

# Notes for leavers.

## Your deferred pension

### Your pension

You are entitled to a deferred pension, calculated at your date of leaving, based on your pensionable service and pensionable salary at that time. Your estimated benefits are set out on the Deferred Pension Details Form.

### Increases between date of leaving and pension payment date

Your deferred pension will be reviewed annually in accordance with the Trust Deed and Rules of the Scheme, normally in line with changes in the Retail Prices Index (RPI).

### Pension payment date

Your deferred pension is normally paid from age 60, but you may choose to defer payment to age 65.

However, there are three circumstances whereby your pension could be paid before age 60:

- Voluntary leaver (early retirement)
- Redundancy
- Ill health

### Voluntary leaver (early retirement)

As you have completed over five years' service, you may choose to receive a pension, reduced for early payment, at any time from age 55.

### Redundancy

As you have completed at least two years' service, you may choose to receive an unreduced pension from age 50, if you were aged between 45 and 50 when you were made redundant from your employer.

If you were aged between 40 and 45 when you were made redundant from your employer, you may choose to receive a reduced pension at any time from age 50. Your pension will be reduced by approximately 0.5% for each month that your age at redundancy is less than age 45. If you leave on the grounds of redundancy but don't take your pension until age 55, the pension reduction may be less favourable. If you have any questions about the reduction factors applied for early payment, please contact Mercer.

### Ill health

If you become permanently incapacitated due to ill health, you may apply to receive your pension immediately regardless of your age or service. However, payment is at the Trustee's discretion and would be subject to you satisfying the necessary medical conditions, in accordance with the Trust Deed and Rules. The pension would not be reduced for early payment.

If you became terminally ill, where your life expectancy was less than 12 months, then your pension could be converted into a lump sum and paid immediately. Death benefits would still be payable as normal. Payment under this option is at the discretion of the Trustee.

### Lump sum option

When your pension becomes payable it may be possible for you to exchange part of it for a lump sum, which under current legislation is tax free. If you have been paying Money Purchase Additional Voluntary Contributions (MPAVCs) your MPAVC fund will firstly be used to provide all or part of your lump sum before giving up any pension.

### Bridge the Gap

If your pension commences before State Pension Age, you may be able to 'Bridge the Gap' by receiving a temporary increase in your Scheme pension. This option is not available if your deferred pension is paid early due to ill health.

This option enables members to receive a larger pension from the Scheme up to the time they can start claiming their State Pension, and a smaller one afterwards. More information on this option will be issued to you in the run-up to your retirement.



# Death benefits

## Dependant's pension

The dependant's pension is payable from the date of your death, even if you were to die before your pension has come into payment. The amount of the dependant's pension is shown on the Deferred Pension Details Form and will automatically be paid to a spouse or civil partner.

If there is no spouse or civil partner, the pension may be paid to someone else, at the Trustee's discretion, as long as there was financial dependency or interdependency at the date of your death, for example, a partner or a disabled child, or a child with learning disabilities who is incapable of financial self-support. Proof of financial dependency or interdependency will be required by the Trustee.

## Children's pensions

A child's pension is payable to each child who is either under the age of 18, **or** in full-time education, **or** incapable of self-support due to mental/physical disability at the date of your death, provided they were born on or before the date you left employment. An additional amount is payable if both parents have died and no dependant's pension is payable.

## Lump sum death benefit

If you die before you start receiving your pension, a lump sum death benefit will be paid through the Scheme by the Trustee. The sum payable would be the greater of five times the annual deferred pension, or a refund of your own contributions plus interest. This is payable at the Trustee's discretion.

## Letter of Intent

Any lump sum death benefit due will be paid through the Scheme by the Trustee. This means that, under current tax legislation, the benefit may not form part of your estate for inheritance tax purposes. To help the Trustee decide who should receive this benefit, you can indicate your wishes by completing a Letter of Intent form.

You can also complete a Dependant Nomination form if you are **not** married and wish to nominate someone to receive the dependant's pension payable in the event of your death.

Forms can be requested from Mercer or completed on OneView.

The death lump sum is payable while you are entitled to a deferred pension, and for the first five years after payment of your Scheme pension commences. You should review and update your Letter of Intent and Dependant Nomination form (if this is applicable to you) regularly, particularly if there is a change to your personal circumstances.

# Alternatives to your deferred pension

## Transfer of pension benefits

You have the option of transferring your pension benefits at any time until one year before payment of your pension is due to commence. A transfer may be paid to another pension arrangement that can legally accept the benefits.

We recommend that you seek independent financial advice before requesting a transfer value. In any event, if your transfer value is over £30,000, you must, by law, take independent financial advice before transferring.



## Contact us

If you have any queries about your pension, please contact Mercer:

**Post:** Cadent Gas Pension Scheme  
Mercer, Maclaren House,  
Talbot Road, Stretford,  
Manchester M32 0FP

**Telephone:** 0345 528 0601

**Member portal:** [www.contact.mercer.com](http://www.contact.mercer.com)

Please keep us informed of your current address and contact details.

Every effort has been made to ensure the accuracy of this leaflet. It cannot, however, override the Trust Deed and Rules of the Scheme or any legal requirements in force at the time.