

Section A/B Addendum

This addendum is to be read in conjunction with the BT Pension Scheme (BTPS) Section A/B Booklet (Issue no 4, dated September 1999) and relates to members re-joining the BTPS, subject to the Section B rules, on or after 1 June 2004.

Smart Pensions

You may choose to participate in Smart Pensions, a facility designed to improve the take home pay of BT People, by reducing National Insurance contributions without affecting pension benefits. Further information and a booklet called "Smart Pensions for the BT Pension Scheme" explaining how Smart Pensions works can be found on the website <http://hr.intra.bt.com/smartpensions> or can be requested from Peopleline on 0800 731 4747.

General (Page 6):

Section B of the BTPS was closed to new members with effect from 1 April 1986, which means it normally does not accept new members. Exceptionally, however, you have been allowed to join because:

- You are rejoining BT and
- You currently hold deferred benefits under Section A/B of the BTPS.

Please be aware that, should you opt out of the BTPS, either when you are first admitted or subsequently, you will not be eligible to re-enter the BTPS at a future date.

Section C of the BTPS was subsequently closed to new entrants on 1 April 2001 and the BT Retirement Plan (BTRP) - a defined contribution plan - was set up for all new BT employees instead.

The earnings "cap" for 2005/06 is £105,600.

General - Any reference to SERPS

The State 2nd Pension (S2P) replaced SERPS with effect from 6 April 2002.

Joining & Leaving (Page 7)

Section B of the BTPS is closed to new members. Rejoining is only allowed in special circumstances as indicated above.

- If you opt out of the BTPS now, you will not be eligible to re-join at a later date.
- If you subsequently opt out of the BTPS, you will not be eligible to rejoin at a later date.

Contributions (Page 7)

Unless you decide to participate in Smart Pensions, your contributions are deducted directly from your pay and, under current legislation, qualify for full tax relief.

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Maternity/Paternity/Adoption (Page 8)

Where a member is on paid maternity, paternity, or adoption leave, the period will be pensionable and contributions paid. On return to work, the member has the option of paying contributions to cover any period of unpaid leave.

Benefits (Pages 9-15)

If you have returned to BT under a Transfer of Undertakings Protection of Employment (TUPE) agreement, you will have been advised separately where benefits differ from those set out in the booklet. This addendum does not override the differences identified to you in any such advice.

Normal Retirement (Page 9)

If you have completed less than 2 years' Qualifying Service, you will be entitled to an annual pension and lump sum from the Scheme based on your Pensionable Service and Final Pensionable Pay as described on page 9.

Ill Health Benefits (Page 11-12)

If you have completed less than 2 years' Qualifying Service, you may still be eligible for an immediate pension and lump sum payment from the Scheme provided you can satisfy the Company's medical requirements. If a pension becomes payable, it will be equal to:

$1/80 \times \text{Final Pensionable Pay} \times \text{Pensionable Service}$

plus a lump sum of:

$3/80 \times \text{Final Pensionable Pay} \times \text{Pensionable Service}$

Widow / Widower / Adult Dependant's Pension (Page 14):

If you have completed less than 5 years' Qualifying Service, your widow / widower / adult dependant will be entitled to the benefits described on Page 14 under "If you have completed at least 5 years' Qualifying Service".

Other Information (State Pensions) (Page 17):

The State Pension Age for women has been altered to 65 for women born on or after 6 April 1955. A sliding scale applies for women born between 6 April 1950 and 5 April 1955. The State Pension Age for women born on or before 5 April 1950 continues to be 60.

Extra Pension Benefits (Page 18):

AVC investments may now be made with the following companies:

- Hermes Assured Limited
- Barclays Global Investors
- The Abbey
- The Standard Life Assurance Company

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Any Questions or Problems (Pages 19 - 20)

The Occupational Pensions Advisory Service (OPAS) has changed its name to The Pensions Advisory Service (TPAS).

Any Questions or Problems (Pages 19 - 20)

The Department of Work and Pensions (DWP) Pension Tracing Service has replaced the Registrar of Occupational and Personal Pension Schemes.

- The Pension Tracing Service's address is:
Pension Tracing Service
The Pension Service
Whitley Road
Newcastle upon Tyne
NE89 1BA

www.thepensionservice.gov.uk

The Pensions Regulator has replaced the Occupational Pension Regulatory Authority (OPRA).

- The Pensions Regulator's address is:
Napier House
Trafalgar Place
Brighton
BN1 4DW

www.thepensionsregulator.gov.uk

The Trustees of the BT Pension Scheme can be contacted through:

- The Secretary
BT Pension Scheme Secretariat
Lloyds Chambers
1 Portsoken Street
London
E1 8HZ

Data Protection Act 1998

The Data Protection Act 1998 imposes various obligations on organisations that process personal data relating to you. One of these obligations is to let you know the purpose(s) for which the data is being processed. The Trustees of the BT Pension Scheme (BTPS) will hold and process personal data relating to you, if a member, in order to administer the Scheme. In doing so, the Trustees are the "data controller" under the Act i.e. they determine the purpose for which, and the manner in which, the data is to be processed. The Trustees may disclose this data to professional advisers and others who assist them in administration.