

Hybrid section



A guide for members for benefits from 1 April 2018


Updated July 2024

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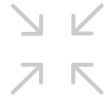
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i About this guide



The Hybrid section came into effect on 1 April 2018 and is part of the United Utilities Pension Scheme (the Scheme). It replaces a number of the defined benefit sections for **pensionable service** on and from 1 April 2018. The Scheme forms an important part of your benefits package, providing savings for your retirement and protection for your dependants on death.

This guide tells you about the Hybrid section of the Scheme and is intended as an easy reference guide for you.

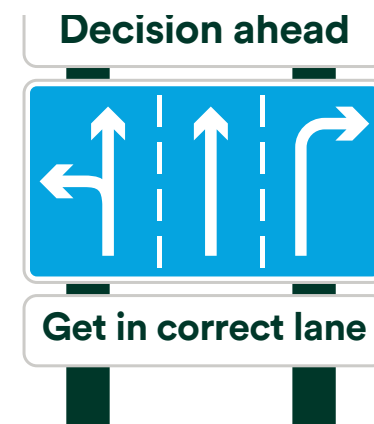
Nothing in the guide, however, can override the legal position which is set out in the Trust Deed and Rules, copies of which are available.

Some of the words and phrases used have special meanings which are set out in the glossary of terms on page 19. Where these appear in the text they are shown in **bold italic print**.

Under financial services law, neither the **Company** nor the **Trustee** is allowed to advise on whether a particular pension plan is appropriate for you, or which choice you should make.

This guide is applicable to all members who moved to the Hybrid section on 1 April 2018.

Produced April 2018.



Introduction

The Scheme has been set up under a Trust Deed and is governed by Rules. The guide reflects the UUPS Trust Deed and Rules as at 1 April 2018 and is applicable to employees who joined the Hybrid section on 1 April 2018.

Eligibility

Employees who were active members of the UUPS, Water Pension, Local Government and Lattice sections of the United Utilities Pension Scheme (the Scheme) as at 31 March 2018 were eligible to join the Hybrid section on 1 April 2018 and were admitted to the section on that date unless they chose not to do so.

This section is closed to new entrants.

History

Benefits will be built up in the Hybrid section for **pensionable service** from 1 April 2018.

You will have already built up pension benefits in other defined benefit sections for the period to 1 April 2018.

This means that, on retirement, your pension benefits will be calculated based on various periods of **pensionable service**. To find out more about the rules in effect for each period, please see the relevant guides on the right.

Amendments to the Scheme

The Scheme may be amended from time to time with agreement of the **Trustees** and the **Company**, subject to the terms of the Rules and relevant legislation.

Pre 1 April 2010 service
You can find the relevant guide for your pension benefits for **pensionable service** up to 31 March 2010 by contacting WTW.

1 April 2010 to 31 March 2018 service
For information on the changes that applied to pension benefits for all DB sections between 1 April 2010 and 31 March 2018, please contact WTW.

Post 31 March 2018 service
Please read this guide for information about the Hybrid section.

An overview of the Hybrid section

The Hybrid section provides elements of both defined benefit (DB) and defined contribution (DC) schemes. You will continue to grow a defined income through the DB core as well as starting to build up a flexible cash pot through the DC top up. Other DB benefits continue to operate as they did within the previous DB sections. Read on to find out more about your new Hybrid section.

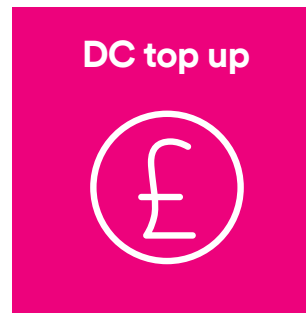
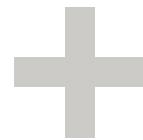


You will continue to build up DB benefits through the DB core part of the Hybrid section.

You will build up 1/80th of your DB core pensionable earnings for each year in this section.

DB core pensionable earnings for all members would be set at £20,000 at 1 April 2018. This is pro rated for part time employees and those working a standard working week over 37 hours.

DB core pensionable earnings will increase each year in line with inflation as measured by the **Consumer Price Index (CPI)**.



You will also build up a pension pot through the DC top up.

You will pay between 3% and 7% of your DC top up pensionable earnings (and the **Company** will pay double what you pay) to build up your pension pot

Pensionable earnings over your DB core pensionable earnings would be used for the DC top up and are:

- Your base salary in excess of your DB core pensionable earnings
- Plus other contractual allowances as agreed by the Company (please see page 7)



In addition to the DB core and DC top up, a number of other pension benefits are available in the Hybrid section:

- Ill health
- Death in service
- Rule of 85*
- Enhanced pension benefits on redundancy


**Applicable only to former members of the Water Pension and Local Government sections*

DB core pension



Building up your DB core benefits from 1 April 2018

Your DB core benefits are worked out based on the accrual rate, your years of *pensionable service* and your DB core pensionable earnings.

| | | | |
|---|---|-----------------------------|---|
| <p>Accrual rate as a fraction of pensionable earnings</p> |  <p>1/80th</p> | <p>Pensionable earnings</p> | <ul style="list-style-type: none"> • At 1 April 2018 standard DB core pensionable earnings will be £20,000. • This is pro-rated for part time employees and for employees with a standard working week of over 37 hours • This amount will increase each year in line with CPI |
|---|---|-----------------------------|---|

You and the Company fund the future cost of your pension benefits through contributions. The DB core contribution rates are based on the future service rate (FSR) which is reviewed at each actuarial valuation of the Scheme (these are usually every three years).

| | |
|----------------------------------|--|
| <p>Member contribution rate</p> | <ul style="list-style-type: none"> • At 1 April 2018, your contribution rate for the DB core element is set at 10% of DB core pensionable earnings • The contribution rate could change in the future |
| <p>Company contribution rate</p> | <ul style="list-style-type: none"> • The Company will pay the difference between the FSR and the member rate, see the explanation to the right • In addition the Company will also pay contributions required to fund any deficit in respect of accrued rights |

Potential future changes to DB core contribution rates

- Contribution rates are generally re-assessed every three years. Your DB core contribution remains at 10% *unless the FSR exceeds 40% or goes below 25%*.
- You would receive three months notice before any change to the contribution rate came into effect. For further information please refer to the factsheet.

| | |
|---|---|
| <p>Member contribution rate INCREASES if: FSR = more than 40%</p> | <p>Member contribution rate REDUCES if: FSR = less than 25%</p> |
|---|---|

Increases to your pension benefits*

| | |
|---|---|
| <p>Increases to pensions in payment and deferment from 1 April 2018</p> | <ul style="list-style-type: none"> • Your pension increases in payment and deferment. Increases to your DB core pension in relation to your <i>pensionable service</i> from 1 April 2018 would be broadly in line with inflation (as measured by CPI), in all cases subject to a maximum of 5% and a minimum of 0% each year |
|---|---|

* This relates only to your pension benefits built up in the Hybrid section. Any benefits built up before 1 April 2018 will increase on a different basis. For more information, please refer to the relevant pre 2018 section guide.

£ DC top up



A DC scheme works like a savings account. You and the **Company** pay a set percentage of your DC top up pensionable earnings each month into your own individual savings pot. This is invested for you. The size of your pension pot at retirement will depend on how much is paid in, how the chosen investments perform, the age at which you take the pot and how you take it. When you decide to retire you will then be able to choose what to do with your pension pot.

Building up your DC top up pot

| | |
|---------------------------------------|--|
| DC top up pensionable earnings | <p>Your DC top up pensionable earnings are:</p> <ul style="list-style-type: none">• Your base salary in excess of DB core pensionable earnings <p>Plus other contractual allowances as agreed by the Company, currently the following:</p> <ul style="list-style-type: none">• Contractual overtime• Contractual shift payments• Contractual banked hours• Annual standby• Standby• Advisory Calls on Standby |
| Member contribution rate | <ul style="list-style-type: none">• At 1 April 2018, the default member contribution rate has been set at 7%• You can choose to pay a reduced contribution rate to a minimum of 3%• By reducing your contribution rate, you will also reduce the amount paid by the <i>Company</i> into your pension pot. |
| Company contribution rate | <ul style="list-style-type: none">• The <i>Company</i> will match your contribution 2 for 1 up to a maximum of 14%• For instance, if you choose to contribute 7%, the <i>Company</i> matches that 2 for 1 at 14%. This means 21% of your DC top up pensionable earnings are added into your pension pot each month. |

Changing your contribution rate

- You can change the amount you pay into your DC top up by changing your contribution rate
- You can pay between 3% and 7% and receive 2 for 1 matching by the **Company**, so changing your contribution rate will also change how much the **Company** pays into your DC top up



[Click here to link to form](#)

- You can choose to pay more than 7% into your pension pot by paying additional voluntary contributions (**AVCs**)
- **AVCs** are not matched by the **Company**



[Click here to link to form](#)

£ DC top up (continued)



How your DC top up pot is invested

| | |
|---|--|
| Choosing how your funds are invested and default funds | The <i>Trustee</i> has made available a choice of investment funds in which you can invest your DC and AVC pots. Each fund has different objectives, characteristics and charges. If you do not make a decision as to where your pot is invested it will be invested in a default fund, which is decided by the <i>Trustee</i> . The investment options, and details of the default investment, are described in the Investment Choices Booklet. |
| Fund performance sheets | The <i>Trustee</i> regularly monitors the performance of the investment funds offered to you and reserves the right to change investment managers or funds made available to you at any time. You will be told if your investments are affected by changes. Your investment options should be reviewed on a regular basis. Each fund's performance is available on the Aegon website. |
| DC top up Investment choices leaflet | Please see the Investment Choices leaflet for further information. |





Other benefits



Ill health benefits

You will continue to build up DB benefits through the DB core part of the Hybrid section.

While we hope to remain in good health through our lives, it's good to have the reassurance of the ill health benefits included in the Hybrid section.

You can take your DB pension benefits immediately if you meet the criteria for ill health retirement. The definitions of **incapacity** and **total incapacity** are in the glossary.



Click here to find out more about this benefit in the **Ill health benefits** factsheet.

Rule of 85

Rule of 85 is a benefit available to DB members of the Water Pension and Local Government sections.

It allows active members to receive an unreduced pension for service before 6 December 2006 if all the following conditions are satisfied:

- they are aged 55 or over, and
- their age plus number of years of **pensionable service** add up to 85 or more (i.e. they have attained their Rule of 85 date)

For retirements before age 60 they have **Company** consent -currently provided if they have given 12 months' notice in writing.

To receive rule of 85 benefits you must leave the **Company**.



Click here to find out more about this benefit in the **Rule of 85** factsheet.

Enhanced pension benefits on redundancy

While the benefit is referred to as 'enhanced redundancy', this benefit is about how your DB pension benefit is treated if you are in a severance/redundancy situation after age 50.

The benefit applies to all defined benefit sections of the United Utilities Pension Scheme

The factsheet shows how your DB pension is dealt with in this situation. There are some differences between sections.



Click here to find out more about this benefit in the **Redundancy** factsheet.

Death in service benefits

The Hybrid section provides benefits for your spouse/civil partner, children and sometimes financial dependants if you die in service.

A lump sum is payable

In addition, the DB sections provide a pension for your loved ones while the DC section returns the value of your DC top up pot.

For information on death benefits after leaving the Scheme please go to page 11.



Click here to find out more about this benefit in the **Death in service benefits** factsheet.



Take right turn

While you're an active member



Paying more contributions

You can increase your pension benefits by paying in more. If you're already paying in the maximum 7% contribution to your DC top up, you have the option to pay Additional Voluntary Contributions (**AVCs**) and this goes into your DC top up pot. Contributions receive tax relief and, if you're making regular contributions, National Insurance relief. However please see the restriction on pension contributions section.

Further details are available on the pensions website where you can also apply to pay **AVCs**, increase/decrease your contributions.



Restricted tax relief on pension contributions

The Annual Allowance is the maximum amount of pension savings in all registered pension arrangements that can be built up in a tax year and benefit from tax relief.



Please see the information library for further information.



Transfers in

If you have built up benefits in another pension scheme, you may have the option to transfer the value of those benefits into your **UUPS** DC top up pot.

The **Trustee** may, with the consent of the **Company**, accept a transfer payment from another pension scheme. Pension rights in a previous company's scheme or a personal pension plan transferred to UUPS in this way will increase your DC top up pot. If you are interested in a transfer please contact WTW.



Keeping track of your pension benefits



Online access

You can keep track of your pension benefits online. As well as seeing what's in your pension pot, there is a range of information available on the Aegon and WTW sites.

You'll need to use your personal login to access secure information. If you're logging on for the first time or have lost your details, contact the relevant administrator below:



Aegon

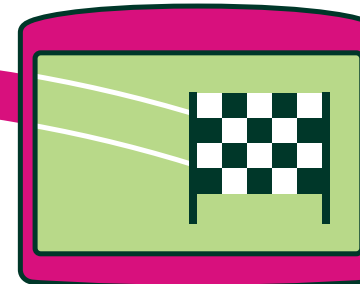
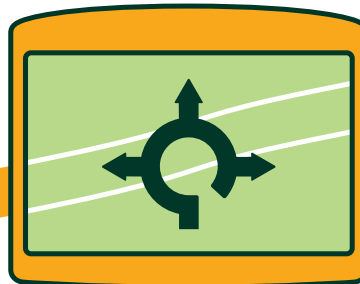


WTW



Annual statements

You'll receive information each year which will show you your benefits to date.



Leaving the Hybrid section

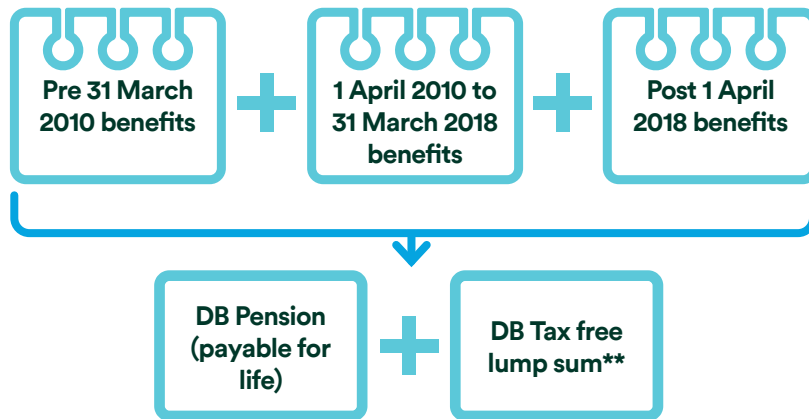


Retirement



DB core pension

On retirement you will receive a pension payable for life plus the option of a tax free lump sum. If you take your pension early there will be a reduction applied to your benefits to take into account that you will be receiving your pension for a longer amount of time. Your pension benefits will be calculated as follows:



To obtain details of your DB pension or current value of your DC pot please log on to the appropriate administrator site (see page 15).

If you are thinking of retiring you should contact WTW in the first instance.

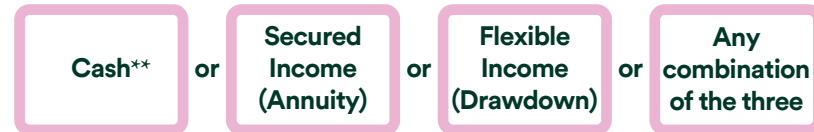
**Subject to the Lump Sum Allowance, see page 12



DC top up

You will receive benefits based upon the value of your DC pot and AVCs. The amount of your pension benefit depends on your age, how long you have been in the Scheme and how your fund has grown.

At retirement you have the following options:



The attached leaflet provides more information.



*Your DC/**AVC** pot can be taken at the same time or after DB benefits, but not before. You can also take your pre and post April 2018 **AVC**/DC pots at different times. If you take your DC benefits and continue to pay into a registered pension scheme you may be affected by the Money Purchase Annual Allowance.

You can take your Pre April 2018 **AVCs** and DC pot at different times however if you retire before age 55 with a **protected pension age** you will need to take all DC /**AVC** pots at the same time as your DB benefits.

Please see the information library for further information.




Retirement (continued)

Surrender of pension for additional lump sum

You can choose to give up some of your DB pension for an additional lump sum when your pension is due to start. The total amount of DB lump sum you can receive is 25% of the total value of your DB Scheme benefits. You can obtain an illustration of these benefits by logging onto the WTW ePA online facility.

Limits

If the total value of your lump sum benefits from UUPS and any other tax registered pension arrangements exceed a maximum limit imposed by His Majesty's Revenue and Customs (HMRC) additional tax charges will apply. Lump sums taken at retirement will count towards this allowance as well as any amounts paid in full exchange of a pension due to serious ill-health, as well as lump sums paid on a tax-free basis on a member's death. The total amount of any tax-free lump sum an individual can receive from all of their registered pension arrangements is limited by the Lump Sum Allowance ("**LSA**") (which broadly relates to lump sums taken at retirement only) and the Lump Sum Death Benefit Allowance ("**LSDBA**") (which also covers lump sums paid after death). The current **LSA** is £268,275 and the **LSDBA** is £1,073,000.

 Please see the information library for further information.

Pension increases



DB pensions which are in payment are increased on 1 April each year to take account of changes in the cost of living. Pension for service up to 31 March 2018 is increased in line with the increase in **RPI** to the previous December (maximum 5%). For service from 1 April 2018 the pension will be increased in line with the increase in **CPI** to the previous December. If **RPI** or **CPI** is negative then no increase or decrease would be applied in that year.



If you decide to buy a pension at retirement (annuity) you will have the option to choose whether to have your pension increasing or not during payment. If you choose higher increases the initial annuity you purchase would be lower.

Death in retirement



If you die whilst in receipt of a DB pension UUPS provides a range of benefits for your spouse, children and potentially for financial dependants:

- A spouse/civil partner pension is automatically payable and will be paid for the rest of their life;
- Pensions may also be payable to children and other dependants who satisfy certain conditions;
- If you die within five years of your pension starting, the Trustee will pay a lump sum equal to the balance of the remainder of five years pension payments (if any). This lump sum is currently not subject to inheritance tax.

For further details on what is payable please contact the Scheme Administrator.



How your family is protected on your death depends on the choices you made at your retirement.

Leaving the Hybrid section



Opting out of the Hybrid section

You can leave the Hybrid section at any time whilst you are employed by UU.

Your DB benefits up to the date of leaving the scheme would become deferred (please see the section on 'deferred benefits') and you would also stop paying into the DC top up pot.

You will continue to be eligible to receive enhanced DB benefits on redundancy or Rule of 85 benefits (where applicable).

You will need to complete an opt out form which will highlight things you need to consider before deciding to opt out such as:

- You will not build up any further benefits in the Hybrid section
- You will not be able to re-join the Hybrid section at a later date. You will however be eligible to join the DC section
- The pension payable to your **Spouse** or **Civil partner** and any eligible children will be calculated as if you had left UU (see section "deferred benefits").

If you wish to re-join the DC scheme you will need to complete an online application form.

An opt out form can be obtained from WTW.



Taking your pension and carrying on working

At any time from age 55, you may begin to receive your pension (and lump sum) and continue to work for United Utilities.

Before doing this, you should consider:

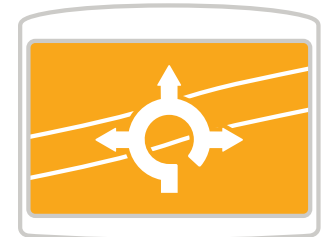
- Your pension and lump sum will be reduced for early payment
- You will be receiving a pension and salary from United Utilities so you may pay more tax
- You will no longer be eligible to receive enhanced benefits on redundancy or ill health benefits.

To do this you will need to opt out of the Hybrid section by completing an opt out form.

You will not be able to re-join the Hybrid section at a later date.

You will have the option of joining the DC section of the Scheme for future pension benefits.

You will also need to contact WTW to advise them that you want to take your pension.





Leaving the company

Deferred benefits

If you leave the **Company** you will be entitled to a deferred DB pension and deferred tax free lump sum which is payable at your Normal Retirement Date (**NRD**). These benefits will be held in the Scheme and will increase each year until you decide to receive your pension (earliest is age 55).

Your DC pot will remain invested until you decide to access it at retirement.

If you die before **NRD** your **Spouse/Civil partner** and any eligible **children/dependants** will receive a pension. The pension will be a percentage of your deferred DB pension increased to date of death and would commence immediately. A lump sum is also payable to your personal representatives equal to the contributions paid by you and the **Company**, including interest. The value of your DC pot will also be payable to your beneficiaries.

You will also have the option to transfer your pension to a registered pension scheme (please see “transfer out” section).

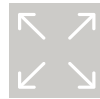
Taking your pension

You can take your deferred pension benefits from age 55 and in most cases it will be reduced to reflect early payment.

You can choose to give up some of your pension for an additional lump sum. You can obtain an illustration of the benefits provided by this option by contacting WTW.

Your DC pot will also be available to take from age 55.

Please see the Retirement section for further details.



Transfer out

You may be able to transfer your Hybrid benefits (including your DC pot) to another registered pension arrangement – such as your new company’s scheme or a personal or stakeholder pension plan. You will need to check whether they are able and willing to accept the transfer.

You can transfer either your DB benefits or DC pot (or both at the same time).

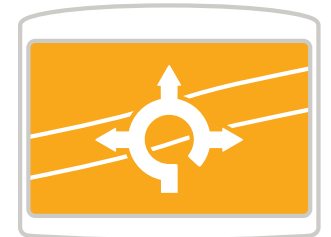
If you wish to investigate this option, you will be provided with a ‘Cash Equivalent Transfer Value’ (CETV) for your DB benefits. Requests for CETVs can be made after ceasing employment with the **Company** or opting-out of **UUPS**. If you wish to proceed with the transfer you must reply within three months of the date the quotation is provided.

The DC transfer value from the DC will be the value of your DC pension pot at the date of transfer.

Members in active service are entitled, once a year, to request an estimate of their CETV. This would be calculated assuming **pensionable service** were to cease at the date the calculation is carried out and is not guaranteed.

If you are interested in transferring your **UUPS** benefits or obtaining a transfer value quotation you should contact the relevant Scheme Administrator in the first instance.

Please note, if your CETV exceeds £30,000 you will be required to obtain financial advice from an independent financial adviser.





Planning for your retirement

Here are a few useful prompts to help you plan ahead for your retirement.

When do you want to retire?

- Start to think about when you would like to retire and use the tools available to you to project your pension
- Consider the target income you require in retirement and do a budget planner

Do you have other pensions and savings?

- Consider your options carefully and review your current pension savings
- Review the value of any other pension savings
- Request a state pension forecast
- Review the savings and investments you have outside your pensions

Do you need to make any adjustments to your current plans?

- Check whether you are likely to fall short of your target income
- Adjust your pension contributions or investments if necessary
- Talk to your partner (if applicable) and discuss your retirement plans together
- Ensure your expression of wish form for your death in service benefits are up to date

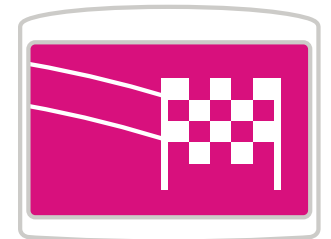
State pension forecast

Whatever age you retire and draw your UU pension, you will not receive any State retirement benefits until you reach your State pension age.

You can visit the Government website for more information about the new State pension, to find out your State Pension Age and to get an estimate of your State pension.

Website: www.gov.uk/state-pension-statement

Tel: 0845 3000 168





Who to contact

Scheme Administrators

DB section:

Post: WTW, PO Box 545, Redhill, RH1 1YX

Tel: 0113 394 9309

E-mail: uups@willistowerswatson.com

DC section:

Post: Aegon, PO Box 705, Peterborough, PE1 1ZL

Tel: 01733 353 481

E-mail: uk.ops@blackrock.com

Pensions department / Secretary to the Trustee

Post: United Utilities PLC, Clearwater 4, Lingley Mere Business Park, Great Sankey, Warrington, WA5 3LP

TPAS

TPAS is available at any time to help members (and other beneficiaries) of company pension schemes like the United Utilities Pension Scheme with questions or issues that they have been unable to resolve with the trustees or manager of the pension scheme.

Post: The Pensions Advisory Service, 11 Belgrave Road, London, SW1V 1RB

Tel: 0300 123 1047

Pension Wise

Pension Wise is a government service offering free, impartial guidance around the options you have with your DC pot and the implications of each option. You can access this at:

Web: www.pensionwise.gov.uk

Tel: 0800 138 3944

Pensions Ombudsman

The Ombudsman has the power to investigate and determine any complaints and disputes of fact or law relating to company pension schemes like the United Utilities Pension Scheme. Please note that by law, the Ombudsman cannot investigate your complaint until it has been through the Scheme's internal dispute procedure. You may also want to approach TPAS for their help before forwarding your complaint.

Post: The Pensions Ombudsman 11 Belgrave Road, London, SW1V 1RB

Tel: 020 7630 2200

Details of the complaint process can be obtained from WTW.

Pension Tracing Service

If you think you might have benefits in an old scheme but you have lost touch with the company, the Tracing Service may be able to help.

Post: The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU

Tel: 0845 600 2537

The Pensions Regulator

The Regulator oversees the running of pension schemes in the UK and can step in where trustees, employers or professional advisers have failed in their duties.

Post: The Pensions Regulator, Napier House, Trafalgar Place, Brighton, BN1 4DW,

Tel: 0845 600 0707

E-mail: customersupport@tpr.gov.uk

Web: www.thepensionsregulator.gov.uk

Am I nearly there yet?



General information

Who to contact if you need further information, help or advice

All initial enquiries or requests for further information about **UUPS** should be made to the Scheme Administrator or Pensions Department. All enquiries are dealt with in strict confidence.

Legal background

The **UUPS** is fully tax exempt approved by Her Majesty's Revenue & Customs (HMRC). This means **UUPS** and you, as a member, qualify for some tax relief.

Constitution of UUPS

The **Trustee** of **UUPS** is United Utilities Pensions Trustee Limited. The Board of Directors of the **Trustee** Company includes representatives from the **Company** and **UUPS** membership. The **Trustee** is bound by its legal duty to protect your interests as a **UUPS** member. The benefits and operation of **UUPS**, together with the **Trustee's** duties and powers, are laid down in a legal document known as the Trust Deed and Rules which is available from the Pension Department to view on request.

Annual Report

The **Trustee** publishes a full Annual Report that is available on request from the Pensions department.

Provision of benefits, changes and termination

Your own contributions to **UUPS** together with the **Company's** contributions are invested in a Trust Fund which is held completely separate from the assets of the **Company**. All **UUPS** benefits are paid from the Trust Fund. The Fund is subject to an independent annual audit.

The **Company** pays the balance of the cost of the DB benefits, as well as the cost of administering **UUPS**. The DB pension benefits are funded which means the long-term cost is assessed periodically by the **Scheme Actuary** who then advises the **Company** on the rate of its contributions. Your DC pot is funded by you and the **Company**.

The **Trustee** and the **Company** can agree to change or amend any part of **UUPS**. The **Company** fully intends to continue the operation of **UUPS** but in extreme circumstances it reserves the right to reduce, suspend or terminate contributions. In this unlikely event, your benefits would be established in accordance with **UUPS** Trust Deed and Rules covering such circumstances.



Take right turn



General information (continued)

Personal information

Under the Data Protection Act 1998, the **Trustee** and the **Company** are 'data controllers' in relation to data personal to you and which identifies you such as your name, address and National Insurance number (your 'personal data'). Some of your personal data may be sensitive (such as details of your health and personal relationships). The **Trustee** and the **Company** have a legitimate interest in processing your sensitive and non-sensitive personal data – and that of other members and beneficiaries of **UUPS** – for purposes associated with **UUPS**. In doing so, they may also use carefully selected advisers and third parties who may be necessary for the administration of **UUPS**.

As a member of **UUPS**, you consent to the **Trustee** processing your personal data for any purposes associated with **UUPS**. You should note that this may involve transferring personal data about you and others to, among others, the **Company** (or any business associated with it) or third parties who assist the **Trustee**.

You should keep the **Trustee** up to date with your personal details, including your marital status and address, otherwise delays may occur in paying benefits to you or your dependants.

Assignment

You may not assign, charge or use your benefits as the security for a loan. This means that you cannot promise to pay your benefits over to someone else as security if you take out a loan.

What to do if you are unhappy with a decision about your pension rights

If you are dissatisfied with anything to do with **UUPS**, you should, in the first instance, write to the Scheme Administrator (Details on page 16) who will attempt to resolve your query. If you remain dissatisfied, you may then write to the Pensions Manager, (Details on page 16), who will provide you with details of **UUPS** Internal Dispute Resolution Procedure. This is a two-stage process which involves various time limits and information requirements. Under the first stage, the Head of Reward and Pensions will deal with your complaint. If you are not satisfied with his decision, you may appeal to the **Trustee** under the second stage.

Other pension bodies

A number of other pension bodies have been established to assist in the running of occupational pension schemes. Further details are given on page 16 and their addresses included on the contacts page.



Take right turn

Glossary of terms

Additional Voluntary Contributions (AVCs)

Contributions you can choose to pay in addition to the usual scheme rate to provide additional benefits.

Child

Any child who is your child (including an unborn child and an adopted child), who is:

- under the age of 18, or
- over the age of 18 but under the age of 23 and in full-time education or vocational training, or
- over the age of 18 but under the age of 23 and financially dependent upon the member by reason of physical or mental disability.

Civil Partner

A partner of the same sex where the partnership has been legally registered under the provisions of the Civil Partnership Act 2004.

Company

United Utilities PLC or associated companies.

Consumer Price Index (CPI)

The Index of Consumer Prices as published by the Government.

Dependants

An adult dependant on your death (if there is no spouse/civil partner). The person must, in the Trustee's opinion, be financially inter-dependant on you.

Guaranteed Minimum Pension (GMP)

This is the minimum pension which UUPS has to provide as a condition of being contracted-out of the **State Earnings Related Pension Scheme (SERPS)** for service before 6 April 1997 only. It is broadly equal to the Additional State Pension you would have earned if you had not been contracted-out of **SERPS** for this period.

In general, this will only be applicable if you have transferred benefits to UUPS and these relate to membership before 6 April 1997 of a previous pension arrangement in which you were contracted-out of **SERPS**.

Normal Retirement Date (NRD)

Your State Pension Age (for pensionable service on or after 1 April 2010).

Incapacity

Physical or mental incapacity which the Trustee, having considered such medical and other evidence as it determines to be appropriate, agrees is other than temporary and prevents you from doing your job or similar work which your company has offered you.

LSA

The total amount of any tax-free lump sum an individual can receive from all of their registered pension arrangements is limited by the Lump Sum Allowance ("**LSA**") (which broadly relates to lump sums taken at retirement only). The current **LSA** is £268,275

LSDBA

The Lump Sum Death Benefit Allowance ("**LSDBA**") (also covers lump sums paid after death). The current **LSDBA** is £1,073,000.

Pensionable Service (used to calculate benefits) Your period of actual contributory membership of **UUPS** up to the date you retire or leave **UUPS** (calculated in years and days) including any credited service resulting from your membership of any other pension scheme of the company from which you have transferred benefits.

Protected Pension Age

Member who were in the Scheme on 5 April 2006 and who leave United Utilities by reason of redundancy may take their benefits from 50 rather than 55 – these individuals have a Protected Pension Age of 50.

Retail Prices Index (RPI)

The Index of Retail Prices (All Items) as published by the Government.

Spouse

Your legal wife or husband at the date of death (i.e. widow or widower).

State Earnings Related Pension Scheme (SERPS)/State Second Pension (S2P)

Pension arrangements provided by the Government in addition to the Basic State Pension for the period up to April 2016 depending on an individual's circumstances such as national insurance contributions record and whether they have been a member of private pension arrangements which "contracted out" of these benefits.

Total Incapacity

Physical or mental incapacity which the Trustee, having considered such medical and other evidence as it determines to be appropriate, agrees is permanent and prevents you from working, for your company or for any other company, except at significantly reduced pay.

Trustee

The Trustee of UUPS is United Utilities Pensions Trustee Limited, a separate legal entity.

UUPS

The United Utilities Pension Scheme.