



## **Member's Booklet**

**June 2007**

**A Glossary of special pension terms  
used in this booklet can be found  
on the fold-out flap at the back**

**The following forms / leaflets are currently available from your Human Resources Department or the Pensions Department:-**

- **AVC Plan booklet**
- **Investment Guide (for the DC Section and AVC Plan)**
- **Nomination for Lump Sum Death Benefit Form**
- **Nomination for Dependant's Pension Form**
- **Early Retirement from Active Service - factors and example**
- **Early Retirement from Deferred Status - factors and example**
- **Internal Dispute Resolution Procedure**

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## Planning for your future

The Metal Box Pension Scheme comprises two sections, the **DB Section** and the **DC Section**.

This booklet summarises basic details about the **Scheme** and the **DB Section**, and explains how the **DB Section** works. It is intended to help you to understand your benefits, and to plan and save effectively for your retirement. Furthermore, not only does membership of the **DB Section** help you to provide for your retirement, but it also offers valuable security for your family, should you die or become ill.

Please note that, while every care has been taken to ensure that this booklet sets out the key features of all the benefits of the **DB Section** as simply and clearly as possible, it is intended as a guide only. In the event of any discrepancy with the Trust Deed & Rules - the legal documentation governing the **Scheme** - the provisions formally set out in the Trust Deed & Rules, as well as any changes in Pension Regulations or taxation provisions after April 2007, will override this booklet.

Please read the following pages of the booklet with care, so that you become familiar with the main features of the **DB Section**. You should find it easier and tax-effective to plan your long term savings for retirement, and to secure additional protection for your family while you are working, as a **Contributing Member** of the **DB Section**.

If you are a Member of the **Scheme** and you became a **Contributing Member** on or after 1 April 2002, your benefits are described in a separate booklet, covering the provisions of the **DC Section**.

There is also a separate booklet covering the provisions of the **AVC Plan** and an Investment Guide for Members of the **DC Section** and **AVC Plan**.

Any questions should be directed to your Human Resources Department in the first instance.

## Membership

### Who can join the DB Section?

The **DB Section** of the **Scheme** was closed to new members on 26 November 2001.

This booklet describes the benefits available to those employees who had joined the **DB Section** before that date.

### Can I opt out?

Membership of the **DB Section** is voluntary and you can opt out at any time. You will need to give one month's written notice to your Human Resources Department.

You will not be able to re-join the **DB Section** but you will continue to be eligible to join the **DC Section**. If you join the **DC Section**, you will be required to undergo a medical examination. Ill-health retirement and death in service benefits may then be restricted.

The benefits you would be eligible to receive after opting out are outlined on page 14 under the "Leaving" section of this booklet.

### Can I transfer in benefits from my previous pension scheme?

No. Transfers-in from other registered pension arrangements are not allowed.

### Why do some of my colleagues have different benefits?

Employees who join the **Scheme** on or after 1 April 2002, build up benefits from the **Scheme**, payable from the **DC Section**, under different terms and conditions from those described in this booklet.

## Contributions

### What do I pay?

If you joined the **Scheme** on or after 1 April 1987, you pay 5.6% of your **Earnings** and build up 6 **Units** each year. If you joined the **Scheme** prior to that date, you may have chosen to pay contributions within a range of 3.2% and 15% of your **Earnings**. Contributions to the **DB Section** will cease once 240 **Units** plus any **Bonus Units** awarded to you, have been accumulated.

### What does the Company pay?

**Company** contributions assist in meeting the cost of the benefits payable under the **Scheme**, including the cost of Matching and Extra Credits in the **DC Section** and the balance of the cost of all the benefits under the **DB Section**.

At present, the contributions required from the **Company** for the **Scheme** as a whole are determined by the Actuary. Those contributions are payable by the **Company** to the **Trustee** and are subject to a maximum of twice the amount of Members' contributions to the **Scheme** in any **Scheme** Year.

The **Company** and the **Trustee** must agree a formal Statement of Funding Principles (SFP) 15 months after each Valuation date. This documents how it is intended to determine the contributions to be paid by the **Company** from time to time. The first SFP must be agreed before 30 June 2008 and a copy will then be made available for your inspection.

### What if my Earnings are changed?

Contributions are based on **Earnings** whilst pensions are calculated on the greater of **Final Average Earnings** or **Final Average Normal Pay**. If your **Earnings** fall below **Normal Pay** or if the Shift Allowance to which you are entitled changes, it may be necessary to adjust the accrued **Units**.

If you change the number of hours you work, or if your Earnings pattern changes, you should consult with your Human Resources Manager and the Pensions Department about how the accrual of **Units** may be affected.

### Do I get any tax relief?

Yes. Under current regulations, any contributions that you make are deducted from your remuneration before tax is calculated and are therefore eligible for tax relief at the highest rate you pay. For example, basic rate tax relief (22% for 2007/2008) and higher rate tax relief (40% for 2007/2008).

The benefits you receive from the **DB Section** replace certain State pension benefits (see page 15), as a consequence of which you pay reduced National Insurance contributions. This reduces the cost to you of your membership even further.

The illustrative table below is based on a contribution rate of 5.6% of **Earnings** and on the 2007/08 rate of National Insurance contributions and basic rates of income tax:-

Earnings	Gross Contribution	Less Tax Relief at 22%	Net Contribution	Reduction in NI Contribution	Actual Cost to Member of Scheme Benefits
£ 15,000	£ 840	£ 185	£ 655	£ 157	£ 498
£ 18,000	£ 1,008	£ 222	£ 786	£ 205	£ 581
£ 21,000	£ 1,176	£ 259	£ 917	£ 253	£ 664
£ 24,000	£ 1,344	£ 296	£ 1,048	£ 301	£ 747
£ 27,000	£ 1,512	£ 333	£ 1,179	£ 349	£ 830
£ 30,000	£ 1,680	£ 370	£ 1,310	£ 397	£ 913

**Can I pay more?**

Yes, most **Contributing Members** have scope to increase their benefits by paying Additional Voluntary Contributions (**AVCs**) to the **AVC Plan**.

These additional contributions are deducted from your **Earnings** and are invested and managed by Investment Managers separately from the assets of the **Scheme**.

A separate booklet is available which gives more information about the **AVC Plan**.

**Is there a limit to how much I may contribute to the Scheme?**

Under current legislation, you are able to pay contributions to the **DB Section** and the **AVC Plan** of up to 100% of your UK taxable earnings and P11D benefits. You must always have sufficient remaining remuneration for the **Company** to be able to deduct the requisite National Insurance contributions and any other deductions made from your remuneration.

There is a limit to how much your pension savings can grow (the **Pension Input Amount**) each year (the **Pension Input Period**) without incurring tax penalties. This is known as the **Annual Allowance**.

**Can I also contribute to a stakeholder or personal pension?**

In addition to your normal **Scheme** contributions and any **AVCs** you pay to the **AVC Plan**, you are able to make contributions to a stakeholder or personal pension.

Individual pension schemes are offered by various providers and are not connected to the **Scheme**.

The **Company** will not contribute to an individual pension scheme, and you would have to pay your contributions to the stakeholder or personal pension scheme direct to the provider, rather than having them deducted from your remuneration.

You should seek independent financial advice before making any decisions about paying contributions to such schemes.

## Retirement

**What benefits are payable on retirement?**

Your **Normal Retirement Date** is your 65th birthday (unless you were paying **AVCs** before 26 November 2001, in which case your **Normal Retirement Date** is your 60th birthday).

The pension payable at your **Normal Retirement Date** will be the greater of:-

Total Number of Units	x	Final Average Earnings	+	360	=	Annual Pension
or						
Total Number of Units	x	Final Average Normal Pay	+	360	=	Pension Based on Normal Pay
	+	Fluctuating Contributions	+	2	=	50% of Fluctuating Contributions
					=	Annual Pension

The total number of **Units** accrued will equate to your **Pensionable Employment** x 6 provided that you contributed throughout your membership at the standard rate of 5.6%.

The maximum number of **Units** that can be accrued in the **DB Section** is normally limited to 240, plus any **Bonus Units** awarded to you.

### Example:

A **Contributing Member** retires on his **Normal Retirement Date**. He has been a **Contributing Member** for 20 years, accruing 6 **Units** a year. As a result, he has accrued 120 **Units**. His **Final Average Earnings** and **Final Average Normal Pay** were £35,000 and £30,000 respectively. During his membership he paid **Fluctuating Contributions** of £2,800. His pension will be the greater of:-

120	x	£ 35,000	+	360	=	£ 11,666 pa
or						
120	x	£ 30,000	+	360	=	£ 10,000
	+	£ 2,800	+	2	=	£ 1,400
					=	£ 11,400 pa

His pension will therefore be £11,666 per annum.

### Can I retire early?

You may retire on leaving service at any time after age 50 (or age 55 if you retire after 5 April 2010) and before your **Normal Retirement Date**. Your pension will be calculated in the same way as for Normal Retirement but will be based on the number of **Units** accrued at the date of your retirement.

The pension will then be reduced to take account of the likelihood that it will be paid for longer. The reduction factors to be applied are reviewed from time to time by the **Trustee** and the Actuary. A leaflet describing the factors currently being applied, together with example calculations, is available from your Human Resources Department.

### Can I retire late?

If you continue in employment after age 65 your contributions to the **DB Section** will cease and your pension will be calculated as if your retirement had taken place at that age. When you choose to draw your pension it will be increased to allow for its later payment.

If your **Normal Retirement Date** is your 60th birthday (because you became a Member of the **AVC Plan** before 26 November 2001) and you continue working after you reach that age, contributions will continue and **Units** will accrue until the earlier of your actual retirement, your 65th birthday, or the date on which the maximum number of **Units** have built up.

If you continue in employment after age 65, you will be eligible to join the **DC Section** to enhance your retirement provision.

### How much cash can I take on retirement?

On retirement, you have the option to exchange part of your pension for a tax-free cash sum. The maximum amount of cash you can take will normally be 25% of the total value of your retirement benefits, including **AVCs**. You will be advised of the amount of cash that you are able to take before you retire.

The factors used to convert your pension to a cash sum on retirement vary by age and sex and are reviewed from time to time by the **Trustee** and the Actuary, to allow for financial conditions and life expectancy. The current factors are available on request from the Pensions Department.

Any election to exchange pension for a cash sum will not affect the pension payable from the **Scheme** to a surviving **Spouse, Civil Partner** or **Dependant** following death (see page 11). These benefits will always be based on the full pension before any pension is exchanged for cash.

### What about my AVCs?

Under current regulations, your **AVC** funds can normally be taken as part of your overall tax free cash sum on retirement. This will reduce, or may even eliminate, the amount of your **Scheme** pension which needs to be exchanged for cash.

If your **AVC** funds are greater than the tax free cash sum allowable, or if you prefer to take a small cash sum and a larger pension, part or all of your **AVCs** can be used to purchase a pension. This may be via an annuity from an Insurance Company of your choice or a pension may be purchased from the **DB Section**.

There is currently a choice of two types of pension that can be purchased from the **DB Section**; a 'Single Life' pension or a 'Joint Life' pension which has an attaching 50% **Spouse's** pension. Both are payable for life and will be increased during payment, as described in the next section.

The pension factors used to convert cash funds accumulated in the **AVC Plan** to pensions payable from the **Scheme**, are determined by the **Trustee** and the Actuary and are subject to the application of a Market Value Adjuster. They are also subject to change from time to time, dependent upon changes in financial conditions and life expectancy.

Your **AVCs** must be taken at the time of your retirement.

**How are pensions increased?**

Under the Rules of the **DB Section**, pensions in payment and deferred pensions are reviewed annually and increases granted take effect from 1 April each year.

Pensions will be increased in line with the percentage increase in the Retail Prices Index over the 12 month period ending in January, up to a maximum of 5% a year.

Pension increases are applied to pensions that had been in force or set up at least twelve months prior to the effective date of the increase. Pensions set up within twelve months of the effective date are increased by a proportionate amount dependent upon the number of completed months since the pension was established.

After you reach **GMP Age**, different rates of increase apply to the part of your pension known as Guaranteed Minimum Pension (**GMP**).

**How is my pension taxed?**

Your pension is taxed under the PAYE system, as if it were earned income.

**Are there any limits on my benefits?**

The value of benefits payable from all tax-registered pension arrangements is compared against the **Standard Lifetime Allowance**. If the value exceeds this amount, additional tax will be payable by you.

**May I draw my pension whilst remaining in employment?**

If, after retiring, you return to employment with the **Company**, you will be eligible to join the **DC Section** to enhance your retirement provision. If you rejoin before you reach age 65, you will be required to undergo a medical examination. Ill-health retirement and death in service benefits may then be restricted.

**How can I obtain a retirement illustration?**

An estimate of the pension payable on your early retirement may be requested via your Human Resources Department or by contacting the Pensions Department.

### III-Health Retirement

**What happens if I fall ill and am not able to work?**

Most absence from work is for relatively short periods of time and, in such cases, your membership of the **DB Section** will continue.

If, because of permanent ill-health or injury, you are deemed by the **Scheme's** Medical Advisor to be unable to continue working, the **Trustee** may, in its absolute discretion, permit you to retire and be paid an immediate pension, irrespective of your age, calculated under one of the categories of ill-health retirement shown below.

**Category 1**

If you retire due to injury or illness and, in the opinion of the **Trustee**, are permanently incapacitated and prevented from following any form of paid employment, you will receive an immediate pension under Category 1.

Your pension will be calculated on the basis of the Normal Retirement pension formula described on page 6 and the **Units** which would have accrued at age 65 (subject to the maximum of 240 units) but replacing **Final Average Normal Pay** with the current rate of **Normal Pay**.

**Example:**

A Member joined the **Scheme** on his 25<sup>th</sup> Birthday and retires due to ill-health at age 45 under Category 1. He accrued 6 **Units** a year whilst a **Contributing Member**:-

- Current rate of **Normal Pay** = £ 30,000
- **Final Average Earnings** = £ 32,000
- Total **Fluctuating Contributions** = £ 2,000
- Accrued **Units** at Retirement ((45-25) x 6) = 120
- Notional Pension Age = 65 years
- Total **Units** at Notional Pension Age ((65-25) x 6) = 240

The pension payable from the date of ill-health retirement will be the greater of:-

240	x	£ 32,000	+	360	=	£ 21,333 pa
or						
240	x	£ 30,000	+	360	=	£ 20,000
	+	£ 2,000	+	2	=	£ 1,000
					=	£ 21,000 pa

His pension will therefore be £21,333 per annum.

**Category 2**

If your health fails to the extent that, whilst not fully incapacitated, in the opinion of the **Trustee**, you are unable to carry out your normal duties and there is no suitable alternative employment available with the **Company**, provided you have completed at least five years' contributory membership, you will become entitled to an immediate pension under Category 2.

Your pension will be calculated on the basis of the Normal Retirement pension formula based on the **Units** which would have accrued at age 60 but replacing **Final Average Normal Pay** with the current rate of **Normal Pay**. **Units** are subject to a maximum of 1½ times the **Units** accrued at the date of retirement.

**Example:**

A Member joined the **Scheme** on his 25<sup>th</sup> Birthday and retires due to ill-health at age 48 under Category 2. He accrued 6 **Units** a year whilst a **Contributing Member**:-

- Current rate of **Normal Pay** = £ 30,000
- **Final Average Earnings** = £ 32,000
- Total **Fluctuating Contributions** = £ 4,000
- Accrued **Units** at retirement ((48-25) x 6) = 138
- Notional Pension Age = 60 years
- Total **Units** at Notional Pension Age ((60-25) x 6) = 210
- Maximum **Units** at Notional Pension Age (1½ x 138) = 207

The pension payable from the date of ill-health retirement will be the greater of:-

207	x	£ 32,000	+	360	=	£ 18,400 pa
or						
207	x	£ 30,000	+	360	=	£ 17,250
	+	£ 4,000	+	2	=	£ 2,000
					=	£ 19,250 pa

His pension will therefore be £19,250 per annum.

**Can my benefits be reduced?**

In order to qualify for the benefits payable on ill-health, on joining the **DB Section**, you must have undergone a medical examination and been cleared by the Company Doctor at that time. If you failed to undergo such a medical examination or did not obtain the necessary clearance, any such benefits will be reduced on a basis determined by the **Trustee**.

If you receive an ill-health pension as described above, you may be asked to provide evidence of your continuing ill-health in order to retain your benefits.

**Cash option**

If you retire for reasons of ill-health, you may exchange part of your pension for a tax-free cash sum (see page 7).

**What about my AVCs?**

Your **AVCs** must be taken at the time of your ill-health retirement.



The benefits payable will be:-

Lump Sum	£ 35,000	x	3	=	£ 105,000
Spouse's Pension	£ 19,500	x	50%	=	£ 9,750 pa
Child Allowance	£ 19,500	x	40%	=	£ 7,800 pa

#### On death after retirement

In the event of your death after retirement the following benefits are payable:-

- A pension for your surviving **Spouse** or **Civil Partner**, calculated as 50% of the pension that would have been payable to you at the time of death, ignoring any pension exchanged for cash at retirement; and
- A Child Allowance for **Dependant Children**, calculated in the same way as for death in service (see page 11) but based on the pension that would have been payable to you at the time of death, ignoring any pension exchanged for cash at retirement.

#### On death after leaving service, but before retirement

If you die having opted out of Contributory Membership or having left service, but before you begin receiving retirement benefits and you have not transferred the value of benefits out of the **DB Section**, the following benefits are payable:-

- A lump sum equal to one year's deferred pension; plus
- A pension for your **Spouse** or **Civil Partner**, calculated as 50% of your deferred pension; plus
- A Child Allowance for **Dependant Children** calculated in the same way as for death in service (see page 11) but based on your deferred pension.

If no pension or Child Allowance is payable, the lump sum is increased to an amount equal to three years' deferred pension.

#### Dependant's Pension

If there is no surviving **Spouse** or **Civil Partner**, a **Dependant's** Pension may, at the discretion of the **Trustee**, be payable to a person who, at the date of your death, was, in the opinion of the **Trustee**, wholly or mainly financially dependent on you.

#### How does this work in practice?

To ensure that any cash lump sum may be paid tax-free, the **Trustee** has total discretion to decide to whom the lump sum payment should be distributed. To let the **Trustee** know to whom you would like the money paid, please complete a Nomination for Lump Sum Death Benefit form.

The payment of **Dependant's** pensions to persons other than your **Spouse** or **Civil Partner** is at the discretion of the **Trustee**. If you have more than one **Dependant**, at the discretion of the **Trustee**, your **Dependant's** pension from this source may be shared between some or all of your **Dependants**. You can let the **Trustee** know to whom, in the event of your death, you would like the **Trustee** to consider paying any **Dependant's** pension, by completing a Nomination for Dependant's Pension form.

Both forms are available from your Human Resources Department.

You should ensure that, when your personal circumstances change, these forms are updated.

If you are legally married but living apart from your **Spouse** or **Civil Partner**, you may ask the **Trustee** to exercise discretion not to pay a pension to that **Spouse** or **Civil Partner**. It is important that in these circumstances you should write to the **Trustee**, making your wishes known. However, if you nominate a **Dependant** and, on your death, you are survived by a **Spouse** or **Civil Partner**, the part of the **Spouse's** or **Civil Partner's** pension that relates to your **GMP** and, in some cases, possibly to your pension that has built up after 5 April 1997 must be paid to the **Spouse** or **Civil Partner** with the balance of that pension being available to be paid as a **Dependant's** pension.

**What else do I need to know about death benefits?**

If your surviving **Spouse**, **Civil Partner** or **Dependant** is more than 10 years younger than you, the pension will be reduced. The reduction will be 2½% of the pension for each year or part year by which the age difference exceeds 10 years with a maximum reduction of 50%. If a Child Allowance is payable, this reduction will not be applied until the Child Allowance ceases to be paid.

The benefits payable will always be at least as much as the contributions paid by you plus any accrued interest up to your date of death (accumulated contributions). If you, any surviving **Spouse**, **Civil Partner**, **Dependant** or **Dependant Children**, do not together receive in pensions and cash payments at least as much as these accumulated contributions, then the balance will be paid as a lump sum at the discretion of the **Trustee**.

In order to qualify for the benefits payable on Death in Service, on joining the **DB Section**, you must have undergone a medical examination and been cleared by the Company Doctor at that time. If you failed to undergo such a medical examination or did not obtain the necessary clearance, any such benefits will be reduced on a basis determined by the **Trustee**.

**What about my AVCs?**

In the event of your death before retirement, the value of your **AVCs** plus all the investment return (but net of investment expenses) will become payable. This payment will also be made at the discretion of the **Trustee**, as described above.

The benefit payable upon death after retirement will depend upon the options you choose at the time of your retirement.

## Leaving

### What benefits are payable on leaving?

If you leave service, you may no longer contribute to the **DB Section**. Instead, you have the following options:-

- A deferred pension that is calculated in the same way as the pension at **Normal Retirement Date** (see page 6) but based on the **Units** accrued to the date of leaving the **Scheme**. This pension will be retained in the **DB Section** and will be increased annually. Increases to any **GMP** element of your pension will be in line with statutory requirements.
- You may choose to take a transfer payment in lieu of your deferred pension, at any time before you reach age 65. This option is not available after payment of your pension has started.

The transfer value may be paid to another registered pension scheme. Transfer payments may also be made to certain overseas pension arrangements.

It is not necessary to make a decision straight away about a transfer. You can choose to retain a deferred pension and at a date sometime in the future opt for a transfer value.

The transfer payments made by the **Trustee** are calculated and verified using tables supplied by the Actuary. The factors are reviewed from time to time. It is important to remember that transfer values can go down as well as up.

You may request an estimate of the transfer payment that would be available by contacting the Pensions Department. The **Trustee** is not obliged to comply with more than one request by any Member to provide the information referred to above in any period of twelve months.

If you decide to proceed with a transfer of the value of your accrued benefits, your accumulated **AVCs** will also be transferred from the **AVC Plan**. In certain circumstances, a unit price adjustment may be applied to any with profits investments, which could reduce the value of your investments. There may be other charges incurred, particularly on re-investing your **AVCs** with another provider.

- You can request payment of your deferred pension from age 50 (or age 55 if retirement occurs after 5 April 2010) (see page 7) but it will be reduced to take account of the likelihood that it will be paid for longer. On retirement you may be able to take part of your deferred pension in cash, (see page 7). It may not be possible for the pension to be paid early, or the amount of pension exchanged for cash may need to be restricted, if the reduced pension is insufficient to provide the **GMP** (see page 15).

The reduction factors to be applied are reviewed from time to time by the **Trustee**. A leaflet describing the factors currently being applied, together with an example calculation, is available from your Human Resources Department.

### What if I opt out?

If you wish to withdraw from the **DB Section** whilst remaining in employment, then you are required to give one month's notice of your intention to do so to your Human Resources Department. You will then be entitled to benefits, as described above.

Should you wish to re-enter the **Scheme**, you will only be eligible to join the **DC Section**. Before you become entitled to death in service and ill-health retirement benefits, you will be required to undergo a full medical examination. Further information can be found in the **DC Section** booklet.

## State Pensions

### What about the State pensions?

The pension provided by the State comprises two elements:-

#### Basic State Pension

The State will provide employed people with a basic level of income in retirement. This pension, known as the Basic State Pension, is payable from **State Pension Age**. The payment of this pension is dependent upon you having paid sufficient National Insurance contributions during your working lifetime.

#### Additional State Pension

In addition to the Basic State Pension, the State provides an earnings related pension from **State Pension Age**.

This pension is called the State Second Pension (S2P) and was formerly known as the State Earnings Related Pension Scheme (SERPS).

#### Implications for Scheme Members

**Contributing Members** of the **DB Section** are contracted out of S2P and do not build up pension under those arrangements. As a result, you pay reduced rate National Insurance contributions which reduces the cost of your membership of the **DB Section** (see page 4). As part of the terms of contracting out, part of your benefit from the **DB Section** may be in the form of a Guaranteed Minimum Pension (**GMP**).

#### Guaranteed Minimum Pension

For Members who joined the **Scheme** before 6 April 1997, the **Scheme** must provide a pension at **GMP Age**, which is age 65 for a man or age 60 for a woman, at least equal to the pension that would have been payable under SERPS for the period to 5 April 1997, had you not been contracted-out.

Unless you request otherwise, a forecast of your State Pension will be included with your annual benefit statement from the **Scheme**.

You may also obtain your own estimate of your State Pension benefits from the Department for Work and Pensions (see page 19)

## Help and other information

### Who manages the DB Section?

The **Scheme** is administered by Metal Box Pension Trustees Limited (the **Trustee**), whose ten Directors (commonly called Trustees) comprise five Directors nominated by Management and five Directors (including at least two Pensioners of the **DB Section**) nominated by Members.

It is the responsibility of the **Trustee** to run the **Scheme** according to the legal Trust Deed & Rules governing the **Scheme** and in the best interests of all the Members and their **Dependants**.

The assets of the **Scheme** are held entirely separately from the assets of the **Company**. The assets of the **DC Section** of the **Scheme** are specifically earmarked for the benefit of the Members of the **DC Section**.

The Law Debenture Pension Trust Corporation plc has been appointed as an Independent Trustee with a special role in the event of the **Scheme** being wound-up and whose consent is required before any change can be made to the **Scheme's** winding-up provisions and before any new employer can participate in the **Scheme**.

Various specialists are appointed to assist and advise the **Trustee**. These include Investment Managers to invest the Fund's assets, an Actuary to advise on the funding of the **Scheme** and a Solicitor to provide legal advice.

### What is the tax status of the Scheme?

The **Scheme** is a registered pension scheme under the Finance Act 2004. At present, this means that, subject to the **Annual Allowance**, your contributions will receive full tax relief and most of the investment earnings on the assets of the **Scheme** accumulate tax free.

### What is the effect of the Standard Lifetime Allowance?

The value of your benefits payable from all tax-registered pension arrangements is compared against the **Standard Lifetime Allowance**. If the value exceeds this amount, additional tax will be payable by you.

### Is the personal information about me held in accordance with the Data Protection Act?

The Data Protection Act 1998 imposes various obligations on organisations which process information about you - this includes a requirement to notify you that information is held about you.

As a Member of the **DB Section**, the **Trustee**, as 'data controller' in terms of that Act, holds and processes personal data about you in order to administer the **DB Section**, to calculate and pay benefits, and for statistical and reference purposes. This may include passing on data about you to the **Scheme's** professional advisers, administrators and other third parties involved in the running of the **DB Section**.

Unless you advise the data controller to the contrary, it will be assumed that you agree to such data being held and used for such purposes. The data controller responsible for data processing is the UK Pensions Manager. You have the right to see the data held about you on request, which may involve payment of a small fee, by application to the data controller.

### Can the Scheme be amended or discontinued?

The **Trustee**, with the consent of the **Company**, can alter the Trust Deed & Rules of the **Scheme**. Whilst the **Company** intends to maintain the **Scheme**, because future legislation and other factors affecting pensions cannot be predicted, it has the right to amend or discontinue the **Scheme** at any time.

<b>Can I assign my benefits?</b>	No. Your benefits in the <b>DB Section</b> are held in trust and so you may not dispose of or promise them to anyone else, and you may not use your benefits as security for a loan. If you attempt to do so, your benefits will automatically cease to be payable.
<b>What happens if I go on Family Leave?</b>	Your contributions will continue during paid <b>Family Leave</b> , and will be based upon your actual <b>Earnings</b> during <b>Family Leave</b> . Your benefits will be calculated on the basis that you had received remuneration during the period of <b>Family Leave</b> at the same rate as if you had been working normally.
<b>What happens if I take approved unpaid leave?</b>	Your <b>Units</b> will be adjusted - please consult the Pensions Department.
<b>What effect will working on a part-time basis have?</b>	<p>If you work on a part-time basis, your benefits will be affected, as follows:-</p> <ul style="list-style-type: none"> <li>• During your period of part-time employment, you will accrue a proportionate number of <b>Units</b>.</li> <li>• On retirement, your benefits in respect of any period of part-time employment would be calculated by reference to the level of <b>Final Average Earnings</b> or <b>Final Average Normal Pay</b> which would have been applicable had you worked on a full time basis.</li> <li>• The Lump Sum Death Benefit payable on death in service will be based on the actual level of your <b>Normal Pay / Earnings</b>; and</li> <li>• Any <b>Spouse's</b>, <b>Civil Partner's</b> or <b>Dependant's</b> pensions and ill-health pensions will be based on the <b>Final Average Earnings</b> or current rate of <b>Normal Pay</b> that would have been applicable had you worked on a full-time basis, and your prospective <b>Units</b>. Your prospective <b>Units</b> will be adjusted by the ratio of your actual contractual hours to the equivalent full-time hours for your job.</li> </ul>
<b>What happens if I get divorced?</b>	Your benefits under the <b>DB Section</b> may be affected if you get divorced. Further information is available from the Pensions Department.
<b>Apart from this booklet, is any other DB Section documentation available?</b>	<p>The Annual Report and Accounts of the <b>Trustee</b> is available on request from your Human Resources Department.</p> <p>A Members Report is issued to Members each year, which includes a summary of the funding level in the <b>Scheme</b>.</p> <p>A benefit statement is issued to every Member each year.</p> <p>A copy of the legal Trust Deed &amp; Rules governing the operations of the <b>Scheme</b> and the benefits payable can be inspected at your Human Resources Department, or is available on request.</p>
<b>Can the Company take money out of the Scheme?</b>	The contributions and payments of whatever nature made by the Companies to the <b>Scheme</b> may not revert to the Companies in any circumstances, except in the case of a surplus upon the winding up of the <b>Scheme</b> .

**What happens if I have a complaint or have to enter into a dispute over my benefits?**

The **Trustee** has put in place a formal two stage procedure for the resolution of disagreements which may arise in relation to the **Scheme**.

A copy of the Internal Dispute Resolution Procedure can be obtained from the Pensions Department.

**Are there any external bodies to which I can turn for assistance?**

There are a number of external organisations available to help you.

#### **The Pensions Advisory Service (TPAS)**

TPAS is available to assist Members and beneficiaries of the **Scheme** in connection with:-

- any pensions query they may have at any time; and
- any difficulty which they have failed to resolve with the **Scheme** Administrator, the UK Pensions Manager, or the **Trustee**.

TPAS can be contacted at:-

The Pensions Advisory Service  
11 Belgrave Road  
London SW1V 1RB

Telephone: 0845 601 2923 (all calls charged at local rate)

E-mail: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)

Internet: <http://www.pensionsadvisoryservice.org.uk>

#### **The Pensions Ombudsman**

If TPAS fails to resolve any difficulty, the Pensions Ombudsman is available. The Ombudsman can help settle complaints and disputes of fact or law in relation to pension schemes. The Pensions Ombudsman can be contacted at the same address as TPAS:-

Telephone: 020 7834 9144

E-mail: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

Internet: <http://www.pensions-ombudsman.org.uk>

#### **The Pensions Regulator**

The Pensions Regulator can intervene in the running of schemes where trustees, employers, or professional advisors have failed in their duties.

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton BN1 4DW

Telephone: 0870 606 3636

E-mail: [customersupport@thepensionsregulator.gov.uk](mailto:customersupport@thepensionsregulator.gov.uk)

Internet: <http://www.thepensionsregulator.gov.uk>

## **The Pensions Registrar**

The **Scheme** is registered with the Registrar of Occupational and Personal Pension Schemes. The Registrar acts as a tracing agency for members of pension schemes who have lost touch with the trustees or providers of their previous schemes.

The address of the Tracing Service is:-

Pension Tracing Service  
The Pension Service  
Tyneview Park  
Whitley Road  
Newcastle-upon-Tyne NE98 1BA

Telephone: 0845 6002 537 (all calls charged at local rate)

Internet: <http://www.thepensionservice.gov.uk>

### **Where do I get more information about the DB Section?**

If you have any queries about your benefits or about the operation of the **DB Section** you should ask your Human Resources Department in the first instance. You may request detailed explanations or further information from the Pensions Department.

### **How do I contact the Pensions Department?**

Further information about the **DB Section** can be obtained by writing to the Scheme Secretary:-

Metal Box Pension Trustees Limited  
Elgar House  
Shrub Hill  
Worcester WR4 9EE

Telephone: 01905 613133

Fax: 01905 610033

E-mail: [administrator@metalboxpensions.co.uk](mailto:administrator@metalboxpensions.co.uk)

### **How do I get my own estimate of my State Pension?**

A forecast of your State Pension may be obtained from:-

Future Pension Centre  
The Pension Service  
Tyneview Park  
Whitley Road  
Newcastle-Upon-Tyne NE98 1BA

Telephone: 0845 300 0168

Internet: <http://www.thepensionservice.gov.uk>

## Conclusion

### Why is saving for retirement important?

These days, people are living longer than ever before, and are also aiming to retire early. Having retired, you could receive your pension for over twenty years; that could be more than half your working life!

Your retirement benefits from the State are likely to provide only a small part of your financial needs at that time.

That's why disciplined planning for your retirement and making adequate and regular contributions towards saving for your retirement over your full working career are some of the most important financial decisions you will ever make.

The Defined Benefit Section of the **Scheme** is designed to help you do precisely that. As a **Contributing Member**, you:-

- enjoy significant financial advantage afforded by the benefits derived from your membership of the **Scheme**;
- may contribute additional savings for your retirement through the **AVC Plan**;
- enjoy important tax advantages; and
- enjoy protection should you die in service or retire early on account of ill-health.

Membership of the **DB Section** allows you access to one of the most valued approaches to saving for your retirement.

## Glossary of special pension terms used

A number of words and phrases that are used in this booklet have special meanings. They are explained below, and are shown in bold blue type and begin with a capital letter when used in this booklet. Please fold out this page so that you can refer to it while reading this booklet.

<b>Annual Allowance</b>	The maximum amount of pension savings that can be built up in any one tax year without incurring a tax charge. The <b>Annual Allowance</b> is set by the Government. It is £225,000 for the tax year ending 5 April 2008, and will increase periodically.
<b>AVCs</b>	Additional Voluntary Contributions paid to the Metal Box AVC Plan.
<b>AVC Plan</b>	The Metal Box AVC Plan.
<b>Bonus Units</b>	Additional <b>Units</b> that may have been awarded to you.
<b>Civil Partner</b>	The person with whom you have a Civil Partnership.
<b>Company</b>	Your employer, being a <b>Company</b> in the CROWN Group of Companies in the United Kingdom that participates in the <b>Scheme</b> .
<b>Contributing Member</b>	You are referred to as a <b>Contributing Member</b> while you are in service with the <b>Company</b> and you are an Active Member of the <b>DB Section</b> .
<b>DB Section</b>	The Defined Benefit Section of the <b>Scheme</b> . This section is closed to new Members.
<b>DC Section</b>	The Defined Contribution Section of the <b>Scheme</b> .
<b>Dependant</b>	A person to whom financial support is provided by you and who is approved as a <b>Dependant</b> by the <b>Trustee</b> .
<b>Dependant Children</b>	An unmarried child under the age of 18, or at the discretion of the <b>Trustee</b> over that age, who is either disabled or receiving full-time education or vocational training.
<b>Earnings</b>	Your gross annual <b>Earnings</b> taxable under the PAYE system, excluding any <b>Special Bonuses</b> .
<b>Family Leave</b>	Includes ordinary or additional maternity and adoption leave, parental leave and paternity leave.
<b>Final Average Earnings</b>	The average of your best three consecutive years <b>Earnings</b> in the last ten years before retirement or leaving <b>Pensionable Employment</b> .
<b>Final Average Normal Pay</b>	The average of your best three consecutive years <b>Normal Pay</b> in the last ten years before retirement or leaving <b>Pensionable Employment</b> .
<b>Fluctuating Contributions</b>	The contributions paid by you in respect of your <b>Fluctuating Earnings</b> .
<b>Fluctuating Earnings</b>	That part of your <b>Earnings</b> in excess of <b>Normal Pay</b> .
<b>GMP</b>	Guaranteed Minimum Pension, the pension which the <b>Scheme</b> has to provide because it was contracted out of part of the State Pension system before 6 April 1997 (see page 15).
<b>GMP Age</b>	Age 65 for males and age 60 for females.
<b>Normal Pay</b>	Your basic pay including efficiency and merit payments, long service bonuses, and shift allowances.
<b>Normal Retirement Date</b>	Your 65th birthday (unless you were paying <b>AVCs</b> before 26 November 2001, in which case your <b>Normal Retirement Date</b> is your 60th birthday).
<b>Pension Input Amount</b>	The total contributions made by you and, on behalf of you, to all defined contribution arrangements (e.g. the <b>AVC Plan</b> ), plus the increase in the value of benefits in all defined benefit arrangements (e.g. the <b>DB Section</b> ).
<b>Pension Input Period</b>	1 April (or the date you joined the <b>Scheme</b> , if later), to the next 31 March.
<b>Pensionable Employment</b>	Your period of employment whilst a <b>Contributing Member</b> of the <b>Scheme</b> .
<b>Pensionable Service</b>	Your period of <b>Pensionable Employment</b> together with the service equivalent of any additional <b>Units</b> secured by a transfer payment.
<b>Scheme</b>	The Metal Box Pension Scheme. The <b>Scheme</b> provides benefits through the <b>DB Section</b> , described in this booklet, and a <b>DC Section</b> , described in a separate booklet.
<b>Special Bonuses</b>	Bonuses normally paid under the Management Incentive Programme and any payments from the <b>Company</b> on your leaving service that are taxable.
<b>Spouse</b>	The person to whom you are legally married.
<b>Standard Lifetime Allowance</b>	The overall limit on the amount of tax privileged pension savings for any one person. Most individuals will be subject to the <b>Standard Lifetime Allowance</b> . This is £1.6 million for the tax year ending 5 April 2008, and will increase periodically.
<b>State Pension Age</b>	Currently age 65 for men and 60 for women but will gradually increase to age 65 for women born after 5 April 1950 over a ten year period from 2010 to 2020.
<b>Trustee</b>	Metal Box Pension Trustees Limited.
<b>Units</b>	The number of <b>Units</b> that will accrue during your <b>Contributing Membership</b> will depend on the level of your contributions. The annual <b>Units</b> accrued each year will be the rate of contribution plus 0.4. For example, if you pay the standard contribution rate of 5.6%, you will accrue 6 <b>Units</b> per year whilst if you contribute at a rate of 3.2% you will accrue 3.6 <b>Units</b> per year.

**Open this flap to see a Glossary of special  
pension terms used in this booklet**

