

DOLCE LTD PENSION SCHEME
2013 MEMBER GUIDE

THE DOLCE LTD PENSION SCHEME

If you were a member of the Local Government Pension Scheme (LGPS) via previous employment and, as a result of a 'compulsory or voluntary competitive tendering' exercise transferred via Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) to the employment of Dolce Ltd you have automatically been offered access to the Dolce Ltd Final Salary Pension Scheme (referred to as 'the Scheme').

This Scheme provides benefits broadly comparable to those being provided under the existing Local Government Pension Scheme. Brief details of the new Scheme are set out below.

Your employment is currently 'contracted out' of the earnings related State Second Pension (S2P). The Scheme benefits are therefore being used to replace your S2P benefits and according to when you leave the scheme or die, the scheme may pay benefits in excess of those normally payable by S2P. There is no need for you to contribute to the earnings related part of the State Second Pension ("S2P") and your National Insurance contributions will be reduced to take account of this fact.

If you do not wish to join the new Scheme you are requested to complete the attached Notice of Refusal and return it to Dan Curtis, Dolce Ltd, 5 Cromwell Business Park, York Road, Wetherby LS22 7SU.

THE DOLCE LTD FINAL SALARY PENSION SCHEME

DEFINITIONS

“Employer” means Dolce Ltd

“Existing Scheme” means the Local Government Pension Scheme.

“Revision Date” means 1 September in each year.

"Pensionable Earnings" is determined on the date of joining the Scheme and thereafter on the Revision Date and means your basic pay plus all elements of remuneration which were pensionable under the Existing Scheme and received in the preceding twelve months from the Employer, or the annual equivalent if you joined the service of the Employer in the previous twelve months.

"Final Earnings" means your highest Pensionable Earnings over the last three Revision Dates before termination of pensionable service.

“Notional Pensionable Earnings” means your Pensionable Earnings at the date ill health benefits commenced increased by 5% per annum compound.

"Future Service" means the number of your complete years (and proportionately for complete months) of continuous membership in the Scheme up to your Normal Retirement Age.

“Pensionable Service” means service with the Employer since the Commencing Date plus membership of the Existing Scheme (and any other pension scheme) where benefits were transferred into the Existing Scheme.

“Spouse” means the person who is married to the Member or who is a civil partner as defined by the Civil Partnership Act 2004 of the Member at the date of your death.

“Partner” means co-habiting in a long standing relationship and financially interdependent as defined in the Trust Rules. More specific details available on request. A signed declaration is required to nominate a partner for benefits.

“Child” means the child of a Member under the age of 18 or under 21 and still receiving full-time education or vocational training.

If Pensionable Earnings or Final Earnings would be higher if determined after the last Revision Date, such increase will be taken into account in calculating your benefits.

MEMBERSHIP CONDITIONS

If you were, or were eligible to become, a member of the Existing Scheme for the ‘standard level’ of benefits you are automatically eligible to become a Member of this Scheme.

SCHEME CONTRIBUTIONS

From the date you join the Scheme you will be required to contribute to the Scheme each year at the rate of 5.5% of your Pensionable Earnings. These contributions will be deducted from your salary and applied towards the cost of your normal benefits. The Employer will pay the balance of the cost of your normal benefits.

NORMAL RETIREMENT AGE

Your 65th birthday.

If, however, you retire or your membership of the Scheme for retirement benefits ceases for any reason prior to age 65, the provisions of the Scheme will be applied, and the normal benefits payable in respect of you will be calculated, as if 'Normal Retirement Age' meant:

- (a) where you retire or your membership of the Scheme for retirement benefits ceases between ages 60 and 65, the actual date of retirement or cessation of such membership; or
- (b) where you retire, or your membership for retirement benefits ceases, prior to age 60, your 60th birthday.

Retirement between age 55-60 requires employer consent and the benefits will be reduced for early payment.

RETIREMENT BENEFITS

On retirement at your Normal Retirement Age you will be entitled to a Normal Retirement Pension equal to one sixtieth of your Final Earnings multiplied by your Future Service. Part of a Member's pension can be given up to provide a lump sum based on £12 lump sum for every £1 per annum of pension given up, up to a maximum 25% of capital value.

LUMP SUM DEATH BENEFIT

In the event of your death in service before your Normal Retirement Age there will be payable, in addition to the dependants pensions below, a lump sum Life Assurance Benefit equal to four times your Final Earnings (or Notional Pensionable Earnings if in receipt of an ill health benefit), subject to satisfactory medical underwriting. This benefit is at the Trustees' discretion and can be modified if necessary. In addition, a return of your ordinary contributions will be paid.

The Life Assurance Benefit and any other lump sum payments arising on death will be held on trust for payment either to your dependants or your personal representatives, as the Trustees, at their discretion, decide. You should indicate on the Member's Information Form, the person or persons you wish to benefit from the lump sum payment.

If you die within the first 5 years after retirement then a lump sum equal to the Member's pension instalments over the remaining 5 years is paid.

DEPENDANTS' PENSION BENEFITS

In the event of your death, pension benefits will normally be payable as follows:-

<u>Death occurring:</u>	<u>Amount</u>
(a) whilst in service before Normal Retirement Age would	Spouse's Pension of 37.5% of your Final Earnings (or Notional Pensionable Earnings if in receipt of an ill health benefit) at the date of your death multiplied by the Future Service you have completed had you remained in service up to your Normal Retirement Age.
(b) after you retire on your	Spouse's Pension of 37.5%

Normal Retirement Age	of your Normal Retirement Pension or pension on retirement prior to Normal Retirement Age, if appropriate.
(c) after leaving the Scheme but prior to your Normal Retirement Age	Spouse's Pension of 37.5% of your Normal Retirement Pension built up to the date you leave the Scheme revalued up to the date of your death.

In addition, where you are survived by a Child, there will be payable a Children's Pension equal to 50% of the Spouse's Pension. (If you are a widow or widower, the Children's Pension will be calculated as if your wife/husband were still alive.)

Where you are older than your spouse, the spouse's pension (but not the Children's Pension) may be reduced to take account of the difference in ages.

ILL HEALTH BENEFITS

Members are eligible for benefit on ill health grounds at any age. Ill health benefits will be granted to members who are no longer able to perform their own job through serious ill health or incapacity either under a Permanent Health Insurance (PHI) policy or from the Dolce scheme. For the first 13 weeks' illness Dolce will make payments in accordance with the Local Authority sick pay provisions. Thereafter, payments will be provided by the PHI policy. The benefit payable to the Member is the lower of 75% of pensionable pay less the full amount of the single person's higher rate State Incapacity Benefit and two thirds salary. If for any reason the PHI policy does not make the payments then the Member may request an ill health pension from the Dolce scheme. The Trustees will determine whether the Member is in serious ill health or suffering from incapacity based on such medical evidence as the Trustees require.

LEAVING YOUR JOB

If you have not completed three months' Qualifying Service, you will receive a return of your Scheme contributions (without growth) subject to a deduction of your share of the cost of buying your contracting-out benefits back into the State scheme and a further deduction on the balance of tax currently at the rate of 20%.

Provided that you have completed three months' Qualifying Service at the date of leaving or a transfer was paid into this Scheme from the Existing Scheme, you will be entitled at Normal Retirement Age, to the benefits which have accrued for you up to that date. In certain circumstances you may also be eligible for a refund of contributions as above.

If you have deferred benefits under the Scheme they will be "preserved" until your Normal Retirement Age, such benefits will be increased for each complete year between the date of your leaving service and your Normal Retirement Age by the rise in the Government's Index of Retail Prices or 5% per annum compound, whichever produces the lower increase.

If you wish, you may transfer your deferred benefits to your new employer's scheme or a personal pension arrangement in your name. Transfer values are calculated by the Scheme Actuary in line with the Scheme Rules and current legislation. The calculation involves assumptions about future investment returns, rates of inflation and mortality, as well as taking account of current financial conditions. Your 'transfer value' will not normally allow for any discretionary increases to benefits which may be made in the future.

Further details about these options will be available to you if you are about to leave the Employer's service.

In the event of your death after leaving service and before your Normal Retirement Age, your ordinary contributions which have not previously been returned will be payable without growth to your personal representatives and there will also be payable, if appropriate, a spouse's Pension and a Children's Pension.

COST OF LIVING INCREASES

Pension benefits will be increased in payment at a rate which reflects the increase in the cost of living. Increases will not, however, exceed 5% per year and some restrictions may apply if you are retiring early. The increased benefit will, of course, be subject to the appropriate limits set down by the Inland Revenue.

VOLUNTARY TERMINATION OF MEMBERSHIP

Members are able to leave the Scheme although remaining in eligible employment. All life cover on death in service and permanent health insurance will be cancelled.

You will only be able to rejoin the Scheme at the Employer's discretion and on such terms as the Employer may determine.

TAXATION OF BENEFITS

Any pension payable to you or your dependants under the Scheme will be taxed as earned income under PAYE.

ADMINISTRATION

To ensure that you (and your dependants) receive your benefits when they are due, you should advise the Employer if you change your address.

Details of the Scheme (including the address at which the Scheme Trustees can be contacted) will, however, have been given to the Pension Tracing Service which is run by the Pensions Regulator. If you lose track of the Employer and do not know who is responsible for the payment of your benefits, you should contact the Pension Tracing Service who should be able to trace them for you. You can contact them at www.gov.uk/find-lost-pension.

The smooth running of the Scheme is obviously very important to all those involved, but should you or your dependants ever encounter any problems with its administration or the payment of your benefits, you should advise the Scheme Administrator, Scottish Life, PO Box 23811, 57 Henderson Road, Edinburgh EH3 5XJ.

If you are not satisfied with his response, written details of the problem should be sent to Dan Curtis, who has been appointed by the Trustees under the Scheme's formal dispute resolution procedure. He is responsible for dealing with any complaints which you may have and can be contacted at Dolce Ltd, 5 Cromwell Business Park, York Road, Wetherby LS22. You should provide him with your full name and address, date of birth, National Insurance number and your cause for complaint. You should receive a written reply within two months and will be able to 'appeal' any decision which is made to the Scheme's Trustees.

If the matter is still not resolved to your satisfaction, the Pensions Advisory Service Ltd ("PAS") is available to assist Members and beneficiaries of the Scheme. In addition the Pensions Ombudsman has the power to investigate and decide the outcome of any complaint or dispute of fact or law which is properly referred to him.

Both PAS and the Pensions Ombudsman can be contacted at 11 Belgrave Road, London, SW1V 1RB. You should also note that the Pensions Regulator can become involved in the running of schemes where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator can be contacted at PO Box 16314, Birmingham B23 3JP.

MEMBER INFORMATION

The Trustees hold information on Members (and beneficiaries) under the Scheme and are regarded as data controllers for the purposes of the Data Protection Act 1998. The data is processed for the purposes of calculating and paying benefits and generally ensuring the efficient running of the Scheme. The processing may be performed by the Trustees, the Employer, the Scheme Administrator and any other person providing advice or services to the Trustees.

OVERRIDING REQUIREMENTS

This Announcement provides only a summary of your benefits. The Scheme is administered by Trustees appointed by the Employer and is governed by formal Rules and the requirements of HMRC and legislation. The Rules (which will over-ride this Announcement and the subsequent Booklet) may be inspected on request.

While there is every intention of keeping the Scheme in force, the Employer must reserve the right to amend or discontinue the Scheme at any time.

FINANCIAL ADVICE

This Notice together with the relevant enclosures does not represent personalised advice and is not a recommendation that this scheme is suitable for your financial requirements.

If you should have any doubts about whether this product meets your own needs you should seek financial advice so that your individual circumstances can be considered.

You can seek financial advice from your own financial adviser. However, you must be made aware that the cost of seeking this advice will be borne by you.

The details contained in this announcement letter are based on current legislation and may change in the future.

THE DOLCE LTD FINAL SALARY PENSION SCHEME

MEMBER'S APPLICATION

This application to be retained by the Employer

Employing company.....

Surname Mr/Mrs/Ms/Miss

Forenames

Date of Birth

APPLICATION

I hereby apply for membership of the Scheme and agree to be bound by the Rules.

I authorise and request my Employer to deduct from my salary the amount necessary for my contributions in accordance with the Rules of the above Scheme.

Whilst I appreciate that lump sum payments arising on my death are made at the discretion of the Trustees, I would like such payments to be made to

Name

Relationship to Member

Signature

Date

THE DOLCE LTD FINAL SALARY PENSION SCHEME

NOTICE OF REFUSAL

To the Scheme Administrator

I, _____ give notice that I do not wish to join The Dolce Ltd Final Salary Pension Scheme.

I understand that contributions will not be payable by either my Employer or myself and I will not accrue any benefit entitlement for either myself or my dependants.

I further understand that, having rejected my first opportunity to join the Scheme, any opportunity to reconsider this decision is at the Employer's discretion.

Signature

Name

Date