



DB Section Booklet Addendum June 2012

Introduction

This addendum should be read in conjunction with the **Scheme** booklet dated June 2007 as it reflects the amendments made to the **Scheme** and legislative changes since then.

Information can also be found on the Scheme website: www.metalboxpensions.co.uk.

Membership – “Can I opt out?” (page 3)

If, after opting-out, you apply to join the **DC Section**, it is currently not necessary to have a medical examination in order to be eligible for death in service and ill-health benefits.

A different notice period for opting out may apply after you reach age 65.

Contributions – “What does the Company pay?” (page 4)

The contributions required from the **Company** for the **Scheme** as a whole are determined by the **Trustee**, and agreed by the **Company**, and are no longer subject to an upper limit of twice the amount of Member's contributions to the **Scheme** in any **Scheme** Year. The **Scheme** Actuary also has an important role to play. The Statement of Funding Principles is reviewed every 3 years at the same time as the formal valuation.

Contributions – “Do I get any tax relief?”

Rates of income tax for the tax year ending 5 April 2013 are: Basic rate - 20%, Higher rate – 40%, Additional rate – 50% (and will change in future). The examples shown are therefore out of date. Amended examples are shown below. You may also wish to use the modeller on the Scheme website: www.metalboxpensions.co.uk.

There is no tax relief on your contributions after age 75.

The illustrative table below is based on a contribution rate of 5.6% of **Earnings** and on the 2012/13 rate of National Insurance contributions and basic rates of income tax:-

Earnings	Gross Contribution	Less Tax Relief at 20%	Net Contribution	Reduction in NI Contribution	Actual Cost to Member of Scheme Benefits
£ 15,000	£ 840	£ 168	£ 672	£ 104	£ 568
£ 18,000	£ 1,008	£ 202	£ 806	£ 146	£ 660
£ 21,000	£ 1,176	£ 235	£ 941	£ 188	£ 753
£ 24,000	£ 1,344	£ 269	£ 1,075	£ 230	£ 845
£ 27,000	£ 1,512	£ 302	£ 1,210	£ 272	£ 938
£ 30,000	£ 1,680	£ 336	£ 1,344	£ 314	£ 1030

Contributions – “Can I pay more?” – (page 5)

You can join the **AVC Plan** prior to age 65. Existing **AVC Plan** members who decide to continue to work for the **Company** after age 65 may carry on paying contributions to the **AVC Plan** until they leave employment with the **Company**.

Contributions – "Is there a limit to how much I can contribute to the Scheme?" and "Can I also contribute to a stakeholder or personal pension?" (page 5)

A factsheet is available containing more information about the **Annual Allowance** which was reduced to £50,000 with effect from the **Scheme** Year commencing 1 April 2011. The **Annual Allowance** also impacts upon contributions you make to other arrangements. Note that you are responsible for monitoring the **Annual Allowance** and this is not the responsibility of the **Trustee**.

When you reach the maximum number of units, normally 240 plus any bonus units, your contributions will stop. For other purposes, you will continue to be treated as a contributing member until you leave service, retire or opt-out.

Retirement – "Can I retire early?" (page 7)

If you are no longer employed by the **Company**, having given your contractual notice, you may choose to retire at any time after reaching age 50.

The **Company** currently provides enhanced retirement terms if you retire with **Company** consent. The earliest age that you can retire on enhanced terms may be age 55 or 60 depending upon the reason for retirement and your **Normal Retirement Date**.

For more information see the factsheets "Drawing benefits early (Active Members)" and "Drawing benefits early (Deferred Members)" issued in June 2010.

Retirement – "Can I retire late?" (page 7)

If you continue in employment after age 65 you may continue as an Active **DB Section** Member until you leave the employment of the **Company**, unless you give notice that you wish to "opt out" before then.

If you decide to continue as an Active **DB Section** Member, you may also carry on paying contributions to the **AVC Plan**, provided your **AVC Plan** contributions commenced before age 65.

Upon ceasing to be an Active **DB Section** Member, you can choose to either commence receipt of your retirement benefits or defer benefits to a later date of your choice having provided the required notice. Benefits no longer have to be taken at age 75.

Whenever you cease to be an Active **DB Section** Member you may elect to join the **DC Section**, as long as you are still employed by the **Company**. See the separate booklet for information about the **DC Section**.

Retirement – "What about my AVCs?" (page 7)

Instead of using your **Account** to provide benefits from the **Scheme**, you may choose to purchase an **Annuity** with an alternative provider by exercising the Open Market Option, or you may transfer your **Account** to an alternative provider, for example to effect flexible pension income options.

If you are interested in these options, we recommend that you seek advice from an Independent Financial Adviser.

You should be aware that exercising these alternative options will affect both the pension and tax free cash payable from the **Scheme**.

Retirement – "How are pensions increased?" (page 8)

Pensions in respect of service after 1 April 2008 increase in payment in line with the increase in the Retail Prices Index ending in January, up to a maximum of 2.5% a year.

If, after ceasing to be an **Active DB Section Member**, you defer payment beyond age 65 your pension will also receive a late retirement uplift.

Retirement – “May I draw my pension whilst remaining in employment?” (page 8)

If you remain employed by the **Company** after age 65, you can draw your pension from the **DB Section** and also continue to contribute by joining the **DC Section** should you so wish. If you leave employment and draw your pension you may apply to join the **DC Section** should you later return to employment with the **Company**. It is currently not necessary to have a medical examination when joining the **Scheme**.

Retirement – “How can I obtain a retirement illustration?” (page 8)

You can also use the calculator on the Scheme website: www.metalboxpensions.co.uk

III-Health Retirement – “Can my benefits be reduced?” (page 10)

Benefits are not currently being reduced as a result of medical restrictions, or failure to attend a medical examination, when joining the **Scheme**.

Death – “What benefits are payable on death?” (page 11)

The death benefits payable if you decide to continue to work for the **Company** after age 65 depend on what choices you make at that time.

If you die whilst continuing as an **Active DB Section Member**, the following benefits are payable:-

- A lump sum amounting to the greater of 3 x your **Earnings** in the previous **Scheme** Year, or 3 x your **Final Average Earnings** at the date of your death, or 3 x your **Normal Pay** in the previous **Scheme** Year; plus
- A pension for your **Spouse** or **Civil Partner**, calculated as 50% of the pension you would have received had you retired the day before your death and not exchanged any pension for cash or additional dependant's pension; plus
- A **Child Allowance** for **Dependant Children**, calculated in the same way as for death in service before age 65, but based on the pension you would have received had you retired the day before your death and not exchanged any pension for cash or additional dependant's pension.

If you die after your pension starts, the benefits payable will be as described under the heading “On death after retirement”.

If you die after you have ceased to be an **Active DB Section Member** and before your pension starts, the benefits payable will be as described under the heading “On death after leaving service, but before retirement”.

Death – “How does this work in practice?” (page 12)

Tax, currently at the rate of 55%, will be deducted from any lump sum death benefit that becomes payable if you die after reaching age 75.

Death – “What else do I need to know about death benefits?” (page 13)

Benefits are not currently being reduced as a result of medical restrictions, or failure to attend a medical examination, when joining the **Scheme**.

Leaving – “What benefits are payable on leaving?” (page 14)

You may now choose to take a transfer payment in lieu of your deferred pension at any age before payment of your pension starts.

The earliest age from which you can request payment of your deferred pension is age 50 for all Members. For more information see the factsheet “Drawing benefits early (Deferred Members)” issued in June 2010.

Leaving – "What if I opt out?" (page 14)

It is currently not necessary to have a medical examination when you apply to join the **Scheme**, in order to be eligible for death in service and ill-health benefits.

Help and other information – "Who manages the DB Section?" (page 16)

Metal Box Pension Trustees Limited (the Trustee) currently has six Directors. Four are nominated by the **Company** and two are nominated by the Members.

Help and other information – "Is the personal information about me held in accordance with the Data Protection Act?" (page 16)

The **Trustee** is the Data Controller responsible for data processing. The **Trustee** has ensured that data protection agreements are in place with all advisers and suppliers with whom your data is shared in order to administer the **Scheme**.

Help and other information – "Are there any external bodies to which I can turn for assistance?" (page 18)

The telephone number for the Pensions Ombudsman is 020 7630 2200.

The Pensions Regulator does not normally accept enquiries from individuals and your first port of call should be the Pensions Advisory Service (0845 601 2923).

The website where you can find the Pensions Tracing Service is:

www.direct.gov.uk/en/Pensionsandretirementplanning

Help and other information – "Where do I get more information about the DB Section?" (page 19)

There is lots of information on the **Scheme** Website: www.metalboxpensions.co.uk.

Help and other information – "How do I contact the Pensions Department?" (page 19)

The Pensions Department is no longer at Elgar House in Worcester. Members can contact the administration team at Xafinity Paymaster as follows:

Telephone enquiries to Xafinity Paymaster

Active Members and Deferred Pensioners: 01905 613133

Pensioners: 0845 293 8051 (UK) or +44 (0)1293 572750 (from overseas).

Written enquiries to Xafinity Paymaster

The Metal Box Pension Scheme

c/o Xafinity Paymaster

Sutherland House

Russell Way

Crawley

RH10 1UH

E-mail: metalboxpensions@xafinitypaymaster.com

Fax: 01905 363535

You can contact the UK Pensions Manager/Scheme Secretary by email: Catherine.aston@eur.crowncork.com or by phone: 01872 555840.

Help and other information – "How do I get my own estimate of my State Pension?" (page 19)

The website where you can find information about obtaining a State Pension Forecast:

www.direct.gov.uk/en/Pensionsandretirementplanning

Glossary of special Pension terms used

Active DB Section Member A Member who is contributing to the **DB Section**, or has stopped contributing as a result of reaching maximum units, but has not yet left service with the **Company**, opted out or drawn benefits.

Annual Allowance This has reduced to £50,000 for the tax year ending 5 April 2012.

Standard Lifetime Allowance This has reduced to £1.5 million for the tax year ending 5 April 2013.

State Pension Age This is gradually increasing to age 65 for women born after 5 April 1950 and will reach age 65 by November 2018.

The State Pension Age for men and women will increase to age 66 by September 2020.

The Government has announced that further increases will be made.