Benefits summary - Margam Section

Pension plan

Important - this is an overview. For all the detail contact XPS.

When can I take my pension?

You can take your pension from your normal retirement age (NRA) which is either age 60 or 65 depending on your service dates. You may be able to take it earlier provided you have reached age 55, or (due to recent Government changes) from 6 April 2028, age 57.

If you take your pension before NRA it may be reduced for early payment. Different reductions apply depending on your service dates. Further details of how your pension would be reduced for early payment are available from XPS.

If you do not take your pension until after NRA, it will be increased to reflect that it is likely to be paid for a shorter period

Ill health retirement

If you are judged by the Trustee to be ill such that your ability to earn is permanently damaged, then the trustees will review your situation and may adjust your pension to reflect this

If you have a life expectancy of less than 12 months, then you may be able to swap your pension in full for a lump sum payment.

Medical evidence will be needed for any ill health retirement application.

Can I take a cash lump sum?

You can swap some of your pension for a tax free lump sum, which is paid at the same time as your pension.

The maximum lump sum is usually 25% of the value of your benefits.

This is just a summary, the benefits are those as set out in the Plan's Trust Deed and Rules, if there is any dispute or benefits are not clear, the Trust Deed and Rules will be used to decide what is paid.

How does my pension increase, before retirement?

From the date that you stopped building up your pension to when you retire, increases are applied.
Your pension is made up of different parts and the rate of increase varies.

The increases on the part of your pension known as your Guaranteed Minimum Pension (**GMP**) depend on your date of leaving the scheme.

The rest of your pension increases by the Retail Price Index **(RPI**) up to a maximum of 5%.

How does my pension increase, in retirement?

Your pension is made up of different parts and the rate of increase varies.

GMP built up after 6 April 1988 increases in line with the Consumer Price Index **(CPI)** up to a maximum of 3%.

The rest of your pension:

Pension built up before 31 March 2006 RPI up to a maximum of 5%. After 31 March 2006 RPI up to a maximum of 2.5%
GMP built up before 6 April 1988 doesn't increase.

How does my pension pass on?

Before retirement
A pension would be paid to a spouse or civil partner. This is worked out as if your pension had gone into payment immediately before your death. Approximately half of this amount would then be paid as a pension but we suggest you reach out to XPS if you require the detail as the benefit is very member specific.

If you don't have a spouse or civil partner then a pension may be paid to a financial dependent at the discretion of the trustee.

In Retirement
You are guaranteed to receive at least 5 years worth of pension payments when you retire. For example if you retire at age 65 and die at age 68, a further two year's worth of payments would be made to one or more of your beneficiaries as a lump sum.

On death in retirement a pension will be paid to a spouse or civil partner, if you have one.

The pension paid will be calculated based on its value at the date of your death. This allows for the full value of your pension, even if was reduced to pay a cash lump sum – 50% of this value is usually paid.

If you don't have a spouse or civil partner the Trustee may pay a pension to anyone financially dependent on you (at their discretion) including a child if they qualify under the rules.