A guide to your

Pension Scheme

For members of the Ulster Bank Pension Scheme
Your pension scheme is one of the most important and valuable benefits the Bank offers you.
Introduction

Your pension scheme is one of the most important and valuable benefits the Bank offers you. It has been designed with your future financial security in mind.

The Scheme provides you with a regular income in retirement and also makes provision for family and dependants. The cost to the employee is comparatively small and the Bank pays the balance of cost of funding the Scheme’s benefits.

There has been important new pensions legislation in recent years and the Scheme has been reviewed by professional advisors to ensure that it complies with all legal requirements.

The purpose of this Guide is to summarise the benefits of the Scheme and we’ve taken care to make sure it’s a correct summary of the Rules. However, please note that this Guide does not confer any entitlement to benefits. This can only be conferred by the Trust Deed and Rules. If there is any discrepancy between this Guide and the Trust Deed and Rules, the Trust Deed and Rules will prevail.

A copy of the Trust Deed and Rules is available from Group Pension Services.

Over the years, several schemes from various companies that now make up the Bank have merged, and these form what are referred to as different schedules of the Scheme. The benefit structures of these schedules can vary slightly and you will already have been given details of any differences that may not be covered in this booklet, but which may apply in your circumstances.

Various defined terms are used in this Guide. They are indicated by beginning with a capital letter. Please see page 24 for more details.
Quick summary

This section provides you with a quick guide to your benefits and answers some frequently asked questions. For more detailed information, please refer to the main body of the Guide.

**Key Benefits of your Scheme**

The Scheme is designed to provide financial security for you when you retire, and your Dependents when you die. The main benefits which are provided include:

- A pension on retirement, with the option of taking part of this as a tax-free lump sum
- A lump sum benefit in the event of your death in service
- A pension for your Spouse or Civil Partner and/or other Dependents when you die.

The Scheme is an extremely valuable benefit for you and you are encouraged to take the time to read this Guide and become familiar with its contents.

**How much do I pay?**

As a member of the Scheme your contribution is 2.5% of your basic salary. Tax relief is obtained on this contribution.

**How much does the Bank pay?**

The Bank decides how much must be contributed overall to the Scheme each year after consulting and obtaining the advice of the Scheme Actuary.

Employees contribute the first 2.5% and the Bank contributes the balance of the cost, however much or little this is determined to be.

**What do I get when I retire?**

When you retire you will be entitled to a pension of 1/60th of your Pensionable Salary for each years’ service. Retiring Age is 63.

For example:

\[
\frac{1}{60} \times \£30,000 \times 40 \text{ yrs} = \£20,000 \text{ p.a.}
\]

You may also have the option of exchanging part of your pension for a tax-free lump sum. Full details may be obtained from Group Pension Services.

**What do I get if I leave?**

If you leave before completing three months’ Pensionable Service, you will be entitled to a refund of the Contributions that you have made, less tax.

If you leave after completing three months’ Pensionable Service but before completing two years’ Pensionable Service, you will be entitled to either a refund of the Contributions that you have made, less tax or a transfer value may be paid to another HM Revenue & Customs approved scheme or arrangement.

If you leave having completed more than two years’ Pensionable Service then you will be entitled to a preserved pension, payable at Retiring Age. You may leave this pension within the Scheme or transfer it to another HM Revenue & Customs approved scheme or arrangement.
Preserved pensions will be increased each year until payment in line with statutory requirements.

**What do I get if I die when still in service?**
If you die in service then a lump sum of four times your basic salary becomes payable to your Dependants.

In addition, a pension of 50% of the pension you would have received had you worked to Retiring Age (but based on your Pensionable Salary at the date you die) could become payable.

If you are unsure of what your entitlement would be please contact Group Pension Services.

**What are my options if I do not want to join?**
If you are presently a member and wish to ‘opt out’ of the Scheme, then you would no longer be required to make the contribution of 2.5% from your salary. Neither will the Bank make any contribution on your behalf. If you do this, then in the event of your death in service no pension will be payable, and the lump sum death benefit will be restricted to two times your salary.

You will need to complete an ‘opt out’ form which can be obtained from Group Pension Services.

The Trustees would suggest that you seek independent financial advice before following this course of action.

**What are my options if I have other pension benefits?**
If you have previous pension benefits that you have accrued before joining the Bank, then you will have the option to leave them as they are, or transfer them into the Scheme.

Group Pension Services will be able to tell whether you may transfer benefits to the Scheme and provide details of the benefits that you will receive under the Scheme in exchange for the benefits transferred from your other scheme.

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**Quick summary**

**The value of your pension at a glance**

<table>
<thead>
<tr>
<th>FORMULA</th>
<th>AFTER 10 YRS</th>
<th>AFTER 20 YRS</th>
<th>AFTER 40 YRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension at normal retirement</td>
<td>(Yrs/60 x Pensionable Salary)</td>
<td>(10/60 x £20,000) = £3,333.33 p.a.</td>
<td>(20/60 x £20,000) = £6,666.67 p.a.</td>
</tr>
<tr>
<td>On leaving service (payable at your Retiring Age)</td>
<td>(Yrs/60 x Pensionable Salary) (increased by lesser of RPI or 5% each year until retiring age)</td>
<td>(10/60 x £20,000) = £3,333.33 p.a.</td>
<td>(20/60 x £20,000) = £6,666.67 p.a.</td>
</tr>
<tr>
<td>On death in service</td>
<td>4 x basic salary PLUS 50% potential pension to normal retirement</td>
<td>4 x £20,000 PLUS £6,666.67 p.a.</td>
<td>4 x £20,000 PLUS £6,666.67 p.a.</td>
</tr>
<tr>
<td>On ill-health retirement (Subject to Bank requirements)</td>
<td>10-14yrs – 25% of Pensionable Salary 14-29yrs – 25% of Pensionable Salary plus 2.5% for each additional year above 14 30+yrs – 66.67% of Pensionable Salary</td>
<td>(25% x £20,000) = £5,000 p.a.</td>
<td>(25% + (6 x 2.5%)) = 40% x £20,000 = £8,000 p.a.</td>
</tr>
</tbody>
</table>
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Establishment

Like most company pension schemes your Scheme is set up under a trust. The trust was established by the Bank executing a Trust Deed and Rules. The effect of the trust is to ensure that funds invested to provide your pension benefits are kept entirely separate from the Bank’s assets. It also allows the Scheme to benefit from various favourable tax concessions. A trust company (the Trustee), whose directors are appointed by the Bank and members, is responsible for the administration of the Scheme in accordance with the Trust Deed and Rules and the investment of the assets of the Scheme on your behalf. Trustees are required by law to represent the interests of all members and not any particular category of member.

The Scheme is registered with HM Revenue & Customs under Chapter II Part IV of the Finance Act 2004.

Any statements made in this Guide about the benefits under the Scheme are subject to its continued approval by HM Revenue & Customs, and may be subject to change, in any event, by Government legislation.

State Pension Types

State Pensions

The State currently provides pension benefits in two parts:

• The Basic State Pension; and
• The State Second Pension (formally known as the State Earnings Related Pension (SERPS)).

Information on your entitlement to State pensions can be obtained from the Department for Work and Pensions. Their website address is www.thepensionservice.gov.uk.

Basic State Pension

Basic State Pension, is a flat rate amount paid to everyone who has a sufficient record of National Insurance contributions, and is available from State Pension Age.

The State Pension Age is currently age 65 for men and 60 for women. The State Pension Age for women will gradually increase to age 65 over the period 2010 to 2020.

Your Basic State Pension will normally increase in April each year in line with the Retail Prices Index.

Both you and your employer contribute toward the cost of the pension by way of National Insurance contributions. The amount of pension payable is unaffected by your membership of the Scheme.
**State Second Pension (S2P)**

The State Second Pension (S2P) provides a pension benefit in addition to the Basic State Pension. The amount of pension paid depends upon your level of earnings and the period over which you participate in S2P.

As a member of the Scheme you are contracted-out of S2P on a salary related basis.

This means that the S2P portion of your State pension is replaced by your pension from the Scheme. As a result of this you pay a reduced rate of National Insurance contributions.

To contract out the Scheme must satisfy the reference scheme test. This certifies that the Scheme meets a high Government-set standard. The contracting-out rules require the Scheme to provide for you and your Spouse or Civil Partner, a minimum level of benefits that must be paid.

**Opting out or Leaving the Scheme**

You may opt out of the Scheme whilst still remaining in employment with the Bank by submitting an ‘opt out’ notice which is available from Group Pension Services.

You will only be allowed to rejoin the Scheme if the Bank agrees and may not be allowed to rejoin the Scheme on the same terms as those applicable at the time you left.

Alternatively if you cease to be employed by the Bank you will be treated as having left Pensionable Service at the date your employment comes to an end. If you subsequently rejoin the Bank you may under the current rules of the Scheme rejoin the Scheme.

The benefits to which you and your dependants are entitled on leaving Pensionable Service are described on page 19 of this Guide.

**Joining and Leaving the Scheme**

**Joining the Scheme**

On being employed by the Bank in a permanent or fixed term contract capacity you will automatically become a member of the Scheme unless you give notice to the Bank that you do not wish to become a member.

If you decline automatic membership you may be admitted as a member of the Scheme at a later date but only if the Bank agrees. Your membership may also be made subject to certain conditions.
Contributions

Your Contributions

You must make annual contributions to the Scheme of 2.5% of your Salary. These contributions will be deducted directly from your Salary each month.

The effect on your take home pay is reduced however as you receive relief from income tax on your contributions at your highest marginal rate and because the Scheme is contracted-out of S2P (see page 9) you pay a lower rate of National Insurance.

Example 2007/2008

<table>
<thead>
<tr>
<th>Salary</th>
<th>£20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution (2.5% x £20,000)</td>
<td>£500</td>
</tr>
<tr>
<td>Less Tax Relief (22% x £500)</td>
<td>£110</td>
</tr>
</tbody>
</table>

Less National Insurance reduced by 1.6% of earnings between the National Insurance lower and upper earnings limits (2007/2008 £4,524 and £34,840).

\[
(1.6\% \times (\£20,000 - \£4,524)) = \£247.62 \\
\text{Cost (\£500 - (\£110 + \£247.62))} = \£142.38 \text{ p.a. (\£11.87 p.m.)}
\]

Contributions by the Bank

The Bank (having consulted and obtained the advice of the Actuary) is responsible for determining and meeting the balance of the cost of providing benefits under the Scheme. The Bank pays contributions required to meet the cost of the benefits under the Scheme, as agreed with the Trustee.

Money paid into the Scheme is held in a trust, the assets of which are entirely separate from the Bank’s money. All benefits are funded through this trust fund.

Additional Voluntary Contributions

You may choose to pay Additional Voluntary Contributions (AVCs) to increase your benefits under the Scheme. The law currently allows relief from income tax on these contributions at your highest marginal rate. Contributions also benefit from preferential tax treatment when invested.

The maximum level of contributions allowed for tax relief by HM Revenue & Customs is 100% of your total taxable earnings in any tax year or the Annual Allowance, whichever is the lesser amount. For this purpose your normal contributions to the Scheme and any AVCs are added together. The AVCs which you choose to make via the Scheme are normally deducted from your pay before income tax is calculated, thus obtaining automatic tax relief at your highest marginal rate.

The investment returns which you receive on your AVCs will depend on how you wish them to be invested. This return is currently free of tax. The accumulated contributions and investment growth will then be available for you to purchase additional benefits.

Further details can be obtained from Group Pension Services.
How do I start?
Contact Group Pension Services, who will provide you further information about AVCs and details of the investment funds available.

Having considered the information available, if you wish to proceed then simply return the completed application form. The first deduction from salary will normally be made in the month following receipt of a completed form.

I still have questions...?
If you have any other queries, or would like to discuss any aspect of AVCs then please do not hesitate to contact Group Pension Services who will be more than happy to answer any further questions that you may have.
Looking after your security

Retirement benefits

Your pension benefits are calculated by reference to a formula.

\[
\frac{\text{Pensionable Service} \times \text{Pensionable Salary}}{60}
\]

The maximum period of Pensionable Service that can be taken into account is 40 years in respect of your service up to your Retiring Age.

**Example**

If you had been in Pensionable Service for 20 years, your Pensionable Salary over the last year before retirement or leaving service was £20,000, you will have built-up a right to a pension of:

\[
\frac{20\text{ years} \times 20,000}{60} = £6,666.67 \text{ p.a.}
\]

The full amount of accrued pension is not normally payable until you reach Retiring Age.

In the following pages, we shall see how this translates into actual benefits in different circumstances.

Retiring at Retiring Age

Your Retiring Age is age 63, at which time your pension will be calculated as:

\[
\frac{\text{Pensionable Service} \times \text{Pensionable Salary}}{60}
\]

**Example**

<table>
<thead>
<tr>
<th>Pensionable Salary</th>
<th>=</th>
<th>£20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensionable Service</td>
<td>=</td>
<td>40 years</td>
</tr>
<tr>
<td>Pension</td>
<td>=</td>
<td>((40/60 \times £20,000))</td>
</tr>
<tr>
<td></td>
<td>=</td>
<td>£13,333.33 p.a.</td>
</tr>
</tbody>
</table>

Retiring before Retiring Age

If the Bank agrees you may retire on an immediate pension after reaching age 50 (this is set to increase to 55 from 6 April 2010) if you have completed 10 years’ Pensionable Service.

Your pension will be calculated in the way described above but will be reduced unless the Bank decides otherwise for early payment (as your pension will be payable for a longer time than if you had retired at Retiring Age). The reduction will be calculated by the Actuary and will vary depending on the length of the period between the date of your retirement and Retiring Age.
Retiring after Retiring Age

The Bank will permit you to continue in employment beyond normal pension age up to age 65, continuing in pensionable service until you retire or leave the Scheme. If you wish to remain in employment beyond age 65, you will require the Bank’s consent.

If you continue to work past normal retiring age, you will continue to accrue additional pensionable service up to a maximum of 42 years’ pensionable service.

Retiring due to Ill-Health

You may, at the Bank’s discretion, retire early on an immediate pension if you have completed 10 years’ Pensionable Service and are Incapacitated. Satisfactory medical evidence of your condition must be provided to the Bank by a doctor who is nominated or approved by the Bank.

The pension you will receive will depend upon how many years of Pensionable Service you have completed and will be payable as follows:

<table>
<thead>
<tr>
<th>Complete years’ Pensionable Service</th>
<th>Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 - 14</td>
<td>25% of Pensionable Salary</td>
</tr>
<tr>
<td>14 - 29</td>
<td>25% of Pensionable Salary + 2.5% of Pensionable Salary for each additional complete years’ Pensionable Service after completion of 14 years’ Pensionable Service</td>
</tr>
<tr>
<td>30 +</td>
<td>66.7% of Pensionable Salary</td>
</tr>
</tbody>
</table>

Example

If you had completed 25 years’ Pensionable Service and your Pensionable Salary over the last year before retirement was £20,000, you will be entitled to a pension of:

First complete 14 years’ Pensionable Service

\[
= \ 25\% \times 20,000 \\
= \ £5,000
\]

Plus additional complete 11 years’ Pensionable Service

\[
= (11 \times 2.5\%) \times 20,000 \\
= \ £5,500
\]

Total \[= \ £10,500\]

If you retire on grounds of Incapacity the Bank may require you to have periodical medical examinations to check your state of health. If (before Retiring Age) the Bank feels that you have recovered to the extent that it is not equitable for the pension to continue, then the Bank may direct the Trustee to adjust, suspend or terminate the pension (subject to any preservation requirements of the 1993 Act).
Taking Pension as a Lump Sum - Commutation

On retirement you may elect to take a reduced pension in exchange for a tax-free cash lump sum. This is known as ‘Commutation’.

You may elect to take a cash lump sum of up to 25% of the value of your benefits built up in the Scheme (subject to a maximum of 25% of the Lifetime Allowance). Your remaining pension must not be smaller than the minimum needed to meet contracting out requirements. Further details of this and the effect on your pension can be obtained from Group Pension Services.

Increases in Pensions

When your pension comes into payment it will increase on the following basis:

- The whole of your pension earned after 5th April 2005 will be automatically increased by the Scheme in line with the Retail Prices Index (RPI) up to a maximum of 2.5% per year.
- Your pension earned after 5th April 1997 and before 6 April 2005 will be automatically increased by the Scheme in line with the Retail Prices Index (RPI) up to a maximum of 5% per year.
- Any GMP will be automatically increased each year in line with RPI, partly by the State and partly by the Scheme.
- The Trustee of the Scheme (with the consent of the Bank) has the discretion to increase pension earned before 6th April 1997 and make further increases to all your pension (whenever earned).

Payment of Pensions

Your pension is paid monthly and is taxed in the same way as earned income. Payment is made directly into your bank account.
Looking after your security
Death Benefits - Lump Sums

Death in Pensionable Service
If you die in Pensionable Service the Trustee will pay to such of your Dependents as it decides, a cash lump sum equal to four times your Salary.

Death after Retirement
If you die within five years of retiring then a payment will be made, to such of your Dependents as the Trustee decides, equal to the remaining pension you would have received had you lived for five years after retiring. The remaining pension will be calculated using the rate of pension payable to you at your date of death and will not take into account increases coming into force after your death.

Nominating Dependents
The Trustee will normally try to exercise any discretion it has as to payment of benefits in line with your wishes. It is therefore important that you advise the Trustee of your wishes, and keep this advice up-to-date. In order to do this, you should complete a ‘Nomination of Beneficiary Form’ and/or ‘Nomination of Dependant Form’ (both known as a ‘Letter of Wish’).

These forms may be obtained from Group Pension Services. They can be placed in a sealed envelope with your name outside and the instruction ‘Only to be used in the event of my death’ and returned to Group Pension Services.

Death Benefits - Dependents’ Pensions

Entitlement

(i) Spouse or Civil Partner Pension
On your death your Spouse or Civil Partner will be entitled to receive a pension. The pension will be payable until your Spouse or Civil Partner’s death.

(ii) If you are separated from your Spouse or Civil Partner
If you are separated from your Spouse or Civil Partner you may request that the Trustee pay the pension which would have otherwise have been payable to your Spouse or Civil Partner, to one or more persons who were at your date of death, wholly or partly dependant upon you for maintenance or support. Payments are made at the Trustee’s discretion. The pension will be payable until the person’s death.

In order to comply with legislation relating to contracting-out of S2P (see page 9) it may be necessary to pay part or all of this pension to your Spouse or Civil Partner.

(iii) If you do not leave a Spouse or Civil Partner
If you leave no Spouse or Civil Partner then the Trustee has the discretion to pay the pension which would otherwise have been payable to your Spouse or Civil Partner to one or more persons who were at your date of death, wholly or partly dependant on you for maintenance or support. The pension will be payable until the person’s death.

This pension will be reduced by the amount of any pension payable to a widowed parent (see (ii) opposite).
(iv) Nomination (see page 16)

If you have no Spouse or Civil Partner or are separated from your Spouse or Civil Partner then it is important that you complete a Form nominating persons who you wish to receive any benefit on your death. Where you are separated from your Spouse or Civil Partner, if no nomination is made then the payment will be made to your Spouse or Civil Partner.

(v) Children’s Pensions

A pension will also be payable to your Children so long as they are either:
- under the age of 18 years; or
- under the age of 23 years whilst receiving full-time education.

A maximum of 3 Children’s pensions will be paid. Pensions will be doubled if your Children become orphaned.

Death in Pensionable Service

(i) Spouse or Civil Partner’s Pension

A pension will be payable equal to 50% of the pension payable to you had you remained in Pensionable Service until Retiring Age. The pension will be calculated on your Pensionable Salary at your date of death.

**Example**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensionable Salary</td>
<td>£20,000</td>
</tr>
<tr>
<td>Potential Pensionable Service</td>
<td>40 years</td>
</tr>
<tr>
<td>Your Potential Pension</td>
<td>(40/60 x £20,000) = £13,333.33 p.a.</td>
</tr>
<tr>
<td>Spouse or Civil Partner’s Pension</td>
<td>50% x £13,333.33 = £6,666.67 p.a.</td>
</tr>
</tbody>
</table>

(ii) Children’s Pensions

Pensions are payable to your Children who fall within the category of children mentioned in page 17(v). The pension will be equal to one third of the Spouse or Civil Partner’s pension which would normally be payable on your death.
Death after Retirement

(i) **Spouse or Civil Partner’s Pension**

A pension will be payable in accordance with page 16(i) equal to 50% of the pension payable to you at your date of retirement as increased to your date of death in accordance with page 14. Reductions in the amount of your pension due to commutation (see page 14) will be ignored in calculating the pension.

If you leave no Spouse or Civil Partner the pension may be paid at the Trustee’s discretion to one or more persons who are dependent upon you as described on page 16(iii) or in the event that you are separated from your Spouse or Civil Partner to a nominated person as described on page 16(ii).

(ii) **Children’s Pensions**

Pensions are payable to your Children in accordance with page 17(ii).
Leaving Pensionable Service

Benefits on leaving the Group

If you cease to be employed by the Bank you will be treated as having left Pensionable Service at the date your employment comes to an end.

If you leave Pensionable Service your benefit under the Scheme will be as follows:

Pension

(i) Leaving prior to completion of three Months’ Pensionable Service

If you have completed less than three months’ Pensionable Service, the benefit you will receive is a refund of your contributions to the Scheme, less tax. You will be reinstated in the State Scheme for your period of membership.

(ii) Leaving after three months’ service and prior to completion of two years’ Pensionable Service

If you leave after completing three months’ service but before completing two years’ Pensionable Service, you will have the choice of either a refund of the Contributions that you have made, less tax or a transfer value may be paid to another HM Revenue & Customs approved scheme or arrangement.

(iii) Leaving after completion of two years’ Pensionable Service

If you have completed at least two years’ Pensionable Service in the Scheme, you can choose to defer your pension or transfer your benefits to another pension arrangement. Your preserved pension will be calculated in the same way as described on page 12, based on your Pensionable Salary at and Pensionable Service completed to the date of leaving.

Your preserved pension is payable from Retiring Age, or from age 60 with reduction for early payment.

When your pension becomes payable, you may elect to commute part of your pension as described on page 14.

Death Benefits

(i) Spouse or Civil Partner’s Pension

A pension will be payable if you die before your pension has come into payment equal to 50% of the preserved pension, calculated at your date of leaving Pensionable Service and increased to your date of death in accordance with the increases shown overleaf.

If you leave no Spouse or Civil Partner the pension may be paid at the Trustee’s discretion to one or more persons who are dependant upon you as described on page 16(iii) or in the event that you are separated from your Spouse or Civil Partner to a nominated person as described on page 16(ii).

(ii) Children’s Pensions

No children’s pensions are payable.

Increases

Your preserved pension will be increased for each year between your date of leaving Pensionable Service and your retirement date in line with RPI up to a maximum of 5%.
Transfers to other Schemes

You can request a transfer of your benefits to another pension arrangement - that is, a new employer’s plan, a personal pension, a stakeholder pension or an insurance policy.

The transfer value payable will be the value of your benefits under the Scheme and will be calculated in two stages:

1. An estimate of the amount that would be needed to pay your own benefits at retirement and your spouse’s/partner’s and childrens’ pensions on your death.

2. An estimate of the sum that would need to be invested today to produce that amount by normal pension age - this will be your transfer value.

This calculation is based on various assumptions, including those on future investment returns, inflation rates and average life expectancy.

It is worked out in a way that is agreed upon by the Trustee on advice from the Scheme’s Actuary. The transfer value includes an allowance for both guaranteed pension increases and for discretionary increases to account for the effects of inflation. An adjustment is then made to reflect current conditions in the investment markets and, because of that, transfer values can go down as well as up. You may normally request a quotation of your transfer value once a year. The Trustee reserves the right to make a charge for any additional quotations. The amount is then guaranteed for three months. If you do not transfer within that period, you forfeit the right to transfer for another year unless the Trustee agrees otherwise.

If you have made any AVCs or have any money purchase benefits within the Scheme, the transfer value of the AVCs of money purchase benefits is simply the value of your investments at the date of transfer. The three-month guarantee, therefore, is not relevant to these investments.

The transfer value is the actuarial value of your preserved pension entitlements under the Scheme. It is calculated on a basis agreed by the Trustee on the advice of the Scheme’s Actuary and takes account of guaranteed and discretionary increases to pensions in payment.

Members who have left Pensionable Service have the right to request a quotation of the transfer value of their accrued benefits once a year and employed members have the right annually to request an estimate of the transfer value of their accrued benefits.
General information

Personal Details
It is most important that you immediately notify Group Pension Services of any change in your marital or partnership status, otherwise appropriate benefits may not be provided. This information will be treated in a strictly confidential manner and will not be available to other departments of the Bank.

Absence from Work

(i) General
If you are away from work but are receiving a normal salary payment from the Bank, contributions will be deducted in the usual way and your membership will continue as usual.

If you are not receiving your normal salary but remain employed by the Bank then generally you will remain a member of the Scheme but your benefits may be reduced to take account of your reduced contributions.

(ii) Career Breaks
The type and length of Career Break will determine whether or not your period of absence counts as Pensionable Service.

Further details may be obtained from Group Pension Services.

(iii) Maternity Leave
Periods of Maternity Leave count for Pensionable Service.

Part-timers
The benefits described in this Guide will be adjusted for full-time employees who become part-time, or vice versa, and for part-time employees who change their number of working hours. The adjustments will ensure that benefits properly reflect the number of hours worked during each period of employment.

Assignment
You may not charge or assign any of the benefits provided under the Scheme, for example using benefits as security for a loan.

Data Protection Act 1998
All information concerning you and your dependants is held under the provision of the Data Protection Act 1998. The Trustee is regarded as the data controller in respect of such information, and any queries in relation to data protection should be addressed to Group Pension Services. Such information will be treated by the Group and the Trustee and any third party as confidential. It may be used for both employment and Scheme administration purposes and the persons to whom the information may be disclosed will include any insurance company, actuary, third party administrator, adviser to the Trustee, the Group, or other organisation concerned with the operation or administration of the Scheme. By joining the Scheme you are signifying that you give your consent for the Trustee to hold the necessary information to calculate your benefits and to use the information for any purpose necessary for the administration of the Scheme.
Some information (e.g. in relation to your health or personal life) is regarded as ‘sensitive personal data’ and cannot be used without your specific consent at the time. Therefore, any application for ill-health retirement will require your consent to use the relevant information on your state of health.

Whilst the information held by the Trustee is used primarily for the purpose of administering the Scheme, the Trustee may authorise the use of certain data for sending you details of products provided by companies of the Group. A general description of the categories of people and organisations to whom the information may be disclosed is listed on the Data Protection register. You may inspect this or obtain a copy from the Information Commissioner’s Office.

**Combined Pension Forecasts**

Each year, the Group distributes a personalised Total Reward Statement to employees of the Group. Included in this statement are details of the pension benefits you could expect to receive from the Scheme at retirement, together with those that would be provided if you die in service.

In addition to the pension from this Scheme, most members will also receive a pension from the State.

Following the launch of an initiative by the Government called 'Combined Pension Forecasts', we are able to provide you with combined details of both your Scheme pension and State Pension in the Total Reward Statements which are distributed by the Group each year.

To enable us to provide this additional information for you, the Group needs to send some information about you to the Department for Work & Pensions (DWP).

The information that will be sent is as follows:

- Your surname or family name
- Your forenames
- Your gender
- Your date of birth
- Your National Insurance number
- Your employee reference number.

In return, the DWP will then be able to tell us about:

- The State Pension you have earned so far
- What your State Pension is likely to be when you retire
- The age at which you can receive state retirement pension.

However, if you do not want us to send this information to the DWP, then you must register your objection with Group Pension Services. If you do this, your future Total Reward Statements will not include this State Pension information.

Even if you do not currently object to our giving information about you to the DWP, you may do so at any time in the future by contacting Group Pension Services.
**Divorce**

A Court may make an order on your pension benefits under the Scheme as part of your divorce proceedings. The Trustee must comply with any order made by the Court. This order may ‘earmark’ a percentage of your benefits on retirement or death to be paid to your ex-spouse. Alternatively, for divorce proceedings started on or after 1 December 2000, the Court may make a pension sharing order, whereby your pension benefits will be split between you and your ex-spouse. Your own pension benefits will be reduced by an amount declared in the Court order, and your ex-spouse will receive a credit for this amount. Your ex-spouse will be required to transfer their pension credit to another pension arrangement. The Scheme will not allow pension credits resulting from pension sharing orders to remain invested in the Scheme.

Further details can be obtained in a special ‘Pensions & Divorce’ leaflet, which has been prepared to help members understand the processes involved. You can obtain a copy of the leaflet from Group Pension Services.
Important Definitions

Where possible, technical terms have been avoided. There are however, a number of terms in this Guide which have special meanings. These terms are defined below.

**Actuary**
An independent person or firm that is professionally qualified to give advice as to the financial position of the Scheme. The actuary will also give advice regarding the future funding of the Scheme and other financial matters.

**Annual Allowance**
The Annual Allowance is the amount by which the value of your pension can grow each year without losing tax relief. Initially set at £215,000 from the 6 April 2006, the Annual Allowance is currently £225,000 (2007/2008) and this will increase at predetermined levels, such that is is expected to be £255,000 by 6 April 2010.

**Bank**
Ulster Bank Limited (this includes any other employer participating in the Scheme).

**Child/ren**
Your lawful or legally adopted child/ren at the time of your death in Pensionable Service or in retirement who is/are either:

- under the age of 18 years; or
- under the age of 23 years whilst receiving full-time education.

**Contracted out**
As a member of the Scheme, you do not participate in the State Second Pension Scheme. This results in reduced National Insurance contributions for you and your employer.

**Deferred pension**
The pension you have earned up to the date you leave the Scheme and held for you until your retiring age.

**Dependants**
Your Spouse or Civil Partner, ancestors or descendants and your brothers, sisters, uncles and aunts and their descendants; and a person who is or was wholly or partly dependent on you for maintenance or support at your death; and your legal personal representatives.

**Earnings Cap**
A cap on earnings used for calculating pension contributions and benefits. Reviewed by the Group each year the cap is set at £112,800 for the 2007/2008 tax year.

**GMP**
A part of your pension similar in amount to the earnings related State Pension you would have received for service between 6 April 1978 and 5 April 1997 if you had not been Contracted-out of the state scheme.
**Group**
The Royal Bank of Scotland Group plc.

**Incapacity**
A state of mental or bodily infirmity where you cannot do any work for the Bank or which causes a substantial drop in your earning capacity as an employee from which you are unlikely to recover. The Bank decides on whether a member is suffering from Incapacity.

**Lifetime Allowance**
The Lifetime Allowance is the total value of all your private and occupational pension provision (excluding any State Pension) which you can build up without incurring an additional charge. Initially set at £1.5 million from 6 April 2006, the Lifetime Allowance is currently £1.6 million (tax year 2007/2008) and this will increase at predetermined levels, such that it is expected to be £1.8 million by 6 April 2010. Subsequent increases to the Lifetime Allowance will be set by the Government.

**Lower earnings limit**
Set by the Government each year, the minimum amount you must earn before you are required to make National Insurance contributions (£4,524 a year as at April 2007).

**Pensionable Salary**
The Salary that you received over the 12 months preceding your date of death, retirement or leaving Pensionable Service unless the Earnings Cap applies.

**Pensionable Service**
Your time in the employment of the Bank whilst an active member of the Scheme. This will be calculated to the nearest completed month up to your date of retirement, death or withdrawal from service. Pensionable Service may also include service which has been credited to you following a transfer in to the Scheme of your benefits under another scheme.

**Retiring Age**
Age 63.

**Salary**
Your annual rate of basic salary.

**Scheme**
The Ulster Bank Pension Scheme.

**Spouse or Civil Partner**
The person to whom you are lawfully married, or to whom you have entered into a civil partnership under the Civil Partnerships Act 2004.

**Trustee**
The trustee of the Scheme, currently Ulster Bank Pension Trustee Limited.

**Upper earnings limit**
Set by the Government each year, the maximum amount of earnings on which you must make National Insurance contributions (£34,840 a year as at April 2007).
Further Information Queries and Complaints

Further Information
You will be provided with certain information automatically, whilst other information is available on request from Group Pension Services.

(i) Total Reward Statement
Members of the Scheme will be issued with a statement each year that shows your benefits under the Scheme.

(ii) Abbreviated Report and Accounts
A summary of the full Trustees’ Annual Report and Accounts will be issued to all members and pensioners through the annual newsletter ‘Pensions Profile’.

(iii) Other information available on request
You have the right to the following information upon request:

- Details regarding the constitution of the Scheme (the Trust Deed and Rules). You are entitled to inspect copies of these documents, free of charge, during office hours.
- Basic information about the Scheme (i.e. this Guide).
- Details of the amount of benefit payable to you (i.e. Total Reward Statement).
- Copies of the Scheme’s Actuarial Valuation and the Funding Certificate accompanying the Valuation.
- A copy of the full Trustees’ Annual Report and Accounts.

Further information about the Scheme and your benefits can be obtained from Group Pension Services who can be contacted as detailed below:

Group Pension Services
Depot Number 190
Group Human Resources
The Royal Bank of Scotland Group
City Link House
4 Addiscombe Road
Croydon, CR9 5PB
United Kingdom

Helpline: 0808 100 4242
Fax: +44 20 8256 3081
Email: ubgpensions@rbs.co.uk
Queries and Complaints

If you have a query or complaint you should first address this to Group Pension Services.

If for some reason you are not satisfied with the response received you should make use of the Scheme’s Internal Dispute Resolution Procedure.

**Internal Dispute Resolution Procedure**

This procedure only relates to complaints against the Trustee.

While it is hoped that you will not have cause to use the procedure, in accordance with the Pensions (Northern Ireland) Order 1995, the Scheme has in place a procedure for handling all member disputes. Details of the procedure are available on request from Group Pension Services. This procedure may not be available if you have already started legal proceedings in connection with the complaint.

You can also take your case to the Pensions Advisory Service (TPAS) at any time during the dispute procedure. TPAS offers advice to help the people concerned to resolve disputes between a member and the Trustee or administrators of an occupational or personal pension plan. You can contact TPAS at:

11 Belgrave Road, London, SW1V 1RB.
Telephone: 0845 6012 923

If TPAS is unsuccessful in resolving your dispute then you may refer it to the Pensions Ombudsman who may investigate and determine any complaint or dispute of fact or law relating to a pension scheme. The Ombudsman can be contacted at the same address as TPAS. His telephone number is: 020 7834 9144

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**The Pensions Regulator**

The Pensions Regulator is responsible for overseeing the running of occupational pension schemes in the UK. The Pensions Regulator has wide ranging powers and is able to intervene in the running of pension schemes where Trustees, employers or professional advisers fail in their duties. The Pensions Regulator can be contacted at:

Napier House
Trafalgar Place
Trafalgar Street
Brighton
East Sussex, BN1 4DW

Telephone: 0870 6063 636
E-mail: customersupport@thepensionsregulator.gov.uk
Website: www.thepensionsregulator.gov.uk