

# 1. Introduction

- 1.1 Welplan Pensions (the Scheme) was established as an industry-wide occupational pension scheme for the Heating, Ventilating, Air Conditioning and Refrigeration (HVACR) industry in 1988 and the Scheme has subsequently been developed to fulfill the requirements of a wider range of associated industries. The Scheme is designed to provide you, and your family, with improved financial security for the future.
- 1.2 The Scheme has been set up under Trust by the Heating and Ventilating Contractors' Association (HVCA). The Trustee and administration company of Welplan Pensions is Welplan Limited.
- 1.3 The unions involved in the industry – UNITE the Union and Environmental Engineering Staff Association (EESA) – strongly support the Scheme.

## 2.1 Welplan Pensions is a defined contribution scheme.

Generally, you may join the Scheme if you are:

- 16 or over and under 65, and
- invited to join by your employer

but your employer may also apply other criteria for entry.

There are two ways in which you can become a member of the Scheme.

### **a) Operatives employed under the terms of the H&V Operative National Agreement or equivalent.**

If you are employed under the terms of the H&V Operative National Agreement, or equivalent, you have the right to participate in your employer's contributory pension scheme and to receive a weekly employer contribution. Your employer has chosen Welplan Pensions, the HVACR industry's employers' contributory pension scheme. You have therefore been automatically enrolled in Welplan Pensions by your employer so you are not required to take any action to join the Scheme.

# 2. Membership and contributions

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You have the right to opt-out of Scheme membership following automatic enrolment. Please refer to the New Member Opt-Out Form enclosed with this guide for further details.

### **b) All Other Employees**

If you would like to join the Scheme, you should first ask your employer whether you are eligible to join. Entry into the Scheme is immediate upon acceptance by Welplan of your application to join.

Scheme membership is completely voluntary and you may withdraw at any time subject to one month's notice. Re-admission is at the discretion of your employer, and shall be subject to such terms and conditions as your employer and the Trustee may decide.

**You are strongly recommended to take independent financial advice before joining the Scheme.**

**2.2** If, under this Scheme, you are **contracted-out** of the additional State Pension (now known as the State Second Pension (S2P)), rather than paying the full rate of National Insurance Contributions (NICs) to the State, you and your employer pay reduced NICs. Instead, the contracted-out contributions are paid into your investment fund with Welplan Pensions together with an age-related National Insurance rebate paid by the Government. These contributions buy contracted-out units that will be used to provide your **Protected Rights benefits**, which are:

- a pension payable to you for life from State Retirement Age
- a pension payable to your spouse for life on your death in service
- a pension of half your Protected Rights pension payable to your spouse for life on your death in retirement.

The Scheme offers **contracted-in** membership for all employees of new participating employers in the Scheme. It should be noted, however, that some existing employers have retained the option to offer contracted-out membership to their employees. Contracted-out membership is not available for employees enrolled under the provisions of the H&V Operative National Agreement.

## 2. Membership and contributions

**2.3** Your employer will confirm the **level of contribution** payable by you and your employer to the Scheme. However, operatives employed under the terms of the H&V Operative National Agreement should refer to the enclosed **Summary of H&V National Agreement Pension Requirements** for further information on entitlement to contributions.

You may also choose to pay Additional Voluntary Contributions (AVCs) to your fund. (Please refer to the **Welplan Pensions AVC Guide** enclosed for details.)

**2.4** Your contributions, including any AVCs, qualify for **income tax relief** at your highest rate of tax.

**2.5** For periods of paid maternity leave, or while you are receiving statutory maternity or paternity or adoption pay, your contributions (if any) are based on the pay that you actually receive but your employer pays contributions based on the pay you would have received if you had not been absent. During periods of unpaid maternity leave neither you nor your employer pays contributions.

If you are temporarily absent through sickness but receive pay (including statutory or other sick pay), your contributions (if any) and your employer's contributions will normally continue depending on your contract of employment.

If you remain employed but are absent without pay, including unpaid sickness, then no contributions will be paid by you or your employer.

## 3. Transfers from other pension arrangements

- 3.1** It is usually possible (subject to the consent of the Trustee) to **transfer** any fund you have held with another pension scheme to your Welplan Pensions fund.
- 3.2** If you change jobs and join another employer who participates in Welplan Pensions, you can normally continue your membership of the Scheme. The level of your and your new employer's contributions may change, however, in line with your new contract of employment.

**Note: Welplan Pensions does not currently make any charge for transfers into the Scheme.**

**If you require further details on transferring funds into Welplan Pensions please write to us at the address shown in the 'Useful Information' section of this guide.**

- 4.1** Contributions are sent by your employer to Welplan and they are then invested in funds managed by the Scheme's fund manager, currently Legal & General Investment Management Ltd.

- 4.2** The **Welplan Pensions fund** currently comprises five funds:

- Consensus Index Fund
- Global Equity Fixed Weights (50:50) Index Fund
- Cash Fund
- Over 15 Year Gilts Index Fund
- Over 5 Year Index-Linked Gilts Index Fund

Unless you choose otherwise, contributions are invested automatically in the Scheme's **default Lifestyle Investment Option** which comprises the Consensus Index Fund and, progressively as you approach retirement, the two Gilts Funds.

For further information please refer to the **Welplan Pensions Investment Options Guide** and the *Investment Options* form enclosed with this guide.

## 4. How the Scheme works

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- 4.3** Contributions buy fund units that are credited to an individual account in your name. The units held vary in price on a daily basis and will be sold on your retirement or death to provide your Scheme benefits. You will be sent a Statement each year showing the current value of your fund at that time.
- 4.4** Your benefits at retirement or death will depend on:
- the amount of contributions paid into your fund and the length of time over which these were paid
  - the investment performance of the funds
  - the annuity terms available from the chosen insurer and
  - HMRC limits
- 4.5** In April 2001, the Stakeholder Regulations imposed a cap on scheme charges of 1% of the fund value. Although Welplan Pensions is not governed by these regulations, the Trustee is aiming to maintain a charging structure at or below this level. The current Scheme charges reflect this and details are enclosed with this guide.

## 5. Retirement benefits

**5.1** The **Normal Retirement Age** in Welplan Pensions for both men and women is 65 although you may wish to retire earlier or later than your 65th birthday. Further details can be obtained from Welplan regarding permissible retirement ages, but you should note that **early retirement** is subject to the approval of your employer and the Trustee.

When you retire, your units will be sold and the sale value used to provide your benefits.

**5.2 Pension benefits** will be secured by an annuity purchased from an insurance company. You will be provided with an illustration of benefit in advance of your retirement date to allow you to decide on what basis you would like your pension to be paid. For example, you may choose (or may be required) to have annual increases to your pension or include a spouse's pension.

Your annuity will be taxable as income in the same way as your pay. If you are contracted-out of the State Second Pension, your options will be restricted to ensure that Protected Rights benefits can be secured for yourself and your spouse.

Welplan Pensions provides an Open Market Annuity service to members for funds held within the Scheme. No additional charge is made to provide this service.

**5.3** HMRC regulations may permit you to take some or all of your fund at retirement as a **tax-free cash sum**. Details will be provided with your illustration of benefit prior to retirement (or at any time on request) if this option is available to you.

## 6. Death benefits

- 6.1** Some participating employers have joined a separate scheme operated by Welplan to provide you with a **lump sum death benefit** of 1, 2, 3 or 4 times your annual earnings if you die while in service. The Trustee of that Scheme has discretion in deciding who receives the benefit although, normally, this would be your financial dependants. If your employer provides you with a **lump sum death benefit** under this separate arrangement, you will be notified accordingly.

In addition to any benefit payable above, if you die in service while you hold a fund in Welplan Pensions and you are contracted-out of the State Second Pension, your Protected Rights will normally be used to provide a pension for your spouse. If you are contracted-out of the State Second Pension and die in service without leaving a spouse, the Protected Rights can then be paid as a lump sum. This would automatically be paid to your estate unless you have requested the Trustee to pay it to another person by completing the **Expression of Wish** form (see below).

The value of any non-Protected Rights units in your fund will be paid as a lump sum. The Trustee has discretion in deciding who benefits from the payment of any non-Protected Rights lump sum on your death – this discretion allows death benefits paid to be tax free. Whilst the Trustee has complete discretion in deciding who the lump sum will be paid to, your wishes will be taken into account and the Trustee will normally follow your wishes.

- 6.2 To ensure that the Trustee is aware of your wishes in the event of your death, you should complete the Expression of Wish form enclosed with this guide and update the information regularly as circumstances change.**

# 7. Leaving the Scheme

- 7.1** If you change jobs and join another employer who does not participate in Welplan Pensions you cannot continue as a contributing member of the Scheme.
- 7.2** Your options are then as follows:
- your fund can remain invested until you retire or die (when benefits will be provided) or
  - your fund can usually be transferred to another occupational pension scheme or personal pension policy.
- 7.3** If you subsequently change jobs again and join another employer who participates in Welplan Pensions and who confirms that you are eligible to join, you can re-join the Scheme. However, the level of your and your new employer's contributions may change in line with your new contract of employment, and membership will be subject to any terms and conditions which apply to new entrants to the Scheme at the time – not those that applied to you when you left the Scheme.
- 7.4** The options in 7.2 above will also apply if you decide to withdraw from Welplan Pensions without having changed jobs, although you must give one month's notice to your employer of your intention to withdraw.
- 7.5** The amount of any transfer value available will depend on the value of your fund at the date of transfer. Whether you have left the Scheme or not, you may, at any time, request an estimate of the transfer value available to you. If the estimate is needed because of a divorce settlement, you should inform the Trustee as further information may be required. Welplan Pensions does not currently make any charge for transfers out of the Scheme.

## 8. Pensions and Divorce

**8.1** Courts have wide powers to adjust property rights (including pensions) on divorce in England and Wales. If you are involved in divorce proceedings there are three options available under law:

- **offsetting** - which involves allowing you to keep your pension whilst allocating your former spouse an increased share of the other matrimonial assets to compensate.
- **earmarking/attachment** - which involves the court ordering that all or part of your pension and/or lump sum benefits should be paid to your former spouse when the pension comes into payment.
- **pension sharing** - which involves the 'sharing' or 'splitting' of pension rights between the parties to the marriage.

**It is important if you are involved in divorce proceedings that you or your solicitor contact Welplan at an early stage for details of your scheme entitlement.**

**8.2** The administration costs of pension sharing or earmarking will be borne by the divorcing couple. The administration fee charged by Welplan Pensions is within industry guidelines.

**9.1** This guide is only a brief outline of your benefits, rights and obligations. However, please note that the various summaries and explanations included in no way override or supersede the Trust Deed and Rules of the Scheme, which are legal documents that govern the administration of the Scheme.

Further information about the Scheme can be found in the Trustee's Annual Report which contains the Scheme's current actuarial statement, audited accounts, certification of contribution payment and investment report.

## 9. Trust Deed, Rules and Trustee's Annual Report

# Scheme amendments

## 10. Discontinuance of Welplan Pensions

## 11. Assignment

## 12. Tax treatment

**9.2** If you wish to request a copy of any of the above documents you should write to:

Welplan Limited  
Old Mansion House  
Eamont Bridge  
Penrith  
Cumbria  
CA10 2BX

**9.3** Acting with the consent of the Heating and Ventilating Contractors' Association, Welplan has the power to amend the Trust Deed and Rules. If there are any changes which affect you, you will be informed of them.

Again, acting with the consent of the Heating and Ventilating Contractors' Association, Welplan has the power to terminate Welplan Pensions if changed circumstances justify this. In that event, the whole of your account accumulated to the date of termination would be used to provide benefits for you.

You cannot assign any of your benefits to a third party.

Welplan Pensions is a registered scheme for the purposes of the Finance Act 2004, which results in valuable tax concessions for you. There are limits to the tax concessions available and you will be notified if you are affected by these limits. More detailed information is available in the pensions area of the Welplan website.

# 13. Useful information

## Internal Dispute Resolution Procedure

You (and your beneficiaries or your representatives) can complain about any aspect of the Scheme by writing to:

The Chief Executive  
Welplan Limited  
Old Mansion House  
Eamont Bridge  
Penrith  
Cumbria  
CA10 2BX

**Tel:** 01768 860400

For further details on the Scheme's Internal Dispute Resolution Procedure, please refer to the leaflet enclosed with this guide.

## The Pensions Advisory Service (TPAS)

TPAS is an independent and voluntary body that can give advice on any pension matter, free of charge, and can help members and beneficiaries at any time with any difficulties or disputes they need to resolve with the Trustee:

The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB

**Tel:** 0845 601 2923

## The Pensions Ombudsman

The Pensions Ombudsman is appointed under the Pension Schemes Act 1993, and can investigate and determine any:

- complaint about injustice caused by maladministration or
- a dispute of fact or law.

The Pensions Ombudsman  
11 Belgrave Road  
London  
SW1V 1RB

**Tel:** 0207 630 2200

## Pension Schemes Registry

Welplan Pensions is registered under number 10169717 with:

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

**Tel:** 0845 600 2537

The service acts as a central tracing agency to help individuals keep track of the benefits they have in previous pension arrangements.

# 13. Useful information

## The Pensions Regulator

The Pensions Regulator is the regulatory body for work-based pension schemes in the UK.

The Pensions Regulator works with scheme trustees, employers and scheme managers and aims to achieve the highest possible standards in the way pension schemes are operated. In extreme cases the Pensions Regulator may fine trustees or employers and remove scheme trustees.

The Pensions Regulator can be contacted at:

Napier House  
Trafalgar Place  
Brighton,  
BN1 4DW

**Tel:** 0870 6063636

## Data Protection

The Data Protection Act 1998 came into force in March 2000. This replaces existing legislation governing how organisations may hold and process personal data about you. Welplan already holds and processes personal information about you – such as your name, address and National Insurance Number – which it needs to calculate your benefits under the Scheme. For many members, Welplan also confidentially holds details set out on members' Expression of Wish forms to apply in the event of their death.

Under the Data Protection Act 1998, you are therefore deemed to consent to Welplan (and

any data processors or other data controllers that it uses) processing any personal data about you for any purposes associated with the Scheme. This information may be transferred to third parties who advise or assist Welplan, your employer and any business associated with you. Where you disclose (or have disclosed) to Welplan personal data relating to other living individuals, you are also deemed, as agent on behalf of those individuals to have

- given consent on their behalf and
- informed them of the identity of Welplan as the data controller in relation to the Scheme, and the purposes (as set out above) for which their personal data will be processed.

## Address for Scheme Enquiries

If you have any general queries about the Scheme, or specifically your benefits, you should contact the Trustee at the following address:

Welplan Limited  
Old Mansion House  
Eamont Bridge  
Penrith  
Cumbria  
CA10 2BX

**Tel:** 01768 860400

The Trustee of the Scheme is Welplan Limited or such other person, or persons, appointed in its place as Trustee or Trustees of the Scheme.