

The Royal Bank of Scotland Group Pension Fund

RBS Staff Pension Scheme (First and Second Schedules)

This schedule compares the benefits you are currently entitled to with those you will be entitled to under the new schedule. Any changes are marked by a coloured row. You should read this document if you were a member of the Royal Bank of Scotland Staff Pension Scheme before 31 January 2001 and transferred from that scheme to the Fund in 5 April 2002. This schedule does not apply to Royal Bank section members. If you are a Fund member but do not think this applies to you, please contact Group Pension Services.

Option 1 (retain current normal pension age)		Option 2 (change normal pension age to 65)
		Benefits built up prior to change
		Benefits built up after change
Definitions		
RBSelect charge	5% additional RBSelect charge.	Unchanged RBSelect charge.
Normal Pension Age	Varies – confirmed to individuals and shown on annual benefit statement. ' current normal pension age '.	65
	Note: this is not the age at which you have to take your pension or stop working.	
Pensionable Salary	This is the Pensionable Salary that you are informed of annually. It is also shown on your personalised statement. Increases in Pensionable Salary are made only on 1 April each year, they reflect the percentage increase in your Salary Element over the prior year, subject to an annual limit of 2% or if less the increase in the Consumer Price Index over the 12 months to the previous 30 September.	
	Limit agreed annually as part of pay review.	The annual limit will form part of the Rules of the new schedule.
Final Pensionable Salary	Highest average of Pensionable Salary in any 12 month period in the last 10 years before you leave Pensionable Service, retire or die (whichever occurs first).	Highest average of Pensionable Salary in any 12 month period in the last 5 years before you leave Pensionable Service, retire or die (whichever occurs first).
Pensionable Service	Years and complete months of Pensionable Service while you are a member of the Fund.	
	A maximum of 40 years up to your current normal pension age (an additional 5 years if you work past your current normal pension age).	A maximum of 45 years.
State Pension Adjustment	The State Pension Adjustment applies to pre 1 January 2001 Pensionable Service. The changes to normal pension age do not affect its application (i.e. it will continue to apply to all pre 1 January 2001 service regardless of whether option 1 or 2 applies) therefore this document does not set out the detail. For further information please refer to the Fund booklet.	

		Option 1 (retain current normal pension age)		Option 2 (change normal pension age to 65)	
		Benefits built up prior to change		Benefits built up after change	
What happens when you draw your pension? ¹					
Pension at current normal pension age (no consent is required)	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums described above).				
	No reduction or increase.		No reduction or increase.		This will be reduced to reflect the fact it is being paid before age 65.
	This amount will be increased if you have been in the Fund and continuously employed by the Group since 30 September 1985.				
	This is your 'Standard Pension' .				
Pension between your current normal pension age and 65	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums described above).				
	Consent of Bank required. This will be calculated as at current pension age (based on Final Pensionable Salary at that age) and increased by the greater of: (1) an additional 1/60 for each extra year of Pensionable Service (plus proportionate months); or (2) an actuarial increase to reflect the fact it is being paid after current pension age.		As described under Option 1, but using Final Pensionable Salary when you retire. This will be increased to reflect the fact that it is being paid after your current normal pension age, or date of change (if later).		This will be reduced to reflect the fact it is being paid before age 65.
	This amount will be increased if you have been in the Fund and continuously employed by the Group since 30 September 1985.				
Pension at age 65	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums described above).				
	Consent of Bank required. This will be calculated as at current pension age (based on Final Pensionable Salary at that age) and increased by the greater of: (1) an additional 1/60 for each extra year of Pensionable Service (plus proportionate months); or (2) an actuarial increase to reflect the fact it is being paid after current pension age.		As described under Option 1, but using Final Pensionable Salary when you retire. This will be increased to reflect the fact that it is being paid after your current normal pension age, or date of change (if later).		No reduction or increase.
	This amount will be increased if you have been in the Fund and continuously employed by the Group since 30 September 1985.				
		These two parts of pension are your 'Standard Pension' .			

¹Please note that under the new schedule the basis for increasing pension for late payment and reducing pension for early payment are decided between the Bank and the Trustees after considering actuarial advice. This may be different from your current schedules

	Option 1 (retain current normal pension age)	Option 2 (change normal pension age to 65)	
		Benefits built up prior to change	Benefits built up after change
Pension over age 65	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums described above).		
	Consent of Bank required. This will be calculated as at current pension age (based on Final Pensionable Salary at that age) and increased by the greater of: (1) an additional 1/60 for each extra year of Pensionable Service (plus proportionate months); or (2) an actuarial increase to reflect the fact it is being paid after current pension age.	As described under Option 1, but using Final Pensionable Salary when you retire. This will be increased to reflect the fact that it is being paid after your current normal pension age, or date of change (if later).	If you leave Pensionable Service after 65, this will be increased to reflect the fact it is being paid after age 65, or date of change (if later).
	This amount will be increased if you have been in the Fund and continuously employed by the Group since 30 September 1985.		
Retirement before current normal pension age (but after age 55) (Bank consent is required)	The pension will be calculated in the same way as your Standard Pension (based on your Final Pensionable Salary and Pensionable Service when you retire).		
	This will normally be reduced to reflect the fact it is being paid before current normal pension age.	This will normally be reduced to reflect the fact it is being paid before current normal pension age.	This will normally be reduced to reflect the fact it is being paid before age 65.
	However, if you retire at the request of your Employer there will be no reduction.	The Bank can waive the early payment reduction. Its current policy is to do so in cases of Voluntary Redundancy (This policy is subject to change and could be withdrawn in future).	
Lump sum on retirement	You can choose to give up part of your pension for a lump sum. The amount is broadly 25% of the value of your pension and this is converted to a lump sum.		
	Converted on a basis determined by the Fund actuary.	Converted on a basis agreed between the Bank and the Trustee after considering actuarial advice.	
What happens if you retire on incapacity (ill-health) grounds?			
Meaning of Incapacity	The Trustee receives evidence from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment. Other requirements: <ul style="list-style-type: none">You have left service.You have been absent from employment for at least 5.5 years due to the Incapacity.As a result of the Incapacity you are prevented from taking up any employment with any employer.		
Pension on Incapacity Retirement	The pension will be calculated in the same way as at your Standard Pension (based on your Final Pensionable Salary) but Pensionable Service will be calculated as if you had stayed in service to normal pension age.		
	Pensionable service calculated as if you stayed in service to your current normal pension age.	Pensionable service calculated as if you stayed in service to 65.	

	Option 1 (retain current normal pension age)	Option 2 (change normal pension age to 65)	
		Benefits built up prior to change	Benefits built up after change
Alternative calculation	If you are able to take up another job, or if you have been absent from employment due to Incapacity for less than 5.5 years, the pension is calculated as your Standard Pension based on Final Pensionable Salary and Pensionable Service when you retire. The Bank and the Trustee may (but need not) agree to pay a greater amount.		
Review	The Trustee can review your state of health at any time and can reduce or suspend your pension if they believe you no longer meet the definition of Incapacity and/or adjust the benefits payable on your death.		
What happens if you opt out or stop working for RBS (referred to as 'leaving service')			
Pension	Your pension is calculated in the same way as your Standard Pension, based on your Final Pensionable Salary and Pensionable Service when you leave service. The pension will then be 'revalued' (increased) until retirement (currently this increase is in line with Retail Price Index up to a maximum of 5% per annum compound).		
Transfer value	You have the right at any time until a year prior to normal pension age to transfer your benefits to another pension scheme provided it meets technical requirements and is willing to accept them. The Trustee determines the amount which would be payable after considering actuarial advice.		
	Transfer up until a year before your current normal pension age.	Transfer up until age 64.	
Retirement at current normal pension age (No consent required)	The pension will be calculated as set out above.		
	No reduction or increase.	No reduction or increase.	This will be reduced to reflect the fact it is being paid before age 65.
Retirement between current normal pension age and 65	The pension will be calculated as set out above.		
	You must notify the Trustees that you intend to be in gainful employment. Revaluation to current normal pension age. This will be increased to reflect the fact it is being paid after current normal pension age.	Revaluation to current normal pension age. This will be increased to reflect the fact it is being paid after current normal pension age.	This will be reduced to reflect the fact it is being paid before age 65.
Retirement before current normal pension age (after age 55) (Trustee consent required)	The pension will be calculated as set out above.		
	This will be reduced to reflect the fact it is being paid before your current normal pension age.	This will be reduced to reflect the fact it is being paid before your current normal pension age.	This will be reduced to reflect the fact it is being paid before age 65.
	You can retire before age 55 if you are suffering from Incapacity.		
Retirement at age 65	The pension will be calculated as set out above.		
	You must notify the Trustees that you intend to be in gainful employment. Revaluation to current normal pension age. This will be increased to reflect the fact it is being paid after current normal pension age.	Revaluation to current normal pension age. This will be increased to reflect the fact it is being paid after current normal pension age.	No reduction or increase.

		Option 1 (retain current normal pension age)	Option 2 (change normal pension age to 65)	
			Benefits built up prior to change	Benefits built up after change
Retirement after age 65 (Trustee consent required)	The pension will be calculated as set out above.			
	<p>You must notify the Trustees that you intend to be in gainful employment.</p> <p>Revaluation to current normal pension age.</p> <p>This will be increased to reflect the fact it is being paid after current normal pension age.</p>	<p>Revaluation to current normal pension age.</p> <p>This will be increased to reflect the fact it is being paid after current normal pension age.</p>	<p>Revaluation to age 65.</p> <p>The pension will then be increased to reflect the fact it is being paid after age 65.</p>	
		When you retire, you will be able to choose to give up part of your pension for a lump sum as described above.		
Lump sum payable on death				
Who will receive	The lump sum is payable to one or more of your relatives, financial dependants or nominees as the Trustee decides.			
Death in Service	4 times your basic salary (or salary element of ValueAccount) at date of death. This is subject to an earnings cap which has been notified to you separately if it applies to you.			
	This amount will be increased if you have been in the Fund and continuously employed by the Group since 30 September 1985.			
	Note that the annual pensionable pay limit does not affect this benefit.			
	Plus, if you have paid additional pension contributions to the Fund, a refund of those contributions.			
	Plus an amount equal to any other contributions you made to the Fund, increased by 3% compound. Not including the RBSelect charge.			
Death within 5 years of retirement	The balance of 5 years' instalments of pension. The pension is calculated as the pension you are receiving when you die and does not include any allowance for increases after your death.			
Death as a deferred before pension starts	A lump sum equal to 5 times the annual pension you would have received had you elected for an early pension immediately before your death.	The same as under Option 1 except with reference to pre date of change service only.		
	Lump sums can be converted to pension with the permission of the Trustee.			
Pensions payable on death				
Who will receive...	...a Spouse's Pension?			
	<p>If you die leaving a surviving legal spouse or registered civil partner, a pension will normally be paid to them. Alternately a pension may in certain circumstances be paid to a dependant or Qualifying Partner. A Qualifying Partner is a person who (a) you have nominated for this purpose (or who the Trustee nevertheless decides to include) (b) has been cohabiting with you for at least 6 months when you die, and (c) is financially dependant on you when you die.</p> <p>If you leave no surviving spouse/registered civil partner the Trustees will treat any Qualifying Partner as your spouse.</p>			
	...a Child's pension?			
	<p>A child's pension can be paid to a Qualifying Child. This means your own child, a child who you adopt a stepchild (provided they are financially dependent on you), any child who would have qualified under the RBS Staff Pension Scheme (First and Second Schedules) and any child who is dependant on you who the Trustee decides to include. However, the child must be under 18 (or under age 23 and in full time education or training). The Trustee can in exceptional circumstances (e.g. disability) continue to pay a pension to a child beyond age 23.</p>			

Option 1 (retain current normal pension age)	Option 2 (change normal pension age to 65)	
	Benefits built up prior to change	Benefits built up after change

Pensions payable on death			
Spouse's Pension on Death in Service	Before normal pension age: 50% of your Standard Pension (based on your Final Pensionable Salary at death) but Pensionable Service will be calculated as if you had stayed in service to your normal pension age.		
	Pensionable service calculated as if you stayed in service to your current normal pension age.	Pensionable service calculated as if you stayed in service to 65.	
	This amount will be increased if you have been in the Fund and continuously employed by the Group since 30 September 1985.		
	After normal pension age: 50% of your Standard Pension (calculated as if you had retired immediately before your death).		
	The pension may be reduced if you married/entered into the civil partnership after retiring and within 6 months of your death.	The pension will be reduced if you married/entered into the civil partnership after reaching normal pension age and within 6 months of your death (and the Trustee can pay the balance to another of your financial dependants).	
	This amount will be increased if you have been in the Fund and continuously employed by the Group since 30 September 1985.		
Spouse's Pension on Death after retirement	50% of the pension you are receiving at date of death or if you gave up pension for lump sum, the pension you would have received if you had not done so.		
	If the State Pension Adjustment has already been applied to your pension then this will be calculated as if it had not.		
	The pension may be reduced if you married/entered into the civil partnership after retiring or leaving service (whichever occurs first) and within 6 months of your death.	The pension will be reduced if you married/entered into the civil partnership after the earlier of (a) leaving service and (b) reaching normal pension age and within 6 months of your death (and the Trustee can pay the balance to another of your financial dependants).	
Spouse's Pension on Death in deferment (after leaving service but before retirement)	Before normal pension age: 50% of your pension including revaluation from leaving service to the date of death (ignoring any State Pension Adjustment).		
	After normal pension age: 50% of the pension you would have received if you had retired immediately before your death (ignoring any State Pension Adjustment).		
	This will be increased to reflect the fact it is being paid after your current normal pension age.	This will be increased to reflect the fact it is being paid after your current normal pension age.	This will be increased to reflect the fact it is being paid after age 65.
	The pension may be reduced if you married/entered into the civil partnership after retiring or leaving service (whichever occurs first) and within 6 months of your death.	The pension will be reduced if you married/entered into the civil partnership after the earlier of (a) leaving service and (b) reaching normal pension age and within 6 months of your death (and the Trustee can pay the balance to another of your financial dependants).	

	Option 1 (retain current normal pension age)	Option 2 (change normal pension age to 65)	
		Benefits built up prior to change	Benefits built up after change
Amount of children's pension:	If there is more than one child the total amount will be divided among Qualifying Children as the Trustee decides. The total amount is as set out below:		
	A single Qualifying Child – total amount: 40% of Spouse's Pension (100% if no Spouse's Pension is payable).		
	Two Qualifying Children – total amount: 70% of Spouse's Pension (140% if no Spouse's Pension is payable).		
	Three or more Qualifying Children – total amount: 100% of the Spouse's Pension (200% if no Spouse's Pension is payable).		
	Any State Pension Adjustment is ignored in calculating the Spouses' pension for this purpose.		
	The Trustee can allow a person entitled to a Spouse's Pension or a Qualifying Child to exchange their pension for a lump sum. A person entitled to a Spouse's Pension cannot exchange more than 25% of the Spouse's Pension in this way.		
Other benefits			
Increases to pensions in payment	Guaranteed increases:		
	Your pension will increase each year by the lower of: <ul style="list-style-type: none">• The increase in an index agreed between the Bank and Trustee (currently Retail Price Index); and• 3% for Pensionable Service before 6 April 1997 and 5% for Pensionable Service after that date.		
	Discretionary increases: The Trustee regularly reviews pensions in payment and, if the Bank agrees, can provide a greater increase.		
Guaranteed minimum pensions	If you have a 'guaranteed minimum pension' in respect of pensionable service prior to April 1997 it will be treated differently in some respects. Full details will be provided when you take your pension.		
Amendment	Your benefits can be amended at any time by agreement between National Westminster Bank plc (or any successor as 'principal employer' in relation to the Fund) and the Trustee. Your agreement would be needed to an amendment which reduces the benefits which you have already built up and pensions legislation also restricts the ability to change benefits which have been built up.		
Money owed to members of the RBS Group	If you owe money to a member of the RBS Group arising from your fraud or crime, the Bank is entitled to reduce your pension to take account of this.		

