

DOLCE LTD RETIREMENT BENEFITS SCHEME

CARE CATEGORY MEMBER GUIDE



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Registered in England No: 2470662

OVERRIDING REQUIREMENTS

This guide 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 override this guide in the event of any discrepancy) may be inspected on request.

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

DEFINITIONS

In this guide:

Employer means Dolce Ltd

Existing scheme means the Local Government Pension Scheme (LGPS)

Scheme means the Dolce Ltd Retirement Benefits Scheme

Trustees means the trustees appointed from time to time to run and administer the Scheme

In this guide, the following terms shall be read as follows:

Normal Retirement Age (NRA)

State Pension Age (SPA), as determined at the date that you reach that age, with a minimum of 65.

If you were:

- an active member of the LGPS at any time between 1 April 1998 and 30 September 2006,
- born between 1 April 1956 and 31 March 1960 inclusive, and
- reach your Critical Retirement Age (CRA) (see below) by 31 March 2020,

the protections which apply to your NRA under the LGPS until 31 March 2020 will continue to be applied by the Scheme. Some benefits may be calculated by reference to your CRA, rather than your NRA.

Your CRA is the age at which the sum of the your age, any years of qualifying service in LGPS and qualifying service as a member of the Scheme equals 85, or age 65 if this is lower. Your CRA cannot be earlier than age 60.

For the purpose of determining CRA, age and service are measured in completed whole years.

Pension Account

This is the account maintained for you by the Trustees and which is used to calculate your pension.

1/49th of Pensionable Pay is added to your Pension Account each year.

Additions may be made to the Pension Account to take account of any transfers of pension rights into the Scheme over the year and any additional pension you purchase or which is granted by the Employer. Deductions from the Pension Account may be made to reflect pension sharing following a divorce or dissolution of a civil partnership or any reduction due to an annual allowance charge that you ask the Scheme to pay.

At the end of each Scheme Year (31 August), your Pension Account is increased by the increase specified in HM Treasury Revaluation Orders which is currently based on the consumer prices index (CPI).

Pensionable Pay

Normal salary or wages plus any shift allowance, bonuses, overtime (both contractual and non-contractual), maternity pay, paternity pay, adoption pay, shared parental pay and any other benefit specified in your contract as being pensionable and any other element of remuneration which was pensionable under LGPS immediately prior to transfer.

Assumed Pensionable Pay

The total of Pensionable Pay over the twelve weeks (or three months if the employee is paid monthly) immediately prior to your date of death or date of leaving employment due to ill health retirement less any lump sum paid over that period, converted to an annualised figure, plus any regular lump sum payment received during the previous 12 months.

Where contractual pay is reduced, or there no pay, due to a period of injury or sickness, the Employer will determine the Assumed Pensionable Pay based on the amount that would have been paid during the relevant period had there been no reduction in pay due to injury or sickness.

Where an independent registered medical practitioner certifies that you worked reduced contractual hours during that period, Assumed Pensionable Pay will be based on the Pensionable Pay that would have been paid had contractual hours not been reduced.

Qualifying Service

The period of your employment with the Employer while you are an active member of the Scheme plus any period of Qualifying Service as an active member of LGPS.

Qualifying Service is calculated as years and days in the Scheme, plus years and days in LGPS (including any service in pre-1 April 2014 LGPS schemes), including any period added in respect of a transfer, but excluding any period in relation to added years.

There is no maximum for Qualifying Service.

Periods of part-time employment are counted at their calendar length, and not proportionately reduced.

Partner's Pension

Partner's pensions will be payable to one of a spouse, civil partner or eligible cohabiting partner at the date of the member's death.

An eligible cohabiting partner must meet the criteria set out below, for a continuous period of at least 2 years prior to, and at the date of, your death:

- the partner was able to marry, or form a civil partnership, with you
- you and the partner and the member were living together as if you were husband and wife or civil partners
- neither you nor your partner were living with a third person as if husband and wife or as if civil partners
- either your partner was financially dependent on you, or you and your partner were financially interdependent.

The Trustees have absolute discretion in determining whether or not a particular individual meets the criteria to qualify as a partner.

Partner's Pensions will not cease on remarriage or cohabitation.

Underpin Members

An underpin applies if you:

- were an active member of the 2008 LGPS on 31 March 2012 and were born on or after 31 March 1957,
- were an active member of the Scheme on the earlier of age 65 or the date on which you cease to be a member of the Scheme with an immediate entitlement to benefits (including an early retirement pension), and benefits come into payment on or after the Underpin Date,
- have no disqualifying break in service. A disqualifying break in service is a continuous break after 31 March 2012 of more than 5 years in active membership of the LGPS or the Scheme.

The Underpin Date is the earlier of age 65 or the date you cease to be a member of the Scheme with an immediate entitlement to benefits.

If you meet these requirements, then an extra calculation will be carried out when you retire and your pension may be increased.

ABOUT THE CARE SECTION OF THE SCHEME

Structure of Scheme

This section of the Scheme provides benefits based upon career average revalued earnings. This means it calculates your benefits using earnings throughout your career, rather than calculating all the benefits on earnings near to your retirement.

Employees covered

This section applies to all employees who are offered membership of the Scheme on or after 1 September 2016 and who are designated as CARE Members by the Employer.

All active members of the Existing Scheme will be entered automatically as CARE Members:

- following a transfer of their employment to Dolce Limited on or after 1 September 2016 under the Transfer of Undertakings (Protection of Employment) Regulations 2006, and
- Where either the Best Value Authorities Staff Transfers (Pensions) Direction 2007 or the Welsh Authorities (Pensions) Direction 2012 applies to that transfer,

unless they write to the Trustees with a request not to join.

All other eligible members of the Existing Scheme will be offered membership from the date of transfer and must complete and return the enclosed application form.

The Employer may also invite other employees to join the Scheme as CARE Members. Such employees must complete and return the enclosed application form.

Member's contributions

5.5% of pensionable pay.

Salary sacrifice arrangement (if any)

None

Voluntary Termination of Membership

You can leave the Scheme even if you remain in eligible employment. If you choose to leave the Scheme, all life cover on death in service will be cancelled.

BENEFITS PAID BY THE CARE SECTION OF THE SCHEME

BENEFITS PAID TO YOU

Retirement at NRA

To qualify for retirement benefits on retirement at NRA, you must have completed two years' Qualifying Service.

Your Pension Account is payable without any early or late retirement adjustment.

There is no requirement for the Employer or Trustees to consent.

If you are an Underpin Member your pension may be increased.

You may exchange part of the pension for a lump sum. The exchange rate will be determined by the Trustees, but cannot be less than £12 for each £1 of pension exchanged.

Retirement between age 55 and NRA

To qualify for retirement benefits on retirement between age 55 and NRA, you must have completed two years' Qualifying Service.

Your Pension Account is payable with an actuarial reduction for early payment. The actuarial reduction will be calculated by reference to your NRD, or your CRD if you meet the relevant criteria.

There is no requirement for the Employer or Trustees to consent.

If you are an Underpin Member your pension may be increased.

You may exchange part of the pension for a lump sum. The exchange rate will be determined by the Trustees but cannot be less than £12 for each £1 of pension exchanged.

Retirement after NRA

To qualify for retirement benefits on retirement after NRA, you must have completed two years' Qualifying Service.

If you continue in service after NRA then the Pension Account continues to build up as normal, up to age 75. The Pension Account built up to NRA and any accrual of benefits after NRA will be subject to a late retirement adjustment.

If you continue in employment on or after NRA but cease to contribute to the Scheme, you may either retire from the Scheme and start to draw benefits or defer your benefits which would then be subject to a late retirement adjustment when you start to draw benefits.

You may exchange part of the pension for a lump sum. The exchange rate will be determined by the Trustees but cannot be less than £12 for each £1 of pension exchanged.

Pension increases after retirement

At the end of each Scheme Year (31 August), pensions in payment will be increased as required by the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975. These increases are currently based on the consumer prices index (CPI).

Ill-health retirement

To qualify for ill-health benefits, you must have completed two years' Qualifying Service.

The Trustees must be satisfied that, based on an opinion from an independent occupational health physician appointed by the Trustees, your ill-health or infirmity of mind or body, permanently makes you incapable of efficiently discharging the duties of your employment and not immediately capable of undertaking any gainful employment.

Ill-health benefits may be payable from any age and no actuarial adjustment is applied for early payment.

The level of benefit will be graded:

Tier 1: This applies if you are unlikely to be capable of gainful employment before NRA.

The Ill-health benefits are based on the Pension Account already built up plus the pension that would have built up, calculated on Assumed Pensionable Pay and prospective Scheme service to NRA.

Tier 2: This applies if you are unlikely to be capable of gainful employment within three years of leaving and starting to draw an ill-health pension, but are likely to be capable of undertaking such employment before NRA.

The ill-health benefits are based on the Pension Account already built up plus 25% of the pension that would have built up, calculated on Assumed Pensionable Pay and prospective Scheme service to NRA.

Tier 3: This applies if you are likely to be capable of gainful employment within three years of leaving and starting to draw an ill-health pension, or before NRA, if earlier.

The ill-health benefits are based on the Pension Account already built up.

Payment of these benefits will be stopped after three years, or earlier if you return to gainful employment (provided you have not reached NRA). If your condition has not improved within three years, the Trustees will consider if you should be reclassified as a Tier 1 or Tier 2 ill-health retirement.

Gainful employment means paid employment for not less than 30 hours in each week, for a period of not less than 12 months.

There are additional protections if you are eligible for Tier 1 or Tier 2 ill-health benefits and were an active member of LGPS before 1 April 2008 and aged 45 or over on 1 April 2008. More details about these protections can be provided on request.

You may exchange part of the pension for a lump sum. The exchange rate will be determined by the Trustees but cannot be less than £12 for each £1 of pension exchanged.

BENEFITS PAID BY THE CARE SECTION OF THE SCHEME

BENEFITS PAID TO YOUR DEPENDANTS

Lump sum on death in service

3 x Assumed Pensionable Pay

Partner's pension on death in service

An annual pension based on

- (i) your Pension Account at date of death (but using a 1/160th accrual rate) plus,
- (ii) 1/160th of Assumed Pensionable Pay for each year of service that would have been built up between the date of death and NRA.

If you die in service after NRA there is no addition for prospective service added to your Partner's pension.

Partner's pension on death after retirement

An annual pension based on your pension had it been calculated using a 1/160th accrual rate, before any of that pension was exchanged for a lump sum at retirement.

If you had an ill-health pension, your Partner's pension will include any ill-health prospective service enhancement.

If you took early or late retirement, your Partner's pension will not be calculated by reference to any early or late retirement adjustment applied to your pension.

Lump sum death in retirement benefits on death after retirement

If you die before age 75 and before ten years' pension has been paid, a lump sum will be paid calculated as 10 x the pension paid at death (ignoring any reduction if you exchanged part of your pension for a lump sum at retirement) but less any pension and lump sum payments actually made.

BENEFITS PAID BY THE CARE SECTION OF THE SCHEME

BENEFITS PAID IF YOU LEAVE EMPLOYMENT BEFORE TAKING A PENSION

Leaving service (less than 2 years' Qualifying Service)

If you have less than 3 months' Qualifying Service a refund of contributions, less deductions for tax, will be paid.

If you have 3 or more months' Qualifying Service, you can choose either a refund of contributions, less deductions for tax, or a transfer value (see below).

A decision as to whether to transfer (if applicable) can be deferred by up to 5 years or age 75, if earlier. If no transfer is made within 5 years then a refund of contributions, less deductions for tax, will be payable.

Leaving service (2 years or more Qualifying Service)

Calculation and payment of preserved benefits

Your Pension Account is available to provide benefits at retirement.

The early and late retirement options which apply if you retire from active membership apply (see the earlier information under the Benefits Paid to You section). If you are an Underpin Member or have a CRA, then additional protections will apply.

You may exchange part of the pension for a lump sum at retirement. The exchange rate will be determined by the Trustees but cannot be less than £12 for each £1 of pension exchanged.

Death before retirement

On death before retirement, a lump sum death grant of 5 x the deferred annual pension, revalued to the date of death, will be payable.

In addition, a Partner's Pension based on your deferred pension but had it been calculated using a 1/160th accrual rate, will be payable.

Transfer value

Before retirement, former members will be entitled to transfer the cash equivalent of their benefits to an alternative pension arrangement. Such cash equivalents will not be reduced to reflect any deficit that might arise in the funding position of the scheme.

The cash equivalent transfer value will be calculated assuming a retirement age of NRA (unless you have a CRA in which case it will assume your retirement age is your CRA).

BENEFITS PAID BY THE CARE SECTION OF THE SCHEME

OTHER BENEFITS

Children's Pensions

If you die leaving a dependent child or children, then a Children's Pension is payable.

A Children's Pension is payable for as long as the child is either (i) under the age of 18, (ii) in full-time education or training and under the age of 23, or (iii) unable to undertake gainful employment because of physical or mental impairment and is either under age 23 or the physical or mental impairment must be considered likely to be permanent and the Child was dependent on you when you die due to the impairment.

If a Partner's Pension is payable, a Children's Pension equal to 50% of the Partner's Pension is payable for each dependent child, up to a maximum of 100% of the Partner's Pension shared equally between all dependent children.

If no Partner's Pension is payable, then a Children's Pension equal to two thirds of the Partner's Pension (that would have been payable) is payable for each dependent child, up to a maximum of 133.34% of the Partner's Pension (that would have been payable) shared equally between all dependent children.

Shared cost Additional Voluntary Contributions (AVCs)/Additional Pension Contributions (APCs)

You can pay AVCs/APCs if:

- your former employer was contributing to a shared-cost AVC/APC arrangement immediately before the transfer of your employment to the Employer, or
- you have a contractual right to participate in a shared-cost AVC/APC arrangement.

The Employer will contribute to an AVC/APC arrangement at a rate not less than the rate being paid by the former employer immediately before the transfer of your employment to the Employer. Alternatively, if you were not receiving contributions but you have a contractual right to participate in a shared-cost AVC/APC arrangement, the Employer will contribute at the specified contractual rate.

GENERAL

Benefits payable on death

Benefits payable on death of a member are payable in full and do not depend on the health of the member on becoming a member or at any time thereafter.

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 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 Pensions Tracing Service who should be able to trace them for you. You can contact them at www.gov.uk/find-pension-contact-details.

Complaints and disputes

The smooth running of the Scheme is very important to all those involved, but should you or your dependents ever encounter any problems with its administration, or the payment of your benefits, you should initially contact Dolce Pensions Dept, 5 Cromwell Business Park, York Road, Wetherby LS22 7SU, email pensions@dolce.co.uk or ring 01942 707709. If you cannot contact anyone at Dolce then advise the Scheme Administrator, Royal London, PO Box 23811, 57 Henderson Row, Edinburgh EH3 5XJ or email db1@royallondon.com

If you are not satisfied with any 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 7SU. You should provide him with your full name, address, date of birth, national insurance number and your cause for complaint. You should receive a written reply within 2 months and will be able to appeal any decision which is made to the Trustees.

You have the right to refer your complaint to The Pensions Ombudsman free of charge.

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

10 South Colonnade, Canary Wharf
London, E14 4PU

Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Website: www.pensions-ombudsman.org.uk

You can also submit a complaint form online:

www.pensions-ombudsman.org.uk/our-service/make-a-complaint/

If you have general requests for information or guidance concerning your pension arrangements contact:

Money and Pensions Service
11 Belgrave Road
London, SW1V 1RB
Tel: 0800 011 3797
Website: www.pensionsadvisoryservice.org.uk/

You should also note that the Pensions Regulator can become involved in the running of the scheme where Trustees, employers, or professional advisers have failed in their duties. The Pensions Regulator can be contacted at Napier House, Trafalgar Place, Brighton, BN1 4DW, www.thepensionsregulator.gov.uk

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.

FINANCIAL ADVICE

This guide 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 independent financial advice so that your individual circumstances can be considered. However you must be aware that the cost of seeking this advice will be borne by you.

The details contained in this guide are based on current legislation (as at 30 September 2017) and may change in the future.