

Explaining your pension

Harmsworth Pension Scheme



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How to use this guide

We have designed this guide to **explain your pension scheme** in a way that we hope you will find easy to follow.

We have tried to use as little jargon as possible. However, where we have used technical terms, you will find a definition of these in the shaded boxes in addition to the main text.



“Where we have used technical terms, you will find a definition of these”.

Benefits built up before 1 April 2011

If you were a member of the scheme before 1 April 2011, the benefits you earned are treated differently to those built up on or after this date.

Introduction

Harmsworth Pension Scheme is the company's defined benefit pension scheme.

The purpose of this guide is to explain what the scheme offers you.

If you have any questions about this guide, or general questions about your scheme benefits, contact us at:

DMGT Pensions
10 Bedford Street
Covent Garden
London WC2E 9HE.

Phone: 020 7395 7272

Fax: 020 7240 4357

Email: enquiries@dmgtpensions.com

Website: www.dmgtpensions.co.uk

Please contact us if you find it difficult to read this guide as we can provide it in another format.

“If you have any questions about this guide, or general questions about your scheme benefits, contact us”.

Finding out more

www.dmgtpensions.co.uk

Your first port of call should be our member website, where you will find information about the scheme.

www.timeformoney.co.uk

Our interactive financial awareness website covers a range of topics including buying your home, general savings and managing your borrowing. Our easy to understand information, including video clips, will help you learn more about making your money work for you.

Getting financial advice

We can give you information and guidance in general terms on certain aspects of your scheme benefits. However, we are not allowed to give you financial advice, as we are not licensed to do so.

We recommend that you speak to an independent financial adviser. You can find one local to you at www.unbiased.co.uk.

For guidance on how to find a quality adviser go to www.timeformoney.co.uk and type in 'advice you can trust' in the search bar.

Make an appointment

You can make an appointment to drop into our office to meet one of the pension team.

We are open from 9am to 5pm, Monday to Friday. You can call us on 020 7395 7272 to book your appointment.

We are based at:

10 Bedford Street
Covent Garden
London
WC2E 9HE.

Company visits

We may visit your workplace from time to time when you will be able to make an appointment to see us. Our website gives details of our programme and you can book an appointment online.

“If you are looking for general financial information, you can go to our website www.timeformoney.co.uk.”

Joining the scheme

The scheme was closed to new employees from 1 October 2009.

If you joined the company before this date and are eligible under your employment contract to join the scheme you will need to do so on or before 31 March 2012.

After this date the scheme will be closed to new members.

Moving sections within the scheme

You can switch between the Plus and Standard sections at any time by completing a switch form and returning it to payroll.

You can find a switch form at www.dmgtpensions.co.uk. Once payroll have received your form, the switch will take place on the 1st of the month following payroll cut-off.



Paying into the scheme

You must pay **6%** of your pensionable pay (**Plus section**) into the scheme each month. If you are in the **Standard section**, you must pay **4%**.

The money you pay into the scheme receives tax relief at your marginal rate which means you will be paying less than you might think. However, tax relief on your total pension savings over the year is restricted to 100% of your earnings (or £3,600 if greater). This is capped at the annual allowance. (See 'Annual allowance' section on page 11.)

Jargonbuster

Pensionable pay

Your pensionable pay is your basic salary at any given point in time.

Company contributions

The trustees decide how much money the company needs to pay into the scheme after taking advice **from the actuary**.

We will send you a summary funding statement each year which shows how much the company pays into the scheme. You can also find a copy at www.dmgtpensions.co.uk.

Jargonbuster

Actuary

An actuary works out whether enough money is being paid into a pension scheme to pay the benefits when they are due.

“For guidance on how to find a quality adviser go to **www.timeformoney.co.uk** and type in ‘advice you can trust’ in the search bar.”

XTRA

The company runs an arrangement called **XTRA**.

This is how XTRA works.

- You do not pay normal contributions into the scheme. Instead, the company pays these directly into the scheme for you.
- The company then adjusts your salary by an amount equal to this.
- You pay less National Insurance, so your take-home pay will be higher than it would be otherwise.

You are automatically included in XTRA unless you opted out before 1 December 2008 (or prior to joining the scheme if you joined the company before 1 January 2009), or if you would be losing State benefits by participating.

Five reasons why XTRA is good for you.

1. You pay less National Insurance so your take-home pay goes up.
2. The amount of income tax you pay is not affected.
3. Your pay reviews and bonuses (if any) are not affected.
4. Your benefits are based on your salary before any adjustment for XTRA.
5. Any tax credits you may receive from the State won't be reduced.

If you leave the scheme after three months but before two years of membership, you will be able to transfer the cash value of your benefits to another pension arrangement, within three months of leaving.

If you choose not to transfer or have been a member of the scheme for less than three months, you will have no benefits left in the scheme. This is because the company paid into the scheme on your behalf through XTRA, so there are no contributions to be refunded to you. By law, you are only entitled to hold benefits within the scheme if you have been a member for two years or more. (See page 22 for more details of the benefits available to you if you leave the scheme.)

AVCs

You could pay more towards your retirement income by making additional **regular or one-off payments**, known as additional voluntary contributions (AVCs), into an AVC account.

Your AVCs will receive tax relief at your marginal rate so they will cost less than you think. Tax relief on your total pension savings over the year is restricted to 100% of your earnings (or £3,600 if greater). This is capped at the annual allowance. (See 'Annual allowance' section on page 11.)

Your AVCs go into your AVC account which means that they are invested in a policy with a provider that has been selected by the trustees. The benefits you receive depend on how much you invest and how your investment performs. You have a choice about how your AVCs are invested. For further information, see the AVC area at www.dmgtpensions.co.uk.

AVCs are flexible, so you have the option to set up regular monthly payments or make a one-off payment when you can afford to do so. However, you cannot pay in more than 80% of your total pay to the scheme, including the usual level of contributions.

You could consider paying any bonus you receive as an AVC to benefit from the tax relief. You must pay this direct from your salary and it is limited to the overall 80% maximum.

We will not include in XTRA any AVCs you choose to pay.

We recommend that you get independent financial advice before paying AVCs or investing in any financial product.

For guidance on how to find a quality adviser go to www.timeformoney.co.uk and type in 'advice you can trust' in the search bar.

To set your level of AVCs, complete an AVC application form which you can find in the forms and guides area at www.dmgtpensions.co.uk and return it to payroll.

Tax

Tax incentives

As a member of the scheme you benefit from some important **tax incentives**:

- You get tax relief at your marginal rate on what you pay into the scheme (including AVCs) up to 100% of your earnings (or £3,600 if greater) and capped at the annual allowance. (see 'Annual allowance' section on page 11).
- You can choose to convert part of your benefits into a tax-free cash amount when you retire. However any pension you take is taxable.
- Generally, inheritance tax is not paid on any cash death benefits.
- If you pay AVCs into an AVC account, your investment returns are free of tax.

Tax allowances

The benefits provided by the scheme are subject to certain HM Revenue and Customs (HMRC) **allowances**. If your benefits are more than these allowances, you may have to pay more tax.

It is your responsibility to monitor your benefits against these allowances.

Lifetime allowance

The lifetime allowance has been fixed by HMRC and is reducing from £1.8 million to £1.5 million for the tax year beginning **6 April 2012**.

If the total value of your pension benefits from all sources (not just DMGT) is more than the lifetime allowance (or your own personal lifetime allowance, if this applies to you), you will be taxed on the extra at a very high rate.

Your own personal lifetime allowance includes any enhanced protection that you may have applied for under the 2006 simplification rules.

If you expect your pension savings to be more than £1.5 million when you come to take your benefits on or after 6 April 2012 you can apply for fixed protection. This will protect your benefits from the lifetime allowance charge. You must apply for fixed protection on or before 5 April 2012.

You may choose to leave the scheme at any time if you believe that you will be affected by the lifetime allowance. Please contact us for more details if you find yourself in this position.



Annual allowance

An annual allowance applies to any increase in your scheme benefits during the year. This is called your '**pension input**' and also includes any payments you have made to defined contribution pension arrangements over the year, such as your AVC account or a personal pension plan.

If your pension input is higher than the annual allowance you will be taxed on the extra at your marginal rate of income tax.

We will measure the increase in value of your scheme benefits for each pension input period, which is currently the year ending 31 March.

The annual allowance from 6 April 2011 is £50,000. It is expected to remain at this level for at least five years.

Pension allowance and pensionable pay cap

If you are likely to be affected by the tax consequences of the annual allowance you may choose to have your pensionable pay **capped** to minimise the chance of you incurring the tax charge. To compensate you for this capping of your pensionable pay the company would pay you a **pension allowance** in the form of a cash top-up to your salary.

The pensionable pay cap is £165,000 for the Plus section (£250,000 for the Standard section). The pension allowance, which is paid monthly with your salary, is based on pensionable pay above the cap and is subject to income tax and National Insurance contributions.

The pension allowance will end when you cease to build up benefits under the scheme, leave employment or take your pension; whichever is earlier.

Alternatively, you could choose not to have your pensionable pay capped in which case you would be personally responsible for the tax liability.

DMGT Pensions will provide you with information to help you complete the relevant section of your annual self-assessment tax return.

If your tax liability is £2,000 or more in any tax year, you can ask the trustees to pay the tax charge on your behalf from your benefits.



How the scheme works

Credit account

You will build up a **notional pot of cash**, called your credit account, which will be available to provide benefits when you retire.

When you retire, we will work out your credit account based on your pensionable pay history.

This means that we will add to your credit account a notional amount of cash for each year you were paying into the scheme after 1 April 2011. The notional amount will be 30% of your pensionable pay for the Plus section (20% for the Standard section).

Assuming you are still paying into the scheme, we will increase at each April, the notional amounts credited to your credit account in line with consumer price inflation (CPI), up to 5%.

An example of how we work out your credit account is on page 14.

Jargonbuster

Pensionable pay

Your pensionable pay is your basic salary at any point in time.

Benefits built up before 1 April 2011

We will work out your pre-April 2011 benefits in a similar way to a member who left the scheme on 31 March 2011. Salary increases on or before this date will be taken into account.

We will increase these benefits in line with retail prices inflation (RPI), up to 5%, for each year until we pay them.

You can find an archive copy of the previous scheme guide at www.dmgtpensions.co.uk.

AVC account

Subject to the lifetime and annual allowances (see pages 10 and 11), you can **boost your benefits at retirement** by paying additional voluntary contributions (AVCs) into an AVC account.

Your AVCs will be invested in a policy with a provider. (See 'AVCs' section on page 9.)

You can find out how AVCs work at www.dmgtpensions.co.uk.

“Boost your retirement income by paying AVCs.”

Retirement account

When you retire, the value of your **credit account**, plus the proceeds of your **AVC account**, will be added together to make your retirement account.

You can use your retirement account to buy an annuity from a provider or you may be able to take all or part of it as a tax-free cash payment.

If you do buy an annuity with your retirement account when you retire, we will help you buy it from a provider such as an insurance company. (See 'Retiring from the scheme' section on page 16).

Jargonbuster

Annuity

An annuity, which is provided by an insurance company, achieves the same thing as a pension – it gives you a yearly income for life.

How we work out your credit account at retirement (age 65)

We are assuming that the member's date of birth is 1 April 1951 and he will be retiring on 31 March 2016 when he is 65 years old.

Let's assume the member's pensionable pay history is:

Salary date	Pensionable pay
01/04/2011	£30,000
01/04/2012	£32,000
01/04/2013	£40,000
01/04/2014	£42,250
01/04/2015	£45,000

Let's assume CPI inflation during the period up to retirement is:

Date	*CPI	Amount the credit account might be increased by
01/04/2012	3.0%	1.03
01/04/2013	6.0%	1.05
01/04/2014	2.0%	1.02
01/04/2015	2.5%	1.025

*CPI would be worked out for each year ending 30 September and capped at 5%.

Then the member's credit account at retirement would be worked out like this:

Scheme year	Plus section 30% x salary x CPI	Credit account at retirement
01/04/2011	$£30,000 \times 30\% \times 1.03 \times 1.05 \times 1.02 \times 1.025$	£10,176
01/04/2012	$£32,000 \times 30\% \times 1.05 \times 1.02 \times 1.025$	£10,538
01/04/2013	$£40,000 \times 30\% \times 1.02 \times 1.025$	£12,546
01/04/2014	$£42,250 \times 30\% \times 1.025$	£12,991
01/04/2015	$£45,000 \times 30\%$	£13,500
Credit account at age 65 from the Plus section		£59,751

Scheme year	Standard section 20% x salary x CPI	Credit account at retirement
01/04/2011	$£30,000 \times 20\% \times 1.03 \times 1.05 \times 1.02 \times 1.025$	£6,784
01/04/2012	$£32,000 \times 20\% \times 1.05 \times 1.02 \times 1.025$	£7,026
01/04/2013	$£40,000 \times 20\% \times 1.02 \times 1.025$	£8,364
01/04/2014	$£42,250 \times 20\% \times 1.025$	£8,661
01/04/2015	$£45,000 \times 20\%$	£9,000
Credit account at age 65 from the Standard section		£39,835



Retiring from the scheme

Retiring at your normal retirement age

Your normal retirement age under the scheme is 65. However, you will normally agree with the company when you will be retiring from employment.

“The **income** from your pension is **taxable**.”

When you decide to retire, we will use your retirement account to buy an annuity (pension) from a provider of your choice. We will help you, free of charge, to find the most competitive annuity on the market that meets your needs by using an independent financial services firm. However, you will be free to take your own independent financial advice if you prefer, but you will have to pay for this.

Subject to legal requirements, the types of annuity you can buy are flexible and you will be able to choose from a number of options to suit your circumstances.

The most common options are:

Increases – The level of increase to your pension each year to keep pace with inflation (for example, 3%, 5% or in line with an inflation index).

Partner’s pension – An annuity that will pay out to you and then your partner after your death (normally at a reduced rate such as half or two-thirds your pension).

A guarantee period – You can guarantee your annuity for a specific number of years (usually five or ten) so it continues to pay the same level of income for that time even if you die before then. The income is usually paid to your partner.

The amount of pension you will receive at retirement depends on:

- The value of your retirement account.
- The amount of tax-free cash you take.
- Your age and that of your partner (you will get a higher income the older you are).
- The options you choose such as the level of annuity increases in payment (the fewer options you choose, the higher your income will be).
- Your health and lifestyle (you may get a higher income if you are a smoker or have a medical condition).
- Where you live and your occupation.
- Economic conditions and general life expectancy at the time you take your benefits.

“Even relatively **minor health conditions** such as high blood pressure can result in a **higher annuity**.”

Benefits built up before 1 April 2011

Your normal retirement age for the purposes of working out your pre-April 2011 benefits is age 62 for the Plus section (age 65 for the Standard section).

These benefits will be paid as a pension from the scheme, unless you choose to convert part of this pension into tax-free cash.

Taking tax-free cash

When you retire, you can take part of your benefits as a **tax-free cash payment**. Taking cash means your pension income will be lower.

We will try to maximise your retirement income. Usually this means that we will use your retirement account as the first source for providing any tax-free cash you choose to take, before converting any of your pre-April 2011 benefits into cash.

Benefits built up before 1 April 2011

Converting part of your pension into tax-free cash will not affect the amount of pension we pay to your dependants after your death.

Retiring early

You can retire from **age 55** (or age 50 if you joined the scheme before 6 April 2006 and are leaving the employment of the company). You must have at least **two years'** qualifying service before you can retire early.

We will work out your credit account as normal, but we will reduce it if you retire before age 65.

Benefits built up before 1 April 2011

Generally, we will reduce your pre-April 2011 benefits if you retire before age 60 for the Plus section (age 65 for the Standard section).

Jargonbuster

Qualifying years' service

The length of time you were paying into the scheme. This includes pensionable service from a previous pension scheme which you have transferred into the scheme.

Retiring late

You must take your pension benefits before you reach **age 75**, even if you carry on working. You will not be able to earn any extra pension once you reach age 75.

If you continue to pay into the scheme after age 65 we will continue to add to your credit account in the normal way.

If you leave the scheme before age 65 but do not take your benefits until after 65, we will increase your credit account by a late retirement factor from age 65.

Benefits built up before 1 April 2011

We will increase your pre-April 2011 benefits by a late retirement factor if you retire after age 60 for the Plus section (65 for the Standard section).

Flexible retirement

You don't have to stop work to start taking your benefits. If you are aged 55 or over, you may retire from the scheme, **while continuing to work for the company**. If you choose this option, you must take all your benefits from the scheme when you retire.

Your employment will then become non-pensionable and you will not be able to continue to take part in the scheme. You will earn no more pension benefits or receive any pension allowance and will no longer be covered for death or ill-health benefits as if you were still paying into the scheme.

Retiring because of ill health

If you have to stop working due to serious ill health, you may be able to take **your pension benefits immediately** (regardless of your age).

The company will consider your circumstances and decide whether you qualify for an ill-health benefit, based on evidence from a qualified medical practitioner.

If you qualify for ill health retirement, your credit account will not be reduced for early payment. You will still be able to take all or part of your retirement account as a tax-free cash payment.

Your retirement account will be used to provide benefits in the normal way. If you have any medical conditions that might reduce your life expectancy or if your health is impaired by a chronic condition you may be able to buy a higher annuity with your retirement account than would be the case if you were in good health.

The company may decide to apply a discretionary increase to your retirement account. The particular circumstances that apply to you at the time will be taken into account in the exercise of this discretion.

You must have at least two years' pensionable service to be considered for this benefit.

Benefits built up before 1 April 2011

We will pay your pre-April 2011 benefits as a pension from the scheme, unless you choose to convert part of your pension into tax-free cash.

When the company has approved payment of your benefits and we start paying your ill health pension, the trustees reserve the right to review your circumstances from time to time.

Increases to pensions being paid

If you use your retirement account to buy an annuity from a provider you will be able to **choose** the level of increases in payment to **keep pace with inflation**.

The higher the increases the lower your starting pension will be.

Benefits built up before 1 April 2011

Once we start paying your pension, we will increase it on 1 April each year by the retail prices index (RPI) up to 5%.

This increase will not apply to your guaranteed minimum pension (GMP) (see page 27). Your GMP is increased as required by law when you reach age 60 (females) and 65 (males).

Death benefits

If you die whilst still paying into the scheme

Membership of the scheme not only provides you with a retirement benefit, it also offers financial security for your dependants in the unfortunate event of your death.

If you die in service we will pay a cash amount of six times your pensionable pay (four times for the Standard section) at your date of death.

We will also use the value of your retirement account (which includes your credit account) to buy an annuity for your dependants or pay it as a cash sum. These benefits are paid at the trustees' discretion but taking into account your expression of wish form. (See 'Choosing who you want to receive the death benefits' section on page 21.)

Benefits built up before 1 April 2011

We will pay a pension to your spouse, civil partner or in certain circumstances to an adult dependant. This will be half of the pre-April 2011 benefits you would have received had you retired immediately before your death.

We will also pay a pension to a child in certain circumstances (see page 20).

See page 20 for the conditions attaching to dependants' pensions.

If you die when retired

If you buy an annuity with your retirement account, you can choose to buy one that includes provision for your dependants.

You can also guarantee your annuity for a specific number of years (usually five or ten) so it continues to pay the income for that time even if you die before then. The income is usually paid to your partner or another dependant.

Benefits built up before 1 April 2011

We will pay a pension to your spouse or civil partner or in certain circumstances to an adult dependant. This will be half of the pre-April 2011 benefits you have built up at the time of your death (including any pension you converted into tax-free cash when you retired).

If you were in the Plus section (or in pensionable service before 1 July 2005 in the Standard section) your dependants may also receive a bereavement grant, currently £1,750, to help with funeral costs.

We will also pay a pension to a child in certain circumstances (see page 20).

See page 20 for the conditions attaching to dependants' pensions.

Jargonbuster

Pensionable pay

Your pensionable pay is your basic salary at any point in time.

If you have left the scheme and die before you retire

We will use the value of your retirement account to buy an annuity for your dependants or pay it as a cash sum. These benefits are paid at the trustees' discretion but taking into account your expression of wish form. (See 'Choosing who you want to receive the death benefits' section on page 21.)

Benefits built up before 1 April 2011

We will pay a tax-free cash amount equal to five times your leaver's pension increased to the date of death. We will also pay a pension to your spouse or civil partner or in certain circumstances to an adult dependant. This will be half of your increased leaver's pension.

We will also pay a pension to a child in certain circumstances (see below).

See opposite for the conditions attaching to dependants' pensions.

Childrens' pensions

Benefits built up before 1 April 2011

We will pay a pension to each dependent child for up to four children, as long as they are under age 18 (21 if they are in full time education) or for the rest of their life if they are disabled. This will be one-eighth of the pre-April 2011 pension you have built up at the time of your death.

If we do not pay a pension to an adult, we will double the children's pension and pay it for up to four children.

Dependants' pensions

Benefits built up before 1 April 2011

We will pay a pension to your spouse or civil partner for the rest of their life. However, if your spouse or civil partner has been living apart from you for more than five years, they will only be entitled to a limited pension or possibly no pension at all.

We work out the pension before any adjustment for converting part of your pension into tax free cash when you retired.

In circumstances where we do not pay a spouse's or civil partner's pension, the trustees may pay an equivalent pension (less any limited pension payable as described above) to a person who has been validly nominated and who depends on you financially or with whom you share living expenses.

We strongly advise you to let us know if you have dependants that fall into this category. You can ask us for an expression of wish form for this purpose or find one at www.dmgtpensions.co.uk.

The pension payable to an adult dependant may be payable for a specified period and may be terminated by the trustees in certain circumstances.

If your spouse, civil partner or adult dependant is more than 10 years younger than you, we may reduce the amount of pension that we pay.

Once we start paying a pension to your dependants, we will increase it on 1 April each year by the rates shown on page 18.

Choosing who you want to receive the death benefits

You should let us know who you want to receive any cash amount or pension if you die before taking your benefits.

You can do this by completing an expression of wish form, which we will give you automatically when you join the scheme or retire.

The trustees will decide who to pay the benefits to. Although the expression of wish form is not binding on the trustees they will normally take your wishes into account. However, they may consider that there are special reasons for selecting other beneficiaries. This process ensures that any cash death benefit can be paid free of tax.

It is important to keep your form up to date to avoid any complications. If your wishes change, you can get a new expression of wish form from us or on the website at www.dmgtpensions.co.uk.



Leaving the scheme

If you **leave the scheme**, you will stop building up any pension benefits. The protection for you and your family if you fall ill or die will reduce.

The options available to you depend on the length of your qualifying service.

Length of qualifying service	Have you taken part in XTRA?	Benefit
Less than three months	Yes	You will not receive a benefit. This is because the company paid into the scheme on your behalf through XTRA, so there is nothing to be refunded to you.
Less than three months	No	We will refund what you paid into the scheme less tax. We will pay the refund into the same bank account used to pay your salary.
At least three months but less than two years	Yes	You can transfer the cash value of your benefits to another pension arrangement, within three months of leaving the scheme. Otherwise you will not receive a benefit. This is because the company paid into the scheme on your behalf through XTRA, so there is nothing to be refunded to you.
At least three months but less than two years	No	You can transfer the cash value of your benefits to another pension arrangement, within three months of leaving the scheme. Or, we will refund what you paid into the scheme less tax. We will pay the refund into the same bank account used to pay your salary.
Two years or more	Yes or no	You can transfer the cash value of your benefits to another pension arrangement at any time before age 64. Or, you can keep your benefits in the scheme until you retire.

If you leave the scheme, you will not be able to continue paying into it. Your benefits will be kept in the scheme until you retire unless you choose to transfer your benefits to another pension arrangement such as a new company scheme. You can transfer the cash value of your benefits out of the scheme at any time before age 64.

Your credit account at leaving will be increased in accordance with statutory requirements.

You will also no longer be able to pay into your AVC account, although the investment you have built up will continue to be invested in the funds that you have chosen. You should remember to review your investments regularly and check that they remain appropriate for you.

If you die before you retire

See page 20 for the benefits available if you die before you retire.

Benefits built up before 1 April 2011

We will increase your pre-April 2011 pension each year in line with the retail prices index (RPI) up to 5%, during the period up to retirement.

Jargonbuster

Qualifying years' service

The length of time you were paying into the scheme. This includes pensionable service from a previous pension scheme which you have transferred into the scheme.



Being away from work

Maternity, paternity and adoption leave

You will continue to pay into the scheme while you are receiving maternity, paternity, or adoption pay. Your contributions will be based on your actual pay while you are away.

As XTRA reduces your gross pay, this can affect the amount of certain benefits you are entitled to by law, such as statutory maternity, paternity or adoption pay if you are taking part in XTRA. However, the company will make sure that any reduction to your pay is 'topped up' so you will not lose out.

While you are receiving maternity, paternity or adoption pay, we will work out your pension benefits as if you were working normally and receiving the normal pay for doing so.

Other reasons

If you are temporarily away from work for other reasons and you stop being paid by the company, you will not pay into the scheme and you will earn no benefits during the period of absence.

Death benefits while you are away

You will continue to be covered for the death benefits as if you were still paying into the scheme when you are on maternity, paternity or adoption leave as described above. Cover may continue during other absences if the company and trustees agree.

Opting out

You can decide to leave the scheme at any time whilst still working for the company. This is known as opting out. If you are considering opting out, you should think carefully about the benefits that the scheme provides.

If you decide that you do wish to opt out, you must give us at least six weeks' written notice. If you opt out of the scheme you will not be able to re-join in the future as the scheme is closed to new members. You will however be able to join PensionSaver, the company's defined contribution plan.

Transferring your benefits to another pension arrangement

If you have left the scheme, you can choose to **transfer the cash value** of your scheme benefits to another pension arrangement if you are under age 64.

We work out transfer payments to reflect the value of your leaver's benefits on a basis agreed by the trustees following advice from the actuary.

If you would like a statement of the cash value of your benefits, please contact us. Transfer statements are guaranteed for three months from the date we work out the cash value.

Jargonbuster

Actuary

An actuary works out whether enough money is being paid into a pension scheme to pay the benefits when they are due.

Transferring your benefits from another pension arrangement

It may be possible to **transfer to your AVC account** the benefits you have with another pension arrangement.

Sharing pension benefits when you divorce

Sharing pension benefits applies to couples who began proceedings for divorce or annulment **after 1 December 2000**. It also applies to the dissolution of a civil partnership.

Sharing pension benefits allows pension rights to be treated like other marital assets so that the whole or a percentage of their value may be transferred from one partner to the other as part of a financial settlement.

For pension-sharing to take place, you need to get a pension-sharing order or provision from the courts. Your solicitor will be able to tell you what steps you need to take to get an order or provision.

You must tell us about any pension-sharing orders or provisions as soon as they are made.



The effect of your State Pensions

State Pensions

State Pensions are paid in addition to your scheme benefits and are paid from **State Pension age**.

The State Pension age is currently age 65 for men and between ages 60 and 65 for women, depending on their date of birth. The State Pension age is set to increase over the coming years to 68. This will be phased in gradually for those born on or after 6 April 1959.

The State Pension is currently in two parts:

The basic State Pension is currently a flat rate amount reviewed every year by the government, which is paid to everyone who currently has paid NI contributions for at least 30 years. (The amount of basic State Pension will be reduced if you do not have a complete NI record.) The full amount of basic State Pension from April 2011 is £5,311 a year for a single person.

The State Second Pension (S2P) was introduced on 6 April 2002 and replaced the State Earnings Related Pension Scheme (SERPS). The aim of S2P is to provide an additional pension based on a proportion of your earnings during your working life since April 2002, provided you have worked for an employer and paid full Class 1 NI contributions.

Under S2P your earnings are currently split into two bands, with the aim of offering a more generous additional State Pension for low and moderate earners. Additional pension previously earned under SERPS before 6 April 2002 is unaffected by S2P.

Over time, the amount of S2P will change to become a simple, flat-rate weekly top up to the basic State Pension.

Benefits built up before 1 April 2011

Guaranteed minimum pension

If you were a member of the scheme before 1 April 2011 you would not have been earning any S2P. This is because you would have paid a reduced rate of National Insurance contributions in return for the scheme providing you with minimum benefits to replace those that would have been provided by the State.

Before 6 April 1997 the scheme had to give you a guaranteed minimum pension (GMP). This will be about equal to the earnings-related pension you would have earned in the State scheme. In reality, your overall pension from the scheme is likely to be much higher.

If your pension from the scheme turns out to be lower than your GMP, we will make sure that we bring your pension up to the minimum level when you reach age 65 (60 for females).

Changes in pensions law meant that GMPs were not earned after 5 April 1997. Instead, the scheme had to meet minimum benefit and funding levels.

From 1 April 2011, you will earn the State Second Pension (S2P) as well as the basic State Pension.

The effect of your State Pensions continued

You can find more information about State Pension age, the basic State Pension and the State Second Pension (S2P) at www.direct.gov.uk.

Once at this site click on the 'Pensions and retirement planning' link and from here you can get information on how to obtain an estimate of the State Pension you have earned to date and the likely amount payable at State Pension age.

There are a number of ways to apply for your State Pension forecast:

- **Online:** follow the links to the State Pension Forecasting Service.
- **By post:** download, print and complete an application form available from the above website and post it to the address on the form.
- **By phone:** call the State Pension Forecasting Team on 0845 3000 168.



More information

Websites

Visit our website at www.dmgtpensions.co.uk where you can find most of the information about the scheme.

Our sister site, www.timeformoney.co.uk, provides broader financial information, featuring tips, guides, articles and videos. With topics covering everything from saving and investing to buying your home and managing your borrowing you're sure to find something of interest.

Summary funding statement

We will send you a summary funding statement each year showing the financial progress of the scheme. You can find a copy at www.dmgtpensions.co.uk.

Yearly report and financial statements

Each year we prepare a report and financial statements for the scheme. You can find a copy at www.dmgtpensions.co.uk.

The Pensions Regulator

The Pensions Regulator oversees how workplace pension plans are run and can get involved if we, the trustees, employers or professional advisers fail in our duties.

For more information about the Pensions Regulator, please contact:

The Pensions Regulator
Napier House Trafalgar Place Brighton
East Sussex
BN1 4DW.

Phone: 0870 606 3636
E-mail: customersupport@thepensionsregulator.gov.uk
Website: www.thepensionsregulator.gov.uk

Department for Work and Pensions (DWP)

The DWP will be able to answer questions on your State Pension benefits. You can also visit their website at www.thepensionservice.gov.uk and your local citizens advice bureau will have details of your nearest DWP office.

HM Revenue & Customs (HMRC)

You can visit HMRC's website at www.hmrc.gov.uk for information about tax.

Pension Tracing Service

We have given details of the scheme to the DWP. If you have difficulty tracing your benefits from the scheme or any other pension arrangement, you can contact the DWP's Pension Tracing Service at:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA.

Phone: 0845 6002 537
Website: www.thepensionservice.gov.uk

Please quote the scheme's registration number:
10132429

Pension Protection Fund

The Pension Protection Fund (PPF) was set up to pay compensation to members of defined-benefit pension schemes whose pension schemes are wound up without enough assets because employers have become insolvent. All defined-benefit pension schemes have to pay a significant charge to fund the PPF.

Tax

The scheme was approved by HM Revenue & Customs (HMRC) under Chapter I Part XIV of the Income and Corporation Taxes Act 1988. HMRC has automatically treated the scheme as a registered pension plan under the Finance Act 2004.

Data Protection Act 1998

We hold the details you give on your application form, together with any other information the company provides, electronically. We have registered the information and how it can be used with the Information Commissioner under the Data Protection Act 1998.

The act gives you certain rights to make sure that the information is correct and that we keep it secure.

For your security, we store all correspondence and papers relating to your membership as an image on your record, which we hold electronically.

Changing the scheme

Daily Mail and General Trust plc (DMGT) plans to continue to operate the scheme. However, for its own protection, the DMGT board can decide to terminate and stop paying into the scheme at any time. The formal documents governing the scheme may be amended by agreement between DMGT and the trustees at any time.

Making a complaint

If you have a complaint, make it in writing to our Complaints Officer at DMGT Pensions. You will normally receive a written decision within two months of making your complaint. If it is not possible to make a decision within two months, we will let you know and tell you when you may expect to receive the decision.

If you are not willing to accept the decision or you are unhappy with the way it was handled, you may refer the matter to the trustees. You must do this within six months. You must add the information you gave with your original complaint, and explain why you are still unhappy.

The trustees will normally give you their decision within two months from the date of your second letter.

If you are still not satisfied, you may apply to The Pensions Advisory Service for independent advice and help. There is no charge for this. In some cases, you may refer your case to the Pensions Ombudsman for a decision.

The Pensions Advisory Service (TPAS)

TPAS's role is to help members (or their beneficiaries) with any questions they may have about their scheme or with any difficulty they failed to sort out with the trustees or the scheme administrator. You can contact TPAS through your local citizens advice bureau, or at:

11 Belgrave Road
London
SW1V 1RB.

Phone: 0845 601 2923

Website: www.pensionsadvisoryservice.org.uk

Pensions Ombudsman

The Pensions Ombudsman may be able to investigate any complaint or dispute about an occupational pension scheme. You can contact the Ombudsman at:

11 Belgrave Road
London
SW1V 1RB.

Phone: 020 7834 9144
E-mail: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Legal documents

The benefits described in this document are subject to legal requirements. This document aims to give you an accurate guide to the benefits presently available to you. However, it is not a legal document. The scheme is governed by rules, containing extra conditions which can be amended from time to time. If there is any difference between the information in this guide and the information in the rules, the rules will apply.

You can see the latest edition of the rules at the address shown below.

DMGT Pensions
10 Bedford Street
Covent Garden
London
WC2E 9HE.

Phone: 020 7395 7272
Fax: 020 7240 4357
E-mail: enquiries@dmgtpensions.com

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www.dmgtpensions.co.uk
www.timeformoney.co.uk

August 2011