Your Benefits

the Co-operative Group

Pension Fund

Summary Of Benefits

Your Benefits

- A pension at 65 based on the length of your membership and earnings when you leave the Fund.
- Early retirement options.
- Ill-health protection.
- Options to exchange some of your pension for a lump sum or a pension for a Dependant.
- Pension increases guaranteed.
- 5 year pension payment guarantee.

Death Benefits

- A lump sum death benefit if you die in Pensionable Service.
- A spouse's pension.
- Pensions for qualifying children.

Benefits if you leave before you retire

- Either a refund of contributions or a deferred pension.
- Option to transfer to another scheme.

Child means a child who is your lawful, adopted, legitimated child, or, if the Trustees so choose, any other child who is dependent on you. To qualify for a pension the child must be aged under 16, or under 25 if undergoing full-time education or training approved by the Society and the Trustees.

Deferred Member means someone who has left Pensionable Service with an entitlement to a deferred pension, which has not yet come into payment.

Dependant means any individual who, in the opinion of the Trustees, is or was at the time of the Member's, Deferred Member's or Pensioner Member's death wholly or partly financially dependent upon such deceased Member, Deferred Member or Pensioner Member.

Employer means your employer, whether that is the Society or another employer who participates in the Fund and abides by the Rules.

Final Pensionable Salary is your annual average Salary (see definition below) in whichever of the following periods gives the best result:

- the year to the date you leave Pensionable Service,
- the best complete tax year out of the last five tax years up to the date you leave Pensionable Service (or such shorter number of tax years as you have been a Member),
- any three consecutive tax years within the period of ten tax years (or such shorter number of tax years as you have been a Member) up to the date you leave Pensionable Service.

Fund means the Co-operative Group (CWS) Limited Pension Fund (Co-operative Group Pension Fund).

Lower Earnings Limit (LEL) is used for National Insurance purposes. This is determined by the Department for Work and Pensions (DWP) and is roughly equal to the basic rate of state pension for a single person. An adjustment is made to the Lower Earnings Limit for any period of part-time service. The adjustment reflects the way part-time hours relate to full-time hours for the job concerned.

Lower Earnings Threshold (LET) means the threshold for National Insurance purposes over which an employee pays National Insurance contributions. This is determined by the DWP.

Member means an employee of one of the Employers who has joined the Fund and agreed to abide by the Rules and who is currently contributing to the Fund or whose contributions have been temporarily reduced or suspended in the limited circumstances outlined in the section on contributions.

Normal Retirement Date means your 65th birthday.

Pensionable Service is your continuous contributory Fund membership. It is counted in years and completed months and is limited to a maximum of 45 years. It includes service which the Trustees have agreed to treat as continuous Fund membership for any purpose of the Rules.

Pensionable Service ends on the earliest date of the following events:

- you leave the service of an Employer (and you do not transfer immediately to the service of another Employer who participates in the Fund),
- you opt out of Fund membership,
- you retire from the service of an Employer,
- your Employer leaves the Fund (and you do not transfer immediately to the service of another Employer who participates in the Fund),
- you die before any of the above events.

Pensioner Member means a person who is for the time being receiving a pension from the Fund and who was a Member or Deferred Member immediately before the pension began.

Qualifying Service means the length of your Fund membership including any other service that has been taken into account in the Fund (such as a transfer of benefits from another scheme).

Relevant Lower Earnings Limit means the average LEL in force in the 12 months up to the date you leave Pensionable Service.

Rules means the trust deed and rules of the Co-operative Group (CWS) Limited Pension Fund (as amended from time to time), a copy of which can be obtained from Pensions Department at the address on page 2.

Salary means your weekly basic pay plus overtime earnings, above the Lower Earnings Limit (LEL). For the purpose of calculating the lump sum benefit payable on death in Pensionable Service, your earnings up to the LEL are included in Salary.

No other earnings are pensionable unless your Employer and the Trustees have specifically agreed otherwise. Your Human Resources manager will be able to tell you which elements of your pay have been agreed with the Trustees for the purposes of the Fund.

Society means the Co-operative Group (CWS) Limited.

Trustees means the Co-operative Group Pension Fund Trustees Limited. The board of the trustee company comprises sixteen directors of whom eight are appointed by the Society, five are elected by Members, two are elected by Pensioner Members and one is an independent director. This structure may change from time to time. The Trustees are the legal owners of the Fund assets.

Contents

Introduction

This booklet has been produced as a guide to the Fund for Members. It explains briefly how the Fund works and the main benefits currently being provided to Members. Members who were in the Fund before 6th April 1997 may have some differences in the benefits they will receive. If you were a Member of the Fund before April 1988, or transferred in to the Fund on the transfer of a previous Co-operative Society to the Co-operative Group (CWS) Limited after January 1988, and would like further information about how your own benefits differ from the benefits shown in this booklet, please contact Pensions Department at the address below.

The booklet is not intended to be a legal promise to Members as it is only a summary of the terms and conditions of the Fund. If there is any conflict between the booklet and the Rules, the Rules will be overriding. If you have any questions about the information in this booklet or how it would apply to you, please write to Pensions Department at the address below. This booklet replaces all previous Fund booklets.

If you are not a Member you will not be able to benefit from the Fund. You will have to make your own plans to provide your own pension and life cover. Please consider this carefully so that you make the best decision for you and your family.

Pensions Department
Co-operative Group (CWS) Limited
PO Box 53
New Century House
Manchester
M60 4ES

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Membership

Joining the Fund

All full-time and part-time permanent employees working for an Employer may join the Fund. The Society has the discretion to exclude any employee or groups of employees from membership if it decides to do so.

From 1st October 2001, full-time and part-time temporary employees who have completed 12 months' continuous service with an Employer may also join the Fund on the same basis as permanent employees.

To join the Fund you should fill in an application form which is obtainable from Pensions Department or your Human Resources Department.

Personal / Stakeholder pensions

If you are currently contributing to either a personal pension or stakeholder pension, you should consult your financial adviser before applying to join the Fund, as you may not be able to contribute to another pension at the same time. If you are already a Member of the Fund you may be able to contribute to a stakeholder or personal pension, subject to certain conditions. You should consult your financial adviser for further details.

Opting out

If you are eligible to join the Fund, you do not have to become a Member. If you have joined you may withdraw at any time. If you decide to leave the Fund, you simply need to send a letter to Pensions Department at least 28 days before you want your contributions to stop.

If you opt out of the Fund but then decide you want to rejoin later, or if you do not join when first eligible, your Employer will decide if you can be accepted as a Member. The Society and the Trustees may ask for proof that you are in normal health for your age and occupation and may decide that your membership will be subject to different terms.

Contributions

The cost of providing the benefits is met by contributions from the Society and other Employers, together with Members' contributions and the money the Fund makes from its investments.

Members' Contributions

Members aged 25 or over pay 6% of Salary to the Fund. If you are under 25, you will pay only 3% of Salary until your 25th birthday. After that you will pay 6%.

Members in part-time service pay the same rates. The contributions and benefits of Members in part-time employment have to be fair compared to those of Members in full-time service. To make sure of this, the LEL is reduced to reflect the way actual hours worked relate to the full-time hours for the job. So, for example, if you work half-time, the LEL is applied at half-rate when calculating your Salary.

Employers' Contributions

The Employer is responsible for the balance of the contributions required after allowing for those paid by the Members. The Employers' contribution rate varies from time to time and is based on the advice of the Fund's Actuary. At present the Employers' pay into the Fund about one and a half times as much as Members.

Additional Voluntary Contributions (AVCs)

You can pay AVCs to get extra benefits. AVCs are paid to the Trustees who invest them separately from the main Fund. Currently, the Trustees invest AVCs in a with-profits insurance policy with the Co-operative Insurance Society Ltd.

You can choose when to stop and start your AVCs. The tax rules will let you pay up to 15% of your taxable pay, less the Fund contributions you already make in a tax year. You can increase or decrease the amount of your AVCs at any time up to that limit after taking account of any Free Standing Additional Voluntary Contributions (FSAVCs) that you may already be paying. The Trustees can refuse to accept contributions if your AVC fund and/or FSAVC could take your total Fund benefits over the limits in the tax rules (see page 16).

If you would like to consider paying AVCs and want to know more, a factsheet is available from Pensions Department.

Contributions

Absence from work

If you are absent from work, your contributions will continue so long as you are receiving pay. If your pay stops, your contributions will cease and you will stop earning benefits in the Fund until your pay and contributions begin again. You can make up the lost Pensionable Service by paying extra contributions when you come back to work until you have paid any arrears while you were absent. You should contact your Human Resources manager to arrange this when you return. If your absence is not due to illness or incapacity you will not be covered for the Fund's death benefits while your contributions are suspended unless the Trustees with the consent of the Society agree otherwise. If death benefits are paid out during this period, any arrears may be taken out of the benefits payable.

Maternity leave

If you are absent from work and are on statutory maternity leave, your contributions will be based upon any earnings you receive in this period, although your Salary will be based upon the level in force immediately before you commenced your maternity leave. No arrears will accrue during your statutory maternity leave, although if you continue leave beyond this period the absence from work provisions detailed above will apply once statutory maternity leave entitlement has finished. You will still be covered for the Fund's death benefits whilst you are on maternity leave.

Part-time employment

If, at any time while you are a Member, you work part-time, your pension will reflect the actual hours you have worked.

For example, if as a Member you work 20 hours a week for 10 years in a job where the full-time hours are 39, your Pensionable Service over this time will count as:

$$\boxed{20/39} \times \boxed{\text{10 years}}$$

Your pension will be calculated on the full-time equivalent of your actual Final Pensionable Salary. By adjusting actual service and Final Pensionable Salary to a full-time equivalent we are able to provide you with correct benefits whether you were employed on a full-time or part-time basis throughout your period of membership.

At Normal Retirement Date

Your pension is due to be paid when you reach Normal Retirement Date. If you finish working for your Employer before then, you may be able to collect your benefits sooner (see pages 7 & 8).

While you are a Member, you will be building up pension. Your pension will be based on your Final Pensionable Salary and your Pensionable Service at the date you leave. Pensions are calculated in the following way if you retire from Pensionable Service at your Normal Retirement Date:

$$\boxed{1/60} \times \boxed{\text{Final Pensionable Salary}} \times \boxed{\text{Pensionable Service}}$$

Fund Benefits

Pension before Normal Retirement Date

Ill-health retirement

If your employment is terminated because of ill-health, the Society with the consent of the Trustees may, at their discretion award a pension regardless of your age if, in the Trustees' opinion, you are suffering from either 'Total Incapacity' or 'Partial Incapacity'.

The Trustees will ask for medical evidence in making their decision. This could come from (amongst others) your own doctor, a specialist or the Employer's medical adviser.

'Total Incapacity' means that, for medical reasons, you are likely to be permanently unable to work for any employer.

If you are awarded a 'Total Incapacity' pension, it will be based on the Pensionable Service you would have completed to your Normal Retirement Date and your Final Pensionable Salary as at the date of your actual retirement.

'Partial Incapacity' means that there is a medical problem which it is expected will prevent you from doing your normal job and/or seriously restricts your earning ability for the rest of your working life and your Employer is unable to offer you another suitable job. A 'Partial Incapacity' pension can be paid only to a Member who has completed at least five years' Pensionable Service.

If you are awarded a 'Partial Incapacity' pension, it will be based on the Pensionable Service you have completed to the date you retire from your Employer's service and your Final Pensionable Salary as at the date of your actual retirement with no reduction for early retirement.

Deferred Members may apply for their deferred pension to be paid early as an ill-health retirement benefit if, for medical reasons, they are likely to be permanently unable to work for any employer. The ill-health pension payable to a Deferred Member is the amount of the deferred pension at the date the Trustees agree to pay a pension with no reduction for early payment.

The Rules allow the Trustees to review ill-health pensions in payment before Normal Retirement Date. The Trustees may reduce, suspend or withdraw payments if any one or more of the following apply:

- you were awarded a pension for a condition which is found to be a result of your own misconduct,
- you were awarded a pension for a medical condition that you knew about and did not disclose when you joined the Fund. If you have more than one period of Pensionable Service, it is the latest period which counts for deciding when you joined the Fund,
- your health improves or the Trustees, after considering medical evidence, consider that you are capable of taking up some form of paid employment,
- you refuse to provide the Trustees with satisfactory evidence of continued incapacity or earnings.

Pension before Normal Retirement Date

Early retirement (other than ill-health)

It may be possible for you to take your pension before your Normal Retirement Date if:

- you have completed 2 years' Qualifying Service, are aged 50 or over and you are retiring from employment with the consent of your Employer, *or*
- you are a Deferred Member aged 50 or over and the Trustees agree.

If you ask for your pension to be paid early your pension will be reduced. This is because the pension is likely to be paid for a longer period.

The reduction scale currently being applied and the reduction required under the Rules are shown in the table below:

Age at retirement	Percentage reduction in rules	Current reduction being applied
50	50	40
51	46	36
52	42	32
53	38	28
54	34	24
55	30	20
56	26	16
57	22	12
58	18	8
59	14	4
60	10	0
61	8	0
62	6	0
63	4	0
64	2	0

These scales are interpolated for completed quarter years.

The current reduction scale is only applicable to Members aged 50 or over who are retiring from employment with an Employer, and to Deferred Members who left the Fund aged 50 or over and who subsequently claim an early retirement pension. It may be amended from time to time at the Trustees' discretion.

Fund Benefits

Pension options

When you retire you will have a number of options on how your benefits can be taken.

You may be able to exchange part of your pension for:

- a lump sum,
- a variable pension (not applicable to ill-health pensions),
- a pension for a Dependant to start after your death.

Lump sum

At present, the tax rules allow part of your pension to be given up for a lump sum. Currently, this can be taken free of tax.

There is a limit on how much you can take as a lump sum. Usually, you will be able to take an amount based on this formula:

$$\boxed{3/80} \times \boxed{\text{Final Pensionable Salary}} \times \boxed{\text{Pensionable Service}}$$

You may be able to take more than this, up to the limit permitted by the tax rules (see page 16).

Variable pension

If you take your pension early, you may have some time to wait before you receive your basic state pension. You can vary your Fund pension to keep your income steady before and after state pension age. This means choosing to take a higher pension from the Fund when your pension starts which then reduces when you get to state pension age by an amount which will be approximately the level of basic state pension for a single person. The reduction in your pension will be applied at state pension age regardless of the amount of actual state pension payable to you at that date. The amount of extra pension you can take before your state pension age will vary depending upon your age and the level of basic state pension when your Fund pension begins.

This option is not available to a Member who receives an ill-health pension from the Fund.

Pension for a Dependant - allocation

If you support someone financially whether or not they would normally receive a Fund pension after you die, you can still use your own pension to help to plan for their future. Before you start to draw your pension, you can arrange to give up some of your own pension to provide a pension for that person which would begin after your death.

The amount of pension you can provide in this way cannot be more than the amount of pension that you keep for yourself before any lump sum is taken.

This option may also be used to provide additional pension to your spouse.

Pension increases

Your Fund pension will increase each year from the date of the first payment made in each tax year. Different parts of the pension increase at different rates.

- If you were a Member before 6th April 1997, part of your pension, known as the Guaranteed Minimum Pension (GMP), will increase by the annual rise in the Retail Prices Index (RPI) up to a maximum of 3% per annum once you have reached age 60 (female) or 65 (male).
- If you have used some or all of your AVCs to buy extra pension, this will not increase unless you bought increases when you retired.
- If you have transferred pension rights to the Fund from another scheme, some parts of the transferred pension may increase at a different rate. You will be told if this applies to you.
- The balance of your Fund pension is increased by the annual rise in the RPI as at 31st December in each previous year, up to a maximum of 5% per annum.

Any pension which has been in payment for less than a year will receive a proportionate increase.

The Trustees can increase pensions by more than the guaranteed amounts if funds allow and if the Society agrees. In some cases, pension increases over the guaranteed level may be restricted if total benefits would otherwise exceed the amounts allowed by the tax rules (see page 16).

Fund Benefits

Death benefits

The Fund pays out death benefits on the death of a Member, a Deferred Member or a Pensioner Member.

Lump sum death benefit for Members

If you die as a Member, there is a lump sum death benefit equal to:

$$\boxed{3} \times \boxed{\text{Final Pensionable Salary}}$$

Refund of contributions

If you die as a Member or as a Deferred Member and there is no survivor's pension payable, a refund of your own contributions to the Fund (plus interest) will be paid.

Pension guarantee

The Fund guarantees that you will be paid at least five years' pension. If you die before your pension has been paid for five years, the balance of the guaranteed pension is paid as a lump sum.

Trustees' discretion

Lump sum payments can be paid to one or more of your Dependants or beneficiaries, at the Trustees' discretion. Under current tax law, it can be paid without any liability for inheritance tax. You should let the Trustees know, on a nomination form (available from Pensions Department) or a letter, who you would like to receive some or all of the lump sum benefit. You may nominate anyone you like even a body such as a charity. The benefit can be shared. If you nominate more than one person, you should say what share of the lump sum you would like each of them to have.

Please keep your nomination form up to date as your circumstances change. The Trustees will take note of your wishes but they are not bound by them.

Spouse's pension for Members, Deferred Members or Pensioner Members

If you leave a spouse when you die, the Fund will generally pay a pension for the rest of their life. There is no spouse's pension payable if you marry after retirement and you die less than six months later. However, in these circumstances, the Trustees may consider paying a spouse's pension.

	A Member	A Deferred Member	A Pensioner Member
The spouse's pension is 60% of:	The pension you would have received if you had stayed in the Fund until age 65, based on your Final Pensionable Salary at the date you died.	Your deferred pension increased to the date of your death. The increase is the lesser of 5% compound for each complete year, or the increase in the Retail Prices Index over the period.	The pension you were getting at the date you died but worked out as if you had not taken up any of the pension options available to you when you retired (lump sum, variable pension, or pension for a Dependant).

If your spouse is more than ten years younger than you, the pension will be reduced to take account of the fact that it is likely to be paid for longer.

Fund Benefits

Survivor's pension

If you do not leave a spouse, the Trustees can pay a pension up to the amount of the spouse's pension to another individual who was financially dependent on you at the time of your death.

Children's pensions for Members or Pensioner Members

If you have dependent children, they may qualify for a pension under the Rules (see the definition of 'Child'). Up to four children's pensions can be paid at one time.

	A Member	A Pensioner Member
Each Child's pension is 1/8th of:	The pension you would have received if you had stayed in the Fund until age 65, based on your Final Pensionable Salary at the date you died.	The pension you were getting at the date you died but worked out as if you had not taken up any of the pension options available to you when you retired (lump sum, variable pension, or pension for a Dependant).

If there is no pension payable to a spouse or an adult Dependant, the Trustees can increase the pension payable to the eldest (or only) Child to up to three times the normal Child's pension.

No children's pensions are paid on the death of a Deferred Member if death occurs prior to retirement.

Leaving the Fund

If you leave the Fund with less than two years' Qualifying Service

You will be given a refund of your own contributions with interest. When a refund is paid, the Trustees must deduct your share of the cost of putting you back into the State Second Pension (S2P) - (see 'The Fund and the State Pension Scheme' page 17) and they also have to deduct tax (currently 20%). Alternatively, you can ask the Trustees if they will pay the full untaxed value of your own contributions directly to another approved pension plan.

If you leave the Fund after completing two years' Qualifying Service

You will be entitled to a deferred pension. When you leave the Fund, your deferred pension is worked out based on your completed Pensionable Service and Final Pensionable Salary at the date you leave. Your pension is due to be paid at Normal Retirement Date but may be paid earlier if you retire early and the Trustees agree.

The deferred pension will be increased over the period between the date you leave and the date it is paid to help protect it against inflation. The increase is the lesser of 5% per annum compound for each calendar year in that period or the increase in the Retail Prices Index for each complete year in the period of deferment. If you were a member before 6th April 1997, part of your pension, known as the Guaranteed Minimum Pension (GMP), will be increased up to state pension age at a rate notified by the Government.

There are some differences between the Rules for Deferred Members and those for Members and Pensioner Members. We have tried to mention most of the important differences in this booklet. When your pension starts to be paid, the rules for Pensioner Members will apply.

Fund Benefits

Transfer options

Transferring benefits to the Fund

If you have benefits in another employer's scheme or in a personal or stakeholder pension you may be able to transfer them into the Fund. You will usually be asked to wait until you have completed twelve months' Pensionable Service before a transfer into the Fund can proceed.

Transferring benefits out of the Fund

If you have a deferred pension in the Fund you can transfer the value of your benefits to another approved pension arrangement. You keep this option up to one year before your Normal Retirement Date (or for up to six months if you leave the Fund after your 64th birthday). The option will be surrendered if you receive any part of your benefits from the Fund in the meantime.

Your transfer value is worked out as the amount the Fund would need to set aside at the date of the transfer calculation, to produce the benefits due to you at retirement. It is calculated on the advice of the Fund's Actuary using methods and assumptions about future investment returns which are set out in professional guidelines and comply with Government requirements.

You must write to the Trustees to let them know if you want a transfer quotation. The Trustees will send you a statement of entitlement within 90 days of receipt of your request. The statement will set out your guaranteed cash equivalent (transfer value). The guarantee lasts for three months. If you want to make the transfer, you must write to the Trustees within the guarantee period. The Trustees then have to pay the cash equivalent to the receiving scheme/provider within the next three months.

You can ask for details about your cash equivalent at any time, but the Trustees can make a charge if you ask for more than one quotation in a twelve-month period.

The Fund and the Tax Rules

The Fund is fully approved under Chapter I Part XIV of the Income and Corporation Taxes Act 1988. This gives useful tax advantages, but in return the Fund must obey a set of tax rules (also referred to as Inland Revenue Limits).

Under the current tax rules, being in an approved pension scheme means that:

- your income tax is worked out on your pay after you have paid your Fund contributions and AVCs, so you pay less tax,
- you are not charged tax on your Employer's contributions to the Fund,
- the Fund's investments build up mostly free from tax,
- lump sums payable on retirement and death are currently tax-free.

In exchange for all this, the Trustees have to agree with the Inland Revenue that:

- pensions in payment are treated as earned income and taxed under the Pay As You Earn (PAYE) system,
- they will not collect contributions or pay out benefits above the limits allowed in the tax rules. In some cases, this could mean that the Trustees may have to limit benefits from the Fund,
- your contributions including any AVCs and/or FSAVCs are limited to 15% of your taxable earnings (including the value of any taxable benefits in kind) in each tax year,
- if you pay AVCs (or FSAVCs), your contributions may have to be restricted if they would be likely to produce benefits for you over the maximum limits.

For Members who joined the Fund on or after 1st June 1989, the Inland Revenue sets a permitted maximum level of pay (called the 'earnings cap') for scheme benefits and contributions. This earnings cap generally changes each year in line with price inflation. For the tax year from 6th April 2002, it was £97,200. So, for a Member in this category earning over the earnings cap, Salary (for the purpose of calculating benefits and contributions) cannot exceed the earnings cap.

The Government may change the policy on tax and pension funds from time to time. The information in this booklet is based on tax rules at April 2002.

The Fund and the State Pension Scheme

There are currently two parts to the state pension arrangements: a basic Retirement Pension and the State Second Pension (S2P) which replaced the State Earnings-Related Pension Scheme (SERPS) in April 2002.

Pension schemes are allowed to contract-out of part of S2P. The Fund has contracted-out. Contracting-out of S2P means that Members and their Employer pay reduced National Insurance contributions. If you were in the Fund when it was contracted-out of SERPS, you did not earn any SERPS pension. However, any pension that was built up under SERPS before you joined the Fund will be protected and paid in full with your state pension.

If you were a Member before 6th April 1997, a Guaranteed Minimum Pension (GMP) will have been built up for you, as part of your Fund benefits, which will have replaced most or all of your SERPS benefits whilst you were contracted-out.

S2P has replaced and reformed SERPS and will accrue at 3 different levels, depending upon the level of an employee's earnings. It will also provide a top up for low earners by treating those earning the Lower Earnings Limit but below the Lower Earnings Threshold (LET) as if they had been earning at least the LET.

The Fund has to pass certain tests to prove that, on the whole, it will be better value for money for Members than the previous SERPS benefits. The Fund's Actuary has to confirm, at least every three years, that the Fund continues to meet the tests. As a further condition of contracting-out, the Employers regularly have to confirm to the DWP that the Fund continues to meet the funding, financial and investment requirements of the Pensions Act 1995.

Fund Benefits on Divorce

If, whilst a Member, Deferred Member or Pensioner Member of the Fund, you obtain a divorce, you can decide to account for your pension benefits in your divorce settlement in one of the following ways:

- to offset your pension, against other assets,
- to attach an order for future payment against future pension rights,
- to share pension rights at the time of divorce.

You should ask Pensions Department for information on the value of your pension benefits at the time divorce proceedings begin.

How an attachment order works

If you agree to an attachment order:

- a court order will direct the Trustees to pay part of your pension, lump sum and/or death benefit to your ex-spouse when you enter into receipt of your pension or if you die whilst a Member,
- you will be taxed as if you were receiving the whole amount of the pension,
- your ex-spouse will continue to receive the pension provided under any attachment order whilst pension is being paid to you. This pension will cease upon your death.

Fund Benefits on Divorce

How a pension share is calculated

If you agree to a pension share, then:

- a court order will direct the Trustees to allocate pension rights to your ex-spouse at the time of the divorce,
- your pension rights will be reduced immediately by the amount of the 'share',
- your ex-spouse will receive a 'pension credit' equal in value to the 'share'.

Administering a pension share

Once the Trustees have established a 'pension credit' for your ex-spouse, they must comply with one of the two options available:

- if you are a Member or a Deferred Member, your ex-spouse will have to transfer their 'share' to another approved pension arrangement, unless they are already a Member, Deferred Member or Pensioner Member in their own right,
- if you are a Pensioner Member, or your ex-spouse is a Member, Deferred Member or Pensioner Member in their own right, a 'pension credit' will be established in the Fund equal to the amount of the pension share.

Please note that an administration charge will be payable at the time of receiving an implementation order from the court.

A separate factsheet is available from Pensions Department which gives more information about pensions and divorce.

Fund information

This booklet is designed to give you the basic facts about the Fund. It does not give you any legal rights. Your rights are set out in the Rules. If there is any disagreement between this booklet and the Rules, the Rules apply.

The booklet can give you only a general idea of what the Fund provides. You can get more information about the Fund or about your own benefits from Pensions Department at the address on the reverse of this booklet.

While you are a Member, you will normally be sent a benefit statement each year. This tells you what benefits you can expect if you remain a Member up to Normal Retirement Date.

You can also request:

- one copy of the Trustees' annual report and accounts in any twelve month period,
- one copy of the latest actuarial valuation report which is normally prepared every three years,
- a copy of the Rules at any time.

Information you must give the Trustees

All benefits are subject to the conditions set out in the Rules.

The Trustees have the right to check from time to time that the conditions are met. To do this, they can ask for reasonable information. Any benefit may be adjusted or stopped if the qualifying conditions are no longer met.

You must keep the Trustees informed of important changes which might affect your Fund benefits.

For example:

- change of address,
- change of marital status,
- change in the conditions that led to you receiving a pension.

The Trustees are allowed to pay benefits only to the persons who are entitled under the Rules. If a pension is overpaid because the Trustees were not told to stop paying when they should have been, they may ask for anything overpaid to be paid back to the Fund.

Benefit payment conditions

The Trustees will deduct tax from any benefit before it is paid, if they have to account for that tax to the Inland Revenue.

The Trustees do not have to make or continue any payment from the Fund unless they are sure that the person claiming the benefit is entitled to it. They can ask for any evidence they need to help them. So they might ask for proof of the birth, marriage or death of a person, or for proof of identity, or that they are still alive.

The Rules allow the Trustees to decide when and how pensions should be paid. At the moment, the Trustees pay pensions every four weeks, in advance, usually directly into the pensioner's bank account.

Fund benefits are non-assignable and cannot be used as security for loans. If any attempt is made to assign a benefit to someone other than the rightful payee, the benefit may become forfeit at the Trustees' discretion.

Any payment of the benefit which is not claimed within six years of the due date may become forfeit at the Trustees' discretion.

Rule changes

The Rules may be altered at any time by the Trustees with the consent of the Society and (except in certain limited circumstances) the approval of Members and adult pensioners. Where approval is needed, a ballot will usually be held and if at least two-thirds of the voters approve, the amendments will be made.

Employment contract

Membership of the Fund does not in any way restrict the right of any Employer to terminate a contract of employment.

Winding up

The Society has the right to wind up the Fund at any time. If, in the unlikely event that the Fund were to be wound up, your benefits would be secured in accordance with the Rules and the general law relating to pensions.

Disputes

Any problems with the Fund can usually be sorted out by asking Pensions Department for more information. But if you find that there is something with which you disagree, there is a formal disputes procedure that can be used by anyone who has rights in the Fund. For details and relevant forms you should write to the Fund Secretary, Co-operative Group Pensions Department.

The Office of the Pensions Advisory Service (OPAS)

OPAS is an independent organisation whose services are free. Pension advisers will liaise with a scheme on behalf of a member or beneficiary in connection with difficulties which they have failed to resolve with the trustees of their scheme.

OPAS can be contacted at:

11 Belgrave Road
London
SW1V 1RB.

OPAS also has a helpline number where calls are charged at the local rate – 0845 6012923.

The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in connection with occupational pension schemes.

The Ombudsman may be contacted at:

11 Belgrave Road
London
SW1V 1RB.

Occupational Pensions Regulatory Authority (OPRA)

OPRA helps to make sure that schemes are run properly and can take steps to correct matters if trustees, employers or professional advisers have failed in their legal duties. OPRA may be contacted at:

Invicta House
Trafalgar Place
Brighton
BN1 4DW.

Information

Pensions Tracing Service

You can now trace old pension rights held in former employers' schemes. The Registrar of Occupational and Personal Pension Schemes exists to help people trace benefits where they have lost contact with a scheme. The Trustees have registered information about the Fund with the Registrar.

If you need to contact the Registrar, the address is:

Pension Schemes Registry
PO Box 1NN
Newcastle-upon-Tyne
NE99 1NN.

Data Protection

Under the Data Protection Act 1998, the Trustees must notify you, as a Member, Deferred Member or Pensioner Member that they hold information about you. The Trustees need to hold personal information about you to enable them to administer the Fund and may disclose this information to professional advisers, insurers and others who assist them in the administration of your Fund benefits.

You have the right to check that information held about you is correct. You can get further information about your records by writing to:

Data Protection Manager
Secretariat
Co-operative Group (CWS) Limited
PO Box 53
Manchester
M60 4ES.

While you are a Member

When you join the Fund, you agree to keep to the Rules. The Rules are the legal documents which set out how the Fund operates. You can ask to see a copy at any time. The Rules set out your Fund benefits and also what you must do to remain a Member and to qualify for those benefits.

As a Member, you will have to:

- provide the Trustees with information which they may need from you from time to time,
- pay regular contributions and check your payslip from time to time to make sure that pension contributions are being paid at the right amount. Tell Payroll Department immediately if there is any problem,
- keep your benefits to yourself! Your benefits are personal - they belong to you. You must not promise to have them paid to anyone else, or try to use them as security for a loan.

the Co-operative Group
Pension Fund

Pensions Department
Co-operative Group (CWS) Limited
PO Box 53
New Century House
Manchester
M60 4ES

email: cgpensions@co-op.co.uk