



**YORKSHIRE
BUILDING SOCIETY**

Yorkshire Building Society Pension Scheme Explanatory booklet

Defined Benefit Section

The information contained in this booklet is applicable to members with benefits in the Defined Benefit Section of:

- Yorkshire Building Society Pension Scheme;
- The legacy Chelsea Building Society Retirement Benefits Scheme;
- The legacy Barnsley Building Society Pension and Assurance Scheme;
- The legacy Norwich and Peterborough Building Society Pension and Life Assurance Scheme.

The Defined Benefit Section of the Yorkshire Building Society Pension Scheme is administered by XPS Administration.

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Introduction

This explanatory booklet has been produced to increase awareness of the benefits available to members of the Defined Benefit Section of **the Scheme**. The Defined Benefit Section of the Scheme was closed to future accrual for all remaining active members on 31 December 2015 (the “**Closure Date**”). Members will not build up any further **Pensionable Service** within the Defined Benefit Section of the Scheme.

The main body of this booklet summarises the benefit provisions of a YBS Category 1 member of the Scheme which represents the largest proportion of members. Some of the key differences in the benefit provisions for former members of the Chelsea Building Society Retirement Benefits Scheme, the Barnsley Building Society Pension and Assurance Scheme and the Norwich and Peterborough Building Society Pension and Life Assurance Scheme, are set out on pages 15 to 20.

There are a number of **key terms** referred to throughout this booklet. The meaning of these terms can be found in the Glossary on pages 13 to 14.

Throughout this booklet there are references to pensions legislation and tax limits in force as at the date of production of this booklet (June 2019). Therefore any future changes in legislation could supersede some of the information contained within this booklet.

This explanatory booklet is a summary of the benefits available to members of the Defined Benefit Section of the Scheme. The specific terms and benefit entitlement that applies to each member is determined by reference to the Trust Deed and Rules.

This booklet does not establish an entitlement to a benefit and in the event of any discrepancy between the Scheme's Trust Deed and Rules and this booklet, the Trust Deed and Rules shall override.

An overview of the benefits provided by the Scheme

The Scheme's Defined Benefits section invests and maintains a fund, which is used to pay benefits to Scheme members, as they fall due.

The benefits that you have built up within the Scheme are based on a combination of your **Pensionable Salary** (see below *) and how long you've been a member of the Scheme:

- for Pensionable Service up to and including 31 March 2010 (the CARE date), your benefits are calculated based on your **Final Pensionable Salary**; and
- for Pensionable Service between 1 April 2010 and 31 December 2015 (inclusive), your benefits are calculated based on your average Pensionable Salary.

The Defined Benefit Section of the Scheme was closed to future accrual on the Closure Date (31 December 2015). Therefore, for Pensionable Service on and from 1 January 2016, members currently employed by **the Society** will have the option of building up further benefits in the **YBS Group Retirement Savings Plan** (and please refer to the separate explanatory booklet for details of the benefits provided under this arrangement).

Your benefits from the Defined Benefit Section of the Scheme may include:

- a cash lump sum at retirement and an income for the rest of your life (see pages 3 and 4);
- the flexibility to start receiving your retirement pension early, at a reduced rate (see page 3);
- the option to transfer the value of your benefits to your new employer's scheme (see page 5);
- the option to transfer the value of your benefits to a suitable insurance policy or other registered pension arrangement to access the pension flexibilities introduced in April 2015 (see page 6);
- an income for your **Spouse** on your death (see page 7).

*For members who joined the Scheme on or after 1st June 1989, Pensionable Salary for the purpose of calculating Scheme benefits (e.g. death benefit and retirement pension) will be "capped" at a level equivalent to the previous Earnings Cap applied by the Government. The level for tax year 2020/2021 is £170,400 p.a., and this is normally increased each year broadly in line with price inflation. While your current salary may not exceed the limit, it could at some future date. If you are affected you will have been notified.

Benefits at retirement

Pension on Normal Retirement

If you retire at Normal Retirement Age, you will receive a pension of 1/60th of your Final Pensionable Salary for the number of years and months of Pensionable Service up to and including 31 March 2010. If you were an active member of the Scheme on or after 1 April 2010 you will also have built up a **Career Average Revalued Earnings (CARE) pension**. The combined Scheme pension benefits are subject to a maximum of 2/3rd of Final Pensionable Salary.

Increases to your pension in payment

Your pension in payment will increase on 1 January each year as follows:

Pensionable service	Pension Increase basis
Prior to 1 January 2000	Minimum of 3% p.a. or the increase in the Retail Price Index if higher, up to a maximum of 5% p.a.
Between 1 January 2000 and 31 March 2010 (inclusive)	Based on the increase in the Retail Price Index, up to a maximum of 5% p.a.
Between 1 April 2010 and 31 December 2015 (inclusive)	Based on the increase in the Retail Price Index, up to a maximum of 2.5% p.a.

Pension on Early Retirement

Subject to the consent of the Society you can retire before your Normal Retirement Age – currently at any time after you are 55. For your information, the minimum pension age is expected to rise from 55 to 57 in 2028, and will thereafter increase in line with changes to the State Pension Age.

Your pension will be calculated based on your Final Pensionable Salary and Pensionable Service when you retire, plus any CARE pension accrued if applicable. You will be able to take your Final Salary and CARE benefit entitlements separately to assist in your retirement planning. Because you'll be receiving your pension early and therefore it's likely to be paid for longer, the benefit amount will be reduced by an amount calculated by the Trustees and confirmed by the Scheme's Actuary as reasonable. If you are retiring early due to ill-health, please contact XPS Administration for further information.

You will be permitted to draw your pension from the Scheme whilst continuing in employment with the Society. If you wish to consider this option, please contact XPS Administration.

Pension on Late Retirement

In some circumstances, a member of staff may carry on working after Normal Retirement Age and defer drawing their pension until a later date. This is called Late Retirement.

In such cases, because you'll be receiving your pension late and therefore it's likely to be paid for a shorter period, the benefit amount will be increased by an amount calculated by the Trustees and confirmed by the Scheme's Actuary as reasonable. Further details of this will be given to you at the time.

Can I take some of my pension as cash at Retirement?

Yes, under current HMRC limits up to 25% of the total value of the pension benefits you are drawing can be taken as a tax free cash lump sum.

This works by giving up part of your pension entitlement for a cash sum. The actual calculation of your maximum tax free cash is complex and depends on your pension and a defined formula set out by HMRC. XPS Administration will provide you with an illustration of your maximum cash sum before you retire.

The reduced pension must not be less than your **GMP** (Guaranteed Minimum Pension). See page 9 for more information on GMPs.

Can I top-up my retirement benefits?

Additional Voluntary Contributions

Before the Scheme closed to future accrual, if you were a contributing member of the Defined Benefit Section of the Yorkshire Building Society Pension Scheme you could have paid Additional Voluntary Contributions (AVCs) to secure additional benefits. Since the Closure Date, the Scheme is no longer able to accept further AVC contributions.

If you have previously paid AVC contributions, these will continue to be invested in line with your previous instructions, and you will still have the ability to change these instructions should you wish. You will also be able to take these benefits independent of your other Defined Benefit Section entitlement and/or transfer them to an arrangement of your choice, should you wish.

Further details are available from XPS Administration.

Service credits

A small number of members who were in service prior to 1st November 1987 could be entitled to an increased pension to compensate for the reduction in the Normal Retirement Age before that time. Any qualifying members will have been advised and their member records updated.

Further details are available from XPS Administration.

Transfers-in

Transfer values from other schemes are no longer accepted into the DB Section of the Scheme.

Benefits on leaving the Scheme

Up to the point of leaving the Society, or withdrawing from membership of the YBS Group Retirement Savings Plan if earlier, your Defined Benefit Section benefits will be based on a combination of your Pensionable Service up to the Closure Date and your Pensionable Salary. After this point your Defined Benefit Section benefits will be increased between leaving and retirement in line with the Scheme's Rules.

You then have two options:

1. Keeping your benefits in the Scheme

You can leave what you've built up within the Scheme. The Trustees of the Scheme will remain responsible for those benefits, and will arrange to pay them to you at your retirement. You should keep your pension correspondence safe, so that you can confirm your entitlement to Scheme benefits. Don't forget to advise the Scheme if you change address.

A Spouse's pension will be paid for life if you die before your retirement date leaving a surviving Spouse.

Your deferred pension will be increased to provide some protection against inflation up to the time that you retire. Further information on the inflation proofing can be obtained from XPS Administration.

2. Transferring your benefits

You can transfer the value of your deferred pension out of the Scheme. It may be paid into a personal pension or alternatively to your new employer's scheme, provided that scheme can accept and is willing to receive the transfer value.

If you wish to investigate this option, you can request a transfer value quotation directly from XPS Administration and you will be provided with this within three months of your request. The figure should be notified to the receiving arrangement and they will explain what benefits you might receive from the proposed alternative arrangement, so that you are able to make a decision. Please note that one transfer value illustration per calendar year, with any additional requests within the same calendar year incurring a charge (currently £108.25 plus VAT per additional illustration). If you wish to proceed with the transfer, you and your financial adviser will be required to complete the relevant documentation within three months of the date of the quotation, to avoid an additional charge.

The transfer value is the cash equivalent value of your benefits if you transfer out of the Scheme (noting that, the assumption will be made that you leave employment of the Society on the date of the calculation, if you have not already). It is calculated as the estimated amount required to provide your benefits in the Scheme based on market conditions at the time of the transfer. The transfer value includes an allowance for the increases to your pension which are guaranteed by the Scheme (and see page 3).

If you choose the transfer option, then no benefits will be payable under the Scheme to you or your dependants after the transfer takes place.

It is recommended that you take independent financial advice before considering the transfer option. **This is required by law if the transfer value of your Defined Benefit Section benefits exceeds £30,000.**

Pensions Freedom

From April 2015, a number of flexibilities were introduced which provide members with DC benefits (like those built up in the current YBS Group Retirement Savings Plan) with a number of options around how to take their DC pension savings at retirement.

If you wish to take advantage of any of these options, you would need to transfer the value of your deferred pension outside of the Scheme into an arrangement offering these flexibilities. You are not able to transfer your Defined Benefit Section benefits into the YBS Group Retirement Savings Plan.

Benefits on death

This section summarises benefits payable to your dependants in the event of your death.

Benefits on death before retirement

Refund of contributions lump sum

A refund of your own contributions with interest at 5% p.a. and the current value of any AVC fund will be paid should you die before retirement.

You should ensure that you have completed a Death Benefits Nomination Form (which can be obtained from XPS Administration), advising the Trustees who you would like to be considered to receive the lump sum. Although this is not binding on the Trustees, they will consider this document as highly relevant when deciding how to distribute the lump sum.

Income for your spouse

If you are married or in a civil partnership, your Spouse will receive an income for life. This will be a pension of one-half of the retirement income you had earned under the Scheme at the date of your death.

A Spouse's pension will be reduced if your Spouse is more than 15 years younger than you by an amount calculated by the Trustees and confirmed by the Scheme's Actuary to be reasonable.

Example – benefits on death in deferment

If you had completed 20 years' service up to the Closure Date, your final and average pensionable salary is £24,000 per annum and you are married, the benefits on death in deferment would be:

Lump Sum	+	Surviving Spouse's Pension
A return of your own contributions plus interest	+	£4,000 per annum

Benefits on death after retirement

After you retire, the Scheme still provides an income for your family when you die.

Whenever you die, your surviving Spouse will receive an income from the Scheme for the rest of his/her life. Your full pension is guaranteed to be paid for 10 years, or until age 70, whichever occurs first. Your Spouse will then receive an income of half your own pension for life, but assuming you did not exchange any pension for a tax free lump sum at retirement. This pension will be reduced if your spouse is more than 15 years younger than you.

If you had been married for less than six months at the time of your death, and the marriage took place after your Scheme pension had become payable, the spouse's pension will be reduced and only equal to the spouse's Guaranteed Minimum Pension (which is based on service to April 1997 only), unless the Trustees agree otherwise.

For orphaned children the widow(er)'s pension would be paid to the first eligible child. Each additional eligible child (up to a maximum of 2) would also be paid half the widow(er)'s pension. These pensions are payable until age 18 (or 23 if in full-time education).

Limits on tax relief

Lifetime Allowance (LTA)

What is it?

From April 2006, the Government has set a limit on the value of pension benefits that may be built up over the course of a pension scheme member's lifetime before an additional tax charge is paid. This limit is known as the **Lifetime Allowance (LTA)**.

This limit applies to the total of all of the pension benefits that you have built up over your lifetime (excluding State benefits). If you have any pension benefits with a former employer or a personal pension plan, you should provide these details to XPS Administration before you retire from the Scheme.

What are the limits?

The LTA is set by HMRC and the limit that will apply will depend on the limit in force at the point at which your benefits are subjected to the LTA test (for example, at retirement, but there are other such instances when your benefits may be subject to the LTA test).

The LTA applicable for the 2020/2021 tax year is £1.0731 million. HMRC has indicated that from 2018/19 this limit will be increased each year in line with the Consumer Price Index (CPI).

What should I do if I think I will be affected?

If you think you are likely to breach these limits, you may wish to seek Independent Financial Advice. The Scheme is not responsible for informing members who may be affected by the LTA.

Annual Allowance (AA)

What is it?

From April 2006, the Government has set a limit on the value of pension benefits that a member can build up each year tax efficiently. This limit is known as the **Annual Allowance (AA)**.

Just like the LTA, this limit applies to all of the pension benefits that you have built up over the year. Therefore, it will include contributions that you have made to the YBS Group Retirement Savings Plan (or any other arrangement) and any increases (in excess of the increase in the Consumer Price Index over the year) in the value of your benefits in the DB Section of the Scheme.

What are the limits?

The AA is set by the Government and has been subject to change in recent years. The AA that will apply in future years cannot be guaranteed. The standard AA applicable for the 2020/2021 tax year is £40,000.

The standard AA will be reduced down, via a sliding scale, or taper, to £4,000 for those with total taxable income and pension contributions in excess of £240,000. Also, a different AA may also apply to future contributions to the YBS Group Retirement Savings Plan if you choose to flexibly access from a Defined Contribution pension arrangement.

What happens if I breach the AA?

The value of benefits accrued will be tested against the AA each year. If this exceeds the AA (after allowing for any unused allowances from three prior years), you will have to pay a tax charge on the excess over the AA, payable at your marginal tax rate. If your tax charge is more than £2,000 you can ask the Scheme to pay the charge on your behalf. If you have sufficient funds in the YBS Group Retirement Savings Plan, the charge can be deducted from these savings. Otherwise, your DB Section Pension will be reduced to reflect any AA tax charges paid by the Scheme on your behalf.

Please contact the XPS Administration if you would like more information on the LTA and the AA. Further information can also be found at:

<https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

The technicalities

As you may be aware, pension schemes can be very complex. There are safeguards built into the Scheme to make sure that it is properly run.

Here are some further details that you may find helpful:

Trust Deed and Rules

The Scheme is governed and administered in accordance with the Trust Deed and Rules. The Scheme is run strictly in line with these documents. Subject to the consent of the Society, the Trust Deed and Rules may be amended by the Trustees.

This explanatory booklet is a simple guide and it is not possible to give all the details of the Scheme in every situation. Although we've made every effort to make sure that this booklet is accurate, your benefits are always determined by reference to the Trust Deed and Rules.

The Trustees

The Scheme is entirely separate from the Society. The expenses of the Scheme are met by the Society. The Scheme is run by a corporate Trustee company, YBS Pension Trustees Limited, who use a range of specialist advisers to help them.

The New State Pension and Contracting Out

On 6 April 2016 the Government introduced a new flat rate single tier State Pension. Before this date, the State Pension was made up of the Basic State Pension and the State Second Pension (formerly known as the State Earnings Related Pension Scheme, or SERPS, prior to 2002).

The Scheme replaced SERPS and the State Second Pension (S2P) for all contributing members. This was known as contracting out. It meant that you paid lower National Insurance contributions and would still have received the Basic State Pension at State Pension Age.

Until April 1997 the Scheme was contracted out of SERPS (State Earnings Related Pension Scheme) on the basis that it provided members with a guaranteed minimum level of benefit known as the Guaranteed Minimum Pension (GMP). The GMP will be provided as part of the overall pension from the Scheme and is roughly equivalent to the pension that would have been received from SERPS had the Scheme not been contracted out. In most cases, the overall benefit from the Scheme comfortably exceeds the alternative SERPS pension. For service after April 1997, GMPs no longer accrued and the Scheme contracted out on a different basis; by satisfying a quality test.

Contracting-out was abolished from 6 April 2016 when the New State Pension replaced the Basic State Pension and S2P.

Calculation of benefits for part-time workers

If you altered your working hours during pensionable service, any service of less than full-time (35 hours per week) is reduced to the equivalent full-time service on a pro-rata basis.

Example – currently working full-time but previously worked part-time

Assume that you had worked for 21 years at 20 hours per week, but were subsequently working full-time at the date of your leaving/retirement. Your part time pensionable service would be reduced to the full-time equivalent:

$21.00 \text{ years} \times 20/35 = 12.00 \text{ years}$ and then added to your full-time pensionable service.

If at the date of leaving or retirement you are working less than full-time, your part-time salary figures are grossed up to the equivalent full-time rate (for a 35 hour week) on a pro-rata basis to calculate the Final Pensionable Salary.

Example – currently working part-time

Assume that you were only working for 25 hours per week with a pensionable salary of £7,500 at the date of your leaving/retirement (regardless of whether you had worked full-time in the past). Your part-time pensionable earnings would be increased to the full-time equivalent:

$£7,500.00 \times 35/25 = £10,500.00$ and this figure would be used in the calculation of your Final Pensionable Salary.

Pension Sharing on divorce

If you divorce on or after 1 December 2000, your benefits under the Scheme may become subject to a Court order requiring the Trustees to allocate part of your retirement and death benefits under the Scheme to your ex-spouse. Normally benefits will be allocated to your ex-spouse as a portion of the cash equivalent value of the Scheme benefits you have built up and these benefits will then be transferred out of the Scheme. If a Court order applies to your Scheme benefits, you will be given details of the reduction applicable to and in respect of your benefits under the Scheme. The allocation of part of your benefits to your ex-spouse will not be included in the calculation of your benefits against the LTA.

Data Protection

Your personal information is held on computer systems and used by the Trustees, their advisers and administrators in order to calculate and pay benefits, for statistical purposes and to administer the fund as a whole. This includes information categorised under the General Data Protection Regulation ("GDPR") as "special category data" such as medical details and death benefit nominations.

The GDPR sets out certain principles concerning the collection, use and protection of your personal information with which the Trustees must comply.

In most cases, the collection and use of your personal information is necessary to give effect to your contractual rights as a scheme member, or to comply with legal obligations placed on the Trustees. More detailed information about how and why your personal information is used can be found in the Member's Privacy Notice. If you have any queries concerning the Trustees' use of your personal information, please contact the Pension

Scheme Secretary. You have certain rights under the GDPR to access, correct, erase and otherwise control your personal information. If you wish to exercise any of these rights, please contact XPS Administration.

Disputes procedure

The purpose of this procedure is to give all members of the Scheme, a means of satisfactorily resolving any disagreements there may be in the way any aspect of their membership has been dealt with.

The procedure has two stages:

- Initially, any dispute must be referred to the Scheme's Secretary (the "Secretary"), in writing. The written statement should clearly set out the basis of the dispute and the reason why the member believes that they have been disadvantaged. The Secretary will acknowledge receipt of the written statement and will reply within four weeks, or explain why a response may take longer; and
- if the member is still dissatisfied with the reply from the Secretary, the matter, upon request in writing within six months of the date of the first reply, will be referred to the Scheme's Trustees. The Trustees will consider the member's submission and all appropriate documentation and the initial reply from the Secretary. A formal response will be given in writing by the Trustees, through the Secretary, where possible within two months.

If you have a reason to use this procedure, you should contact the Secretary at:

Secretary to the Trustees of the YBS Pension Scheme
Yorkshire Building Society (Reward Team)
Yorkshire House
Yorkshire Drive
Bradford
BD5 8LJ

Employer's obligation

Following the closure to future accrual of the Defined Benefit Section of the Scheme on the Closure Date, the benefits you have secured up to that date will be provided as long as there are sufficient assets available. However, if there is a shortfall, the Society may be liable to contribute a further amount, (calculated by the Scheme's Actuary) to try and ensure all benefits can be paid in full.

What would happen if the Scheme started to wind up?

The Society has no intentions to wind up the Scheme.

However, under this scenario, the Society would be required to pay enough into the Scheme to enable the members' benefits to be fully secured with an insurance company, through policies known as annuities. If the Society were unable to pay the full cost of buying these annuities and were to become insolvent, then the Pension Protection Fund (PPF) might be able to take over the Scheme and pay compensation to members. Further information and guidance is available on the PPF's website at: <http://www.pensionprotectionfund.org.uk/>

Where can I go for more information?

XPS Administration

Wellbar Central
Gallowgate
Newcastle
NE1 4TD

Phone: 0191 341 0677
Email: ybs@xpsgroup.co.uk

You should contact XPS Administration if you wish to obtain a transfer value quotation or retirement illustration, or if you have any further questions on your benefit entitlement within the Scheme.

A copy of the following information is also available from XPS Administration upon request:

- Trust Deed and Rules
- Formal financial reports (including those provided by the Auditors and the Scheme Actuary)

Pension Scheme Secretary

Yorkshire Building Society
(Reward Team)
Yorkshire House
Yorkshire Drive
Bradford
BD5 8LJ

Email: hrrservices@ybs.co.uk

Please contact the Pension Scheme Secretary for any queries regarding the disputes procedure, or if you have been referred by XPS Administration regarding any other queries about your benefit entitlement.

The Pensions Advisory Service

Money and Pensions Service
120 Holborn
London
EC1N 2TD

The Pensions Advisory Service (TPAS) can help to resolve any grievances concerning occupational pension schemes.

This organisation acts as a conciliation service in disputes between members and trustees of occupational pension schemes.

TPAS should only be contacted if a grievance cannot be resolved voluntarily and members with concerns should contact the XPS Administration in the first instance.

The Pensions Regulator

Napier House
Trafalgar Place
Trafalgar Street
Brighton
Sussex
BN1 4DW

The Pensions Regulator is an independent body set up by the Pensions Act 2004 to oversee the running of occupational and personal pension schemes. It replaced the Occupational Pensions Regulatory Authority (OPRA) with effect from 6th April 2005. It can intervene where Trustees, employers or professional advisers have failed in their duties.

Pension Tracing Service

Unit 6-7 Glebe House
Boothem Old Road
Staffordshire
ST4 4EZ

The aim of the Pension Tracing Service is to help trace member's pension benefits if they lose contact with a previous employer. Details of the Yorkshire Building Society Pension Scheme have been entered on the register.

Glossary

Annual Allowance (AA)	The Government sets the value of pension benefits that can be built up each tax year. Any pension benefits built up in excess of this limit could be subject to taxation at your marginal tax rate.
CARE benefits	Career Average Revalued Earnings benefits – your pension benefits will be calculated based on your average Pensionable Salary after 31 March 2010 (the CARE date). These benefits are payable from a normal retirement age of 65.
Closure Date	31 December 2015 – the date the Defined Benefit Section of the Scheme was closed to future accrual.
Final Pensionable Salary	Your best year's Pensionable Salary in the five years preceding retirement, leaving service, withdrawing from membership of the YBS Group Retirement Savings Plan or requesting a break in the salary link, whichever occurs first.
Final Salary Normal Retirement Age	Your 60th birthday.
GMP	Guaranteed Minimum Pension - see Section on Contracting Out for a full explanation.
Lifetime Allowance (LTA)	The Government sets the maximum value of pension benefits that you may build up over your lifetime before a higher tax charge is payable on receipt of your benefits.
Pensionable Salary	Your basic salary plus the London allowance and First Aid allowance where it forms a regular part of pay.
Pensionable Service	The period of years and months during which you were a contributing member of the Scheme (additional credited pensionable service may apply to previous transfer payments into the Scheme).
The Society	The Yorkshire Building Society and any subsidiary company which participates in the Scheme.
The Scheme	The Yorkshire Building Society Pension Scheme.

Spouse

Your legal husband or wife, registered civil partner or same sex marriage partner. This relationship must be formally recognised by a registrar and therefore does not include common-law spouses or partners where the relationship has not been formally registered.

YBS Group Retirement Savings Plan

A Defined Contribution plan offered to staff from 1 January 2016.

Former members of the Chelsea Building Society Retirement Benefits Scheme ("Chelsea Scheme")

As former members of the Chelsea Scheme, some of your benefits will be different compared to those set out in the main body of this explanatory booklet. A summary of some of these differences are given below and overleaf, but you should contact XPS Administration if you have any queries on your benefit entitlement relating to the Chelsea Scheme.

In the event of any discrepancy between this booklet and the Trust Deed and Rules the Trust Deed and Rules shall override.

Former City of London members should contact XPS Administration for further information on their benefit entitlement.

Glossary of terms, where different to those defined on page 13

CARE date	31 March 2011 – the date at which active members started to build up CARE benefits
Final Salary Normal Retirement Age	Your 65 th birthday.
Final Pensionable Salary	The greater of: a) your basic salary in the 12 months before you retire (or leave the Scheme or die, if earlier) together with the annual average of: <ol style="list-style-type: none">any pensionable monetary bonuses you have earned in respect of the Society's last 3 financial years, but for any bonus paid on or after 1 April 2006 will be capped in line with the Scheme Rules); and,any commission you have earned in the 36 months before retirement, but for any commission paid on or after 1 April 2006 this will be capped in line with the Scheme Rules. b) the highest annual average of your Pensionable Salary calculated on any three consecutive 1 Aprils' in the last 13 years before you retire (or leave the Scheme or die, if earlier).
Pensionable Salary	Your basic annual salary on 1 April each year including any bonuses, and commissions as defined in the Scheme Rules.

Benefits on retirement

Pension on Normal Retirement

When you retire at Normal Retirement Age, you will receive a pension of 1/60th of your Final Pensionable Salary for the number of years and months of Pensionable Service up to and including 31 March 2011 plus your Career Average Revalued Earnings (CARE) pension built up on and from 1 April 2011, subject to a maximum of 2/3rd of Pensionable Salary.

Increases to your pension in payment

Your pension in payment will increase on 1 April each year as follows:

Pensionable service	Pension Increase basis
Prior to 31 March 2002	If you joined the Scheme before 1 April 1996: - Fixed 5% p.a.
	If you joined the Scheme on or after 1 April 1996: - Based on the increase in the Retail Price Index, up to a maximum of 5% p.a.
Between 1 April 2002 and 5 April 2006 (inclusive)	For all members based on the increase in the Retail Price Index, up to a maximum of 5% p.a.
Between 6 April 2006 and 31 December 2015 (inclusive)	For all members based on the increase in the Retail Price Index, up to a maximum of 2.5% p.a.

Pension on Early Retirement

Subject to the consent of the Society you can retire before your Normal Retirement Age – currently at any time after you are 55. If you decide to retire between the age of 60 and 65, no early retirement reduction will be applied to your Final Salary benefit entitlement.

Please refer to the main body of this explanatory booklet for details of the other benefits available to you on retirement.

Benefits on death...

...before retirement

- A refund of your own contributions and the current value of your AVC fund (if applicable)
- A pension for your Spouse as described on page 7. Any pension will be reduced if your Spouse is more than 10 years younger than you.

...after retirement

- Your pension is guaranteed to be paid for 5 years after retirement. If you die within 5 years of retirement, your spouse will receive a lump sum equal in actuarial value to the payments which would have been made during the remainder of the 5 year period.
- A pension for your spouse and orphaned children will be paid as described on page 7, which will be reduced if your Spouse is more than 10 years younger than you.

Please refer to the main body of this explanatory booklet for details of the other benefits available to you on death.

Former members of the Barnsley Building Society Pension and Assurance Scheme ("Barnsley Scheme")

As former members of the Barnsley Scheme, some of your benefits will be different compared to those set out in the main body of this explanatory booklet. A summary of some of these differences are given below and overleaf, but you should contact XPS Administration if you have any queries on your benefit entitlement relating to the Barnsley Scheme.

In the event of any discrepancy between this booklet and the Trust Deed and Rules, the Trust Deed and Rules shall override.

Glossary of terms, where different to those defined on page 13

Final Salary Normal Retirement Age

Your 65th birthday.

Final Pensionable Salary

Your Pensionable Salary on 1 January immediately preceding retirement, leaving service, withdrawing from membership of the YBS Group Retirement Savings Plan or requesting a break in the salary link, whichever occurs first.

Pensionable Salary

Your basic annual salary on 1 January each year.

Benefits on leaving the Scheme

The Scheme provides enhanced increases before retirement for certain periods of Pensionable Service. Please contact XPS Administration if you would like further information.

Please refer to the main body of this explanatory booklet for details of the other benefits available to you on leaving the Scheme.

Benefits on retirement

Pension on Normal Retirement

When you retire at Normal Retirement Age, you will receive a pension of 1/60th of Final Pensionable Salary for the number of years and months of Pensionable Service up to and including 31 March 2010 plus any Career Average Revalued Earnings (CARE) pension that has been built up on and from 1 April 2010, subject to a maximum of 2/3rd of Pensionable Salary.

Before the Scheme closed to future accrual, some members elected to pay lower contributions for a certain period of their Pensionable Service. These members will receive a pension of 1/80th of Final Pensionable Salary for the relevant period in which the lower contributions were paid. Please contact XPS Administration if you are not sure whether you selected this option and would like confirmation of your benefit entitlement.

Increases to your pension in payment

Your pension in payment will increase on the anniversary of your retirement each year as follows:

Pensionable service	Pension Increase basis
Prior to 5 April 1997	Fixed 3% p.a.
Between 6 April 1997 and 31 March 2002 (inclusive)	Minimum of 3% p.a. or the increase in the Retail Price Index if higher, up to a maximum of 5% p.a.
Between 1 April 2002 and 5 April 2006 (inclusive)	Based on the increase in the Retail Price Index, up to a maximum of 5% p.a.
Between 6 April 2006 and 31 December 2015 (inclusive)	Based on the increase in the Retail Index, up to a maximum of 2.5% p.a.

Please refer to the main body of this explanatory booklet for details of the other benefits available to you on retirement.

Benefits on death...

...before retirement

- A refund of your own contributions and the current value of your AVC fund (if applicable)
- A pension for your spouse calculated as 50% of the GMP payable to you at date of death, plus 50% of your pension accrued after 5 April 1997, increased to date of death as outlined in the Rules. Any pension will be reduced if your Spouse is more than 10 years younger than you.

...after retirement

- Your pension is guaranteed to be paid for 5 years after retirement. If you die within 5 years of retirement, your spouse will receive a lump sum equal in actuarial value to the payments which would have been made during the remainder of the 5 year period.

A pension for your Spouse and orphaned children will be paid as described on page 7, which will be reduced if your Spouse is more than 10 years younger than you.

Please refer to the main body of this explanatory booklet for details of the other benefits available to you on death.

Former members of the Norwich and Peterborough Building Society Pension and Life Assurance Scheme ("Norwich and Peterborough Scheme")

As former members of the Norwich and Peterborough Scheme, some of your benefits will be different compared to those set out in the main body of this explanatory booklet. A summary of some of these differences are given below and overleaf, but you should contact XPS Administration if you have any queries on your benefit entitlement relating to the Norwich and Peterborough Scheme.

In the event of any discrepancy between this booklet and the Trust Deed and Rules the Trust Deed and Rules shall override.

Glossary of terms, where different to those defined on page 13

Final Pensionable Salary Your Pensionable Salary immediately preceding retirement, leaving service, withdrawing from membership of the YBS Group Retirement Savings Plan or requesting a break in the salary link, whichever occurs first.

Pensionable Salary Your basic annual salary, including an average of any bonuses, and commissions as defined in the Scheme Rules earned over the previous 10 years.

An overview of the benefits provided by the Scheme

The benefits provided by the Scheme are based on your Final Pensionable Salary and Pensionable Service up until the date the Closure Date. You do not have any CARE benefit entitlements within the Scheme.

Benefits on retirement

Pension on Normal Retirement

When you retire at Normal Retirement Age, you will receive a pension of 1/60th of Final Pensionable Salary for the number of years and months of Pensionable Service up to and including 31 December 2015 subject to a maximum of 2/3rd of Pensionable Salary.

Certain categories of members may have a different accrual rate to the standard 1/60th rate. Please contact XPS Administration if you would like confirmation of how your benefit entitlement will be calculated.

Increases to your pension in payment

For members that joined on or after 1 July 1987, your pension in payment will increase on 1 September each year as follows:

Pensionable service	Pension Increase basis
Prior to 31 August 1998	5% p.a. subject to the total increase not exceeding the rise in the RPI since retirement
Between 1 September 1998 and 31 August 2006 (inclusive)	Based on the increase in the Retail Price Index, up to a maximum of 5% p.a.
Between 1 September 2006 and 31 December 2015 (inclusive)	Based on the increase in the Retail Index, up to a maximum of 2.5% p.a.

All other categories of members should contact XPS Administration for further information about the increases that apply to their pension in payment.

Please refer to the main body of this explanatory booklet for details of the other benefits available to you on retirement.

Benefits on death...

...before retirement

- A refund of your own contributions and the current value of your AVC fund (if applicable)
- A pension for your Spouse based on:
 - Two thirds of the pension accrued up to and including 31 August 1994
 - Half of the pension accrued on and after 1 September 1994

Any pension will be reduced if your Spouse is more than 10 years younger than you.

...after retirement

- Your pension is guaranteed to be paid for 5 years after retirement. If you die within 5 years of retirement, your spouse will receive a lump sum equal in actuarial value to the payments which would have been made during the remainder of the 5 year period.
- A pension for your Spouse and orphaned children will be paid as in the case of death before retirement, which will be reduced if your Spouse is more than 10 years younger than you.

Please refer to the main body of this explanatory booklet for details of the other benefits available to you on death.