

Technical Guide Supplement

Premier Group Personal Pension
Premier Group Stakeholder Pension

Contents

1. Introduction	4
2. Eligibility and membership	5
3. Contributions	5
4. Investment options	7
5. Annual management charge	8
6. Selected Retirement Age	8
7. Additional life cover	9
8. Waiver cover	11
9. Leaving the employer	13
10. Glossary	14

➤ 1. Introduction

1.1 General

This Technical Guide Supplement gives additional information on the Premier Group Personal Pension (GPP) and the Premier Group Stakeholder Pension (GSHP). This Supplement should always be read with the main Premier Pensions Technical Guide.

No new schemes can be set up under Premier GPP or Premier GSHP unless we agree otherwise in any exceptional circumstances (for example in order to split an existing GPP/GSHP). New members may however continue to be accepted to GPP/GSHPs set up before that date, on the terms set out in this Supplement, until we notify the employer otherwise.

Words and expressions shown in red are explained in the Glossary at the end of this Supplement or at the end of the main Premier Pensions Technical Guide.

Information in this Supplement is based on our understanding of current legislation at April 2011. Legislation, particularly relating to taxation, may be subject to change in the future.

Any tax reliefs referred to are those currently available and the value of tax reliefs depends on individual circumstances.

1.2 Employers and other sponsoring organisations

A Premier GPP or Premier GSHP is a group of individual contracts set up for a group of individuals through an employer or other sponsoring organisation.

Where the Premier GPP/GSHP includes self-employed individuals, the sponsoring organisation will usually be a firm, rather than an employer. Throughout this Supplement, we have used the word 'employer' to denote all sponsoring organisations including firms, unless stated otherwise in any particular case.

1.3 Schemes

Where this Supplement refers to a 'scheme', this means either a Premier GPP or Premier GSHP. This is not the same as the 'Schemes' mentioned in section 1 of the main Premier Pensions Technical Guide. The 'Schemes' are, in that case, the Personal Pension Schemes and Stakeholder Pension Scheme operated by Prudential, under which all Premier Pensions are set up.

An individual who becomes a member of a Premier GPP or a Premier GSHP will also be a member of the appropriate Prudential Personal Pension Scheme or Stakeholder Scheme described in the main Premier Pensions Technical Guide.

› 2. Eligibility and membership

Refer to Section 2 of the main Premier Pensions Technical Guide

Minimum number of members

There must be current regular contributions for at least 5 members for the group to qualify for our Premier GPP/GSHP terms. If there are fewer than 5, we reserve the right to apply additional charges or stop the GPP/GSHP.

› 3. Contributions

Refer to Section 3 of the main Premier Pensions Technical Guide

3.1 General

Contributions can be on a regular monthly basis and single, one-off, contributions can be paid.

Employers can contribute to the GPP/GSHP, but do not have to do so and may, instead, arrange only for the payment of members' contributions.

The employer decides on the scheme contribution basis for each membership category and confirms this in the employer application sent to us to set up the scheme. Members can however pay higher rates of contributions to get better benefits. However the value of an investment may go down as well as up, and your fund value in future may be less than the payments you have made. The contribution details are confirmed in Certificates of Membership and other information we send to members.

3.2 Regular Contributions

3.2.1 Contribution bases

Regular contributions are expressed as a specified amount or as a percentage of **scheme earnings**.

With a 'specified contributions' basis, the contributions are for a specified sum that remains the same until the member or employer decides to increase, reduce or stop that amount.

With an 'earnings-related contributions' basis, two options are available:

- › contributions can be set up so that they are fixed between **scheme review dates** and change only when the **scheme earnings** are reviewed at the **scheme review date**. This is known as a 'fixed earnings-related contributions' basis; or
- › contributions can be set up so that the amounts paid change each month with changes in earnings. This is known as a 'variable contributions' basis.

3.2.2 Scheme earnings

If contributions are to be earnings-related the employer chooses an appropriate definition for the **scheme earnings**. The definition is decided initially, but can be changed later, if the employer decides that the current definition is no longer appropriate – as **scheme earnings** should be decided on a basis which fits in with the employer's accounting systems to avoid increasing the administrative costs for the employer.

3.2.3 Effect of payment method on choice of contribution basis

If regular contributions are paid by Direct Debit (see section 3.5 of this Supplement), the contributions must stay the same between **scheme review dates** – either a 'specified contributions' or a 'fixed earnings-related contributions' basis must apply. However, if one of the other payment methods under section 3.5 has been selected, contributions can be on any basis.

3.2.4 Employer and member contributions

If both the employer and member are making contributions then, where the employer has selected the 'specified contribution' or 'fixed earnings-related contribution' basis, both the employer's and the member's contributions must be on the same basis.

Where, however, the employer has chosen a 'variable contribution' basis, the employer and member contributions can be calculated differently – i.e. one can be earnings-related and the other a specified amount.

3.2.5 Monitoring regular contributions

There are legal rules on monitoring the payment of regular pension contributions to all pension plans – to help ensure greater protection of pension savings. We will ask the employer for details of the reasons for any missing expected regular contributions (off sick, contribution holiday required, employee left, etc).

3.3 Tiered Contributions

3.3.1 General

The tiered contribution facility is an extension of earnings-related contributions. The employer agrees tiered contribution scales as part of the contribution bases.

Tiered contributions mean that the basic percentage rates will increase automatically in a specified way through a defined number of levels, or tiers. These tiers can be based on length of service. Some older schemes may have age-related tiers.

Employer and member contributions must be identified separately in each tier.

3.3.2 Number of Tiers

The number of tiers is equal to the number of different contribution rates used for a specific category of member. Up to 15 tiers is possible for each section – membership category – (see section 3.4).

3.3.3 Additional Contributions

Both the member and the employer can pay additional single contributions and/or higher regular contributions, on top of the normal tier level. The standard scheme level tier structure won't be affected by paying any additional contributions, so additional contributions need to be reviewed when there is to be an automatic increase into a new tier scale.

3.3.4 Movement Between Tiers

Members will be moved automatically from one tier to the next, when appropriate. These moves will take place on the **scheme review date**.

3.3.5 Charges

There are no extra charges for using the tiered contribution facility.

3.4 Sections

A scheme can be divided into sections – the employer decides on the section names.

Each section may have different contribution scales, each with its own specified contribution or tiered contribution scale. This allows the employer to choose contribution rates for different categories of members.

A scheme can have up to 20 sections.

3.5 Payment Methods

Members do not make separate arrangements to pay contributions. The employer deducts regular member contributions from pay (or from the member's share of profits if self-employed). The contributions are then sent with any from the employer direct to us each month.

There are legal time limits on dates for investment of contributions deducted from employees' pay, and there may be employment contracts covering pension payments, so all contributions should be sent to us promptly.

The employer can choose the payment method from the following options:

Direct Debit – suitable only for regular contributions that will not change between **scheme review dates**. When payments are made by direct debit, the amount collected from the employer each month does not change between **scheme review dates**, apart from any adjustments made in respect of leavers and new members. Single contributions are in this case payable by cheque.

Cheque and Disk – Each month's cheque must be accompanied by a list which details how the payment is split among the members. We will supply a computer disk to manage the contribution payment. The updated disk is returned to us each month along with the cheque to cover contributions.

Direct payroll link – the employer may prefer electronic transfer of contributions and contribution data.

The employer chooses the payment method when the GPP/GSHP is set up and the chosen method is the only one which can apply for payment of regular

contributions. If, later, the employer wants to change to a different option, we would have to agree to this first, make the appropriate arrangements, and reserve the right to make a separate charge in respect of each GPP/GSHP member, to be met by the employer.

3.6 Minimum Allowable Contributions

There is no minimum contribution for each member, but the average of the total monthly contributions for all members of the GPP/GSHP must be at least £100 per month. The minimum individual single contribution is £1,000 for Premier GPP and £20 for Premier GSHP.

These minimum contribution rates are 'gross' amounts i.e. before allowance for the basic rate tax reduction applied to any member portion.

3.7 Transfer Payments

Transfer payments in respect of members of Premier GPP schemes and Premier GSHP schemes can be accepted from other types of pension schemes. Such transfers may be applied to a Premier Transfer Plan.

Where the transfer payment is to be applied to a Premier Transfer Plan on a Personal Pension basis, the minimum transfer payment is £1,000. There is no minimum transfer payment to a Premier Transfer Plan which is to be applied on a Stakeholder Pension basis.

See also our Premier Transfer Plan Technical Guide (PENB6590) for further details on transfers-in.

Note: Transfer payments can be accepted to a Premier Transfer Plan on an individual basis only. No 'group' transfer terms are available.

The Premier Group Transfer Plan, which did offer 'group' terms, was closed to new business with effect from 27th September 2002. Before that date, the Premier Group Transfer Plan was able to accept:

- › 'bulk' transfer payments in respect of a number of members of the same Premier GPP scheme; and/or
- › 'bulk' transfer payments in respect of a number of members of the same Premier GSHP scheme.

› 4. Investment options

Refer to Section 5 of the main Premier Pensions Technical Guide

The scheme adviser confirms a 'scheme investment strategy'. This investment strategy will then apply for all members' Plans within the GPP/GSHP scheme unless an individual member asks us, in writing, to apply the contributions to his or her own Plan to different investment funds.

The value of an investment may fluctuate and is therefore not guaranteed.

› 5. Annual Management Charge

Refer to Section 7 of the main Premier Pensions Technical Guide

The Annual Management Charge (AMC) is set at GPP/GSHP scheme level, based on the GPP/GSHP scheme investment strategy confirmed by the adviser. If individual members want to invest in other funds, they can do so, subject to an individual AMC adjustment, if the individually chosen funds attract different charges from the investment funds

chosen for the GPP/GSHP scheme investment strategy. The total AMC for a member of a Premier Group Stakeholder cannot be greater than the maximum stakeholder charge (see section 7 of the main Premier Pension Technical Guide) so some investment funds may not be available under Stakeholder Plans.

› 6. Selected Retirement Age

Refer to Section 9 of the main Premier Pensions Technical Guide

The employer confirms the Selected Retirement Age (SRA) for the scheme members in the employer application. The SRA would normally be consistent with the normal retirement date

confirmed in contracts of employment. Members can, however, ask us in the application to join the GPP/GSHP for a different SRA.

› 7. Additional life cover

Refer to Section 11 of the main Premier Pensions Technical Guide

7.1 General

As described in the main Premier Pensions Technical Guide, death benefits are payable in respect of the value of units held under a member's Plan, if he or she dies before taking retirement benefits or a transfer-out.

In the case of Premier GPP and GSHP schemes, additional life cover may also be provided, so long as regular contributions are being paid by the employer.

The adviser confirms the additional life cover basis for the group when the GPP/GSHP is set up. Members can, however, ask, in writing, for a different basis (normally only after obtaining individual advice).

The minimum amount of life cover in respect of any individual is currently £1,000 (or any higher limit we may apply from time to time).

7.2 Underwriting

7.2.1. General

Our acceptance of an individual for additional life cover is normally subject to underwriting. The member will need to answer certain questions about his or her health and lifestyle. We may ask the individual's doctor for a medical report. If we require the individual to undertake a medical examination we will pay for this. As a result of this evidence, we decide whether we can accept the member for additional life cover at our normal rates or whether we need to apply a special loading to the cost. In some cases we may decline to offer any cover whatsoever.

In certain circumstances, additional life cover up to certain limits may be available without evidence of health (see section 7.2.2 of this Supplement).

7.2.2 Automatic life cover

Some life cover may be possible without full health checks. This is available for a qualifying member on completion of a satisfactory 'at work' declaration, provided there are at least 5 qualifying members in the GPP/GSHP.

A qualifying member is one:

- › for whom retirement contributions are to be paid
- › with life cover of at least twice earnings or where there is to be the same fixed amount of life cover for all members, and
- › with an SRA less than or equal to 65.

The amount of automatic cover available is calculated by multiplying the number of qualifying members by £8,000. For example, if there are 10 qualifying members, the automatic cover is £80,000.

If there are 15 or more qualifying members, the automatic cover is limited to £120,000. There is also an overriding maximum automatic cover for each employee of 4 times **scheme earnings**.

It should, however, be noted that we may alter, or withdraw, the terms for automatic cover without notice. Any cover already provided would not be affected.

7.3 Payments for life cover

The cost of each year's cover will depend on the amount of cover, the member's age and any special loading imposed in relation to the member (see section 7.2.1 of this Supplement) when the cover first started.

The initial cost for cover is determined when the member is accepted for cover. The cost then increases each year on the anniversary of the start date of the

member's own Plan, based on the member's age at that anniversary date. The cost each year will therefore increase with age even though the level of cover stays the same.

The payments for additional life cover are part of the overall contributions and are met by monthly cancellation of units under the Plan on the **monthly transaction date**. The payments deducted will be confirmed as part of the charges shown on each yearly benefit statement.

The cost of cover is based on our table of rates for this type of life cover. We may increase the life cover rates from time to time (but we won't change any health loading applied when the cover starts).

7.4 Payment on death

We pay the life cover amount if the member dies while cover is in force (but see sections 7.5 to 7.7).

When a Plan is first set up for a new member of a Premier GPP/GSHP, the member can specify that any lump sum death benefit payable in respect of additional life cover will be payable to his or her legal personal representatives. If the member exercises this option, the lump sum death benefit may be subject to inheritance tax, depending on the value of the member's estate. The additional life cover can also be payable to a trust or other assignee.

If the member does not exercise this option, the payment of the life cover amount will be made under our discretionary powers as Scheme Administrator or Trustee as described in section 11 of the main Premier Pensions Technical Guide. Inheritance tax does not normally arise where lump sum death benefits are paid out in this way.

7.5 Termination of cover

7.5.1 General

Life cover will end on the earliest of the following events:

- › where cover terminates under section 7.6 of this Supplement following the reduction or stopping of regular contributions;
- › on the date that there are no further units from which to deduct the life cover costs under section 7.3 of this Supplement; and
- › on the member's death.

If payments for additional life cover are stopped:

- › additional life cover shall cease and be void; and
- › all life cover costs already deducted shall be absolutely retained by us without liability to refund such costs.

Where the payments for life cover are merely reduced, the life cover will be partially terminated in proportion to that reduction.

Discontinued or lapsed life cover has no paid up value or cash surrender value.

7.5.2 Effective date when cover ends other than on death

Where life cover stops under section 7.6.1, the effective date of termination of cover is the due date of the first unpaid (or reduced) regular contribution.

Where life cover is reduced under section 7.6.1, the effective date of the partial termination of cover is the due date of the first reduced regular contribution.

Where life cover is stopped or reduced under section 7.6.2, the effective date of the termination/partial termination of cover is the due date of the next regular contribution following the date we receive the member's request to stop or reduce the life cover.

7.6 Reducing or stopping regular contributions and/or life cover

7.6.1 Reducing or stopping regular contributions

Reducing or stopping regular contributions may affect additional life cover.

Where regular contributions are reduced, we compare the reduced contribution level with a notional monthly life cover cost (an estimated average cost of the cover up to the **SRA**). Then:

- › if the total reduced regular monthly contributions exceed the notional monthly cost of the life cover, we normally continue to deduct life cover costs in the way described in section 7.3; or
- › if the total reduced regular contributions are less than the notional monthly cost of life cover, we seek further instructions as to whether the regular contributions will be reinstated at the previous level (and the life cover therefore maintained) or whether the life cover should be cancelled or reduced. In the event that the life cover is reduced or cancelled, section 7.5 will apply;

If regular contributions are to be stopped temporarily for a pre-agreed period of no more than 12 months, we normally continue to deduct payments for additional life cover in the way described in section 7.3.

If regular contributions are to be stopped indefinitely or for a pre-agreed period of more than 12 months, or are stopped without having agreed a date when they will be resumed we will stop deducting payments for life cover and cover will cease under section 7.5.

7.6.2 Reducing or stopping life cover

The member can also at any time ask us to stop or reduce the additional life cover. The payments deducted under section 7.3 will be stopped or reduced accordingly and the amount that would otherwise have been deducted will instead remain invested in units. Section 7.5 will then apply to the terminated cover.

7.7 Life cover void or restricted (non-disclosure of information)

The life cover may be void or the amount of life cover amount restricted if we find out that the member did not disclose information about his or her health or lifestyle that would have materially affected either our decision to grant life cover or the terms we offered.

› 8. Waiver cover

Refer to the Waiver Cover Appendix of the main Premier Pensions Technical Guide

8.1 General

8.1.1 Waiver basis

The adviser confirms the waiver cover basis for the group when the GPP/GSHP scheme is set up. Members can, however, ask, in writing, for a different basis (normally only after getting individual advice). Where the employer has chosen a 'variable contribution' basis, Waiver Benefit is based on a target contribution specified on joining and on each **scheme review date**.

8.1.2 Availability of waiver cover

Waiver Benefit or Comprehensive Waiver Benefit under the terms and conditions set out in the current version of the main Premier Pensions Technical Guide is only available if the member joined either the Prudential (SAL) or the Prudential (M&G) Personal Pension Scheme before 6th April 2001. Such members can add, increase or reduce this cover at any time.

Different Waiver Benefit terms and conditions were available to members who joined either of these Schemes or the Prudential (SAL) Stakeholder Scheme on or after 6th April 2001 and before 17th January 2005. This cover can no longer be added, but members who have already taken out cover on those terms and conditions before 17th January 2005 are able to increase that cover if they increase their regular contributions. The terms and conditions for that cover are set out in the Technical Guide previously issued to them.

Waiver Benefits are not available for individuals joining the Prudential (SAL) Personal Pension Scheme, the Prudential (M & G) Personal Pension Scheme or the Prudential (SAL) Stakeholder Scheme on or after 17th January 2005.

8.2 Increases after age 60

Increases in Waiver Benefit after age 60 are not normally allowed. However, certain increased contributions after age 60 can qualify for Waiver Benefit: where contributions are a percentage of **scheme earnings** (irrespective of whether a 'fixed earnings-related contribution' or a 'variable contribution' basis applies), automatic increases resulting from earnings increases after age 60 qualify for waiver benefit (until the Waiver Cessation Age) on the basis which applied before age 60.

8.3 Waiver benefits on regular contribution plans

Where earnings-related contributions apply, the Waiver Benefit credited during the claim period will increase each year on the **scheme review date** by the increase in **National Average Earnings** in the year to the **scheme review date** (subject to a maximum increase of 10%).

8.4 Waiver Benefit charge

The Waiver Benefit charge for regular contributions is a percentage of the expected contribution when Waiver Benefit is applied for, and thereafter of the expected contribution on each **scheme review date** (but charged only during the time Waiver Benefit cover applies). The waiver charges increase over the term of the plan, even if the contribution stays the same, and are

dependent on the term of the plan to the Waiver Cessation Age, the member's age at the time each charge is taken, the chosen Deferred Period and the member's occupation and state of health when new Waiver Benefit is included.

The Waiver Benefit charge continues for the duration of Waiver Benefit as described in section 7.2.10 of the Waiver Cover Appendix to the main Premier Pensions Technical Guide (PENB6591). For non-automatic contribution increases (increases which are not a direct result of increases in earnings-related contributions), account is also taken of the member's occupation and state of health at the time the increase starts.

8.5 Comprehensive Waiver Benefit Charge

The Lump Sum Waiver Benefit portion of the charge will be recalculated at the start of each **scheme year** (for GPP).

8.6 Automatic Cover – only employees (not self-employed) for regular contribution plans

Automatic cover is available on regular contributions with Waiver Benefit and Comprehensive Waiver Benefit. This means that Waiver Benefit or Comprehensive Waiver Benefit can be offered to members at standard rates and without medical underwriting. At least 20 members (excluding those in occupations covered by 'Class 3 and Class 4' occupations for underwriting purposes) must satisfy the following conditions and choose Waiver Benefit or Comprehensive Waiver Benefit for this to apply. The conditions to be satisfied for each employee are:

- i) must be aged less than 60 when waiver/comprehensive waiver benefit cover is to start,
 - ii) must satisfy an **'at work' declaration**
 - iii) contributions on which waiver/comprehensive waiver benefit exists must not be over £8,000 a year – i.e. the total of all regular and single contributions to Group Personal Pensions, Personal Pensions, Group Stakeholder Pensions and Stakeholder Pensions (whether accepted under automatic cover, the 'simplified acceptance scheme'* or subject to full health/occupation checks) under the Prudential (SAL) Personal Pension Scheme, the Prudential (M&G) Personal Pension Scheme and the Prudential (SAL) Stakeholder Scheme must be less than £8,000. For this purpose, single contributions paid are measured in 12 month periods, beginning with the date of the first single contribution with waiver benefit.
 - iv) an employer contribution greater than or equal to 75% of the employees' total contribution.
 - v) the application for Waiver/ Comprehensive Waiver Benefit must be made within one year of being eligible to join the GPP/GSHP.
- Automatic cover is not available for waiver/comprehensive waiver benefit on single contributions, or for self-employed members.
- Any regular monthly contributions not qualifying for automatic cover will be subject to full evidence of health, including possibly a medical examination or report from the member's General Practitioner.
- It should, however, be noted that we may alter, or withdraw, the terms for automatic cover without notice. Any cover already provided would not be affected.
- * Further details of our 'simplified acceptance scheme' are available on request.

8.7 Earnings-related contributions

Where earnings-related contributions apply, waiver/comprehensive waiver benefit will be available under each earnings-related increase in contributions without any additional medical information. However, we may, at our discretion, require additional satisfactory health information before agreeing to waiver/comprehensive waiver benefit for any increase in the contribution percentage rate – although the extra benefit may be eligible for the 'simplified acceptance scheme' and/or automatic cover.

Where regular contributions are payable on a 'variable contributions' basis – see section 3.1 of this Supplement – and a waiver claim is made, the waiver benefit is based on the expected contribution specified on the member's application or later in the yearly review schedules completed by the employer.

› 9. Leaving the employer

9.1 General

If the Member leaves the employer, then so long as he or she continues to satisfy **HMRC** eligibility requirements, the member can normally continue making contributions to his or her plan on an individual basis. His or her new employer may also make contributions to the plan. The member and, if applicable, the new employer, will need to complete whatever application forms we require.

Unless we notify the member otherwise, the terms and conditions that apply to the contributions payable under the original GPP/GSHP will apply to the new level of contributions agreed in the application form. Different terms and conditions may apply to any increases paid to those amounts.

Regular contributions continued in this way are subject to such minimum amounts as we may from time to time decide.

If an earnings-related basis (whether 'fixed earnings-related contributions' or 'variable contributions' basis) applied under the GPP/GSHP, this basis cannot be continued by the member or the new employer. See section 9.2 of this Supplement.

9.2 Continuing regular contributions

(a) Member only continues

If the member decides to continue making regular contributions, these must be on a 'specified contributions' basis (see section 3.2.1 of this Supplement), payable by direct debit mandate from the member's own bank account. The member's plan becomes an individual plan, no longer part of a GPP/GSHP scheme.

(b) New employer agrees to pay regular contributions

If the member's new employer agrees to pay regular contributions to the plan these must be on a 'specified contributions' basis payable by direct debit mandate from the new employer's bank account, or on such other terms as we agree.

If the member and the new employer are both paying regular contributions, the new employer will normally deduct the member's contributions and send them to us with the employer contributions as described in section 3.5.

9.3 Continuing additional life cover

If, having left a GPP/GSHP scheme, the member continues to make regular contributions, any additional life cover for which the member has already been accepted may be continued under the plan so long as:

- › the term of the plan is not changed;
- › regular payments have not remained unpaid for more than 3 months; and
- › the member's additional life cover started under the GPP/GSHP before 13th April 2007.

The level of cover cannot be greater than the amount that applied immediately before the member left the GPP/GSHP scheme.

If regular payments have not been paid for more than 3 months since leaving the GPP/GSHP scheme, any continuation of life cover is at our discretion and subject to underwriting as described in section 7.2.1 of this Supplement.

9.4 Continuing Waiver cover

Unless the member notifies us to the contrary, any Waiver cover will continue on the same basis as applied under the original GPP/GSHP.

If regular payments have not been paid for more than 3 months since leaving the employer, the continuation of Waiver cover is at our discretion and subject to underwriting.

› 10. Glossary

Refer to Section 21 of the main Premier Pensions Technical Guide

'At work' declaration – this tells us about members joining a new GPP/GSHP who:

- › have been off work, or
- › have performed restricted duties or worked restricted hours

because of illness or injury for more than 2 weeks:

- › in the last two months, if additional life cover is required, or
- › in the last 12 months, if waiver/comprehensive waiver benefit is required.

It also includes anyone joining who is currently off work, but we do not need details for anyone who is off because of a minor ailment such as a common cold.

'Class 3 and Class 4' occupations: are occupations which are categorised in this way by UK pension providers and generally are, in some way, higher risk occupations than Class 1 and Class 2.

HMRC: Her Majesty's Revenue & Customs

Monthly transaction date: this is the date each calendar month on which any adjustment to units to meet the Annual Management Charge is made. If the member has additional life cover, the cost of this cover is also deducted on the monthly transaction date. The monthly transaction date will normally fall on the same day of the month as the relevant date. If the monthly transaction date

would fall on the 29th, 30th or 31st day of any month, we may substitute the 28th day of that month for that day. The first monthly transaction date falls in the first calendar month next following the relevant date, and subsequent ones then fall monthly thereafter.

National Average Earnings Index: the index made by the figures in the "Actual" column under the heading "Whole Economy" in the Average Earnings Index for all employees in Great Britain, published by the Government Executive Agency known as the Office for National Statistics. If this index is no longer published or if, in our opinion, this index is no longer suitable, we will use another index which we consider suitable, including an index we calculate for this purpose.

Scheme earnings: where contributions are calculated using a percentage figure, the percentage is applied to **scheme earnings**.

The basis used for **scheme earnings** is chosen by the employer (in the application sent to us to set up the GPP/GSHP) and confirmed in Certificates of Membership.

Scheme earnings may not necessarily include all earnings. For example, special bonuses or overtime may be excluded.

If the employer has chosen to pay contributions using a Direct Debit, **scheme earnings** will be fixed when contributions start and then on each **scheme review date**, staying at the same level until the next **scheme review date**.

If the employer pays contributions to us via one of the other methods, we use the new **scheme earnings** figures to set the levels of expected contributions for the next **scheme year** and waiver/comprehensive waiver benefit charges are based on these expected contributions.

Scheme review date: is chosen by the employer in the employer's application to us to set up the GPP/GSHP.

Life cover is reviewed at the **scheme review date**.

For earnings-related contributions, the **scheme review date** is the date at which the employer provides updated **scheme earnings** figures.

If the employer pays contributions to us using a Direct Debit, earnings-related contributions change only when the employer gives us the new **scheme earnings** figures at each **scheme review date**.

Scheme year: initially the time between the date the GPP/GSHP is set up and the first **scheme review date**, then the year between each **scheme review date**.

SRA – Selected Retirement Age: this is the date selected by the member at the start of a Plan, as the date that he or she expects to start taking retirement benefits.



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