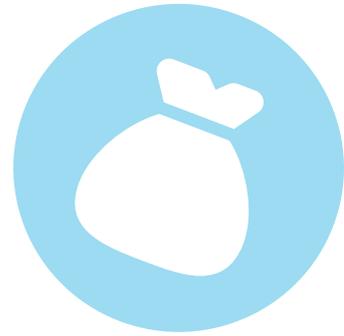
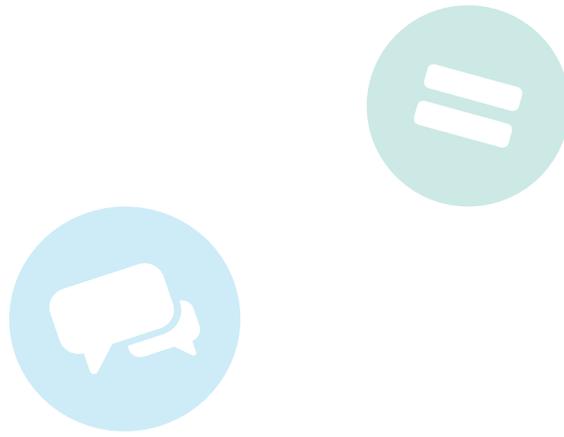




PENSION  
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# Frequently Asked Questions

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January 2020

# Welcome

As you are now a pensioner of the ICI Pension Fund, we are sending you this Frequently Asked Questions leaflet which will hopefully answer any questions you might have about your pension.

Please note that if you are a member of the Holden or Britag sections, some benefits may be slightly different to those explained in this guide so please check with the Fund Administrator.

If you have any questions that aren't answered in this document, please contact the Fund Administrator using the contact details provided below.

## Contents

To help you find answers to particular questions, they have been broken down into key areas as follows:

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## How to contact us

You can contact us in the following ways:

### Email

You can email the Fund Administrator at:  
**[ici@willistowerswatson.com](mailto:ici@willistowerswatson.com)**

### Telephone

**0800 916 8021** – you can speak with the Fund Administrator between 9am and 5pm, Monday to Friday (excluding Bank Holidays).

If you are calling from outside the United Kingdom, the number to ring is:  
**+ 44(0)1737 227521.**

### Write

You can write to the Fund Administrator at:  
**ICI Pension Fund, Willis Towers Watson  
PO Box 545, Redhill, Surrey RH1 1YX**

### Online – [www.icipensionfund.org.uk](http://www.icipensionfund.org.uk)

Remember to include your National Insurance number when writing to or emailing the Fund Administrator, or have it to hand when phoning them – they'll need it to help confirm your identity.

# Pension payments and payslips

## When are pensions paid?

Your pension is paid into your bank account on the 25<sup>th</sup> of each month, or the earliest working day if the 25<sup>th</sup> falls over a weekend or Bank Holiday.

Your December pension payments are usually paid on 20<sup>th</sup>, but we will normally write to you each year to confirm this.

## How often will I receive a pension payslip?

We will send you an initial payment notice setting out the gross amount of your pension (before deductions, including tax) and other details, at the same time as the first monthly payment. Monthly pension payslips are posted on your pension account on the electronic pensions administration system (ePA\*) which you can log into from [www.icipensionfund.org.uk](http://www.icipensionfund.org.uk). Printed payslips are only issued whenever your net pay has changed by £2 or more from the previous month. This could either be because of a change to your pension, such as the annual increase, or a change to your tax code. If for any reason you do not receive your payslip, or require a printed copy, please contact the Fund Administrator.

*\*Our ePA is not available to all members so please contact the Fund Administrator if you are unable to login.*

## What is the Supplementary Pension referred to on my initial payment notice?

The Supplementary Pension is a temporary top-up pension payable to eligible members of the 1967 Rules Section, usually from Normal Retirement Age until State Pension Age or age 65 (if earlier). Please note that your payslip will show the total pension payable for the month in question, including any Supplementary Pension.

## Can my pension be paid into a bank account that is not in my name?

Generally no. Under normal circumstances your pension has to be paid into an account which is either solely or jointly in your name. In certain circumstances, where your affairs are being dealt with by someone else, we may accept an instruction to pay into a different account.

# Pension tax

## How is my pension taxed?

Your pension is treated as income for tax purposes and your pension will be paid to you net of income tax.

## Who decides how much tax is taken from my pension?

When a new pension is set up we apply the 'emergency' tax code. From this point onwards, we only act on the instructions of HM Revenue & Customs (HMRC) who will determine the tax code that will apply to your benefits.

## Who should I contact if I have a query regarding my tax code?

If you have any questions regarding your tax code or any other taxation issue, please contact HMRC direct. Have your National Insurance number with you when you phone.

- Telephone: 0300 200 3300.
- Textphone: 0300 200 3319.
- Outside UK: +44 135 535 9022.

## When is my P60 issued?

Your P60 is a statement issued to all tax payers annually. It is generally issued in the second week of April each year. You can also find your latest P60 and access up-to-date information on your pay and tax details through our electronic pensions administration system (ePA).

## What is the Lifetime Allowance and how will it affect me as a pensioner?

The Lifetime Allowance is a limit on the value of pension benefits which you can build up over your lifetime without triggering an extra tax charge.

Every time you start taking a pension from any of the schemes you have joined over the years, you will receive a statement from the administrator of that scheme telling you how much of your Lifetime Allowance you are using up. You will have seen this on the statement you received from us. This value is then compared against your remaining Lifetime Allowance to see if there is additional tax to pay. When you reach the age of 75, a check will also be made against any pensions you have yet to start taking. So, if you have any personal or company pensions that you have yet to start taking, you could still be affected.

The standard Lifetime Allowance for the 2019/2020 tax year is £1.055 million. If you applied to HMRC for fixed protection or individual protection, you may have a higher Lifetime Allowance. However, you must be careful to continue to comply with HMRC's requirements (for example, if you have fixed protection you cannot build up additional pension benefits), otherwise you will lose this protection and may be subject to a lower Lifetime Allowance. Your accountant or financial adviser can tell you more about this.

If you do exceed the Lifetime Allowance, the relevant pension scheme administrator will deduct the Lifetime Allowance charge, which is payable in addition to any income tax, and will pay this to HMRC. The charges are as follows:

- Any amount over your Lifetime Allowance that you take as a lump sum is taxed at 55%.
- Any amount over your Lifetime Allowance that you take as a regular retirement income attracts a Lifetime Allowance charge of 25%.



# Ill health and death benefits

## **Are additional pension benefits payable if I get sick or have a terminal illness?**

No. The Trustee is unable to consider applications for ill-health benefits once you have started to draw your pension.

## **What will happen to my pension if I become unable to manage my own financial affairs?**

In these unfortunate circumstances, the Trustee will use its discretion regarding the management of your pension (for example by paying it to your Spouse for your benefit) but this could lead to a delay in your regular pension payments at the time you need the money most. If you are concerned about what might happen if you become mentally or physically unable to cope with managing your financial affairs, you might consider setting up a Lasting Power of Attorney (or LPA). This gives a person you trust (known in this case as your attorney) the authority to deal with your financial affairs on your behalf. You can choose when they can act on your behalf – it can be straight away, or only in certain circumstances, one of which must be in the event that you become unable to make your own decisions. You can also choose whether to let your attorney deal with all your financial affairs, or only certain things – for example to operate a bank account, or to buy and sell investments.

To set up a Lasting Power of Attorney, you need to fill in a form, and the form then has to be registered with the Office of the Public Guardian. You can do this yourself, or you can ask your attorney to do it for you.

You can find out more details about a Lasting Power of Attorney by visiting [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) and clicking on the 'Family' tab. The Government's website also has helpful information. Select the 'Birth, deaths, marriages and care' link and choose from the drop down menu.

There is normally a charge for registering the Lasting Power of Attorney and the process may differ depending on what part of the UK you are resident in.

## **I have set up a Power of Attorney arrangement to allow my son to help me with my financial arrangements. What do I need to do so that he can talk to you about my pension?**

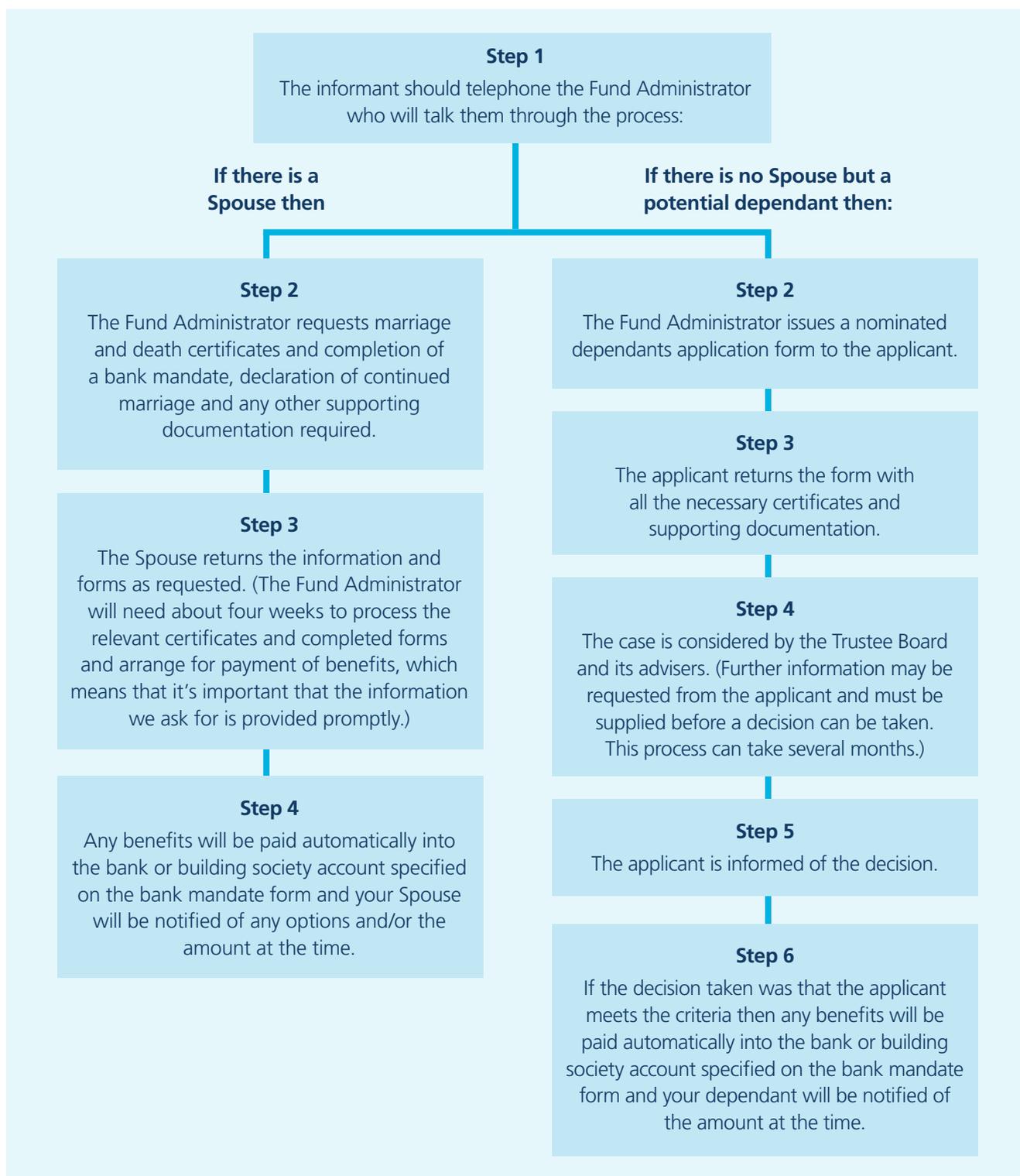
Once your Power of Attorney arrangement has been registered with the Office of the Public Guardian (OPG) and activated, your attorney (in this case your son) will need to tell us by supplying the original lasting power of attorney document, stamped by the OPG. We will return this document after recording your attorney on our system.

## **My partner and I have lived together for many years without getting married. If anything happens to me, would my partner still be able to claim a pension from the Fund?**

Under the Rules of the Fund, your partner's rights are much more certain if you are married or in a civil partnership rather than single and in a long-term relationship. An unmarried partner has to prove that they were financially dependent on you in the period before your death and will also need to prove that they cannot reasonably be expected to adequately support themselves financially. Consequently, a partner could potentially find themselves unable to claim a dependant's pension, or able only to claim a reduced amount if they are currently working, have their own savings or pension, or would gain a significant inheritance when you die. The same rules apply to any other family member who, in the absence of a spouse, might be nominated by the member to receive a dependant's pension.

## How would my Spouse or other dependants claim benefits on my death?

Many of us are unaccustomed to dealing with the death of someone close to us, so we have set out here a clear procedure of what to do. You should show this to your family or other dependants so that they know what to do when you die. This will help avoid any overpayments being made which your estate would be required to repay. Should you or your next of kin have any queries, the Fund Administrator should be able to help.



## Can I nominate someone to receive pension benefits on my death?

When you die, a surviving Spouse or Civil Partner would normally receive a pension. However, if you are single, divorced or have asked to be treated as a single person and the Trustee accepted your request, you may nominate a dependant (for example an unmarried partner) to receive a Dependant's pension.

The Trustee will consider all relevant factors when deciding whether to pay a Dependant's pension. The dependant must prove that they were financially dependent upon you at the date of your death, and unable to support themselves, in order to be considered for a Dependant's pension. Consequently, they could potentially find themselves refused a pension if they are unable to provide sufficient evidence to support their application.

If your Dependant is a child, the pension will normally stop at age 18. However, the Trustee has discretion to continue paying the pension until age 19 if your Dependant is receiving full-time educational training which has been continuous since age 18. There may be other cases where a child's pension will be paid above the age of 18, for example where your child is dependent on you as a result of injury or mental or physical illness. More information is available from the Fund Administrator.

The total of any benefits paid to your Dependant(s) will not exceed that which would be paid to a Spouse or Civil Partner on your death. Full details of the benefits payable on death can be found in your Handbook. You can find the latest Handbook by visiting [www.icipensionfund.org](http://www.icipensionfund.org) or contacting the Fund Administrator using the details on page 2.

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# Other questions about your Fund pension

## What is the Guaranteed Minimum Pension?

Before 6 April 2016, the State Pension was made up of two parts – the Basic State Pension and the Additional State Pension. The Government allowed pension schemes that met certain quality tests to opt out of the Additional State Pension. This was known as 'contracting out'. If a scheme was contracted out, both members and their employers paid reduced rates of National Insurance on condition that the scheme provided benefits at least broadly equivalent to the Additional State Pension members would have earned.

For pensionable service between 6 April 1978 and 5 April 1997, schemes must ensure that each member receives a pension that is at least broadly equivalent to the Additional State Pension they would have earned. This is known as the 'Guaranteed Minimum Pension' or GMP. There may also be GMP benefits payable to your Spouse on your death. If you were an active member of the Fund between 6 April 1978 and 5 April 1997, you will have a GMP and potentially guaranteed minimum benefits payable on your death. As the Additional State Pension earned by men and women

differed over this time, so the benefits payable from any GMP from the Fund will differ. A legal ruling in October 2018 confirmed that GMPs earned between 17 May 1990 and 5 April 1997 must be equalised so that men and women have the same rights and benefits, and outlined a number of methods of doing this. The Trustee is working with its legal advisers and the Fund Actuary to understand the implications of this ruling and how it may need to be applied to the benefits earned by Fund members. We will keep you updated on the progress of this project in our Fund newsletters.

From 6 April 1997, it was the overall level of benefits being provided by the Fund that was evaluated and approved in place of individual guarantees for each member, so no GMP is calculated in relation to service from that date.

If you are a 'Special Category Member' and have chosen to receive a higher pension, in exchange for a reduction in benefits payable on death, only the potential spouse's GMP is payable in the event of your death.

## Is my pension inflation proof?

Part or all of your pension is increased every year to help it keep pace with inflation.

Different increases may apply to different parts of your pension and may be applied at different times of the year, depending on when you joined the Fund, which Section of the Fund you belong to, and when you retired. For example, unless you are a member of the Britag, Holden or Senior Executive sections of the Fund\*, the following increases may be applied. (Please note that if you were an active member until you started taking your pension, or you were a deferred member but not deferred for long enough to receive a deferred pension increase, your first pension increase will be pro-rata reflecting the time since your retirement/leaving date.):

### a. Increases to your Guaranteed Minimum Pension (GMP)

If you earned benefits in the Fund before 6 April 1997, you will have a Guaranteed Minimum Pension in relation to your service up to 5 April 1997. Before you reach GMP age (age 60 if you are a woman or 65 if you are a man), any increases to your GMP are calculated and applied in the same way as increases to the balance of your pension (outlined in 'b' which follows). Once you have reached GMP age, statutory annual increases to your Guaranteed Minimum Pension are currently applied as follows.

If you reached your State Pension Age before 6 April 2016:

- Any increases to GMP built up before 6 April 1988 will be paid via increases to your State Pension
- GMP built up from 6 April 1988 to 5 April 1997 is increased by the Fund, in line with increases in the Consumer Prices Index (CPI), up to a cap of 3%. If CPI has increased by more than 3%, then you will receive the amount of any increase over 3% via increases to your State Pension.

*\*Please note, if you are a member of the Britag, Holden or Senior Executive sections, then more information about increases to your pension is included in your Fund handbook or summary, which you can find if you visit [www.icipensionfund.org.uk](http://www.icipensionfund.org.uk).*

If you reach(ed) your State Pension Age after 6 April 2016:

- GMP built up before 6 April 1988 is not subject to statutory increases
- GMP built up from 6 April 1988 to 5 April 1997 is increased by the Fund in line with increases in the Consumer Prices Index (CPI), up to a cap of 3%.

Your GMP will start to increase from age 65 if you are a man, and age 60 if you are a woman. Any increases to GMP normally take place in April each year. If any additional increases, over and above statutory increases, are applied, these will take effect along with any increases to the balance of your pension outlined in 'b' below.

### b. Increases to the balance of your pension (excluding any Supplementary Pension)

The rest of your pension will typically increase at a higher rate than your GMP. This increase differs for each section and is set out in the Fund's Rules and your Fund handbook.

If you exchanged some of your pension for cash, the increase will be typically be based on the pension you are actually receiving, unless you retired before April 2006.

Increases applied by the Fund to the balance of your pension, including your Supplementary Pension that you earned after April 1997, as well as increases to your GMP before GMP age, will be applied to your November pay each year. When we make this increase, we will send you a document confirming the amount of the increase and how the increase was calculated.

### c. Supplementary Pension

If you are in the 1967 Rules Section and are receiving a Supplementary Pension:

- No increases are paid on any part of your Supplementary Pension relating to service before April 1997.
- Any part of your Supplementary Pension relating to service after April 1997 will increase in line with the balance of your pension under 'b' above.

## Are any other increases applied to my pension?

If you retire before your GMP age (currently age 60 for women and 65 for men) when you reach GMP age, checks are carried out in accordance with legislative requirements. The first is a check to ensure that your pension in payment will meet the minimum GMP requirement and so is at least equal to the amount of any GMP plus any statutory GMP increases that the Fund is required to apply by law at your GMP age. In addition, if you left Pensionable Service on or after 1 January 1985, a second check (known as the 'anti-franking' check) is carried out to ensure that any pension in excess of the GMP has not been used to provide the statutory GMP increases. These checks may result in an increase being made to your pension from GMP age.

## I still have some AVCs, what do I need to do with these?

Some pensioners may have made Additional Voluntary Contributions or AVCs while they were an active member of the Fund. If you paid AVCs and chose not to use these to provide additional benefits at retirement, you will still have an AVC account.

In this case, your AVCs will remain invested in your choice of our range of pension funds until you choose to use them.

You may review and change your chosen investment funds at any time, and the pension you will receive from your AVCs will depend upon a number of factors, including the value of your investments, your age and state of health, the pension options you choose and the cost of purchasing a pension when you retire.

Most members will need to transfer their AVC benefits to another pension arrangement, or insurance company, in order to provide an income.

If you do not take your benefits from your AVCs, the value can be passed on to your beneficiaries when you die (tax free if you die before age 75).

For more information on the AVC funds, visit [www.icipensionfund.org.uk](http://www.icipensionfund.org.uk)

## What happens to my pension from the Fund if I get divorced?

Always get legal advice about your pension if you're divorcing or dissolving your civil partnership.

Under UK law, your pension must be included in your financial settlement if you divorce or dissolve your civil partnership. It's quite complicated, so do speak to a professional financial adviser and lawyer as soon as you can. Even when you agree on a settlement, it should be confirmed through a Court Order. The Trustee cannot take into account any interim or informal financial arrangements in respect of your pension benefits that are not detailed in a Court Order. If you're not married or in a civil partnership, your pension can't be shared if you separate.

If you are a member whose marriage or civil partnership is being dissolved, typically, you would need to follow the following steps in relation to your pension:

1. You should ask the Fund Administrator for a transfer value showing the benefits you're entitled to from the Fund at that point. You can provide this transfer value to the court.
2. The court will determine the proportion of pension benefits, if any, that will be awarded to your ex-spouse or ex-civil partner. This is detailed in a Court Order.
3. You should send the Court Order to the Fund Administrator.
4. The Fund Administrator will act upon the Court Order instruction and liaise with your ex-spouse or ex-civil partner about their proportion of the benefits.
5. The Fund Administrator will then provide you with details of your new entitlement from the Fund.

Charges are imposed by the Fund for the provision of data and information and to implement an order of the court. You will be informed of the charges at the start of the process.

# Questions about your State Pension

## I am not currently receiving a State Pension. When will I reach State Pension age?

Men born before 6 December 1953 currently qualify for the State Pension at the age of 65. The age at which women qualify for the State Pension is in the process of rising from 60 to 65, with the exact date they will reach State Pension age depending on the month they were born.

Between December 2018 and October 2020, both men and women's State Pension age will increase to 66. Further increases to State Pension ages are expected in the future.

To find out your State Pension age visit [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)

## How do I find out what my State Pension will be when I reach State Pension Age?

To find out how much State Pension you could get (this amount is also known as your State Pension forecast) and how you might increase it, visit [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)

### Finding out more about your State Pension

If you do not have internet access you can contact the Government's Future Pension Centre helpline Monday to Friday, 8am to 6pm on:

- 0800 731 0175, or
- +44 (0)191 218 3600  
(if you're ringing from overseas)

If you are hard of hearing you can use the Textphone number:

- 0800 731 0176, or
- +44 (0)191 218 2051  
(from outside the UK)

You can also write to:

The Pension Service 9,  
Mail Handling Site A,  
Wolverhampton WV98 1LU



# Pension administration questions

## Can I transfer my pension to another provider?

Once you have started taking your pension, you cannot normally transfer the value of your pension to another provider. In certain circumstances, for example if your pension is very small, it may be possible to give up all your pension benefits in exchange for a taxable cash lump sum. However, you should seek financial advice before taking this action as you would be giving up all future benefits from the Fund, including both your regular pension income and benefits payable to dependents on your death.

## What if I change my bank account?

If you change your bank account, you need to confirm your new bank details either by letter or by form (which you can download from the Fund website [www.icipensionfund.org.uk](http://www.icipensionfund.org.uk)) and supply a bank statement. We cannot take changes to either your bank or address either by phone or email.

## What changes do I need to tell the Fund Administrator about and how?

It is important to let us know if your circumstances or personal details change. If you don't, you risk missing out on important information from us and the possibility that the payment of your Fund benefits may be delayed or not paid in accordance with your current wishes.

Please contact the Fund Administrator to change your address, bank details, name, or marital status (where relevant). You should let us know of any change in writing; details of changes can't be accepted over the telephone or by email.

There are also forms you can request from the Fund Administrator, or download from our website [www.icipensionfund.org.uk](http://www.icipensionfund.org.uk), print out and complete, to advise us of these changes. If you are changing your name or marital status, you will also need to provide original official supporting documentation that will be returned to you once the change has been processed.

In order to properly administer the Fund and correctly calculate its liabilities it is crucial that the data we hold for members is correct. So you should also contact us if you notice an error – for example, if your date of birth or marital status is wrong.

## Do I need to provide details of someone you can contact in an emergency?

Yes. The Trustee of the ICI Pension Fund is keen to ensure that members remain in contact with the Fund Administrator, Willis Towers Watson. Occasionally the Trustee has lost touch with some of its pensioner members and these are often our most vulnerable pensioners who have limited interaction with the outside world, such as the very elderly or infirm. As a last resort, we have suspended payments to a number of members because, despite all efforts to trace them, we have not re-established contact. We want to reduce the number of people we lose touch with in the future and so the Trustee asks each pensioner member to provide alternative contact details of someone they trust who we could contact if we are having difficulty in getting a response from you.

If you have not yet provided alternative contact details, or wish to update these, you can call the Fund Administrator to request an Alternative Contact Form, or download one from our website [www.icipensionfund.org.uk](http://www.icipensionfund.org.uk)



**PENSION  
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## Why have I been sent a request to complete a Member Verification Form?

The Fund has a duty of care to ensure that members' pensions are paid correctly, to protect the Fund's money and to guard against fraud. To this end we use a number of nationally available databases to obtain information which may help indicate when a member's circumstances have changed, for example when their address has changed or they are deceased.

From time to time, we will ask pensioners to fill in and return a form to confirm they are living at the address we hold. The form has to be signed by the pensioner and should be witnessed by someone who is not a family member. It is considered good practice to audit the information held about pensioners and the Department for Work and Pensions (DWP) issues similar certificates to certain pensioners receiving the State Pension.

The form also helps us to identify cases where people have become unable to manage their own affairs. If you are concerned about what might happen if you become mentally or physically unable to cope with managing your financial affairs, you might consider setting up a Lasting Power of Attorney (as discussed on page 5).

If you have received this form, there is nothing to worry about, but you do need to fill it in and send it back to us as soon as you can. If the form is not returned we will send a reminder and if that is not responded to we may, as a last resort, stop your pension. However, you would be given plenty of notice before any action is taken to stop your pension.

This leaflet is based on the information available and the laws in force at the time it was produced and our understanding of the Rules of the Fund.

Benefits are paid as set out in the Fund's Trust Deed and Rules which will override any inconsistent statements in this or any other communication.

Any mistake or simplification in this leaflet will not entitle you to different benefits.

If you wish to seek financial advice about any aspect of your pension, you may find [www.moneyadvice.org.uk](http://www.moneyadvice.org.uk) a useful place to find an adviser.

Make sure your adviser is registered with the Financial Conduct Authority – go to [www.fca.org.uk](http://www.fca.org.uk) to be sure.

You should always check whether an independent financial adviser will charge you for any services they offer, and that you agree any fees with them beforehand.

From 6 April 2019, The Pensions Advisory Service, Pension Wise and the Money Advice Service have been merged into the new "Money and Pensions Service". The new body will provide guidance on pensions, debt and other personal money matters. At the time of writing, the website address set out above for the Money Advice Service remains correct; however we will update you in due course if this is altered.