

ETHIKA AUTO ENROLMENT PENSION SCHEME

MEMBER BOOKLET



CONTENTS

1. INTRODUCTION	3
2. DEFINITIONS USED IN THIS BOOKLET	4
3. JOINING THE SCHEME	5
4. CONTRIBUTIONS	6
5. INVESTMENT OF CONTRIBUTIONS	7
6. BENEFITS AT RETIREMENT	8
7. BENEFITS ON DEATH	9
8. BENEFITS ON LEAVING	9
9. TRANSFERS IN TO THE SCHEME	10
10. INTERNAL DISPUTE RESOLUTION PROCEDURE	10
11. PENSION SHARING ON DIVORCE	13
12. USEFUL ADDRESSES	14
13. TAXATION AND LEGAL NOTES	16
14. SUPPLEMENTARY INFORMATION	17

1. INTRODUCTION

THIS BOOKLET IS ABOUT YOUR PENSION SCHEME – THE ETHIKA AUTO ENROLMENT PENSION SCHEME (THE “**SCHEME**”), WHICH PROVIDES PENSION BENEFITS FOR ITS MEMBERS AND THEIR DEPENDANTS.

The **Scheme** is a money purchase, or defined contribution, scheme. The **Scheme** has been designed to provide a wide range of pension benefits that relate to contributions paid by and on behalf of each member. At retirement or death, benefits will be purchased for members and their beneficiaries from the value, including all investment returns, of the contributions made by and on behalf of the members.

The Scheme is established as a trust, which means that its assets are held and invested by trustees and kept separate from your employer.

The Scheme complies with the auto-enrolment legislation, which requires every employer to provide a pension scheme to those of its members whose earnings are within statutory limits.

Naturally this Booklet can only provide a brief description of the **Scheme** and how it works. The legal basis of the **Scheme** is the Trust Deed and Rules, and this will override any information in this booklet in the event of any inconsistency. A copy of the Trust Deed and Rules is available for inspection on request.

Enquiries about the **Scheme** generally, or about an individual’s entitlement to benefit, should be directed to:

E3ECO LIMITED
7 St Petersgate
Stockport
Cheshire
SK1 1EB

2015

2. DEFINITIONS USED IN THIS BOOKLET

THIS BOOKLET USES CERTAIN TERMS AND EXPRESSIONS THAT HAVE SPECIFIC MEANINGS. THESE ARE DETAILED BELOW, AND ALL DEFINED WORDS ARE PRINTED IN **BOLD** TYPE THROUGHOUT THE BOOKLET.

Company	means E3ECO Limited
Normal Retirement Age	is the State Pension Age (to find your State Pension Age visit www.gov.uk/government/uploads/system/uploads/attachment_data/file/281121/spa-timetable.pdf)
Qualifying Earnings	for the 2015/16 tax year earnings between £5,824 and £42,385
Retirement	the date on which you leave the Scheme and receive your benefits in the form of pension and/or cash
Survivor	any nominee, dependant, or widow or widower of a member of the Scheme
Scheme	the Ethika Auto Enrolment Pension Scheme
Scheme Administrators	Warwick and Eaton Administrators Ltd of Suite 6 275 Deansgate Manchester M3 4EL the administrators of the Scheme
Scheme Year	01 January to 31 December
Trustees	these are the people appointed to safeguard the rights of all parties with an interest in the Scheme and to ensure that the Scheme is properly conducted within statutory and other regulatory requirements

3. JOINING THE SCHEME

Who is eligible?

The following are eligible:

An employee of the **Company**, or an employee of another company that has agreed to participate as an employer in the **Scheme**.

When can I join?

Your employer is required to auto-enrol all of its employees who have **Qualifying Earnings**. Accordingly you will become a member of the **Scheme** automatically if you have **Qualifying Earnings** or if you become an employee with **Qualifying Earnings**.

In addition employees who do not have **Qualifying Earnings** may join the **Scheme** if they wish.

You may opt out or terminate your membership at any time by advising the **Trustees** in writing that you wish to do so. You may re-enrol at any time by giving notice in writing of that intention to your employer, and, if you opt out, you will be automatically re-enrolled as a member every three years.

How do I join?

If you earn **Qualifying Earnings** you need do nothing as you will be automatically enrolled. If you do not earn **Qualifying Earnings** and wish to join the **Scheme** you must notify your employer who will arrange for you to be enrolled.

4. CONTRIBUTIONS

How much do I have to contribute?

If you are auto-enrolled in the **Scheme**, you will be required to make personal contributions to the **Scheme**. Your contributions must be at least the following amounts:

Until 5 April 2018 – 1% of Qualifying Earnings

6 April 2018 to 5 April 2019 – 3% of Qualifying Earnings

6 April 2019 onwards – 5% of Qualifying Earnings

You may contribute more if you wish. If this is of interest to you please contact the **Scheme Administrators**.

If you are not subject to auto-enrolment but elect to join the **Scheme** you may contribute at such level as you may decide.

How much will the Company contribute?

If you are auto-enrolled in the **Scheme** your employer must make contributions into the **Scheme** on your behalf of the following amounts:

Until 5 April 2018 – 1% of Qualifying Earnings

6 April 2018 to 5 April 2019 – 2% of Qualifying Earnings

6 April 2019 onwards – 3% of Qualifying Earnings

If you are not subject to auto-enrolment but elect to join the **Scheme** your employer may agree to pay contributions on your behalf but is not obliged to do so.

What happens to the contributions?

Your contributions are paid into a personal account maintained for you within the **Scheme**. The value of this account reflects the contributions paid in and investment returns. When you retire, die or leave service, the value of your account is used to provide benefits for you and/or your dependants.

5. INVESTMENT OF CONTRIBUTIONS

Contributions are invested by the **Trustees** in accordance with their investment policy from time to time. Details of the **Trustees'** investment policy can be obtained from the **Scheme Administrators**.

Investment performance

The **Trustees** will monitor the investment performance of the investments of the **Scheme** and, if necessary, make changes to the management of the **Scheme's** assets to improve performance.

Benefit statements

Each year, shortly after the end of the **Scheme Year**, you will receive a statement setting out the value of your personal account within the **Scheme**, including details of all contributions paid by you and on your behalf, and the value of those investments at the end of the **Scheme Year**.

6. BENEFITS AT RETIREMENT

Normal Retirement Age is 60 years. When you retire the value of your personal account within the **Scheme** will be determined and used to purchase benefits for yourself and, if you wish, your **Survivor(s)**. Subject to the requirements and limits mentioned below, you may choose to take your benefits in the following forms:

- an annual pension for you;
- part of your account may be taken as a tax-free cash lump sum;
- income withdrawal
- a drawdown pension
- pensions to your **Survivor(s)** on your death;
- any combination of the above.

The **Scheme** has been specifically designed to give all members the flexibility to choose benefits at **Retirement** that best suit their personal circumstances and requirements at that time. You do not have to choose how you take your benefits until you actually retire.

From 06 April 2015, all restrictions on access to your pension savings, and HM Revenue & Customs limits, have been removed. Please contact the **Scheme Administrators** for further information, or seek advice from an independent financial advisor.

Can I retire early?

You can retire at any time from age 55. Also, if the **Trustees** and the **Company** believe that you are incapable of discharging your duties due to permanent ill-health or incapacity, and you retire from service in consequence, then you may take an immediate pension if you wish.

If you retire early then the pension you receive will be less than if you stay until age 60. This is because fewer contributions will be paid to the **Scheme** and they will have less time to be invested and grow.

7. BENEFITS ON DEATH

On the death of a member a pension is payable for your **Survivor(s)**. The amount standing to the credit of your personal account will be determined and used to provide a pension for one or more of your **Survivor(s)**.

8. BENEFITS ON LEAVING

Leaving the Scheme If you leave the **Scheme** before **Retirement**, you will be able to choose one of the options described below:

- To arrange a transfer payment to another registered pension scheme. The transfer value will consist of the monetary value of your personal account within the **Scheme**. If you are interested in exploring this option further, you should contact the **Scheme Administrators**.

Registered pension arrangements include other registered occupational pension schemes and personal pension Schemes.

- To leave your benefits in the **Scheme** until your **Normal Retirement Age**. Your investments will remain in the **Scheme** and will continue to reflect the performance of those funds up to the date of **Retirement** or earlier death. At **Retirement** you will have the same options as any other member of the **Scheme**.

If you select this option you will still be able to take a transfer value to another registered pension arrangement at any time.

If you die after leaving service the full value of your personal account will be paid to such of your **Survivor(s)** as you may decide.

If you wish to leave the **Scheme** at any time you should give at least one month's written notice of your intention to do so to the Trustees. The options available to you will be the same as those described above.

If you subsequently wish to re-join the **Scheme** then you may apply to do so. If you leave you will be automatically re-enrolled as a member after three years.

9. TRANSFERS INTO THE SCHEME

The **Trustees** will allow members to transfer benefits from other registered pension schemes into the Scheme. If you wish to take advantage of this opportunity please contact the **Scheme Administrators**.

10. INTERNAL DISPUTE RESOLUTION PROCEDURE

The Trustees have introduced a dispute resolution procedure for use by members of the **Scheme** or their **Survivor(s)**, in accordance with the requirements of the Pensions Act 1995.

If you have any problems with or concerns about the **Scheme**, then please contact the **Scheme Administrators** initially, who will do everything they can to resolve the problem. It is hoped that most problems can be resolved without recourse to the Internal Dispute Resolution Procedure (IDRP). However, there may occasionally be problems that the **Scheme Administrators** cannot solve, and these will be dealt with using the two-stage IDRP. This section explains how this procedure will work.

Who can complain? A complaint may be brought against the **Trustees** or the **Scheme Administrators** by any person who is:

1. an active, deferred or pensioner member of the **Scheme**;
2. a **Survivor** of a member who has died;
3. a prospective member of the **Scheme**.
4. any person who has been in one of the above categories in the six months before the procedure is used; or
5. any person who claims to be in one of the above categories.

You may nominate a representative to make or continue a complaint on your behalf. In addition, if you die during the course of the complaints procedure or if the complainant is a minor or otherwise incapable of bringing a complaint then the complaint may be carried through by your

personal representative (in the case of death) or by a member of the family or other suitable representative (in any other case).

A summary of the procedure is given below.

Stage 1

You should write to the **Scheme Administrators**, who may be contacted at: Regus House, Herons Way, Chester Business Park Cheshire CH4 9QR

When a complaint is submitted it must contain the following information:

1. the full name, address, and date of birth of the member, former member or prospective member (or the person claiming to be such);
2. where the complainant is a **Survivor**, the full name, address and date of birth of the complainant must also be provided together with his relationship to the member;
3. the full name and address of any representative acting on behalf of the complainant and whether such address is to be used for correspondence; and
4. a statement as to the nature of the disagreement with sufficient details to show why the complainant is aggrieved.

In all cases, letters of complaint must be signed by or on behalf of the complainant.

The Scheme Administrators will provide a written response to the complaint within two months of receiving all the details specified above. If a response cannot be given within two months, you will be sent an interim response setting out the reasons for the delay and an expected date for a decision.

This response will contain the following information:

1. a statement of the formal decision;
2. a reference to any legislation relied upon in reaching the decision;
3. a reference to any **Scheme** rules relied upon and, where a discretion has been exercised, a reference to the **Scheme** rules that confer the discretion; and
4. details of your right to appeal to the **Trustees**.

Stage 2 – the appeals procedure

If you are not satisfied with the decision received at the end of Stage 1 you may ask the **Trustees** to reconsider the decision.

Your appeal must be made within six months of the date of the notice of the decision from the **Scheme Administrators**. The notice of your appeal must contain a statement that you wish the disagreement to be reconsidered by the **Trustees**, together with all the information described in Stage 1 above. Additionally, you must provide a copy of the original decision and a statement of the reasons for your dissatisfaction. Again, the appeal must be signed by or on behalf of the complainant.

The **Trustees** will provide a written response within two months of receiving the information specified above. Again, if a response cannot be given within two months, you will be sent an interim reply setting out the reasons for the delay and an expected date for issuing the decision. This reply will contain the same range of information as outlined in Stage 1 above, together with an explanation of the extent to which the decision either confirms or replaces the decision of the **Scheme Administrators**. You will also be provided with details of TPAS (The Pensions Advisory Service) and the Pensions Ombudsman, who may be able to help you further if you are still dissatisfied with the outcome.

Exceptions to the procedure

This procedure may be used in all cases except those cases where the complaint is already subject to proceedings in a court or tribunal, or where the Pensions Ombudsman has already started investigating the complaint. It should also be noted that this procedure may only be used in relation to disputes with the **Trustees** or **Scheme Administrators** and cannot be used to resolve disputes with the **Company** (even if the dispute relates to the **Scheme**).

11. PENSION SHARING ON DIVORCE

When a couple divorce, or when a civil partnership is dissolved, the courts take into account the value of both parties' pension rights. There are three ways that they can do this:

- they can “offset” the value of the pension rights against other assets e.g. the family home; or
- they can order the “earmarking” of part of a pension and/or lump sum to be paid directly to a former spouse or civil partner e.g. the spouse or civil partner will receive a proportion (decided by the Court) of the member's pension for as long as the pension is in payment; or
- they can make a ‘Pension Sharing Order’

‘Pension sharing’ on divorce allows a court to order part of the member's benefit entitlement to be taken away and a completely separate legal entitlement - ‘the pension credit’ – to be set up for the former spouse.

If your scheme benefits become subject to a pension sharing order, they will be reduced to take account of the pension credit allocated to your former spouse. You will be entitled to detailed information about pension sharing in the event that divorce or nullity proceedings begin.

What will happen to the pension credit?	The Trustees have the option of retaining the pension credit in the scheme or transferring it to another arrangement. Normally, the Trustees' policy will be to transfer the pension credit out of the scheme; it will be retained only in exceptional circumstances. Whichever approach is taken, the member's former spouse will always be able to choose to transfer the pension credit to a separate arrangement of his or her own choice.
Charges	The costs to the Scheme specifically relating to an individual divorce case, including any ongoing administration costs, will be met by the divorcing couple.
Further Information	Further information about what will happen if your benefits become subject to a sharing order, including a schedule of charges, is available from the Scheme Administrators .

12. USEFUL ADDRESSES

Independent Financial Advice Pensions are a complex subject, and it is not always easy to decide which option is suitable for you. Neither the **Trustees** nor the **Scheme Administrators** can give you advice on pensions. An Independent Financial Adviser (IFA) can help you decide.

If you do consult an IFA there may be a charge made for doing so, which you will be responsible for meeting. Please note that we will need your consent in writing before we are able to release any information regarding your benefits to your IFA.

**TPAS (The Pensions
beneficiaries in connection
Advisory Service)**

TPAS is available at any time to assist members and with any pensions query they may have or any difficulty that they have failed to resolve with the Trustees or administrators of the Scheme. It is an independent service provided by a network of volunteer advisers and you may contact them at:

TPAS
11 Belgrave Road
LONDON
SW1V 1RB
Telephone: 0300 123 1047
<http://www.pensionsadvisoryservice.org.uk>

The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational or personal pension scheme. It should be noted that the Pensions Ombudsman will not normally consider a dispute between a member and the Trustees until the IDRPs has been completed. The Pensions Ombudsman can be contacted at:

The Pension Ombudsman's Service
11 Belgrave Road
LONDON
SW1V 1RB
Telephone: 020 7630 2200
<https://www.pensions-ombudsman.org.uk>

The Pensions Regulator

The Pensions Regulator's purpose is to make members' benefits more secure. To do this, it makes sure that pension schemes are run in a way which complies with the law. The Pensions Regulator can become involved in the running of a scheme if trustees, employers or professional advisers do not carry out their duties properly.

The Pensions Regulator may be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW
Telephone: 0845 600 0707
<http://www.thepensionsregulator.gov.uk>

The Pension Tracing Service

The government maintains a register of pension schemes established in the UK. The purpose of the register is to enable people who have lost touch with their previous pension schemes to trace their pension rights.

The Scheme has been registered with the Department of Work and Pensions and the Trustees will update this information as and when required to do so.

follows:

The DWP's Pension Tracing Service can be contacted as

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU
0345 6002 537 6002 537
<https://www.gov.uk/find-lost-pension>

13. TAXATION AND LEGAL NOTES

Taxation of pension schemes

There are a number of valuable tax reliefs available to pension schemes that are 'registered' with HMRC. To take advantage of them schemes must comply with special tax rules. Full details can be found on the HMRC website: <http://www.hmrc.gov.uk/pensionschemes/index.htm>

It should be remembered that the tax treatment of pension schemes is outside of the Trustees' control and is subject to change in the future by the government. If you think that you may be affected by HMRC limits then you should seek independent financial advice (see Section 12 for further details).

Trust Deed and Rules

The **Scheme** is established under trust and is administered by **Trustees** in accordance with formal rules. If you wish to see these documents simply contact the **Scheme Administrators** to make a mutually convenient appointment. We have taken great care in the preparation of this booklet and believe that it gives an accurate summary of the provisions of your **Scheme**.

Funding

The contributions paid by the members are invested as decided by the **Trustees** and are used to provide the pension benefits arising under the **Scheme**. The **Trustees** closely monitor the performance of the investment.

Amendment or discontinuance of the Scheme

Whilst it is hoped that the **Scheme** will always be available, future conditions and future legislation cannot be foreseen, and the right is reserved to change or terminate the **Scheme**. Your rights in such circumstances are set out in the trust deed and rules. All benefits arising from the Scheme are paid for from the trust fund, which is totally separate from the **Company** assets.

Income Tax

Pensions paid under the terms of the **Scheme** will be liable to income tax in the same way as earnings paid to employees at work.

Data Protection Act 1998

The **Trustees** of the **Scheme** are data controllers for the purposes of the Data Protection Act 1998. We will use your data for the purposes of administering the **Scheme**. This will include providing your personal data to our advisers and the **Scheme Administrators**. You have the right to ask for a copy of the information that we hold about you (for which we may charge a small fee) and to correct any inaccuracies in your information.

Changes in Marital Status or Home Address

It is the responsibility of all members of the **Scheme** (including members who have left service) to notify the **Trustees** immediately of any change in their marital status or home address so that they can pay your benefits.

14. SUPPLEMENTARY INFORMATION

Disclosure of Information

You have the right to see the following information on request.

- The **Scheme's** annual report and accounts (for the last five years when applicable)
- The **Scheme's** Trust Deeds and Rules

These can all be obtained by contacting the **Scheme Administrators**.

Trustees' Report and Accounts

Details of the **Trustees** and their advisers, as well as the **Scheme's** audited accounts and an investment statement are published annually in the **Trustees' Report and Accounts**. A copy is available on request from the **Scheme Administrators**.

