

Your Pension Scheme

THE EVANGELICAL MISSIONARY ALLIANCE REGISTERED PENSION SCHEME

**Providing benefits for
you**

Introduction

This booklet, issued by the Evangelical Missionary Alliance (“EMA”) as trustee of the Evangelical Missionary Alliance Retirement Benefits Plan (“the Scheme”), describes the general features and specific provisions of the Registered Pension Scheme, which is part of a group arrangement under the trusteeship of EMA. The provisions described are those applicable at December 2008, and if you have a question that you do not think has been answered, please ask for further information. It has to be emphasised that this booklet is for information only, and must not in any way be taken as interpreting or modifying the formal documents of the Scheme mentioned near the end of this booklet.

The Scheme is not contracted out of the earnings related part of the State Pension Scheme. The Scheme is insured under policies issued by Legal & General Assurance Society Limited (“Legal & General”), one of the largest and most respected insurance companies in Europe, and the Scheme’s benefits are additional to those you will receive from the State Pension Scheme.

We commend the Scheme to you as a simple and tax-efficient way of supplementing your State Pension, which by itself may not give you the standard of living you will need.

Please read this booklet carefully and keep it in a safe place for future reference, together with your original announcement letter and annual statements.

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Enclosures:

- Expression of Wish form

How does the Scheme work?

Contributions made by you (if any) and your employer are paid each month on your behalf to Legal & General and invested in your own individual account under the Scheme.

Your employer may also provide death in service life assurance cover for you. Should you die before your retirement whilst employed by your employer, this will be payable in addition to your individual account under the Scheme. Provision of death in service life assurance cover is subject to your having provided to EMA and Legal & General such evidence of your age and good health as may be required.

On each 1st January your account is credited with a bonus (if declared) and interest (on contributions made up to and including 31st December 1999) and with a bonus (if declared) on contributions on and after 1st January 2000. In addition, when you reach your normal retiring date, a terminal bonus may be added. The interest will be a fixed percentage, but bonuses are not guaranteed in any way, and may be expected to vary from time to time to reflect prevailing investment conditions.

The Scheme was approved by HM Revenue & Customs (“HMRC”), meaning that the money in your account will receive more favourable tax treatment than if it were invested privately. At the same time, the contributions will not be treated as part of your taxable earnings. By operation of the Finance Act 2004, the Scheme became a registered pension scheme for the purposes of that act on and from 6th April 2006.

In or about May each year you will receive a benefit statement, which will show an illustration of the potential retirement and death benefits, and the value of your account to date. The statements should be kept with this booklet and other correspondence.

How do I join the Scheme?

You have the right to join the Scheme when first eligible, or to refuse to join. If you do not join when first eligible you will only be allowed to join with the agreement of EMA.

When you first join the Scheme you will be asked to produce your birth certificate and, if you have changed your name by marriage or by other means, documentary evidence of such change (e.g. marriage certificate). You may be asked to provide evidence as to your state of health before EMA and Legal & General accept your application.

Voluntary Contributions

Many employees like to save as much as possible towards their retirement in order to make their leisure years as enjoyable and secure as possible, or even to help finance early retirement.

It is possible for you to make voluntary contributions to the Scheme in addition to contractual contributions you make to it (if any) and, from 6th April 2006, there is no limit on the amount of contributions you can pay.

These voluntary contributions will also receive full tax relief so long as the total contributions you pay to all registered pension schemes is not more than 100% of your earnings for each tax year. Any contributions greater than 100% of your earnings will not qualify for tax relief (please note too the section headed “HMRC Limits and Allowances” on page 10 which sets out the tax consequences of making contributions in excess of the Annual Allowance).

Transfers to the Scheme

EMA is empowered under the rules of the Scheme to accept transfer payments into the Scheme and provide corresponding transfer credits. While this acceptance is at EMA’s discretion, it is not normally refused.

If you were in a pension scheme in a previous job, you may be able to transfer those benefits into the Scheme so that all of your retirement benefits are payable from one source. Please ask for details. As the Scheme is not ‘contracted out’ of the State Second Pension Scheme, a transfer of ‘contracted out’ benefits cannot be accepted.

It is recommended that you take independent financial advice before committing to a transfer of benefits.

When can I draw the retirement benefits?

Normal Retiring Date

Your normal retiring date is your 65th birthday. This is the date under the Scheme when you are due to take your benefits.

Early Retirement

With the agreement of EMA, you can use your account to buy retirement benefits before you reach your normal retiring date (i.e. take early retirement). EMA will arrange illustrations detailing the options then available to you.

Subject to the agreement of EMA and your employer, you can take your benefits at any time after age 50 (after age 55 from 6th April 2010). You do not have to stop working before taking your benefits and will be able to take your pension and cash sum while continuing to work for your employer. If you take your benefits and continue working for your employer, you will, subject to the agreement of EMA and your employer, be able to re-join the Scheme for a new period of membership.

If you retire early because of ill-health, you may, in accordance with the Scheme's rules, and with the agreement EMA, be able to draw your pension at any time (the ill-health condition is met if a) EMA has received evidence from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment; and b) you have in fact ceased to carry on your occupation).

If you retire, at any time, because of exceptional circumstances of serious ill-health, you may, in accordance with the Scheme's rules, and with the agreement EMA, be able to take your benefits from the Scheme as a lump sum (for this purpose, "serious ill-health" means that EMA has received acceptable medical evidence confirming that you have a life expectancy of less than one year).

You should note that the earlier a pension is taken, the smaller the benefits are likely to be as fewer contributions will have been paid, and your pension would be payable for a longer period.

If you take your benefits before your normal retiring date, the amount available may be reduced.

Late Retirement

If you are a member of the Scheme at your normal retiring date and remain in the employment of your employer, you will be entitled to either start to receive your pension on your 65th birthday or to defer it until a later date (but not later than your 75th birthday).

It is not possible to continue payment of contributions to the Scheme after your 65th birthday. Should you wish to make provision for your pension after this date, it will have to be by way of another pension arrangement.

When you reach your normal retiring date any interest and bonuses due to you will be added at that time. After your normal retiring date your account will be increased each month at a rate decided by Legal & General. This rate is normally in line with the Bank of England's base rate, but this is not guaranteed for the future.

What retirement benefits are available?

All member and employer contributions to the Scheme build up a personal account in your own name. On retirement, the value of this account is used to purchase your benefits.

The size of your benefits from the Scheme will depend on several factors, the size of contributions made by you (if any) and by your employer, the length of time before you take benefits, investment returns and the rates available at that time for converting the cash fund into a pension.

The form of your benefits can normally be determined at retirement in order to suit your personal circumstances at that time.

You will be sent suitable illustrations shortly before your retirement to help you make your decision. Benefits from the Scheme can include:

- A pension payable to you throughout your lifetime, taxed under the PAYE system.
- A tax free cash sum. The amount that you can take is normally up to 25% of the value of your fund. *
- A pension to continue to a surviving spouse, dependant, or registered civil partner, should you die after retiring. **
- Automatic yearly increase to protect your pension against price increases in exchange for a lower initial level of pension. **

If you select a personal pension, it will normally be paid to you by monthly instalments in advance, less tax, and with a current guarantee that 5 year's worth of pension will be payable after retirement.

* If you joined the Scheme before 6th April 2006 and your maximum tax-free cash entitlement at 5th April 2006 is more than 25% of your account at that date, it may be possible, when you take your benefits, for that level of cash in respect of the contributions paid to the Scheme before that date to be protected.

** Should you choose to have your pension increase automatically, and/or a pension to continue to a surviving spouse, dependant, or registered civil partner in the event of your death after retiring, then the initial pensions payable will be of smaller amounts.

Subject to the agreement of EMA, you may be able to take your benefits as a cash sum, on the grounds of triviality. This option is only available under the following circumstances:-

- You are aged between 60 and 75
- The total value of **all** of your pension arrangements, including those that are already being paid (excluding state benefits) does not exceed 1% of the standard Lifetime Allowance AND
- You have not taken benefits from any other arrangement under the triviality rules OR
- You have taken trivial benefits, but you have done so within the 12 months up to the date on which your benefit is paid.

What death benefits are there?

Death in service

If you die before your retirement the benefits will be paid to any one or more of:

- Your dependants
- Your relations
- Your estate

- Any other person, persons or organisation you have named to EMA in writing To ensure prompt payment, and to avoid/reduce any liability for Inheritance Tax, EMA will be responsible for choosing who will receive the benefit. To help us, you can tell us in confidence to whom you would like the money paid, by completing an ‘Expression of Wish’ form. If your circumstances change, please ask us for a new form. You should also tell us if the address of any of the persons you name to receive the benefits has changed.

Death after retirement

Any benefits payable upon death after retirement will depend on the options you choose, and the form in which you take your benefits, when you retire.

What happens if I leave the Scheme?

Membership of the Scheme is voluntary, and you may leave at any time, subject to giving one month’s notice in writing to EMA. If you leave you will only be able to re-join the Scheme with the agreement of EMA. The money in your account will be held for you in the Scheme and will continue to receive interest and/or bonuses until you retire.

Alternatively, you may instruct EMA, in writing, to surrender your account and transfer the proceeds to (i) another pension scheme that is a registered pension scheme for the purposes of the Finance Act 2004, but only so long as the transfer qualifies as a recognized transfer for the purposes of that Act; or (ii) to a Qualified Recognised Overseas Pension Scheme (as defined below):

a “Qualified Recognised Overseas Pension Scheme” is an overseas pension scheme (as defined in section 150(7) of the Finance Act 2004) that meets the requirements that are prescribed under The Pension Schemes (Categories of Country and Requirements for Overseas Pension Schemes and Recognised Overseas Pension Schemes) Regulations 2006.

Such a payment will be instead of any benefits to which you or your dependants would have been entitled from the Scheme. If your account is transferred, its value may be reduced because of early surrender of the investment. The amount of the reduction will depend on your period of membership. When you leave, you are entitled to request a quotation of the amount of the transfer value that would be available if you were to elect to transfer your benefits from the Scheme.

The Scheme has been arranged on advantageous terms, and these will be lost should you decide to transfer your benefits to another scheme. It is therefore recommended that you take independent financial advice before transferring your benefits from the Scheme.

Temporary Absence

Absence due to Family Leave

If you are absent from work during a period of Family Leave (as defined below), then, until the expiry of that period, you are deemed to remain a member of the Scheme.

During any part of such period of Family Leave which is “Family Leave A” (as defined below) you shall remain entitled to benefits under the Scheme as if you are working normally but with such benefits related to the earnings you would have been receiving from your employer had you been working normally.

During any part of such period of Family Leave which is “Family Leave B” (as defined below) you shall remain entitled to benefits under the Scheme as if you were working normally. The benefits are related to the earnings that you receive from your employer.

During any part of such period of Family Leave which is “Family Leave C” (as defined below) you will remain entitled to benefits under the Scheme as defined in the paragraph “Absence other than Family Leave” below.

Family Leave Definitions

"1992 Act" means the Social Security Contributions and Benefits Act 1992 and includes any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder.

"1996 Act" means the Employment Rights Act 1996 and includes any statutory modification or re-enactment thereof for the time being in force and any statutory regulations made thereunder.

“Family Leave” means any period to which a member is entitled to absence from work on maternity leave, adoption leave, parental leave or paternity leave under the provisions of the 1996 Act and during which the member may exercise the right to return to work.

“Family Leave A” means any period of Family Leave which is:

- (a) a period of Ordinary Maternity Leave, or
- (b) a period of Additional Maternity Leave during which you are in receipt of remuneration from your employer, or
- (c) a period of Ordinary Adoption Leave, or
- (d) a period of Statutory Paternity Leave.

“Family Leave B” means any period of Family Leave which is a period of Additional Adoption Leave during which you are in receipt of remuneration from your employer.

“Family Leave C” means any period of Family Leave which is:

- (a) a period of Additional Maternity Leave during which you are not in receipt of remuneration from your employer, or
- (b) a period of Additional Adoption Leave during which you are not in receipt of remuneration from your employer.

“Ordinary Maternity Leave”, “Ordinary Adoption Leave” and “Ordinary Paternity Leave” shall have the meanings given to them in the 1996 Act, and are the periods during which a member is entitled to Statutory Maternity Pay or Statutory Adoption Pay or Statutory Paternity Pay under the provisions of Part XII of the 1992 Act, and

“Additional Maternity Leave”, “Additional Adoption Leave” and “Statutory Parental Leave” shall also have the meanings given to them in the 1992 Act.

Absence other than Family Leave

If you are temporarily away from work because of sickness or injury you will be regarded as remaining in employment for any such period before your normal retiring date. If you are absent for any other reason before your normal retiring date, and there is a definite expectation of your return to service, you will only be regarded as remaining in employment for a maximum of one year, or such longer period not exceeding 3 years as EMA and your employer may allow.

You may, with the consent of EMA, suspend any contributions you are making to the Scheme during any period of temporary absence (as per the above paragraph) and while you are regarded as remaining in employment. If you suspend your contributions, then your employer’s contributions will also be suspended during the same period.

If you are absent because of sickness or injury, your death benefit cover (if any) will normally be fully maintained during your period of absence. If you are absent for any other reason (other than sickness or injury), your death benefit cover (if any) will be maintained for a maximum period of one year.

Civil Partnerships

With effect from 5th December 2005, it has been possible for same sex couples to obtain legal recognition of their relationship by registering a civil partnership.

Such registration confers on same sex couples most of the benefits and responsibilities of a married couple and the registration can be dissolved in much the same way as a divorce ends a marriage.

With effect from 5th December 2005, the Scheme has allowed for members who have a registered civil partnership to be provided with benefits on the same basis as for members who are married.

HMRC Limits and Allowances

In order to qualify for generous tax treatment, the HMRC lays down certain limits to the levels of contributions to and benefits available from the Scheme.

The following gives a brief summary of these new limits, which apply from 6th April 2006. The main government changes are that there will be no limit on the amount that can be contributed to pension schemes by members and their employers, and no limit on the amount of benefit that can be provided. However, there will be tax implications if contributions exceed the member's annual earnings or the "Annual Allowance", and a tax charge if benefits exceed the "Standard Lifetime Allowance".

The table below sets out the amounts of these allowances for the current and later tax years. These figures, which are implemented by Treasury Order, are generally expected to increase year on year, and roughly in line with the Index of Retail Prices (RPI). However, the government announced on 24th November 2008 in the 2008 pre-Budget report that both the Standard Lifetime Allowance and Annual Allowance will be held at their 2010/11 tax year levels up to and including the 2015/16 tax year.

Tax Year	Annual Allowance	Standard Lifetime Allowance
2008/09	£235,000	£1,650,000
2009/10	£245,000	£1,750,000
2010/11	£255,000	£1,800,000
2011/12	£255,000	£1,800,000
2012/13	£255,000	£1,800,000
2013/14	£255,000	£1,800,000
2014/15	£255,000	£1,800,000
2015/16	£255,000	£1,800,000

Lifetime Allowance

Whenever benefits are paid from a registered pension scheme, to or in respect of you, the value of your benefits is tested against the Lifetime Allowance. For most people this will be the Standard Lifetime Allowance.

In certain circumstances, you may be entitled to a personal Lifetime Allowance of a higher amount, or an exemption where this has been registered with HMRC.

The value of your benefits under this Scheme is the value of your account when you take your benefits.

Where the total value of your benefits from all registered pension schemes exceeds your Lifetime Allowance, there will be a tax charge on the excess. This will be 55% where the excess is taken as a lump sum, or 25% where it is used to provide a pension.

Annual Allowance

This is the total amount of contributions that can be paid to all of your pension arrangements without incurring a tax charge.

If the total contributions paid by you or your employer to all registered pension schemes to which you belong exceeds this amount, you will be subject to a tax charge of 40% on the excess.

Contributions made in the tax year in which you take payment of all of your benefits under the Scheme are not tested against the Annual Allowance.

Other Scheme Information

The operation of the Scheme, and the tax treatment of contributions and benefits, depend on the Scheme being recognised by HMRC as a registered pension scheme for the purposes of the Finance Act 2004. If the Scheme has to be modified to conform to any HMRC requirements you will be informed.

Your benefits under the Scheme are non-assignable and cannot be pledged to any other person or used as security for a loan.

EMA expects to continue the Scheme indefinitely, but reserves the right to amend or discontinue it at any time. If the Scheme is to be discontinued or amended, you will be notified at the time, and of the benefits available to you.

The Scheme is governed by a Declaration of Trust and a set of Rules, which you can inspect on request. In addition you can request your own copy of the Rules, but you may have to pay the cost of copying and (if necessary) postage and packing. It is not only members of the Scheme who have a right to inspect, or have a personal copy of the Rules, but also prospective members, the spouses or registered civil partners of members and prospective members, beneficiaries under the Scheme, and recognised trade unions.

Equal Treatment

The Scheme complies with the requirement introduced by the 1995 Pensions Act in that there is no sex based discrimination.

Scheme Contact

If you have any queries about the Scheme in general, or about your individual membership, you should get in touch with the Scheme contact, whose name and location will be notified to you separately.

Internal Dispute Resolution Procedure

EMA has introduced a procedure with the aim of settling any disagreement between EMA and any person entitled or potentially entitled to benefits under the Scheme. This procedure will make someone nominated by EMA responsible for the initial investigation of a dispute. If agreement cannot be reached, the dispute can then be referred for consideration by EMA acting as a body. Further details are set out in the Appendix to this booklet.

General Information

State Pension Age

State Pension Age for women (which is currently 60) will be raised to 65 in the year 2020. This change will be phased in from April 2010 and will affect women born on or after 6th April 1950. Any woman born on or after 6th April 1955 will have a State Pension Age of 65.

The Pensions Advisory Service Limited (“TPAS”)

TPAS is available to assist members and beneficiaries of the Scheme with any pension query they may have or any difficulties that they may have failed to resolve with the employer, EMA, or registered scheme administrator. Enquiries should be addressed to:

The Pensions Advisory Service Limited
11 Belgrave Road
London
SW1V 1RB

Tel. 0845 601 2923

<http://www.pensionsadvisoryservice.org.uk>

The Pensions Regulator

The Pensions Regulator's primary role is to protect pension scheme members' interests. It has wider powers than the body it replaced (OPRA) to gather detailed information about pension schemes. Information from scheme returns, whistle-blowing reports, and intelligence, will feed into a risk assessment process, alerting the Regulator to schemes at risk. This will allow it to take appropriate action using the various powers and tools at its disposal. Its address is:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
East Sussex
BN1 4DW

Tel. 01273 811800

<http://www.thepensionsregulator.gov.uk>

The Pension Tracing Service

Details of the Scheme, including a contact address for EMA, have been given to The Pension Tracing Service. The main purpose of the Tracing Service is to provide a tracing service for ex-members of schemes with pension entitlements, and members' dependants, who have lost touch with earlier employers. Enquiries should be addressed to:

The Pension Tracing Service
The Pensions Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE99 1NN

Tel. 0845 600 2537 (+44 191 218 7777 from overseas)

<http://www.thepensionservice.gov.uk>

The Pensions Ombudsman

The Pensions Ombudsman has the power to investigate and decide upon complaints and disputes involving occupational pension schemes. He will normally expect to act only when a matter has been referred to TPAS and has not been satisfactorily concluded. Enquiries should be addressed to:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Tel. 020 7834 9144

<http://www.pensions-ombudsman.org.uk>

APPENDIX

Internal Dispute Resolution Procedure

From 6th April 1997, all occupational pension schemes have been required to provide a framework for dealing with members' grievances. The procedure is designed to cover disputes between the schemes' trustees or managers, and anyone entitled or potentially entitled to benefits from the scheme. This description includes active members, past members with deferred benefit entitlements, prospective members, pensioners, and the dependants of any of these groups. The intention behind the procedure is that grievances should be taken to TPAS or to The Pensions Ombudsman only as a last resort. It does *not* cover disputes between members and their employer, or complaints from past members whose benefits have all been transferred elsewhere (unless the complaint is made less than six months after the transfer).

It will work in two possible stages, as follows:

Stage 1

Complaints must be submitted by the individual member or dependant (or by someone nominated to represent them) in writing, and must include sufficient information to identify the complainant and the subject of the complaint. The personal identification details required are the complainant's full name, address, date of birth, and national insurance number. Complaints by a dependant should show the same details in respect of the member, and the dependant's own name, address, date of birth and relationship to the member. The letter, signed by the complainant or their representative, should be sent to the person named below who has been nominated as the Scheme's disputes adjudicator.

The adjudicator will make a decision and inform the complainant within two months of receiving the complaint. If, in exceptional circumstances, a decision cannot be made in that time, the adjudicator will send an interim reply explaining the delay and offering a realistic date for a full reply.

The reply will include an explanation of how the decision was reached, and refer to any formal support (scheme rules, trust deed, current legislation) on which it is based. It will also explain the complainant's right to appeal against the decision.

The Scheme's disputes adjudicator is:

[]

Stage 2

If the complainant is not satisfied with the decision, he/she can then formally ask for it to be considered by EMA acting as a body. This request must be made in writing within six months of the original decision, and must indicate the grounds on which the decision is considered unsatisfactory. The written request must contain the same identification details as in Stage 1.

EMA should then reply within two months of receiving this request, although, like the adjudicator, it has the right to give an interim response in exceptional circumstances. EMA's final response will, again, give reasons for the decision and specify any documentary or legislative support for it. If the decision is based on an exercise of its discretionary powers, EMA must say so (although it is not obliged to say why, or in what way, it has done so).

Written decisions by EMA will contain information about the complainant's right to put the matter to TPAS or The Pensions Ombudsman, and where those organisations can be contacted.