Nationwide Pension Fund

Member Guide

Updated February 2020

Nationwide
Building Society

On 17 February 2020 Nationwide issued a Joint Statement detailing changes to pension provision for all level 1-3 (non SE) employees who remain active members of the Nationwide Pension Fund (NPF) on 31 March 2021. Senior Executives who are active members of the NPF have been issued with individual letters explaining what the changes mean for them. The Joint Statement and the individual Senior Executive letters in particular explain how contracts of employment have been varied to give effect to those changes, and in those respects the Joint Statement and individual Senior Executive letters take precedence over any information in this Member Guide where there is a difference.

Subject to that, this Member Guide summarises the position for benefits built-up in the NPF up until the date of closure to future accrual on 31 March 2021 (but please note that the Joint Statement and individual Senior Executive letters describe certain changes affecting those benefits).

Impacted employees should read this Guide (as well as any previously issued and any applicable Member Guides which summarise NPF benefits) alongside the Joint Statement (or individual Senior Executive letters), which set out details of how the NPF closure will affect their pension benefits.

Contents

Nationwide Pension Fund is run on a day to day basis by the Pensions Team. If you have any questions after reading this guide then **we're here to help you**

How to contact us

By post
Employee Pensions
Nationwide Building Society
Nationwide House
Pipers Way
Swindon
SN38 2GN

Hours - Monday-Friday 9am-5pm

By phone 01793 655131

By email Create a case on AskHR and select 'Pensions' in the category search.

On the website nationwidepensionfund.co.uk

Introduction and key features

This guide outlines the CARE terms that apply to active members from **1 April 2011** and is based on the 2019/2020 tax position. It does not include all the provisions relating to the benefits you will have built up to **1 April 2011**.

The Nationwide Pension Fund provides you with a wide range of valuable benefits and forms part of your remuneration package.

Key features

Employee contribution rate - 7%

Accrual rate - $1/60^{th}$

Annual revaluations (whilst an active member) – on 1 April each year, the value of the CARE pension at the end of the preceding scheme year (31 March) will be uplifted by RPI, with no upper cap

Normal retirement age - 65 (see important note below referring to **"Favourable early retirement terms at Nationwide's discretion**")

Pensions in payment - increased on 1 April each year by the lower of RPI (based on the change in RPI over the period September to September) or 5%

Ill health early retirement - pension built up to date plus additional pension based on half of potential future service to age 65, with no early retirement reduction

Deferred pensions - revalued annually by the lower of CPI or 2.5%

Death in service lump sum - 4 x pensionable salary

Death in service dependant's pension – 50% of pension built up to date plus additional 50% pension based on ½ of potential future service to age 65, with no early retirement reduction

Death in retirement – dependant's pension equal to 50% of revalued pension (ignoring any cash taken at retirement)

Death in deferment – dependant's pension equal to 50% of revalued deferred pension

Favourable early retirement terms at Nationwide's discretion

Nationwide will have discretion to apply more favourable early retirement terms (ie factors based on a retirement age of 60) to pension built up from pensionable service after **1 April 2011** to all members in the following circumstances:

- active members who take their pension immediately on leaving employment
- active members who take part of their pension under Nationwide's flexible retirement policy
- those who have opted out of the scheme but who are still employed by Nationwide at the time the pension is taken
- those who have left Nationwide with a deferred pension who have been made compulsorily redundant after **1 April 2011**
- those who have left Nationwide after **1 April 2011** following a transfer to another employer where the Transfer of Undertakings (Protection of Employment) Regulations (2006) apply

Assuming that this discretion continues to be applied by Nationwide, it will be applied in a consistent manner in respect of all members.

Terms you need to know

We have tried to keep this guide as clear as we can but there may be some words or phrases used that you have not come across before or have a special meaning. They are explained here for you.

a

Active member
You are an active member if you are working for Nationwide and paying pension contributions into the scheme.

Actuary
The person who evaluates, manages and advises on financial risks relating to the scheme.

Additional contributions
Contributions paid in addition to your normal contributions to the scheme in order to secure additional pension.

Annual allowance
The Annual Allowance is a limit on the total value of your pension savings that can be built up each tax year, without incurring a tax charge. The amount of your Annual Allowance is dependent on the amount of your taxable income over the tax year and will normally be in the range £10,000 to £40,000.

b

Basic state pension
The flat-rate state pension payable to you if you have paid sufficient National Insurance contributions during your working life.

c

Career Average Revalued Earnings (CARE)
A type of defined benefit scheme where you get a guaranteed pension based on your average revalued pensionable salary over your career.

Consumer Prices Index (CPI)
A Government measure of inflation tracking prices, excluding housing costs (like mortgage and rent payments) which are included in RPI.

d

Deferred pension
The pension that you have built up to the date of leaving the scheme and which has not yet become payable.

Defined benefit scheme
A pension scheme (either final salary or career average) that provides a pension based on a fraction of your salary. The employer takes all the investment risk and meets the balance of the cost of providing benefits.

e

Early retirement reduction
A reduction made to your pension to reflect it is being paid before age 65 (or 60 if you qualify for the favourable early retirement terms). The reduction is decided by the Trustee, after taking advice from the Actuary and reflects the longer period of time that the pension will be paid.

Eligible children
This means your natural, step, or adopted children who are either under age 18 or under age 23 and in full-time education.

Expression of wish form
The form that allows you to identify to the Trustee the person(s) you want as the recipient(s) of any benefit which may become payable on your death. Although the Trustee will take your wishes into account, they are not legally obliged to follow them.

f

Final pensionable salary
This is based on the definition that applied to your **31 March 2011** terms and is calculated at the date you take your pension or leave (see your pre **April 2011** member guide on the pensions intranet or the scheme summaries in this guide for more on this).

Flexible retirement
The option to take your pension while you are still an active member of the scheme. It also gives you the flexibility to take your pension in stages.

g

Guaranteed minimum pension
The minimum pension the scheme must provide for your contracted out service prior to 6 April 1997.

l

Lifetime allowance
The Lifetime Allowance sets the maximum value of the pension benefits you can take at retirement without paying extra tax. It is set by the Government and reviewed annually. The Lifetime Allowance for the tax year 2019/20 is £1.055m. If you have registered with HMRC to protect the higher Lifetime Allowance limits that applied before 2016 you may have a personal Lifetime Allowance that is higher than the current limit.

n

Nationwide
Nationwide Building Society.

Normal Retirement Age (NRA)
Your 65th birthday.

o

Opt out
Leaving the scheme while remaining in employment with Nationwide.

p

Pensionable salary
The contractual salary you would receive if you did not participate in any salary sacrifice options (SMART) and is the salary on which your pension and contributions are based.

Pensionable service

The number of years and complete days that you are in the scheme.

q

Qualifying dependant
A qualifying dependant will be determined by the Trustee in accordance with the scheme rules. This will normally be your husband, wife, registered civil partner or your partner with whom you are financially interdependent, or who is financially dependent on you. However, if you were formerly a Nationwide final salary member who joined the scheme before **1 September 1998**, any spouse to whom you were married on **31 August 1998** and at the date of your death will automatically be your qualifying dependant.

r

Retail Prices Index (RPI)
The index which records the movement in prices as published by the Government each month.

Revaluation
The way in which your pension is increased while you are contributing to the scheme. The whole of your pension earned is revalued annually by reference to the RPI.

s

Salary sacrifice (SMART)
The process by which Nationwide makes contributions to the scheme on your behalf in exchange for a reduction in your notional pay. Paying contributions by SMART means you pay lower National Insurance contributions.

Scheme
The Nationwide Pension Fund.

t

Trustee
Nationwide Pension Fund Trustee Limited who are responsible for the running of the scheme in accordance with the Trust Deed and Rules.

Contributing to your pension

How much will it cost me?

The employee contribution rate is 7% of pensionable salary.

If you are currently making contributions by salary sacrifice (SMART), the pension contributions which would normally be paid by you from your salary are paid by Nationwide instead as an employer's contribution. Your salary is then reduced by a corresponding amount. Any increase in contributions will, therefore, mean that your contractual salary will be further reduced by an amount equal to the extra contributions Nationwide will be making.

Will I benefit from tax relief?

Yes. The real cost to you of contributing is less than you think. Your monthly contribution is calculated before tax is deducted and so automatically benefits from tax relief. For example, as a basic rate tax payer, based on a gross monthly pay of £2,000, your monthly contribution would be worked out like this:

7% of £2,000 means you pay £140 per month

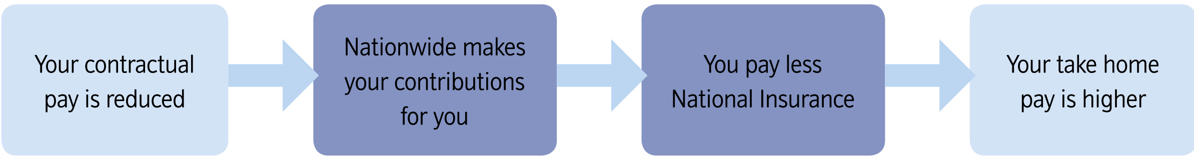
With the tax relief applied, however, this contribution is further reduced down so the actual cost to you is £112:

your £140 per month will actually cost you £112 before any NI savings

This example is based on 20% income tax rate; higher rate tax payers will get tax relief at their marginal rate.

How are contributions paid?

Contributions are normally made through salary sacrifice and receive tax relief, including National Insurance savings, making your take home pay higher. Instead of having contributions deducted from your pay your contractual pay is reduced by the contribution rate. Nationwide makes a contribution equivalent to the contributions you would otherwise have paid.



Does everyone pay contributions by salary sacrifice?

Salary sacrifice is not suitable for everyone. If you are on a low income you may not benefit from the National Insurance savings and may lose entitlement to some state benefits. In this case you will be opted out of making contributions by salary sacrifice and contributions will be taken monthly from your salary before tax is deducted.

Can I make Additional Contributions?

You can make Additional Contributions to help boost the value of your pension at retirement through salary sacrifice.
This gives you tax relief, including National Insurance savings, in the same way as your normal contributions do. Whilst there is no limit on contribution amounts, the value of your pension built up each year is subject to the Annual Allowance.

With Additional Contributions you can:

- buy Pension Credits each year which are revalued annually by RPI until you leave the scheme
- invest into one or more Fidelity funds where contributions and any investment return are converted into additional pension at the time you take your pension.

The pensions intranet gives more information on these options.

How much does Nationwide contribute?

Nationwide will meet the balance of the cost of providing your benefits. Nationwide’s contributions will vary from time to time and, on taking advice from the Actuary, will be agreed by the Trustee.

Building your pension

How is my CARE pension built up?

You will build up pension for each year that you pay into the scheme. Each year's pension is calculated by multiplying your pensionable salary in that year by the accrual rate of 1/60th. To protect against inflation, the cumulative value of pension that you have built up in previous years will be revalued each **1 April** by RPI, for as long as you continue to be an active member of the scheme.

The example below shows how pension may build up over a three year period:

		Scheme Year		
		1	2	3
A	Assumed Pensionable Salary	£24,000	£25,000	£26,000
B	Pension credit for the scheme year (pa) 1/60 x A	£400	£417	£433
C	Assumed RPI during year	3.5%	3.5%	3.5%
D	Opening pension balance at beginning of scheme year (pa)	Nil	£414	£860
E	Additional pension due to inflation(pa) (B+D) x C	£14	£29	£45
F	Pension built up (pa) (B+D+E)	£414	£860	£1,338

Whatever your pensionable salary, the principle of CARE remains the same. The amount of pension built up each year is guaranteed to be directly related to your pensionable salary for that year and will be fully protected against increases in RPI while you remain an active member.

How is my total pension worked out?

Your total pension will be your pension built up to **31 March 2011** plus your pension built up from **1 April 2011**.

As a **previous final salary member** your total pension would be worked out like this:

Protected percentage* x final pensionable salary **+** Pension built up post **1 April 2011** **=** **Your total pension at retirement**

*Your built up final salary pension at 31 March 2011 will be expressed as a percentage of pensionable salary on that date. This protected percentage will remain fixed in the future unless you take a pension under the Flexible Retirement Policy

For **previous CARE members** your total pension would be worked out like this:

pension built up pre **1 April 2011** @ 1/54th accrual **+** Pension built up post **1 April 2011** @ 1/60th accrual **=** **Your total pension at retirement**

Any dependant's pension payable will also be worked out by totalling your pre and post **April 2011** entitlement (see also the "Death benefits" section).

Any benefits paid will be tested against your Lifetime Allowance.

Pension built up prior to 1 April 2011

Pension benefits that you built up to **1 April 2011** are not affected by the CARE terms described in this guide. These only apply to benefits you build up after **1 April 2011**.

You should refer to your previous member guide or the scheme summaries in this document to understand your benefits before **1 April 2011** (including any dependant's pension payable).

Taking your pension from active service

What age can I take my pension?

The Normal Retirement Age of the scheme is 65 but you can take your pension at any age between 55 and 75 years (or earlier if you are taking your pension due to permanent ill health).

Taking your pension		
before age 65	**at age 65**	**after age 65**
You can take your benefits from age 55 but your pension built up will have an early retirement reduction applied because it is being paid for longer.	If you take your pension at the scheme's normal retirement age it will not have an early retirement reduction applied.	As long as you stay working for Nationwide, you can remain in the scheme until you are 75 while continuing to build up your pension until you retire.

What are my retirement options?

You can either take your pension in full or, under the current tax rules, you can usually exchange up to 25% of the value of your pension for a cash lump sum. This is currently paid tax free. Your pension will be reduced as a result of taking a lump sum with the reduction applied dependent on your age. Full details will be made available at that time.

How does flexible retirement work?

Flexible retirement can be taken from age 55 and allows you to take some, or all, of your pension whilst building up further pension and continuing to work for Nationwide. This may be beneficial if you want to give yourself an additional income or to reduce your working hours before your anticipated retirement date and use part of your pension to supplement your reduction in salary.

If you decide to take the flexible retirement option the following rules will apply:

- The amount of the pension drawn down (before taking any cash) must be at least £1,000 a year.
- The maximum number of times that you can draw down pension is five.
- You can only take one drawdown in a 12 month period.
- You can choose to take your pension from either:
  - pension purchased by Additional Contributions
  - your pension built up before **1 April 2011**
  - your pension built up from **1 April 2011**
- Drawing down pension from pre **1 April 2011** final salary pension will reduce the amount of your protected percentage.
- The portion of pension drawn down from CARE pension credits (before any cash is paid and early retirement reduction factor applied) will be deducted from your accumulated pension credits.

What happens if I am too ill to carry on working?

If you leave Nationwide before age 65 because of ill health, you may be entitled to an immediate ill health pension as long as you are an active member and the Trustee is satisfied that your ill health is likely to be permanent and will stop you doing your normal job.

Your ill health pension would be equal to the pension you have built up to the date of your retirement. An enhancement will then be added equal to the pension you would have built up had you completed half your pensionable service to age 65. This will be based on your pensionable salary when you retire.

Total pension built up to date of ill-health retirement	+	1/60th x Pensionable salary x 50% potential future pensionable service to age 65	=	**Ill health pension**

You can also apply to have your pension paid before age 55 if you have a deferred pension and are too ill to continue working. In this case it will be reduced by an early retirement reduction factor and will not qualify for any enhancement.
If you are diagnosed with less than 12 months to live and confirmation is received from your doctor, then you may be able to take the whole of your pension as a tax free lump sum. This applies whether you are an active member or have a deferred pension.

Does my pension increase while it is being paid?

Yes. Your post **April 2011** pension will increase each April in line with the change in RPI, over the period September to September, up to a maximum increase of 5%.

How will my pension be paid?

Your pension will normally be paid monthly into your bank or building society account. Income tax will be deducted from your pension as appropriate using the Pay As You Earn (PAYE) system.

Leaving the scheme

What happens to my pension if I leave?

If you leave you will become entitled to a deferred pension. You can choose to have the value of your deferred pension transferred to another pension arrangement (see below).

How is my deferred pension worked out?

Your deferred pension will be calculated at your leaving date in the same way as described in the "Building your pension" section. It will include any Pension Credits bought through Additional Contributions and your pension built up to **31 March 2011**. Additional Contributions with Fidelity (or other previous AVC providers e.g. Prudential) will remain invested until you take your pension.

Does my deferred pension increase if it is left in the scheme?

Yes. Your deferred pension will increase each year between the date you leave and the date it is paid. The increase applied to your post **April 2011** pension will be linked to the CPI up to a maximum of 2.5%. The Scheme summaries in this guide provide details of how your pre **April 2011** pension will increase before it is paid.

When will my deferred pension become payable?

Your pension will become payable at age 65 although you can choose to receive it from age 55, or earlier due to ill-health (see "Taking your pension from active service").

What happens to my deferred pension if I take it beyond normal retirement age?

Your pension will increase beyond normal retirement age by the Fund's Late Retirement actuarial factors. These are currently 7% a year for the first five years and 11% a year thereafterand are subject to change by the Trustee.

Can I transfer to another pension scheme?

You can transfer your deferred pension to another pension arrangement any time before your pension becomes payable. The amount of the transfer value is decided by the Trustee, after taking advice from the scheme's Actuary, and is based on the amount of your deferred benefits. It will be calculated in accordance with certain statutory methods and principles.

Death benefits - what happens when you die

Different levels of dependant's pension apply to your service up to **1 April 2011** and are payable in addition to the dependant's pension you build up from **1 April 2011**. You should refer to your previous member guide or the Scheme summaries in this document to understand your benefits built up before **1 April 2011**.

So the Trustee knows who you would like to receive the dependant's pension and/or lump sum, you should complete an Expression of Wish Form. The Trustee is not, however, bound by your request.

What happens if I die in service before taking my pension?

If you die in service before taking your pension, the following benefits will be payable:

Lump sum

If you die while you are an active member, you are covered for life assurance at four times your pensionable salary at the date of your death. The value of any Additional Contributions held with Fidelity (or other previous AVC provider) will also be payable.

Dependant's Pension

(payable to qualifying dependants or eligible children)

The dependant's pension is worked out by taking the pension built up to the date of your death, plus the pension you would have built up had you completed half of your potential pensionable service to age 65. The total dependant's pension will then be half this amount.

pension built up to date of death **+** half future pensionable service to age 65 x 1/60th x pensionable salary **X** **50%**

If you do not have a qualifying dependant or any eligible children, a lump sum will be payable to your beneficiaries equal to twice the normal scheme contributions you have paid (or would have been paid had you not used the salary sacrifice scheme). Interest at 4% per annum compound will be added to the lump sum. The value of any Additional Contributions made with Fidelity (or other previous AVC provider) will also be payable.

What happens if I die after I have taken my pension?

If you have taken your pension, the following benefits will be payable:

Lump sum

There is a guarantee that, if you die within five years of taking your pension, a tax-free lump sum will be paid equal to the balance you would have received had you lived for five years.

Dependant's Pension

(payable to qualifying dependants or eligible children)

pension built up to date of death before surrender of any pension for lump sum **X** **50%**

In addition to your pre 31 March 2011 entitlement, your qualifying dependant would receive a pension equal to half of the pension you would have been receiving at the date of your death had you not surrendered pension for cash when you took your pension.

What happens if I die before taking my deferred pension?

If you die having left Nationwide, the following benefits are payable:

Lump sum

If you do not have a qualifying dependant or any eligible children, a lump sum will be payable to your beneficiaries equal to twice the normal scheme contributions you have paid (or would have been paid had you not used the salary sacrifice scheme). Interest at 4% per annum compound will be added to the lump sum. The value of any Additional Contributions made with Fidelity (or other previous AVC provider) will also be payable.

Dependant's Pension

(payable to qualifying dependants or eligible children)

pension built up to date of death **X** **50%**

In addition to your pre **31 March 2011** entitlement, your qualifying dependant would receive a pension equal to half of your revalued pension worked out at the date of your death. This amount would include any statutory increases since the date you left the scheme.

Are there any special conditions for payment of dependants' pensions?

If your qualifying dependant is more than ten years younger than you the dependant's pension will be reduced. The amount of the reduction will be 2.5% of the pension for each complete year over ten subject to a maximum deduction of 25%

When a child no longer falls within the definition of eligible children, the dependant's pension will stop. In all other cases the pension will be paid for life.

Pensions will increase each April, in line with the change in RPI over the period September to September, up to a maximum increase of 5%.

Summaries applying to pensions at 31 March 2011

Pension benefits built up to 1 April 2011 are not affected by the CARE terms which only apply to benefits built up after this date. The summaries below set out the benefits built up prior to 1 April 2011

Nationwide Final salary pensions at 31 March 2011

With effect from **31 March 2011** all active final salary members of NPF will cease to accrue further pension benefits on a final salary basis. Accrued final salary pension at **31 March 2011** will be expressed as a percentage of pensionable salary ("protected percentage") on that date, with this percentage remaining fixed in future unless you draw down pension under the Flexible Retirement Policy.

Whilst former final salary members remain active members of the CARE scheme, the accrued final salary pension will continue to be linked to changes in your pensionable salary as is currently the case under the NPF. At retirement (or date of leaving the CARE scheme, if earlier) the value of the accrued final salary pension will be calculated as follows:

Protected percentage
x
final pensionable salary at date of retirement
(or date of leaving the CARE scheme, if earlier)

The age at which you can take your pre **31 March 2011** pension without an early retirement reduction applying remains at 60. Other terms applying to Nationwide scheme final salary pensions from pensionable service to **31 March 2011** are as follows:

- Deferred revaluations: CPI capped at 5% a year on pension in excess of any guaranteed minimum pension (service to **5 April 2009**); CPI capped at 2.5% a year (service from **5 April 2009**)
- Annual increases to pensions in payment: RPI capped at 5% (based on the change in RPI from September to September)
- Ill health early retirement: protected percentage x pensionable salary at date of leaving service
- Death in service dependant's pension*: protected percentage x pensionable salary at death x 2/3
- Death in deferment dependant's pension*: pension at date of leaving revalued to date of death x 60%
- Death in retirement dependant's pension*: revalued pre-commutation pension x 2/3

Dependants' pensions are payable to your qualifying dependant(s) in accordance with the rules that applied before **1 April 2011. This will normally be either your spouse or registered civil partner, eligible children, or, any other individual with whom you are financially interdependent or who is financially dependent on you. Different qualification criteria may apply if you were a married member of NPF prior to **September 1998**.*

Nationwide CARE pensions at 31 March 2011

Terms applying to CARE pensions from pensionable service to **31 March 2011** are as follows:

- Age at which pension can be taken without early retirement reduction: 60
- CARE revaluations whilst an active member: RPI, with no upper cap
- Deferred revaluations: CPI capped at 5% a year (service to **5 April 2009**); CPI capped at 2.5% a year (service from **5 April 2009**)
- Annual increases to pensions in payment: RPI capped at 5% (based on the change in RPI from September to September)
- Ill health early retirement: CARE pension at **31 March 2011** revalued to date of leaving service
- Death in service dependant's pension*: CARE pension at **31 March 2011** revalued to date of death x 2/3
- Death in deferment dependant's pension*: CARE pension at **31 March 2011** revalued to date of death x 60%
- Death in retirement dependant's pension*: revalued pre-commutation pension x 2/3

Dependants' pensions are payable to your qualifying dependant(s) in accordance with the rules that applied before **1 April 2011. This will be either your spouse or registered civil partner, eligible children, any other individual with whom you are financially interdependent or who is financially dependent on you.*

Lambeth final salary pensions at 31 March 2011

With effect from **31 March 2011** all active final salary members of NPF will cease to accrue further pension benefits on a final salary basis. Accrued final salary pension at **31 March 2011** will be expressed as a percentage of pensionable salary ("protected percentage") on that date, with this percentage remaining fixed in future unless you draw down pension under the Flexible Retirement Policy.

Whilst former final salary members remain active members of the CARE scheme, the accrued final salary pension will continue to be linked to changes in your pensionable salary as is currently the case under the NPF. At retirement (or date of leaving the CARE scheme, if earlier) the value of the accrued final salary pension will be calculated as follows:

Protected percentage
x
final pensionable salary at date of retirement
(or date of leaving the CARE scheme, if earlier)

The age at which you can take your pre **31 March 2011** pension without an early retirement reduction applying remains at 60. Other Lambeth terms applying to final salary pensions from pensionable service to **31 March 2011** are as follows:

- Deferred revaluations: CPI capped at 5% a year on pension in excess of any guaranteed minimum pension (service to **5 April 2009**) and CPI capped at 2.5% a year (service from **5 April 2009** to 1 April 2011) until normal retirement age, then the Fund's Late Retirement actuarial factors apply after this date to the excess pension.
- Annual increases to pensions in payment on **1 April**: fixed 8.5% (if joined **pre-1 February 1989**) or fixed 5% (if joined after **1 February 1989**) for service to **23 October 2001** and RPI^ capped at 5% (service between **23 October 2001** and **1 April 2011**) on pension in excess of any guaranteed minimum pension. Subject to the pension in payment not exceeding the maximum permitted in the scheme rules. (^ based on change in RPI September to September).
- Ill health early retirement: protected percentage x final pensionable salary at date of leaving service
- Death in service dependant's pension*: protected percentage x final pensionable salary at death x 2/3 plus a return of your contributions paid up to **31 March 2011**
- Death in deferment spouse's pension: 1/160th x final pensionable salary at date of leaving x pensionable service completed from **6 April 1997** plus statutory revaluation to date of death plus a return of your contributions paid up to **31 March 2011**
- Death in retirement dependant's pension*: pension equal to 50% of revalued pre-commutation pension

** Dependants' pensions are payable to the person(s) chosen by the Trustee in accordance with the rules that applied before **1 April 2011**. This will normally be to either your spouse or registered civil partner, eligible children, or, any other individual(s) who is financially dependent on you.*

Portman final salary pensions at 31 March 2011

With effect from **31 March 2011** all active final salary members of NPF will cease to accrue further pension benefits on a final salary basis. Accrued final salary pension at **31 March 2011** will be expressed as a percentage of pensionable salary ("protected percentage") on that date, with this percentage remaining fixed in future unless you draw down pension under the Flexible Retirement Policy.

Whilst former final salary members remain active members of the CARE scheme, the accrued final salary pension will continue to be linked to changes in your pensionable salary as is currently the case under the NPF. At retirement (or date of leaving the CARE scheme, if earlier) the value of the accrued final salary pension will be calculated as follows:

Protected percentage
x
final pensionable salary at date of retirement
(or date of leaving the CARE scheme, if earlier)

The age at which you can take your pre **31 March 2011** pension without an early retirement reduction applying remains 65. However, the Society exercises a discretion whereby if you retire direct from the Society's employment after age 60 no early retirement reduction will be applied. This is explained in more detail in the member's explanatory booklet dated **July 2008** (available on the Pensions Intranet). Other Portman terms applying to final salary pensions from pensionable service to **31 March 2011** are as follows:

- Deferred revaluations: CPI capped at 5% a year on pension in excess of any guaranteed minimum pension (service to **5 April 2009**) and CPI capped at 2.5% a year (service from **5 April 2009** to **1 April 2011**).
- Annual increases to pensions in payment on **1 April**: fixed 5% (service to **1 August 2000**) and RPI^ capped at 5% (service between **1 August 2000** and **1 April 2011**). (^Based on change in RPI September to September)
- Ill health early retirement: protected percentage x final pensionable salary at date of leaving service
- Death in service dependant's pension*: protected percentage x pensionable salary at death x 2/3 plus a return of your contributions paid up to **31 March 2011**
- Death in deferment spouse's pension: spouse's Guaranteed Minimum Pension revalued to date of death plus pension built up from **6 April 1997** to date of leaving revalued to date of death x 50% plus a return of your contributions paid up to **31 March 2011**
- Death in retirement dependant's pension*: pension equal to 50% of revalued pre-commutation pension

** Dependants' pensions are payable to the person(s) chosen by the Trustee in accordance with the rules that applied before **1 April 2011**. This will normally be to either your spouse or registered civil partner, eligible children, or, any other individual(s) who is financially dependent on you.*

Staffordshire final salary pensions at 31 March 2011

With effect from **31 March 2011** all active final salary members of NPF will cease to accrue further pension benefits on a final salary basis. Accrued final salary pension at **31 March 2011** will be expressed as a percentage of pensionable salary ("protected percentage") on that date, with this percentage remaining fixed in future unless you draw down pension under the Flexible Retirement Policy.

Whilst former final salary members remain active members of the CARE scheme, the accrued final salary pension will continue to be linked to changes in your pensionable salary as is currently the case under the NPF. At retirement (or date of leaving the CARE scheme, if earlier) the value of the accrued final salary pension will be calculated as follows:

Protected percentage
x
final pensionable salary at date of retirement
(or date of leaving the CARE scheme, if earlier)

The age at which you can take your pre **31 March 2011** pension without an early retirement reduction applying is not changing. Other Staffordshire terms applying to final salary pensions from pensionable service to **31 March 2011** are as follows:

- Deferred revaluations: CPI capped at 5% a year on pension in excess of any guaranteed minimum pension (service to **5 April 2009**) and CPI capped at 2.5% a year (service from **5 April 2009** to **1 April 2011**)
- Annual increases to pensions in payment on **1 April**: fixed 5% (service to **1 May 2000**) and RPI^ capped at 5% (service from **1 May 2000** to **1 April 2011**). (^based on change in RPI September to September).
- Ill health early retirement: protected percentage x final pensionable salary at date of leaving service
- Death in service dependant's pension*: protected percentage x final pensionable salary at death x 2/3 plus a return of your contributions paid up to **31 March 2011**
- Death in deferment dependant's pension*: pension at date of leaving^ revalued to date of death x 2/3 plus a return of your contributions paid up to **31 March 2011** (^ only in respect of service after 1.5.1990 for female members)
- Death in retirement dependant's pension*: pension equal to 2/3 of revalued pre-commutation pension

** Dependants' pensions are payable, in accordance with the rules that applied before **1 April 2011**, to your spouse or registered civil partner. If you are not married or in a civil partnership the pension will be payable to any eligible children.*

Derbyshire final salary pensions at 31 March 2011

With effect from **31 March 2011** all active final salary members of NPF will cease to accrue further pension benefits on a final salary basis. Accrued final salary pension at **31 March 2011** will be expressed as a percentage of pensionable salary ("protected percentage") on that date, with this percentage remaining fixed in future unless you draw down pension under the Flexible Retirement policy.

Whilst former final salary members remain active members of the CARE scheme, the accrued final salary pension will continue to be linked to changes in your pensionable salary as is currently the case under the NPF. At retirement (or date of leaving the CARE scheme, if earlier) the value of the accrued final salary pension will be calculated as follows:

Protected percentage
x
final pensionable salary at date of retirement
(or date of leaving the CARE scheme, if earlier)

The ages at which you can take your pre **31 March 2011** pension without an early retirement reduction applying are not changing (i.e. pensionable service to **31 January 2006**: 60; pensionable service after **1 February 2006**: 65). Other terms applying to Derbyshire scheme final salary pensions from pensionable service to **31 March 2011** are as follows:

- Deferred revaluations: CPI capped at 5% a year (service to **5 April 2009**) on pension in excess of any Guaranteed Minimum Pension; CPI capped at 2.5% a year (service from **5 April 2009**)
- Annual increases to pensions in payment: RPI capped at 5% subject to a minimum 3% on pension in excess of Guaranteed Minimum Pension (service to **1 July 1997**); RPI capped at 5% (service between **1 July 1997** and **1 February 2006**) and RPI capped at 2.5% (service from **1 February 2006**)
- Ill health early retirement: protected percentage x final pensionable salary at date of ill health x Early Reduction Factor
- Death in service dependant's pension*: protected percentage x final pensionable salary at death x 50% plus a return of your contributions paid up to **31 March 2011**
- Death in deferment spouse's pension: spouse's Guaranteed Minimum Pension revalued to date of death plus pension built up from **6 April 1997** to date of leaving revalued to date of death x 50% plus a return of your contributions paid up to **31 March 2011**
- Death in retirement dependant's pension*: pension in payment at date of death x 50%

** Dependants' pensions are payable, in accordance with the rules that applied before **1 April 2011**, to your spouse or registered civil partner. If you are not married or in a civil partnership the pension will be payable to any eligible children.*

Benefits from pensionable service to **31 March 2011** will continue to be provided from the Cheshire and Derbyshire Section of NPF.

General information

Amending or winding up the scheme

Nationwide intends for the scheme to continue but the Trust Deed and Rules contain provisions for its amendment or wind up. If the scheme is wound up, the assets would be used to provide benefits to you in accordance with the priority order set out in legislation and the Trust Deed and Rules.

Disputes

If you have a complaint about the scheme the Pensions Team should be able help you resolve it. If you are not satisfied with the response you receive there is a formal complaints procedure in place for resolving disputes. This is a two-stage process. For details and relevant forms you should contact the Pensions Team.

Divorce or dissolution of a Civil Partnership

Pension rights normally form part of your joint assets and are taken into account during any divorce or dissolution settlement. There are a number of options available to the Court in dealing with pension rights and the Pensions Team can give you more information. An explanatory leaflet is available for download from the pensions intranet. If you are getting divorced or dissolving your civil partnership you should also update your Expression of Wish form.

Maternity, adoption, shared parental and paternity leave

Your membership in the scheme will continue whilst you are on paid maternity, adoption, shared parental or paternity leave. During this period you will pay pension contributions based on the pay you actually receive from Nationwide. When your pay ends you will no longer pay contributions and will not build up a pension for that period (although you will remain covered for the life assurance benefit). Once you return to work you will start paying contributions again and your pension will continue to build up. If you do not return to work at the end of your leave, you will be treated as leaving service on the day your pay stopped and be entitled to a deferred pension.

If you are on paternity leave your pension payments continue as usual unless you take extended paternity leave without pay, in which case conditions will be the same as for maternity/adoption leave above.

.

Opting out of the scheme

You can choose to opt out but, if you do, you cannot rejoin and you will also lose any continued link to your final salary pension built up to **31 March 2011**. On opting out, you will get a deferred pension

from the scheme. If you do opt out you will continue to be covered for 4x basic salary lump sum death in service benefit. If you want to opt out you will need to give one month's written notice and return a completed opt out form to the Pensions Team.

You will have the option to join the Nationwide Group Personal Pension at any time.

Registered status

The scheme is a registered pension scheme with HMRC as defined under section 150 of the Finance Act 2004 and, as a result, the payment of contributions and the provision of benefits are subject to HMRC rules.

Transferring in benefits

The transfer of benefits from a previous scheme into this scheme is not permitted.

Trust Deed and Rules

Subject always to the terms of the Joint Statement dated 20 February 2020 and the individual Senior Executive Letters referred to on the front cover of this Member Guide , any benefits payable from the scheme in respect of your membership will be determined in accordance with the provisions of the Trust Deed and Rules. In the event of inconsistency between the Trust Deed and Rules (as read in conjunction with the Joint Statement and individual Senior Executive letters) and this guide, the provisions of the Trust Deed and Rules (as read in conjunction with the Joint Statement and individual Senior Executive letters) will prevail.

Trustee Report and Accounts and the Annual Review

An audited Report and Accounts is produced annually by the Trustee. An Annual Review, containing a summary of the scheme's finances and a statement explaining the funding position, is also produced. Both are available on the pensions intranet.

Useful contacts

Nationwide Pensions Team

The team run the scheme on a day to day basis and can answer your general queries about the scheme or your entitlement to benefits but are unable to provide independent financial advice. Contact the team by creating a case on **AskHR** and selecting 'Pensions' in the category search.
Alternatively call them on **01793 655131**

Nationwide Pension Fund Trustee Limited

This company acts as the Trustee and is responsible for managing the scheme. The Secretary to the Trustee will be able to help with any queries about the Trustee.

Post: **Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 2GN**

The Pensions Advisory Service (TPAS)

This is an independent, voluntary organisation offering free help and advice to you and your beneficiaries. TPAS is available at any time to assist with any pension query or dispute which has not been resolved with the Trustee or the administrator of the scheme.

Phone: **: 0800 011 3797**
Web: **www.pensionsadvisoryservice.org.uk**

The Pensions Ombudsman

A complainant who remains dissatisfied with the Trustee's decision may refer the matter to The Pensions Ombudsman. The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to a scheme made or referred in accordance with the Pension Schemes Act 1993.

Please note, however, that at any stage, whether before, during or after starting this internal dispute resolution procedure, you have the right to contact The Pensions Ombudsman for free and impartial assistance via its "Early Resolution Service".

The Pensions Ombudsman (including the Early Resolution Service) can be contacted at:

10 South Colonnade
Canary Wharf
London
E14 4PU
Telephone: **0800 917 4487**
Email: **helpline@pensions-ombudsman.org.uk**

The Pensions Regulator (TPR)

TPR is responsible for regulating UK pension arrangements. It aims to protect benefits of work-based pension schemes, promote good administration of such schemes and reduce the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund. It has the power to intervene in the running of a pension scheme where trustees, employers or professional advisors have failed in their duties.

Address: **Napier Road, Trafalgar Place, Brighton, BN1 4DW**
Web: **www.thepensionsregulator.gov.uk**

The Pensions Tracing Service

This is run by the Department for Work and Pensions (DWP) and holds details of all work placed pension schemes. They provide a free service to help you trace benefits from previous employment if, for example, you leave and lose touch with your employer. The Trustee has registered information about the scheme with the Pensions Tracing Service.

Phone: **0800 731 0193**
Post: **The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU**
Web: **www.gov.uk/find-pension-contact-details**

MIX
Paper from
responsible sources
FSC® C003009
www.fsc.org

recycle
When you have finished with
this leaflet please recycle it.

Nationwide cares about the environment - this literature is printed in the UK with biodegradable vegetable inks on paper from FSC® certified and other controlled material.

PN46 (February 2020)