

Plumbing & Mechanical Services (UK) Industry Pension Scheme

Scheme information factsheet for IFAs

What type of scheme is this?

The Plumbing Industry Pension Scheme is a defined benefit occupational pension scheme providing benefits on a Career Average Revalued Earnings (CARE) basis. The Scheme started on 6 April 1975.

The Scheme is approved under Chapter 2 Part 4 of the Finance Act 2004 with effect from 6 April 1975.

PSTR number: 00285365RX

Scheme status: The Scheme closed to future accrual on 30 June 2019.

Contracting out

The Scheme was contracted out of SERPS and S2P from 6 April 1978 to 5 April 2016 on a COSR basis.

The Guaranteed Minimum Pension receives statutory increases before and after GMP payment date (60 for females and 65 for males):

- Limited Rate revaluation is used for members who left the Scheme prior to 6 April 1997 and S148 orders revaluation for post 5 April 1997 leavers.
- Payment of the GMP is not made before the GMP payment date and is paid as a step-up at that date.
- The GMP has not yet been equalised.

The Scheme SCON is S1920555K.

Scheme benefits

Full details of the benefits provided by the Scheme can be found in the Scheme Booklet which can be downloaded from our website www.plumbingpensions.co.uk

Summary Funding Statements

The latest funding update can be found in the Help & Guidance section of our website, www.plumbingpensions.co.uk, in the Member Updates.

Scheme Retirement Age

Normal Pension Date is the member's 65th birthday. For females who left the Scheme prior to 1 December 1990, Normal Pension Date is their 60th birthday.

Equalisation of pension ages

The Scheme equalised pension ages for males and females to 65 on 1 December 1990. Prior to this date the pension ages were 60 for females and 65 for males.

Early retirement

Members may retire from the Scheme from age 55 and benefits will be reduced in line with current actuarial factors to reflect early payment. The minimum pension age will increase to 57 from 2028. A member may be able to retire earlier than age 55 on grounds of incapacity. Only the non-GMP pension will be paid on early retirement. The GMP part of the member's pension will be paid from GMP payment date.

Members may retire after Normal Pension Date. If the member is still an active member, their pension will continue to receive scheme bonuses until their actual retirement date. The pension will also increase in line with current actuarial factors to reflect late payment.

Tax-free lump sums

The Scheme has adopted the changes made by the Finance Act 2004 for Pension Commencement Lump Sums.

Trivial commutation

The Scheme allows members to commute their entire pension entitlement for either a 'small lump sum' or 'trivial commutation lump sum' subject to members satisfying the relevant legislative conditions.

The lump sum offered is based on actuarial trivial commutation factors.

Retirement factors

The current actuarial factors are provided at the end of this factsheet.

The factors are regularly reviewed by the actuary and are not guaranteed to be the same when a member reaches actual retirement date.

Guaranteed pensions

The member's pension is payable for life and is guaranteed to be paid for a minimum of five years. A lump sum in lieu of the unpaid guaranteed pension instalments is payable on death within five years of retirement.

Pension increases

In deferment

Pension accrued	Bonus basis
Before 6 April 2004	Section 148 Orders for tax year of increase.
From 6 April 2004	RPI based on annual RPI at September before the increase.
2017 Benefit Scale	CPI based on annual CPI at September before the increase.

In payment (under GMP age)

Accrued pension	Increase
Pre 6 April 1997	Discretionary
6 April 1997 to 5 April 2005	CPI up to a maximum of 5%.

Post 5 April 2005	CPI up to a maximum of 2.5%.
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In payment (over GMP age)

Accrued pension	Increase
Pre 88 GMP	No increase
Post 88 GMP	CPI up to a maximum of 3%.
Pre 6 April 1997 Excess	Discretionary
6 April 1997 to 5 April 2005	CPI up to a maximum of 5%.
Post 5 April 2005	CPI up to a maximum of 2.5%.

No discretionary increases have been made in the last five years.

Transfers in

The Scheme does not currently accept transfers in.

Transfers out

A deferred member may request a transfer value quote up to the age of 66. However, the transfer must be completed by age 66. The member is only entitled to one cash equivalent transfer value in any 12-month period.

Statutory transfer values will be guaranteed for three months from the calculation date. No guarantee is provided on non-statutory transfer values.

A further transfer value will only be recalculated if the full settlement documentation is received after the expiry of the three-month guaranteed period. If the final transfer value is lower than that previously offered, we will require written confirmation from the member that the transfer is to proceed.

Transfer Club

The Scheme does not participate in any Transfer Club.

Origo Options

The Scheme does not use Origo Options.

Partial transfers

The Scheme does not offer partial transfers.

Death benefits

On death before retirement, in addition to a spouse's pension, a lump sum of the member's contributions, plus interest (4% p.a.) is payable at the discretion of the Trustee. The pension will be 50% of the member's pension at date of death excluding any Post 5 April 2017 pension.

On death after retirement, a spouse's pension is payable equal to 50% of the pension the member would have received at the date of death if no pension had been commuted for a lump sum on retirement. This excludes any Post 5 April 2017 pension. Any unpaid guaranteed instalments due to the member will be paid as a discounted lump sum.

Divorce

The Trustees do not offer membership of the Scheme to a former spouse as a result of a Pension Sharing Order. A full transfer value will be paid to another approved pension arrangement.

AVCs

AVC benefits may be transferred out of the Scheme at the same time as the main benefits or can be transferred separately.

On retirement, the AVC benefits can be used to provide a higher tax-free lump sum or transferred to an alternative pension arrangement. Members who do not wish to take their AVC benefits at the same time as their main benefits must transfer the AVC funds to an alternative pension arrangement.

RETIREMENT FACTORS

Early retirement factors

Years early	Pre-97 Pension	97-04 Pension	04-05 Pension	Post-05 Pension (except 2017 Scale Pension)	2017 Scale Pension
0	1.00	1.00	1.00	1.00	1.00
1	0.99	0.97	0.97	0.98	0.96
2	0.97	0.95	0.95	0.95	0.93
3	0.96	0.93	0.93	0.93	0.89
4	0.95	0.91	0.91	0.91	0.86
5	0.94	0.89	0.89	0.90	0.84
6	0.94	0.88	0.87	0.88	0.81
7	0.93	0.86	0.86	0.86	0.79
8	0.92	0.85	0.84	0.85	0.77
9	0.92	0.83	0.83	0.84	0.75
10	0.92	0.82	0.81	0.83	0.73

Late retirement factors

Years late	Pre-97 Pension	Post-97 Pension
1	1.050	1.035
2	1.103	1.071
3	1.158	1.109
4	1.216	1.148
5	1.276	1.188
6	1.340	1.229
7	1.407	1.272
8	1.477	1.317

9	1.551	1.363
10	1.629	1.411

Commutation factors

Member's age	Pre-97 Pension	Post-97 Pension (excluding 2017 Scale Pension)	2017 Scale Pension
55	15.27	20.24	20.24
56	15.04	19.80	19.80
57	14.79	19.36	19.36
58	14.54	18.91	18.91
59	14.28	18.46	18.46
60	14.02	18.00	18.00
61	13.75	17.53	17.53
62	13.46	17.06	17.06
63	13.18	16.59	16.59
64	12.88	16.11	16.11
65	12.58	15.63	15.63

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