

**A guide to the**

**Tensar International Limited Retirement Benefits Plan**

**Please keep this guide in a safe place for future reference**

**February 2008**

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## Definitions

This guide uses certain words that may need further explanation. These are shown below to help you understand any terms that may not be familiar to you.

### **Additional Voluntary Contributions (AVCs)**

These are contributions you voluntarily choose to pay to the Plan over and above your normal contributions to provide additional benefits.

### **Annual Allowance**

This is an annual limit on the amount by which your pension savings can grow in a year before being subject to tax. It is £225,000 at 6 April 2007, rising to £255,000 by the year 2010, and will continue to be reviewed after that date.

The Annual Allowance does not apply in the year you actually start to receive your benefits.

### **AVC Account**

An account is set up in your name by the Trustees for your AVCs. The AVCs you pay and returns they earn are credited to this account. You should note that depending upon investment returns the value of your AVC Account could fall or rise.

### **Basic Salary**

This is your annual basic pay, it does not include any bonuses, commission or other payments such as overtime.

### **Civil Partner**

This is the person you are in a registered civil partnership with at the date of your death.

### **Company**

This means Tensar International Limited

### **Dependant**

This means any person who, in the opinion of the Trustees, was financially dependent on you. In order to qualify, a child must be under 18 years of age, or, if over age 18 and under age 23, be in continuous full time education or vocational training. A child who is financially dependant on a member because of physical or mental impairment will qualify as a Dependant.

### **Earnings Cap**

For the tax year beginning 6 April 2007 the Earnings Cap used by the Plan is £112,800. This amount will be increased in subsequent years broadly in line with inflation.

### **Final Pensionable Salary**

This is the highest of your Pensionable Salaries on any 6 April in the last five years (or as long as you have been a member if that is less) immediately before Normal Pension Date or the date you leave the Plan. The Earnings Cap will apply to your Final Pensionable Salary in respect of the benefits you have earned up to 5 April 2006.

### **Guaranteed Minimum Pension (GMP)**

If you were a member of the Plan before 6 April 1997, you were contracted out of the State Earnings Related Pension Scheme (now known as the State Second Pension), on a basis which means the Plan had to provide a pension at your Normal Pension Date, at least equal to your GMP. Your GMP is roughly equal to the State Second Pension you would have received if you had been in the State Second Pension for the same period as you were in the Plan.

**Lifetime Allowance**

This is the overall limit on the pension savings that will qualify for tax relief and will apply to all of the pension benefits you build up over your entire working life. It is £1.6m worth of benefits at 6 April 2007, rising to £1.8m by the year 2010, and will continue to be reviewed after that date.

**Normal Pension Date**

Your 65th birthday.

**Pensionable Salary**

This is your Basic Salary including any shift allowance, supervision allowance and special skills allowance calculated on each 6 April after you joined the Plan.

**Pensionable Service**

This is the continuous service which a member completes after the date he joins the Plan up until his Normal Pension Date.

**Plan**

This is the Tensar International Limited Retirement Benefits Plan.

**Spouse**

This is the person to whom you were married at the date of your death.

**Trustees**

This means the trustees appointed from time to time. The Trustees are responsible for the efficient running of the Plan and for safeguarding the interests of members and beneficiaries.

**Trust Deed and Rules**

This is the document which sets out the rules governing the Plan, as amended from time to time.

## **Welcome to the Tensar International Limited Retirement Benefits Plan**

The Plan is a "defined benefit" or "final salary" pension plan and is a valuable benefit that provides you with a tax-efficient way to save for your retirement, with help from the Company.

The benefits the Plan provides include a pension for you when you retire and benefits for your family on your death.

The Plan is administered under a trust and is governed by the Trust Deed and Rules. This guide is a summary of the provisions of the Plan and whilst every effort has been made to reflect accurately the provisions of the Trust Deed and Rules, if there are any differences the Trust Deed and Rules will always take precedence. In addition, this guide does not amend the provisions of the Trust Deed and Rules.

If you would like to see a copy of the Trust Deed and Rules please contact:

Mr D Johnstone (Finance Director)  
Tensar International Limited  
Cunningham Court  
Shadsworth Business Park  
Shadsworth  
Blackburn  
BB1 2QX

## Key features

The Plan is a "defined benefit" or "final salary" Plan. This means that the level of your benefits depends on your salary when you retire (or leave the Plan or die) and the length of time you have been a member of the Plan.

Here is a quick summary of the Plan's key features:

- a pension for you when you retire,
- the option of taking part of your pension as a tax-free lump sum when you retire,
- a Spouse's or Civil Partner's pension on your death before or after you retire,
- the option to pay more into the Plan to buy extra benefits,
- valuable tax breaks, which mean your pension savings build up in a tax-efficient way,
- the potential to retire immediately with a pension if you become too ill or disabled to work,
- the option to transfer the value of your benefits to another pension arrangement if you leave the Plan before you retire,
- each year you receive a statement from the Plan showing how your benefits are building up,
- the Plan is administered as a trust and so its assets are legally separate from the Company. It is run by Trustees, some of whom are appointed by the Company and some of whom are elected by members. The Trustees must always act in the best interests of members.

## Your details

This booklet is designed to do more than just tell you about the Plan. It will also enable you to work out appropriate figures for your own benefits.

As we proceed we will work out examples for a fictitious married member, Bill Smith – and there's space for you to work out your own figures. Although we have taken a man for our example, the same principles apply to women. To begin, fill in your basic details in the right hand column below.

	<b>Bill Smith</b>	<b>You</b>
Date of Birth	6 April 1950	
Date of joining the Plan	6 April 1980	
NORMAL PENSION DATE – age 65	6 April 2015	
PENSIONABLE SERVICE (see page 2)	35 years	
PENSIONABLE SALARY (see page 2)	£25,000	

## Contributions

### Your contributions

You pay 6% of your Pensionable Salary towards the cost of the Plan.

The actual cost to you is less than it seems as your contributions are taken from your earnings before income tax is calculated, so you automatically get full tax relief on them at the highest rate of tax you pay. If you pay tax at the basic rate of 22%, each £1 you pay costs only 78p from your take home pay. If you are a higher rate tax payer (40%), each £1 you pay costs only 60p from your take home pay.

The example below shows the cost of membership for an employee with a Pensionable Salary of £25,000

#### **Example**

Pensionable Salary	= £25,000
Monthly contribution at 6%	= £125.00
Tax relief at 22%	= £27.50
Monthly contribution after tax relief	= £97.50

### The Company's contributions

The Company pays the difference between the cost of providing retirement benefits and the contributions you pay. This varies from time to time but is generally much more than the members' contributions.

In addition, the Company pays the whole cost of providing life assurance benefits and also meets the administrative costs of the Plan.

### Additional Voluntary Contributions (AVCs)

If you wish to pay more into the Plan to boost your benefits you have the option to pay Additional Voluntary Contributions (AVCs).

AVCs are paid into an AVC Account in the Plan which the Trustees set up in your name. The value of your AVC Account is invested and at retirement you agree with the Trustees how you want to use your AVC Account to provide additional benefits.

Each year you receive a statement showing the AVCs you have paid and the value of your AVC Account. Full details of the Plan's AVC arrangements can be obtained from Mr D Johnstone.

### Total annual contributions

You can pay up to 100% of your taxable earnings into the Plan (which includes your standard contributions of 6% of your Pensionable Salary) and tax relief will normally be available on the full amount. However, a tax charge will be imposed if your increase in pension savings under all registered pension schemes for the same period is more than the Annual Allowance.

## **Membership of other pension schemes**

You can pay into as many pension schemes as you wish. So, as well as being a member of the Plan, you may also pay into other pension arrangements, such as a stakeholder or personal pension.

The Annual Allowance and the Lifetime Allowance will apply to the total of your contributions to, and your benefits from, all registered schemes of which you are a member.

The period over which your pension savings are measured for comparison with the Annual Allowance is the "pension input period" which runs from 6 April each year.

To work out the figure that counts towards your Annual Allowance you take the increase in your pension entitlement for the pension input period and multiply it by 10. You then add the value of the AVCs you have paid that year. If the overall total is greater than the Annual Allowance you will have to pay tax on the excess.

# Your retirement benefits

## Your normal retirement pension

Your pension at Normal Pension Date is calculated using your earnings when you retire (your Final Pensionable Salary) and the length of time you have been a member of the Plan (your Pensionable Service). Your pension is calculated as:

Final Pensionable Salary x Pensionable Service completed before 6 April 2003 ÷ 70
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PLUS

Final Pensionable Salary x Pensionable Service completed after 5 April 2003 ÷ 80
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**Example**

If we look at our fictitious member Bill Smith (see page 6) although Bill Smith does not retire until 2015, we can calculate what his pension would be, in today's terms. Obviously as earnings increase, so will the pension. You could base your calculation on your present earnings, as a rough guide, although your pension will be calculated using your Final Pensionable Salary when you retire.

If you joined the Plan before 6 April 2003, part of your pension would be calculated as follows:

	Bill Smith	You
Find the years and months between joining the Plan and 6 April 2003	06.04.2003 <u>06.04.1980</u> 23 _____	
Your pre-2003 service is	23 years	
Divide your Pensionable Salary by 70	£25,000 ÷ 70 = £357.14	
Multiply this by your pre-2003 service	£357.14 x 23 = £8,214.22	

Below Bill Smith has calculated the pension he has earned after 5 April 2003.

	Bill Smith	You
Find the years and months from 6 April 2003 to Normal Pension Date	$\begin{array}{r} 06.04.2015 \\ \underline{06.04.2003} \\ 12 \end{array}$	
Your post-2003 service is	12 years	
Divide your Pensionable Salary by 80	$\begin{array}{r} \pounds 25,000 \div 80 \\ = \pounds 312.50 \end{array}$	
Multiply this by your post-2003 service	$\begin{array}{r} \pounds 312.50 \times 12 \\ = \pounds 3,750 \end{array}$	
Your post-2003 pension is	£3,750	

If you had both pre and post 2003 service, your total pension can be found by adding together both calculations:

	Bill Smith	You
Pre 2003 pension	£8,214.22	
Post 2003 pension	£3,750	
Total Plan Pension	£11,964.22	
In addition, you will receive the Basic State Pension, from your State Pension Age (see page 24) which in 2007/08 for a married couple is £7,259.20 per year. Add this to your Total Plan Pension to give your TOTAL PENSION INCOME (if you are single add £4,539.60 instead)	£19,223.42	

Your pension is paid in monthly instalments starting on your Normal Pension Date and is paid for the rest of your life.

## Special terms for members with part time service

If your total Pensionable Service includes a period of part time service as well as full time service, then special terms apply.

For part time service, your pension will be based on your equivalent full time Final Pensionable Salary, but the amount of Pensionable Service you accumulate will be reduced pro-rata in accordance with the number of hours you are working. For example, if our fictitious member, Bill Smith, completed 35 years Pensionable Service, 23 years of which was full time service (up to 5 April 2003) and 12 years part time at half full time hours, then his pension would be:

1/70 x £25,000 x 23 years	=	£ 8,214.29
PLUS 1/80 x £25,000 x (12 ÷ 2 = 6 years)	=	£ 1,875.00
		—————
Total	=	£10,089.29
		—————

His pension contributions and life assurance benefits during part time service, however, would be based on his actual (reduced) earnings during that period.

## Total pension

HM Revenue & Customs limit the pension savings you can build up in a tax-efficient way to the Lifetime Allowance. Any benefits paid in excess of the Lifetime Allowance will be subject to a further tax charge.

To broadly work out the value of your benefits compared with the Lifetime Allowance the value of your pension is taken as 20 times its annual amount. You also need to include the value of any AVCs you have paid and any tax-free cash sum you take at retirement.

If you are receiving any pension payments from other sources which started to be paid before 6 April 2006, the value of this separate pension is usually taken as 25 times its annual amount for the purposes of the Lifetime Allowance.

If you are receiving any pension payments from other schemes which started to be paid on or after 6 April 2006, the value of this separate pension is currently taken as 20 times its annual amount for the purposes of the Lifetime Allowance.

## Your tax-free cash sum

When your pension commences you may exchange, with the consent of the Company, part of your pension for a cash sum. Currently, the cash sum is free of tax.

The maximum amount of cash you may take free of tax is broadly 25% of the value of your benefits for tax purposes. The value of your benefits for tax purposes is the amount of your cash sum plus 20 times the amount of your remaining pension. This factor of 20 is the figure currently prescribed by the authorities for this purpose.

If you decide to take a tax-free cash sum your pension is reduced to reflect the value of the cash sum paid. The amount of the reduction is calculated by the Plan's actuary and depends on your age when you retire. The calculation varies from time to time and full details will be given to you at retirement. Currently a figure of 11.2 is used at age 65, meaning that for every £11.20 of cash you take, your pension will be reduced by £1. This is known as the Plan conversion factor.

**Example**

Using our fictitious member, Bill Smith, he will be able to exchange £4,464.26 of his pension for a cash sum. The amount of £4,464.26 is arrived at by using the following calculation:

$20 \times P \div [(3 \times C) + 20]$ , where C is the conversion factor and P is the pension before any reduction is made for the cash sum.

So in Bill Smith's case, this would be calculated as follows:

$$20 \times £11,964.22 \div [(3 \times 11.2) + 20]$$

$$= £239,284.40 \div [33.60 + 20]$$

$$= £4,464.26$$

Now we know how much pension Bill Smith can exchange for a cash sum, we can calculate the amount of cash he can take. This is done by using the conversion factor of 11.2. In order to calculate how much of your pension you can exchange for a cash sum, you will need to insert your own pension (P) in the above calculation.

	Bill Smith	You
Amount of pension that can be exchanged for tax free cash	£4,464.26	
Multiply this by the Plan conversion factor of 11.2 to arrive at your cash sum	£4,464.26 x 11.2 = £49,999.71	
Your yearly pension at NPD (65) will be reduced by the cash sum you have taken ÷ by the Plan conversion factor	£49,999.71 ÷ 11.2 = £4,464.26	
Remaining Plan pension after taking cash sum of £49,999.71	£11,964.22 - £4,464.26 = £7,499.96	

A cash sum of more than 25% of the value of your benefits may be available if the value of your cash rights at 5th April 2006 was more than 25% of the value of your overall benefits under the Plan earned to that date.

You will be provided with full details of the amount of cash you are entitled to before your pension comes into payment.

## Early retirement

If the Company and the Trustees agree you may retire from age 50 and start to receive your pension immediately, although this minimum age is increasing to 55 if you have not retired by 6 April 2010.

Your early retirement pension is calculated in the same way as your normal retirement pension but based on your Final Pensionable Salary and completed Pensionable Service at the date you retire.

**The pension is then normally reduced to take account of the longer period for which it will be paid.** For example, if you retire 5 years early (i.e. at age 60) the pension calculated as above is currently reduced by approximately 30%. Different reductions apply at different ages. These reduction factors are reviewed from time to time and may therefore have changed if you retire early in this way.

When you retire and your pension starts you still have the option to take part of your pension as a tax-free cash sum and to give up part of it to provide an extra pension for your Spouse, Civil Partner or another Dependant (see **Extra pension for dependants** on page 17).

For more information please contact Mr D Johnstone.

## Late retirement

If you continue working after your Normal Pension Date you can apply to receive your benefits at any time before you eventually stop working for your employer but no later than age 75. You will earn no further pension after your Normal Pension Date but any pension you defer taking will be increased until you retire to reflect its late payment.

When you retire you still have the option to take part of your pension as a tax-free cash sum and to give up part of it to provide an extra pension payable on your death to your Spouse, Civil Partner or another Dependant (see **Extra pension for dependants** on page 17).

Your normal contributions to the Plan will stop at your Normal Pension Date.

If you die after your Normal Pension Date, but before you actually retire, your benefits are normally worked out as if you had retired the day before you died.

For more information please contact Mr D Johnstone.

## Flexible retirement

With the Company's consent you may be able to take your pension and continue to work for the Company. However, to avoid overcomplicating the Plan, under this option you will only have two opportunities before Normal Pension Date to apply for the above benefit. A reduction would apply for early payment.

If you die after your benefits have come into payment, the death benefits attaching to those benefits will be worked out as for death after retirement even though you may still be employed.

If you take benefits in this way you can earn future benefits under the Plan, as if you joined as a new member. You will also contribute to the Plan as if you were a new member and you will also be covered for the Death in Service lump sum benefit.

## **Death before Normal Pension Date**

If you retire from service and are granted a pension on the grounds of ill health or you retire from service having joined the Plan before 1 October 1991 and are granted an early retirement pension, if you die before your Normal Pension Date, a lump sum equal to three times your Pensionable Salary at the date of your early retirement will be payable to your estate.

## **Ill-health benefits**

### **Ill-health early retirement**

If you become seriously ill or disabled to such an extent that you are (and will continue to be) unable to do your normal job and your earnings are seriously impaired and you have provided medical evidence satisfactory to the Trustees, you may be able to retire and receive an immediate pension from the Plan.

Your ill-health early retirement pension is calculated in the same way as your normal retirement pension but based on your Final Pensionable Salary and completed Pensionable Service at the date you retire. If you are under age 60, this pension is then reduced to take account of the longer period for which it will be paid.

## **Benefits for your family – death while employed by the Company**

If you die before your Normal Pension Date as a member of the Plan while employed by the Company, the following benefits are payable:

### **Lump sum**

- A lump sum of 3 times your Pensionable Salary at your date of death,
- A refund of your contributions to the Plan (excluding any Additional Voluntary Contributions that you have paid).
- The full value of your AVC Account.

### **A Spouse's pension**

A pension equal to 30 % of your Pensionable Salary is payable immediately to your Spouse at the date of your death. Your Pensionable Salary will not be restricted to the Earnings Cap.

Any Spouse's or Civil Partner's pension paid (see below) will be subject to income tax but its value will not count towards your Spouse's or Civil Partner's own Lifetime Allowance.

### **A Civil Partner's pension**

If you are in a registered civil partnership at the date of your death a pension will be payable to your Civil Partner. The benefit payable is calculated in the same way as a Spouse's pension described above but is based on the total of:

- all of the benefits that you earned in the Plan from 6 April 1988 as a result of being contracted-out of the State Second Pension, and
- all of your Plan benefits earned from 5 December 2005.

### **Restriction on benefits**

Normally, the lump sum death benefit and Spouse's or Civil Partner's pension are provided automatically without any enquiry into your state of health. Sometimes, however, restrictions are placed on these benefits and you will be told if this applies to you.

The lump sum death benefit is insured under an insurance policy. Payment of the benefits are subject to acceptance by, and any terms and conditions imposed by, the insurer.

### **Payment of lump sums**

The lump sum death benefits are paid at the discretion of the Trustees to your beneficiaries or estate and, normally, no inheritance tax is paid on them.

The Trustees must decide who receives the money but generally they follow your wishes provided they have been notified of them beforehand.

You may nominate the people you would like the Trustees to consider as beneficiaries by completing an expression of wish form. There is an expression of wish form at the back of this guide for you to use. You may change this nomination at any time by filling in a new form. The forms are available from Mr D Johnstone.

Any lump sum payable on your death up to the Lifetime Allowance will be paid free of income tax, provided that the total lump sum benefits payable as a result of your death (including benefits payable from other pension arrangements) are less than the Lifetime Allowance. Any excess will be subject to a tax charge.

If your Spouse or Civil Partner is more than 10 years younger than you, the pension will be reduced to take account of the longer period for which it is likely to be paid.

## **Benefits for your family – death after you retire**

On your death after you retire the following benefits are payable:

### **Lump sum benefits**

If you die up to five years after your retirement the value of the unpaid balance of five years' pension is paid as a lump sum to your beneficiaries or estate in the same way as the payment of lump sum benefits on death before retirement (see page 15).

If you die on or after your 75<sup>th</sup> birthday the Trustees will continue to pay the outstanding instalments of five years' pension payments but no lump sum will be payable.

### **A Spouse's pension**

Your Spouse will receive a pension equal to one-half of the pension you were receiving at the date of your death. If your pension was reduced because you took a tax free lump sum or any other benefits, when you retired, this reduction will be disregarded when calculating your Spouse's pension.

### **A Civil Partner's pension**

If you are in a registered civil partnership at the date of your death a pension will be payable to your Civil Partner. The benefit payable is calculated in the same way as a Spouse's pension described above but is based on the total of:

- all of the benefits that you earned in the Plan from 6 April 1988 as a result of being contracted-out of the State Second Pension, and
- all of your Plan benefits earned from 5 December 2005.

If your Spouse or Civil Partner is more than ten years younger than you, the pension will be reduced to take account of the longer period for which it is likely to be paid.

Any Spouse's or Civil Partner's pension paid will be subject to income tax but its value will not count towards your Spouse's, Civil Partner's or Dependant's own Lifetime Allowance.

### **Extra pension for Dependants**

When you retire you may choose with the consent of the Trustees, to give up part of your own pension to provide an extra pension payable on your death for your Spouse, Civil Partner or another Dependant. Further information is available from Mr D Johnstone.

## **Pension increases**

### **Pension increases**

Once it starts to be paid the pension you have earned, which exceeds your Guaranteed Minimum Pension, in respect of Pensionable Service before 6 April 2008, will increase each year by the increase in the retail prices index up to a maximum of 5%. That part of your pension earned in respect of Pensionable Service after 5 April 2008, will increase each year by the increase in the retail prices index, up to a maximum of 2.5%.

Your Guaranteed Minimum Pension (if any), once in payment will increase in line with inflation. These increases will be provided partly by the Plan and partly by the State.

Increases will take place on each 6 April.

You decide what annual increases apply to the pension bought with the value of any AVC Account you have.

Similar increases will also apply to any Spouse's or Civil Partner's pension that may become payable on your death.

## Leaving

### Leaving the Plan

If you leave the Plan before your Normal Pension Date (for example you opt out or leave to go to another employer) you stop paying contributions to the Plan. You will earn no more benefits under the Plan

On leaving the Plan, you are entitled to a preserved pension payable from your Normal Pension Date.

The preserved pension is calculated in the same way as your normal retirement pension but based on your Final Pensionable Salary and completed Pensionable Service at the date you leave.

Your preserved pension in excess of your Guaranteed Minimum Pension is increased from the date you leave the Plan to the date you retire by the percentage increase in the retail prices index, up to a maximum of 5% a year.

That part of your pension which represents your Guaranteed Minimum Pension, at the date you leave the Plan, will be increased at a rate set by the Government, currently 4% compound, for each tax year up to State Pension Age.

You will normally have the options to take your preserved pension before or after your Normal Pension Date described under **Your retirement benefits**. If the Trustees agree to the payment of your preserved pension before your Normal Pension Date it will be reduced to take account of the longer period for which it may be paid. You will still have the options of taking part of your pension as a tax-free cash sum and giving up part of it to provide an extra pension payable on your death to your Spouse, Civil Partner or another Dependant.

### Death before retirement

If you die before your preserved pension becomes payable, a lump sum equal to your contributions to the Plan plus your AVCs is paid to your estate.

Your spouse will receive a pension equal to the greater of:

- (1) 1/160 of your Final Pensionable Salary at your date of leaving for each complete year of Pensionable Service from 6 April 1978 to 5 April 1997, and
- (2) the widow's or widower's GMP.

Plus, in respect of (1) and (2) above, the difference between the annual rate of the widow's or widower's GMP revalued to date of death and one half of your own GMP at date of leaving Pensionable Service.

Plus

- (3) one half of your preserved pension in respect of Pensionable Service completed after 6 April 1997, including increases from the date you left the Plan to the date you died.

If you are in a registered Civil Partnership at the date of your death a pension will be payable to your Civil Partner. The benefit payable is calculated in the same way as a Spouse's pension described above but is based on the total of:

- all of the benefits that you earned in the Plan from 6 April 1988 as a result of being contracted-out of the State Second Pension, and
- all of your Plan benefits earned from 5 December 2005.

### **Transfer of benefits**

If you leave the Plan before your Normal Pension Date, instead of leaving your benefits in the Plan you may be able to transfer them to your new employer's scheme, a personal or stakeholder pension scheme or an individual insurance policy. Various rules and regulations apply to transfers and you will be advised if these affect you.

The transfer (known as a cash equivalent) is calculated by the Trustees, taking advice from the Plan Actuary where necessary.

Cash equivalents do not take account of discretionary pension increases as the Trustees do not have a policy of paying such increases.

You may ask the Trustees for an estimate of the cash equivalent available to you at any time. The Trustees will give you a written statement showing your entitlement. If you need the estimate because of a divorce settlement you should tell the Trustees this as they may need further information from you. The Trustees are not obliged to give you another estimate within 12 months of your last request.

## **Absence from work**

Most absences from work are for a relatively short time and do not normally affect your membership of the Plan. If you are absent for a long time your membership may be affected.

If you are absent due to illness or injury your Plan membership is continued, provided you are covered by the Company's prolonged disability insurance scheme. If you are not receiving this benefit your membership will continue for a period of up to 12 months subject to the Company's consent.

If you are away from work for any other reason except maternity, paternity or adoption leave the Company decides whether your membership should continue and whether you remain covered for the lump sum death benefit and Spouse's or Civil Partner's pension and, in each case, for how long.

You are normally treated as having left employment if you do not return to work at the end of the appropriate period.

## **Maternity leave**

If you are away from work to have a baby your membership under the Plan will continue during your maternity leave.

### **Ordinary maternity leave**

During your ordinary maternity leave your membership of the Plan will continue as though you are working normally. Your benefits will continue and be based on the Pensionable Salary that would have applied had you been working normally.

You continue to pay contributions but based on the pay you actually receive during maternity leave.

### **Additional maternity leave**

If, at the end of ordinary maternity leave, you go on to additional maternity leave, your membership of the Plan will continue in the same way as during ordinary maternity leave for any period that you continue to receive pay from the Company.

If you do not receive pay from the Company during any period of additional maternity leave your pension benefits will not be continued, The Company and Trustees will decide whether you will continue to be entitled to death benefits.

If you do not return to work after maternity leave you will leave the Plan. The date you leave the Plan is taken as the date when your Pensionable Service for pension benefit stops.

## **Paternity leave**

If you qualify for paternity leave your membership of the Plan will continue as though you were working normally. You will be notified if you need to contribute to the Plan during paternity leave.

## **Adoption leave**

If you take adoption leave your pension and death benefits will be continued in the same way as for maternity leave. References to *maternity leave* should be read as *adoption leave*.

## **A-Z of further details**

This guide is based on current understanding of tax and pension scheme law and is subject to change at any time in the future.

### **Alteration or discontinuance**

The Company has the right to stop contributing to the Plan but at the moment has no intention of doing so. The Company with the consent of the Trustees also has the right to alter the terms of the Plan.

If the Company stops its contributions and the Plan is discontinued, if the assets of the Plan (its investments) are not sufficient to cover the Plan's liabilities (the benefits earned by all members at that date) current legislation requires the Company to pay an amount into the Plan estimated to secure the benefits members have already earned. Because of market fluctuations that cannot be predicted, this amount may not be sufficient to secure benefits in full.

### **Current income tax position**

If your total retirement income including your State pension is more than your personal income tax allowance, your Plan pension is subject to PAYE income tax.

### **Divorce or dissolution of a civil partnership**

If you get divorced or dissolve your civil partnership your benefits under the Plan may become subject to a Court Order. This would require the Trustees to allocate a specified part of your retirement benefits and death benefits under the Plan to your ex-spouse or your ex-civil partner. Your State Second Pension benefits may also be affected.

If a court order applies to your Plan benefits you will be given details of the reduction to apply to your benefits. Any pension deducted from your own entitlement will count towards your ex-spouse's or ex-civil partner's Lifetime Allowance rather than your own.

On divorce or dissolution you should tell the Trustees about the changes in your personal details. You should also consider changing any expression of wish form you previously completed.

The Trustees may charge you for the cost of any work to do with a divorce or dissolution of a registered civil partnership, which may involve reducing your benefits.

### **Formal Trust Deed and Rules**

This guide is for information only and does not give rights to benefits for or in respect of you. Your rights to benefits under the Plan arise from the Trust Deed and Rules. The Trust Deed and Rules is designed to meet the requirements of HM Revenue & Customs and other Government authorities.

### **Giving up your benefits**

Except in the limited circumstances allowed by law and by the formal Trust Deed and Rules, you are not allowed to give up, cash in or forfeit your benefits or use them as a security for a loan.

## **HM Revenue & Customs**

The Plan is a "registered" scheme for HM Revenue & Customs purposes. As a registered scheme the Plan enjoys various tax advantages:

- tax relief is available on contributions paid into the Plan provided that your total contributions to all registered pension schemes are less than 100% of your taxable earnings
- the money in the Plan largely builds up free of tax
- lump sum benefits are usually payable tax-free.

There are no limits imposed by HM Revenue & Customs on the amount of benefits that can be provided from the Plan nor on the amount of contributions that can be paid in. However, any benefits accrued in excess of the Annual Allowance during a year or paid in excess of the Lifetime Allowance will be taxed.

Under regulations in force from 5 April 2006 you are responsible for monitoring your own position regarding the Lifetime Allowance and submitting the relevant information to HM Revenue & Customs. The Trustees will supply information to assist with the completion of tax returns.

Shortly before your benefits become payable the Trustees will ask you for information about the amount of Lifetime Allowance you have used in respect of other pension arrangements. Once your benefits start to be paid the Trustees will provide a certificate detailing the amount of your Lifetime Allowance your benefits from the Plan have used up. You should keep all certificates issued to you concerning the Lifetime Allowance in a safe place.

### **Limits to your benefits**

The Plan was established at a time that HM Revenue & Customs imposed upper limits on the level of benefits that the Plan could provide. The Plan has maintained some of these limits, and you will be informed individually if your benefits are affected.

### **Security of personal information**

In order to administer the Plan the Trustees (or other parties who act on behalf of the Trustees) need to hold information about you and your entitlements. All the information is necessary and without it you will not be able to join the Plan. The information is kept secure and only disclosed in limited circumstances. For example, information may be disclosed to:

- your employer and other companies in the same corporate group in connection with the operation of the Plan,
- insurance companies to arrange particular entitlements,
- actuaries and other advisers of the Trustees,
- any future potential employers and their advisers, and
- Government or regulatory authorities if the Trustees are obliged to do so.

Disclosure may be within or outside the European Economic Area.

The Trustees are the data controller under the Data Protection Act 1998.

It is important that you tell the Trustees of any changes in your personal details to ensure the information held is accurate.

## **The State Pension Scheme**

There are two parts to the State Pension Scheme:

- the State Basic Pension, and
- the State Second Pension (formerly the State Earnings Related Pension Scheme - SERPS).

### ***Basic State Pension***

The Basic State Pension is a flat-rate amount paid to everyone who has a full National Insurance contribution record. If you do not have a complete record you may be entitled to a proportion of the full Basic State Pension.

You may obtain a forecast from the Department for Work and Pensions (DWP) of how much pension you are likely to receive from the State. This can be done at any time by completing Form BR19, available from your local social security or pension service office or online at [www.thepensionsservice.gov.uk](http://www.thepensionsservice.gov.uk) and returning it to the DWP.

### ***The State Second Pension and the Plan***

The State Second Pension is an additional State pension based partly on earnings. However, because the Plan meets certain statutory requirements and provides benefits in place of the State Second Pension, it is contracted-out of the State Second Pension. This means that many members do not earn the State Second Pension benefit (although members on earnings below £30,000 in 2007/2008 terms will get part of it) while a member of the Plan. As a result of being contracted-out of the State Second Pension you pay a lower rate of National Insurance contributions.

The Plan is contracted-out on a salary related basis. This means that before 1997, the Plan had to promise to provide at least a minimum pension to each member (the "Guaranteed Minimum Pension") and from 6 April 1997 the Plan must provide benefits at least equal to "the Reference Scheme Test". The Reference Scheme Test is a statutory standard set by the government.

### ***State Pension Age***

State pensions are payable from State Pension Age which is currently 65 for men and 60 for women but which will eventually be equalised at 65 for both. This change will be phased in over a 10-year period from 2010 with the following effect:

- All women born before 6 April 1950 will still get their State pension at age 60.
- Women born between 6 April 1950 and 5 April 1955 will receive their State pension between age 60 and 65. (Add one month to age 60 for each month or part-month that their date of birth falls after 5 April 1950.)
- All women born after 5 April 1955 will get their State pension at age 65.

## **Transfers in**

If you have benefits in other pension schemes the Trustees and the Company decide whether or not you may be able to transfer them into the Plan. At present the Company and the Trustees have decided not to accept any transfers in.

Mr D Johnstone can give you more information about transfers.

## **Help and advice**

### **More information**

If you want to see a copy of any of the Plan's formal documents, such as the Trust Deed and Rules, the annual report and accounts or the statement of investment principles, or you want more information about this guide or the Plan in general, please ask Mr Johnstone at Tensar International Limited (address on page 4).

### **Queries and problems**

The Trustees aim to administer and manage the Plan to high standards but there may be times when you are unhappy about something concerning your benefits or your membership of the Plan in general.

Most queries and problems stem from a misunderstanding of information and normally can be quickly and informally sorted out without the need to use any formal procedures. You should first of all refer any query or problem to Mr D Johnstone.

If you are still unhappy about the matter, you may then wish to consider making a formal complaint through the internal dispute resolution procedures.

### **Internal dispute resolution procedures**

If you have not been able to resolve any complaint about the Plan informally there is a two-stage formal procedure you may use. Full details can be obtained from Mr D Johnstone at the above address.

Stage 1 - You should put your case in writing to Mr D Johnstone who will fully consider your complaint and will normally give you a decision within two months.

Stage 2 - If you are not satisfied with the decision you may appeal to the Trustees to consider your complaint. You will normally receive a decision from them within two months.

Special application forms are available from Mr D Johnstone to make a complaint or appeal. If you wish, a representative may act on your behalf.

The internal dispute resolution procedures apply to matters concerning the Plan that affect members and others who may have an interest in the Plan. They do not apply to disputes between employees and the Company, nor do they apply to disputes where court proceedings have started or that are being investigated by the Pensions Ombudsman.

### **The Pensions Regulator**

The Pensions Regulator is a regulatory body which has a range of powers to help safeguard pension rights of members of pension schemes and is able to intervene where trustees, employers or professional advisers have failed in their duties. The Pensions Regulator may be contacted at:

Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

Tel no: 0870 6063636

Email: [customersupport@thepensionsregulator.gov.uk](mailto:customersupport@thepensionsregulator.gov.uk)

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

### **TPAS (The Pensions Advisory Service)**

TPAS is an independent voluntary service that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. TPAS is available at any time to assist members and other beneficiaries with any pension query they may have or any difficulty they have failed to resolve with the Trustees or administrators of the Plan. If you want to contact TPAS the address is:

11 Belgrave Road  
London  
SW1V 1RB

Tel: 0845 6012923

Email: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### **Pensions Ombudsman**

The Pensions Ombudsman may investigate and decide upon any complaint or dispute of fact or law in relation to an occupational pension scheme referred to him. However, the Pensions Ombudsman normally insists the matter is first dealt with through the Plan's own internal dispute resolution procedures and raised with TPAS. If you have any complaint or dispute that cannot be resolved by the internal dispute resolution procedures or by TPAS, you may refer it to the Pensions Ombudsman at:

11 Belgrave Road  
London  
SW1V 1RB

Tel: 020 7834 9144

Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## **The Pension Tracing Service**

The Trustees have given information about the Plan, including details of an address at which they can be contacted, to the Pension Tracing Service. This service, run by the Department for Work and Pensions, may be of help to you if you need to contact the trustees of a previous employer's pension scheme and cannot trace them yourself.

The service may be contacted at:

The Pension Tracing Service  
The Pension Service

Tyneview Park  
Whitley Road  
Newcastle-upon-Tyne  
NE98 1BA

Tel. 0845 600 2537

[www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

## Expression of wish form

### Tensor International Limited Retirement Benefits Plan

Please read the special notes on the back of this form then complete, using CAPITAL LETTERS and return to Mr D Johnstone who will forward it to the Trustees.

Surname

First name(s)

Mr/Mrs/Miss/Ms

In the event of my death, I wish the Trustees to exercise their discretion under the Plan Rules so that any lump sum death benefit will be paid to or for the benefit of the following people in the proportions shown.

1	Name	2	Name
	Address		Address
	Relationship		Relationship
	Proportion		Proportion
3	Name	4	Name
	Address		Address
	Relationship		Relationship
	Proportion		Proportion

I understand that this is only an expression of my wishes which is not binding on the Trustees. It may be revoked or revised at any time in a further letter from me.

I authorise the Trustees to hold, and in the event of my death, to use this information in accordance with the requirements of the Data Protection Act 1998.

Signed

Dated

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## **SPECIAL NOTES**

1. Under present law, lump sum death benefits under the Plan can be paid at the discretion of the Trustees direct to your beneficiaries without any tax liability. Your beneficiaries are defined in the Plan Rules and include your relatives, dependants, your estate and any other individual or body nominated by you by notice in writing during your lifetime to the Trustees.
2. You should tell the Trustees who you wish to be treated as your beneficiary(ies) by filling in the form overleaf. The Trustees will give every consideration to your wishes before paying any lump sums but your nomination is not legally binding on them.
3. You can change your nomination whenever you want, and should always keep your expression of wish form up to date.
4. Although the form allows space for up to four nominations, there is no restriction on the number of people you can nominate. Please write a letter to the Trustees if the form does not meet your needs. Please make sure the proportions add up to 100%.
5. Your nomination will be treated as confidential in any event but you may want to place your completed form in a sealed envelope which will only be opened if you die. If you do place your form in a sealed envelope, you should mark the envelope clearly "Expression of Wish Form" and show your name, National Insurance number, the Company's name and the date.