Mines Rescue Service Section – Defined Contribution Section

April 2017

Welcome to your workplace pension

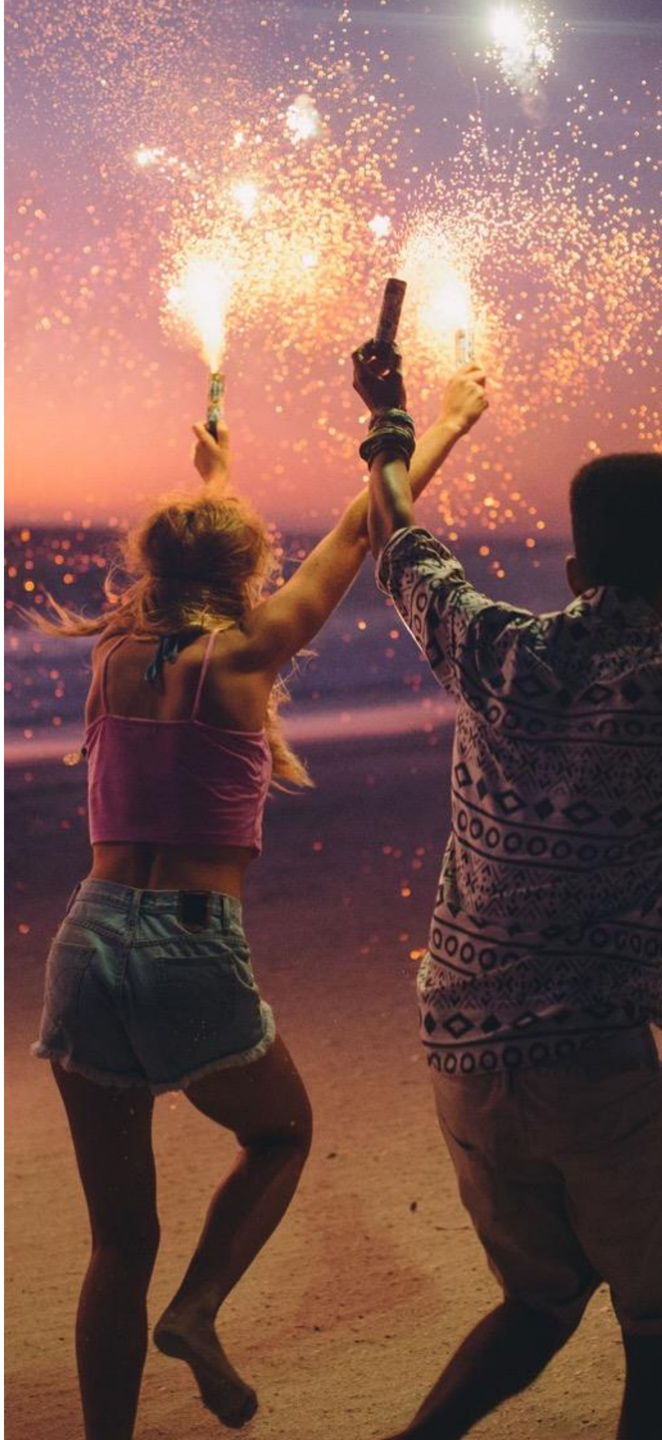
Wherever you are on your savings journey, we want to make sure you have access to the tools and information you need to help you create your future.

The Mines Rescue Service Section is a section of The Industry-Wide Coal Staff Superannuation Scheme which, until 29 March 2017, provided members with defined benefits. With effect from 30 March 2017 members can only build up defined contribution benefits in the Scheme. Throughout this booklet, when we refer to 'the Plan' we are referring to the defined contribution sub-section of the Mines Rescue Service Section.

The Plan is a savings arrangement that's designed to help you build up a pension pot which you can use to access your pension savings. The Plan is a defined contributions arrangement and sits alongside the defined benefit sub-section. You can only build up further benefits through the Plan.

For details of who to contact regarding your defined benefit entitlement, please go to Contact Information on pages 27 and 28.

This guide explains how it works and how to make the most of it. Where we've had to use a term that you might not be familiar with, we've highlighted it in blue the first time the term is mentioned on a page. You'll find a definition of each of these terms on page 31 of this guide.



What your workplace pension can do for you

Contributions

You and your employer pay in, so you can build up your pension savings faster.

Tax relief

The government helps out too in the form of tax relief. You can find out more about how this works for you under ‘contributions’ on page 8.

Access to your money

If Mines Rescue Service agrees you can access the money you’ve built up from age 55 or at a later date that you choose. You’ll get some of it tax-free as well.

A portable pension

You can take it with you if you change employment. You may also be able to transfer in any pension savings you may have from other jobs. Find out more about transferring on page 14.

Reasons to start saving now

The earlier you start saving, the better your chance of having enough to fund the lifestyle you want when you come to take your money.

It's likely that by the time you want to use the money you've saved, the cost of day-to-day things like food and travel will have increased, so you need to make sure your pension pot is big enough to last.

The amount you'll get from the Plan will depend on a number of factors including:

- How soon you start
- How much you pay in
- How well your chosen funds perform
- How much is taken out in charges
- How you choose to take your money and when

Don't put it off

The longer you wait to start saving into a pension pot, the more you'll have to contribute later to make sure you've saved enough money to afford the life you want. Even if it's just a small contribution, starting now will really help in the long run.

We know that balancing your needs today with what you might need in the future is not always easy. We've got tools to help you work out how. You will find them on your Plan website.

How your pension pot works

Step 1: You can join the plan if you meet the criteria on page 6.

Step 2: Your contributions will be automatically deducted from your salary each month and your employer will also start paying in their contributions.

Step 3: The government helps too in the form of tax relief.

Step 4: You choose where to invest your pension pot (we'll tell you more about that on page 15). You can change your investment choices at any time and we recommend you review your decisions on a regular basis.

Step 5: You can increase your contributions if you want to. You can also transfer in other pension pots so that you have all of your pension savings in one place.

Step 6: Manage your pension pot online to make sure you're getting the most out of it.

Step 7: Once you reach 55, you may be able to access your pension pot at any time. When you decide the time is right, you'll have plenty of options, including taking 25% of your pension pot tax-free. See pages 20 and 21 for more details.

Joining the Plan

You can join the Plan if you were an active member who was building up defined benefits in the Mines Rescue Service Limited Section on 29 March 2017 or your employer and the Trustees agree.

For details of who to contact, please go to Contact Information on pages 27 and 28.

If you decide you don't want to be in the Plan

If you leave the Plan at any other time, your money must stay invested until you are at least 55. You don't have to stay with us; you may be able to transfer your pension savings to another pension provider.

Remember

If you stop paying in, your employer will stop too and you will no longer be covered for the Life Assurance Benefit. If you cease contributing you cannot re-start.

Contributions

The best way to make sure you get the most out of your pension is to make regular contributions. It means you'll get the benefit of a contribution from your employer, and help from the government in the form of tax relief.
The earlier you can start the better chance you'll have of building up the savings you'll need for when you come to take your benefits.

You can pay money in by having your contributions:

- taken from your pay before tax and paid into the Plan through your employer's payroll.

If your earnings are below the starting rate for income tax you will not benefit from the tax relief that a taxpayer would receive.

Contributions

The contributions your employer will make and the contributions you make are shown below. These are shown as a percentage of pensionable pay.

	Period	You pay	Your employer pays	Total
Contributions deducted from pay	Up to 29 March 2022	5%	12%	17%
	30 March 2022 onwards	5%	10%	15%

Contributions explained

What is pensionable pay?

This is your gross salary including any cost-of-living bonus or commission but excluding any bonuses, overtime, one off payments, benefits in kind (such as cars, car allowances and health care), and any other amount as determined by your employer. If you have previously elected to treat your overtime payments as pensionable, these will be included in your pensionable pay. If you are not sure whether you have made such an election please contact your employer. For details of who to contact, please go to Contact Information on pages 27 and 28.

Pensionable pay is subject to a notional cap when calculating contributions. For details of whether this applies to you please contact your employer

Quick tip

The more you pay into your pension pot and the longer you pay, the more you're likely to have when you come to take your money. Although, you'll need to remember that the amount you'll have isn't guaranteed and that the value of your pension savings can go down as well as up.

We understand that your pension savings are unlikely to be your only financial commitment, but you should regularly review how much you are paying to make sure that you are staying on track for the retirement you want.

Example : deduction from pay

In this example, you contribute 5% of your pensionable pay. Your employer also contributes 12%.

Based on earnings of £30,000 a year, the monthly contribution to your pension would be:

The cost to you

£100

\+

Income tax

£25

\+

Your employer's contribution

£300

=

Total paid into your pension pot

£425

For a full breakdown of how this example has been calculated, please refer to page 32.

Tax relief limits

You'll receive tax relief on your pension contributions up to the annual allowance as set by the government. Any payments above the annual allowance will be subject to a tax charge.

You can find more information on tax relief and allowances in the tax year rates and allowances sheet on your Plan website.

Any contributions you make to the Plan after age 75 won't receive tax relief.

Important note

Understanding the annual allowance and how it could affect you is really important for keeping your pension savings on track. If you think your contributions might exceed the annual allowance, we would recommend speaking to a financial adviser.

Changing your contributions

You can change the amount you pay into your pension, but you must contribute a minimum of 5% of your pensionable pay. Any change of rate must be a whole percentage.

You'll need to tell the Trustees and your employer who will make the adjustments.

Contributing occasional lump sums

You can make additional contributions into the Plan through payroll via your employer's payroll, although your employer will only pay up to the contribution levels outlined in the table on page 9.

You can also make additional one-off contributions direct to Legal & General. If you'd like to make additional payments at any time, just contact them at the address shown on page 27.

Remember to claim your tax relief through self-assessment if appropriate.

If you're away from work

If you have a prolonged period away from work due to sickness, injury or maternity leave, your employer may continue their pension contributions depending on their HR policy.

Check with your employer for details. For details of who to contact, please go to Contact Information on page 27 and 28.

Transfers

Transferring other pension benefits into the Plan

If you have built up pension savings from previous employment, you may be able to transfer them into your new Plan if the Trustees agree.

Keeping your pension savings in one place could make them easier to manage but there are a few things you need to consider before you make a decision such as the charges for each plan and whether there are any guarantees you might lose if you move your money.

We would always recommend taking financial advice to make sure that transferring is the right thing for you. This is particularly important if you are transferring benefits from a final salary scheme.

If you do decide you want to transfer, contact Legal & General for help with the process. For details of who to contact, please go to Contact Information on page 27.

How do I transfer?

Before you decide to transfer any benefits from another pension plan you should consider taking financial advice.

If you decide to transfer and the Trustees agree to it, you can provide your previous pension plan details to the Plan administrator.

The Plan administrator will contact your old pension provider.

Your existing pension pot will be transferred into your new Plan.

Investing your pension savings

When you join the Plan, your savings will be invested in the Legal & General Cash Lifestyle.

The fund has been chosen by the Trustees as it aims to provide investment growth over the long term and is judged to be suitable for most members.

If you would like to make your own investment decisions, you can find more information about the choices available to you in the Investment Guide on your Plan website.

There is now more flexibility than ever before when you come to take your money, so it's important to review your investment choice regularly to make sure it matches your retirement goals.

We'll write to you several months before your retirement date with more information about the options you have.

Changing where your pension savings are invested

You can change where your pension savings are invested at any time:

- Online: go to the Plan website, and log in to **Manage Your Account**. You can see the different funds and change the way your pension savings are invested
- By phone: you can call Legal & General direct on 0345 070 8686. Call charges will vary and calls may be recorded and monitored.

Quick Tip

If you are thinking about switching funds, you may wish to talk to an independent financial adviser to make sure the funds you invest in are right for you and your future plans.

Charges

The following charges apply to your pension pot. To keep it running smoothly and manage the funds you're invested in.

- **Annual management charge (AMC):** covers the cost of running your pension plan as agreed with the Trustees.

There is also an **Annual Fee** which is paid by the Trustees.

- **Fund management charge (FMC):** covers the cost of managing the fund or funds you're invested in.

Both charges are deducted directly from the value of your pension pot.

Here's an example of what the total charge could look like:

If your pension pot is worth £10,000 throughout the year, and you're invested in the Legal & General Cash Lifestyle growth phase, you'll pay the following charges:

AMC	0.37%	£37
FMC	0.13%	£13
Total for the year	0.50%	£50

The charges for the Trustees' chosen default investment strategy differ slightly to the example shown above. The FMC for the default Investment for the Scheme range from 0.1% to 0.13%, depending upon your term to retirement. Please refer to the Investment Guide for more information.

Keeping track of your savings

You can check the value of your pension savings and review your fund(s) at any time by going to the Plan website and logging in to **Manage Your Account**.

Each year we'll create a statement for you. Your statement will be available online in **Manage Your Account** and we'll let you know when it's available to view.

The statement will set out:

- the current value of your pension savings
- the fund(s) it is invested in
- a projection of the benefits at your expected retirement age
- the transfer value if you were to move your pension savings to another pension plan
- total contributions paid into the Plan for you during the previous 12 months.

If you pay contributions by salary sacrifice then your contributions will be included with your employer's contribution. Your payslip will show you how much you personally have paid into your pension.

Your Plan website address is:
www.legalandgenral.com/minerescue

Accessing your pension savings

Choosing to take your money from your pension pot is one of life's 'big decisions'. You've worked hard and paid quite a bit of money in over the years, and you'll want to be sure you're making the right choice so that your future is secure, and you've got what you need to make the most of your retirement.

We can help you with our planning tools and information on your Plan website to make sure you understand all the options available and make the right decision for you.

Your right to guidance when deciding how to use your pension savings

The government guarantees that all individuals with a pension plan like yours will be offered free and impartial guidance. This:

- covers a range of options to help you make informed decisions and take action, whether that's seeking further advice or purchasing a product;
- tells you about the different types of benefits and what you can do with your pension savings - what's tax-free and what's not;
- is offered face to face by the Citizens Advice Bureau or by phone from The Pensions Advisory Service; and
- is available from age 50 or when you access your pension savings.

Visit www.pensionwise.gov.uk to register your interest and arrange an appointment.

If you're still unsure about your options we recommend you speak to a financial adviser. You can find one in your local area by visiting: www.unbiased.co.uk.

Whilst financial advisers will usually charge a fee for their services they can help you make the right decision about the best option for you and your circumstances.

When can I take my pension savings?

Your Normal Retirement Age is 60. However, subject to employer consent, you may be able to take your benefits earlier or later than age 60.

Under current legislation, the earliest you can access your pension savings is age 55.

The above options require you to take your benefits **at the same time** as the defined benefits you have accrued in the Industry-Wide Coal Staff Superannuation Scheme.

For details of who to contact, please go to Contact Information on pages 27 and 28.

You'll need to think carefully about when is the right time so you can make sure your pension pot is big enough to last.

Remember

Your annual statement will show estimates of your projected benefits at retirement so you can see if you're on track and make changes if you need to.

Helpful hint

You can check the value of your pension pot online using **Manage Your Account.**

Unless you tell us something different, we'll assume you're going to take your benefits at 60.

You can change your retirement age at any time. It's important that you choose an age that realistically reflects when you expect to take your benefits, for two reasons:

1. We'll use your retirement age to estimate the value of your pension pot, so when we send you our yearly forecasts, they'll be more realistic.
2. If you decide to invest in a 'lifestyle strategy', it will automatically adjust your investment depending on how far away you are from your chosen retirement age. If this isn't the age you actually want to access your pension savings, the investment strategy will be less effective.

The most important consideration as you approach retirement is that your investments are right for you and reflect how you want to take your money when the time comes.

Four months before you reach retirement, we'll send you a pack setting out all of the options available to you.

You can always change your retirement age as your future plans become clearer. You can do this by logging into **Manage Your Account** and sending us a secure email.

Your options when the time is right

Get a guaranteed income

You can use your pension pot to buy a lifelong, regular income - also known as an annuity - to provide you with a guarantee that the money will last as long as you live. You can also choose a guaranteed income that increases with inflation and/or continues to provide an income for a dependant.

A quarter of your pension pot can be taken tax-free and any other income you take from it will be taxed.

If you choose this option you can't change your mind later.

Take your whole pension pot in one go

If you have ceased contributing to the Plan you can take the whole amount in one go. A quarter can be taken tax-free – the rest will be taxed as income. If you're considering this option, you may need to plan how you will provide an income for the rest of your lifetime

Tax free cash

You can apply to take up to 100% of your defined contribution pot as a tax free cash lump sum in respect of your total benefits under IWCSSS.

Your state pension

Your benefits from the Plan will be payable in addition to any State Pension you will be entitled to.

Your options when the time is right

Get a flexible retirement income

You may wish to consider drawing down income from your defined contribution pot in a flexible manner. You would have to transfer your defined contribution pot out of the Plan.

We recommend you speak to a financial adviser if you wish to explore this option. You can find one in your local area by visiting: www.unbiased.co.uk.

Important

When you take your benefits, the value of your pension pot will be tested against the lifetime allowance as set by the government. This is the maximum amount of pension benefits you can build up without paying a tax charge.

If your total pension benefits (not just the value in your employer's Plan) exceed the lifetime allowance, a tax charge will be payable from your pension pot before benefits are paid to you.

You can find out more about tax rates and allowances in the tax year rates and allowances booklet on your plan website.

If things don’t go to plan

If you can’t work due to illness or injury

If you are suffering from ill health and want to take your benefits before age 55 please contact the Plan administrator. For details of the amount payable please go to Contact Information on pages 27 and 28.

In cases of limited life expectancy, which is defined as less than one year, it may be possible to have your entire pension pot paid out as a cash lump sum.

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If you die before taking your benefits

If you have not already done so, you can nominate a person you’d wish to receive the benefits you have built up in the Industry-Wide Coal Staff Superannuation Scheme in the event of your death.

You can choose as many beneficiaries as you like and we‘d recommend you review your choices on a regular basis.

The ‘Nomination of Beneficiary’ form is available from Hymans Robertson, their address is on the Contact Information on page 27.

Important

The Trustees aren’t bound by your choice of beneficiary but they will use your completed form as a guide. Please note that any nomination will apply to your defined benefits as well as those built up under the defined contribution sub-section.

If things don’t go to plan

For instance, if you die with dependants under 18 at the time of your death, the Trustees may pay the benefits into a trust fund which your dependants can only access when they turn 18.

Similarly, the Trustees may choose to use all or part of your pension pot to secure a guaranteed income for your dependants. This decision would be made if the Trustees felt a regular income was more appropriate for your dependants than a one-off lump sum.

If you were to be still employed by your employer in the UK at the time of your death, your beneficiaries will be entitled to a lump sum benefit. This is 4 times your salary (which is subject to a notional cap), plus the value of your defined contribution pot less any defined benefit lump sum death benefits payable under the Industry-Wide Coal Staff Superannuation Scheme and the British Coal Staff Superannuation Scheme.

For full details please contact Hymans Robertson, their address is on the Contact Information on page 27.

Divorce or dissolution

If you’re involved in a divorce or the dissolution of a registered civil partnership, your pension pot will be taken into account by the courts when deciding upon any settlement.

Leaving the Plan

If you decide you want to leave the Plan or stop paying in, there are a number of options available to you.

Your Options	
Option 1	**Leave your pension savings in the Plan** Leave your pension pot invested with us until you choose to take your money (which may be at any time from age 55 and subject to Mines Rescue Service's consent). You can continue to choose which funds to invest your pension pot in but you can't make any more contributions into it. If you choose this option, Options 2 and 3 below will continue to be available to you in future.
Option 2	**Transfer your pension pot** Transfer the value of your pension pot to another pension plan. You can do this any time before you access your pension savings.
Option 3	**Access your pension pot** If you are 55 or over you may be able to access your pension savings, subject to Mines Rescue Service's consent, if you so wish. See pages 20 and 21 in this guide for the options open to you.

If you want to leave the Plan or stop paying in, contact your HR department.

Important note

If you choose to stop making payments to your pension pot, your employer will stop contributing too and you will not be permitted to restart paying into the IWCSSS, but you may be eligible for your employer's pension arrangements available under automatic enrolment. This could have a significant impact on the value of your benefits when you come to retire so you should think very carefully before leaving the Plan.

Important information

The Trustees

The Plan is part of the Industry-Wide Coal Staff Superannuation Scheme.

The Pension Scheme Tax Reference (PSTR) is 00374111RB

Scheme documents

The following documents are available on request. For details of who to contact, please go to Contact Information on page 27 and 28.

- The Trustees' Annual Report which contains general information about the Scheme
- The Trust Deed and Rules
- Statement of Investment Principles which describes the Trustees' investment strategy

Scheme changes

The Industry-Wide Coal Staff Superannuation Scheme Co-ordinator Limited may, after consulting, the Trustees, amend the terms of the Scheme at any time if it wishes (subject to the restrictions in the Scheme Rules).

The Scheme Rules may change in future – you'll be notified of any changes that may affect you.

Your employer plans to continue the Scheme indefinitely. However, it's always possible that things will change in the future that lead to the Scheme being discontinued.

Should it ever happen, you will be notified well in advance with details of all your options.

Important information

Changing your personal details

Make sure your personal details are up-to-date so you always receive your annual statement and other important communications.

You can make your changes by using our online **Manage Your Account** facility or by contacting us directly using the contact details on pages 27 and 28.

Remember to keep your nominated beneficiary up-to-date too.

Data protection

The Trustees will treat all information about you and your dependants as confidential.

We might use your personal data for administration purposes, which means we might share it with relevant organisations involved with running the Scheme, but only when it's essential in connection with the administration of the Scheme.

Questions and complaints

If after reading this booklet you have any questions or comments, please call the helpline on the number shown on pages 27 and 28.

If we're unable to resolve your queries, or if there's something you don't agree with, there's a formal dispute procedure you can follow. The helpline can give you all the details. Formal complaints must be made in writing.

Legal note

This booklet is intended as a summary of the terms and conditions of the Scheme. If the information in the Scheme Rules and this booklet ever conflict with each other, the Rules will be overriding.

The information in this guide is based on the Trustees' understanding of current legislation, and HMRC practice. These can change without notice but the Trustees will let you know as soon as they can if a change is made that significantly impacts you.

Contact information

Defined Contribution related contacts:

First Contact
Legal & General
Ground Floor Knox Court
10 Fitzalan Place
Cardiff
CF24 0EB
Tel: 0345 070 8686

Opening times:
Monday to Friday 8.30am – 7.00pm
Saturday 9.00am to midday

Call charges will vary and the calls may be monitored or recorded.

Email: wptadmin@landg.com

Defined Benefit related contacts:

IWCSSS Administration Office
Hymans Robertson
20 Waterloo Street
Glasgow
G2 6DB
Tel: 0141 566 7660

Email: iwcsssadmin@hymans.co.uk

Contact information

Employer contacts:

MRS Training and Rescue
Leeming Lane South
Mansfield Woodhouse
Mansfield
NottsNG 19 9AQ

Please contact the Payroll department on Tel: 01623 638503

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Useful websites

GOV.UK

www.gov.uk

The government's site for information on pensions – including the state pension, pension credit, taxation, pension allowances and a lot more.

The PENSIONS Advisory Service

www.pensionsadvisoryservice.org.uk

The Pensions Advisory Service (TPAS) is available to assist members and beneficiaries with any general pension queries they may have, or any difficulties they have failed to resolve with plan trustees or administrators through the internal disputes resolution procedure.

TPAS can be contacted at:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB
Tel: 0800 011 3797

The Pensions Ombudsman

www.pensions-ombudsman.org.uk

An independent organisation set up by law to investigate and resolve complaints and disputes arising from pension schemes.

The Pensions Ombudsman can be contacted at:

The Office of the Pensions Ombudsman
10 South Colonnade
Canary Wharf E14 4PU
Tel: 0207 630 2200

Useful websites

The Pensions Regulator

www.thepensionsregulator.gov.uk

The Pensions Regulator regulates workplace pension schemes and it can step in where it feels that a scheme is not being run properly or where it has evidence that members' benefits are endangered. The Plan's administrators and professional advisers have a duty to report to The Pensions Regulator if they believe there have been any irregularities in the running of the Plan.

The Pensions Regulator can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW

Tel: 0345 600 0707

Pension wise
Your money. Your choice.

www.pensionwise.gov.uk

The government's free and impartial guidance service on the options for taking your pension savings at retirement.

Pension Wise can be contacted at:

Pension Wise
PO Box 10404
Ashby de la Zouch
Leicestershire LE65 9EH

Tel: 0300 330 1001

PENSION TRACING SERVICE

www.gov.uk/find-lost-pension

The government's tracing service if you're unable to find pensions left with previous employers.

The Pension Tracing Service can be contacted at:

The Pension Service 9
Mail Handling Site A
Wolverhampton WV98 1LU

Tel: 0345 600 2537

What do the blue terms mean

Annual allowance
The maximum amount set by HMRC that can be paid into a pension without incurring a tax charge. For more details, please see the Tax Year Rates and Allowances Guide on your Plan website.

Annuity
An insurance policy that uses the value of your pension savings to provide you with an income, which can be payable for the rest of your life, depending on the type of annuity you buy. The amount you receive will depend on a number of things including the value of your pension savings, your age, your health and the annuity rates available when you purchase one.

Beneficiary
The person(s) you wish to benefit from your pension savings, should you die.

Dependant
Your spouse, registered civil partner or any other person who in the opinion of the Trustees is financially dependent upon you.

Earnings threshold
The minimum amount you must earn to qualify for automatic enrolment. For more details, please see the Tax Year Rates and Allowances Guide on your Plan website.

Lifetime allowance
The maximum amount of pension savings you can build up without incurring a tax charge.

If your pension savings exceed the lifetime allowance, you will have to pay a lifetime allowance charge on the excess. For more details, please see the Tax Year Rates and Allowances Guide on your Plan website.

Member
An employee, or ex-employee, who is entitled to benefits in the Plan.

Pay protection limit
The minimum amount you must earn for it to be to your advantage to make contributions by salary sacrifice. If your earnings fall below this amount, you'll be taken out of salary sacrifice and will then have your contributions taken from your pay. For more details, please contact your employer.

Pension savings/pension pot
The value of all your contributions plus any investment growth, less charges.

Tax relief
Some of your money that would have gone to the Government as tax goes into your pension savings instead.

Your employer
Means Mines Rescue Services Limited.

Example explained

On page 11 we provided a summary example based on pensionable pay. The below shows how your contribution is calculated.

In this example, you contribute 5% of your pensionable pay and your employer contributes 12%.
Based on a basic rate* taxpayer earning £30,000 a year, here's how to work it out:

1. What you pay:	
Your contribution rate	5%
Your contribution amount	£1,500
Your monthly contribution	£125

2. What your employer pays:	
Your employer's contribution rate	12%
Your employer's contribution per year	£3,600
Your employer's contribution per month	£300

3. The impact of tax relief at source. Each month:	
Your contribution	£125
Tax relief at the basic rate (20%)	£25
The net cost to you	£100

4. The value of your monthly contribution:	
The net cost to you	£100
The benefit of tax relief	£25
Your employer pays	£300
Your pension pot receives	**£425**

* Basic rate tax relief is 20% in the 2017/18 tax year.