

Member booklet 80<sup>th</sup> category

## THE DOLCE LIMITED RETIREMENT BENEFITS SCHEME

arranged in consultation with T. F. Bell Group, 29-31 Station Road,  
Hinckley, Leicestershire, LE10 1AP.

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The Employer wishes to announce that it has been decided as from 1 September 2004 to introduce a Retirement Benefits Scheme. This Announcement contains a brief description of your benefits and other essential features of the Scheme.

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

The Retirement Benefits Scheme is intended to be "exempt approved" by the Inland Revenue under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988, as amended.

An application is to be made to the Inland Revenue Savings, Audit and Pensions Share Schemes for a "Contracting-out Certificate". Employees must be given notice in writing of the Employer's intended application and a copy of this Notice was issued recently. The Notice indicates which employees are to be covered by the Contracting-out Certificate.

As a result of contracting-out, the Scheme is required by law to provide benefits which are generally at least as good as those laid down by the Government in what is known as the "Reference Scheme Test". Further details of the Reference Scheme Test can be obtained from the Scheme Administrator.

Because the Scheme benefits must, on the whole, meet the Reference Scheme Test (and the Scheme Actuary must certify this fact), 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, however, you are aged within 5 years of your Normal Retirement Age when your membership for retirement benefits commences, your employment will not be contracted-out.]**

**[Scheme Members who do not wish to be in contracted-out employment are required to signify their preference in writing by completing the Supplement attached to this Announcement.]**

If you do not wish to join the new Scheme, you are requested to complete the attached Notice of Refusal and return it to the Scheme Administrator at Dolce Limited, 5 Charles Street, Leigh, WN7 1DB.

A group health insurance scheme is also being introduced with effect from 1 September 2004. The purpose of this scheme is to provide employees who are Members of the Scheme with an income if they are off work for a prolonged period on account of illness or injury. The income would commence after 13 weeks of continuous absence. If, for any reason, the group health insurance scheme does not make the payments then you may be entitled to an ill-health early retirement pension from the Retirement Benefits Scheme.

Fuller details of both the new Schemes will be contained in the Retirement Benefits Scheme and Group Health Insurance Booklet which will be issued in due course.

# THE DOLCE LIMITED RETIREMENT BENEFITS SCHEME

## DEFINITIONS

**"Employer"** means Dolce Limited.

**"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.

**"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.

**"Qualifying Service"** means service with the Employer since the Commencing Date (i.e. 1 September 2004) plus membership of the Existing Scheme and any other pension scheme where benefits were transferred into the Existing Scheme.

**"Widow"** means the wife to whom you were married at the date of your death.

**"Widower"** means the husband to whom you were married at the date of your death.

**"Child"** means the child of a Member under the age of 18 (21 if receiving full-time education or vocational training) including a step-child or child legally adopted.

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 on that date.

**[Otherwise] membership of the Scheme is by invitation of the Employer.**

**[Otherwise] membership of the Scheme is available to all employees [and/excluding Directors] who have attained their but not their birthday and have completed not less than continuous service with the Employer.**

Entry to the Scheme is available on the Commencing Date (i.e. 1 September 2004) or, if later the date on which you first fulfil the eligibility conditions

## 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 BENEFITS

On retirement at your Normal Retirement Age you will be entitled to a Normal Retirement Pension equal to one eightieth of your Final Earnings multiplied by your Future Service and a lump sum cash payment of three eightieths of your Final Earnings multiplied by your Future Service.

## 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. 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 Application Form, the person or persons you wish to benefit from the lump sum payment.

## 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	Widow's/Widower's Pension of 50% of your prospective Normal Retirement Pension.
(b) after you retire on your Normal Retirement Age	Widow's/Widower's Pension of 50% 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	Widow's/Widower's Pension of 50% of your Normal Retirement Pension built up to the date you leave the Scheme.

In addition, where you are survived by a Child, there will be payable a Children's Pension equal to 50% of the Widow's/Widower'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 wife/husband, the Widow's/Widower's Pension (but not the Children's Pension) may be reduced to take account of the difference in ages.

## **EVIDENCE OF HEALTH**

You may be required to produce evidence of health satisfactory to The Royal London Mutual Insurance Society Limited before you are covered for the Life Assurance Benefit and dependants pensions payable on death in service.

## **SCHEME CONTRIBUTIONS**

From the date you join the Scheme you will be required to contribute to the Scheme each year at the rate of 4% of your Pensionable Earnings if you are a manual employee, 5% if you are a non-manual employee and these contributions will be deducted from your wages or salary and applied towards the cost of your normal benefits. The Employer will pay the balance of the cost of your normal benefits.

The Scheme also makes provision for you to pay additional voluntary contributions to increase your benefits - see attached Leaflet.

In addition, if you were a member of the Existing Scheme or had your employment transferred from a Local Government Authority as a result of a "compulsory or voluntary competitive tendering" exercise and your previous employer was contributing to a shared cost additional voluntary contributions arrangement, you will be eligible to participate in such an arrangement under this Scheme.

## **LEAVING YOUR JOB**

Provided that you have completed two years' Qualifying Service at the date of leaving [or a transfer was paid into this Scheme from the Existing Scheme, or into the Existing Scheme prior to your transfer of employment which entitled you to preserved benefits in that Scheme], you will be entitled at Normal Retirement Age, to the benefits which have accrued for you up to that date.

If you have not completed two years' Future Service and no transfer was paid into the Scheme, as above, a refund of your own contributions is available as an alternative to these preserved benefits.

If you have not completed two years' Qualifying Service or otherwise entitled to preserved benefits as detailed above, 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%.

If you have deferred benefits under the Scheme they will be "preserved" until your Normal Retirement Age or, if you wish, they may be transferred 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 Widow's/Widower'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. The Employer will normally require a reasonable period of notice to be given. All life cover on death in service 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 P.A.Y.E.

### **GENERAL**

The Employer may at its absolute discretion increase benefits in respect of a Member in exceptional circumstances (including benefits in course of payment) by such amount as it shall determine.

Your benefits cannot be based on an earnings figure in excess of an earnings cap, which at 6 April 2004 is £102,000.

You can obtain a statement showing details of the value of your benefits by contacting the Scheme Administrator. He will advise you of the extent to which such a statement is guaranteed.

## 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 Registrar of Pension Schemes, which is run by the Occupational Pensions Regulatory Authority ("OPRA"). If you lose track of the Employer and do not know who is responsible for the payment of your benefits, you should contact the Registrar who should be able to trace them for you. You can contact him at the Pension Schemes Registry, PO Box 1NN, Newcastle upon Tyne, NE99 1NN.

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.

If you are not satisfied with his response, written details of the problem should be sent to \_\_\_\_\_, who has been appointed by the Trustees under the Scheme's formal dispute resolution procedure. [He/She] is responsible for dealing with any complaints which you may have and can be contacted at \_\_\_\_\_.

\_\_\_\_\_ . You should provide him/her 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 Office of the Pensions Advisory Service Ltd ("OPAS") 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 OPAS and the Pensions Ombudsman can be contacted at 11 Belgrave Road, London, SW1V 1RB. You should also note that OPRA can become involved in the running of schemes where trustees, employers or professional advisers have failed in their duties. OPRA itself can be contacted at Invicta House, Trafalgar Place, Brighton, BN1 4DW.

## 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 the Inland Revenue 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.

## **FURTHER INFORMATION**

The Trustees will provide you with a more detailed Booklet in due course. In addition, further details can be obtained from the Scheme Administrator at Dolce Limited, 5 Charles Street, Leigh, WN7 1DB.

Date: December 2004

**THE DOLCE LIMITED RETIREMENT BENEFITS SCHEME**

**NOTICE OF REFUSAL**

To the Scheme Administrator

I, \_\_\_\_\_ give notice that I do not wish to  
join The Dolce Limited Retirement Benefits 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 further application to join on my part will be accepted only at the Employer's discretion. Furthermore, qualification for dependants' benefits under the Scheme may be subject to satisfactory medical underwriting on my life at the time of my application.

Signature .....

Name .....

Date .....