things you should know**

**20. Option to continue life assurance cover**

If you cease to be eligible for the life assurance and widow's pension benefits described in sections 13 and 15 either on your Normal Retiring Date or on previously ceasing to be in the service of the Company you may effect an individual life policy with the Prudential for an amount not exceeding the value of your death benefits, except that no account will be taken of any part of the death benefits in relation to which special conditions have been imposed. In exceptional circumstances the maximum amount that may be assured under the individual policy may be further restricted. You will be notified if you are affected. Such a policy will be granted, without evidence of good health, according to the rates and conditions then in use by the Prudential. Notice of intention to exercise this option must be given to the Prudential within 31 days of the benefit ceasing to apply.

Further details are available on request.

**21. Temporary absence**

If you are temporarily absent from work you will continue to be covered for the life assurance and widow's pension benefits so long as you remain in Pensionable Service.

Your pension benefits may be reduced unless you continue paying contributions while absent or pay any arrears of contributions on your return to work.

**22. Inland Revenue approval**

The Inland Revenue have approved the Scheme under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988.

The level of benefits and Member's contributions under the Scheme are subject to certain limits imposed by the Inland Revenue Authorities. If in exceptional circumstances any Member is likely to be affected by these limits, he or she will be notified individually.

### **23. Title to benefits**

All benefits under the Scheme are personal and cannot be assigned or offered as security for loans, etc.

### **24. Amendment or termination**

The Company reserves the right to amend or terminate the Scheme at any time in accordance with the provisions of the Trust Deed and Rules. You will be notified in writing of changes which affect you.

On termination, cover for the insured death benefits (see section 13(i)) will cease and the life assurance option (see section 20) will not apply.

## **PERSONAL ACCIDENT SCHEME**

### **25. Eligibility and Benefits**

You will be included for benefit under the Personal Accident Scheme if you are a full-time employee aged 18 or over. A cash sum benefit of £2000 will be payable on the loss of sight of one or both eyes, or on the loss of one or more limbs, by accidental means.

This benefit will not be payable in respect of an accident arising directly or indirectly from:

(i) engaging in aviation, other than as a fare-paying passenger on a scheduled flight or a multi-engined charter plane

(ii) self-inflicted injury, any unlawful act, intoxicating liquor or drugs, wilful exposure to unnecessary danger except in an attempt to save human life

(iii) war and allied risks.

Residence outside the United Kingdom for more than 6 months in any year may necessitate exclusion from the Scheme.

#### **Part of Prudential Corporation**

Prudential Corporate Pensions is a business name for The Prudential Assurance Company Limited, Prudential Pensions Limited and Prudential Pensions Administration Limited all of which are registered and incorporated in England at 142 Holborn Bars, London, EC1N 2NH under numbers 15454, 992726 and 615323 respectively.

Prudential Corporate Pensions provides a full range of corporate pensions services through members of the marketing group which includes Prudential Portfolio Managers Limited (for investment managers), a member of IMRO, The Prudential Assurance Company Limited (for insured contracts) and Prudential Pensions Limited (for unit-linked investments) which are members of LAUTRO.