

BT PENSION SCHEME SECTION A/B

*Explanatory booklet for
Members who have BT Pension Scheme membership before 1 April 1986*

**BT PENSION
SCHEME**



INTRODUCTION

This booklet provides a summary of the main benefits available from Section B of the BT Pension Scheme (BTPS) and some details about the way the Scheme works. The booklet is not intended to be comprehensive and any explanation in it is subject to the Trust Deed and Rules which govern the Scheme.

If at any time you have any pension problems or questions about the Scheme you should contact the BT Pensions Centre. Details are given on page 20.

You may find it useful to refer to the “Terms Used” section at the front of this booklet when reading the text.

The benefits described in this booklet are those applicable from 1 April 1999.

TERMS USED

The following terms are used throughout this booklet and the meanings given below should be referred to wherever necessary:-

Actuary	An independent person who is professionally qualified to give advice as to the financial position of the Scheme. The Actuary will also give advice regarding the future funding of the Scheme and other financial matters.
Adult Dependant	Any adult person who is wholly or partly financially dependent on an unmarried member. The Trustees will decide if a person is an Adult Dependent.
BT	British Telecommunications plc
BTPS	BT Pension Scheme
Company	British Telecommunications plc and/or subsidiary or associated companies whose employees are admitted to the Scheme.
Dependent Child/Children	Any child who is dependent on the member and is under the age of 17 or under 25, if in at least 2 years' full-time education or training, or who is physically or mentally incapable of self support. Children include the member's offspring (whether legitimate or illegitimate), adopted children, step-children and, in certain circumstances, children for whom the member is acting in the position of a parent.
Final Pensionable Pay	Whichever is the greater of your highest level of Pensionable Pay over any one of your last 3 years of Pensionable Service or the average of your Pensionable Pay over your best 3 consecutive tax years of Pensionable Service in your last 10 years of Pensionable Service.
Normal Retirement Age	Age 60 for men and women
PCSPS	Principal Civil Service Pension Scheme
Pensionable Pay	Your basic annual pay including any London Weighting and certain other allowances but excluding overtime payments. (Sunday overtime, however, is pensionable)

Pensionable Service	<p>Most of your benefits are based on your Pensionable Service (also known as Reckonable Service) which normally comprises:- Your service whilst a member of the BT Pension Scheme and any of its predecessors.</p> <p>plus any service purchased within the Scheme by payment of a transfer value from another scheme plus any added years of service bought by you</p> <p>Pensionable Service is calculated using completed years and days.</p>
Qualifying Service	<p>The type of service which, according to its length, will qualify you for benefits under the BT Pension Scheme. Qualifying Service is for most purposes the same as Pensionable Service.</p>
Scheme	<p>BT Pension Scheme</p>
SERPS	<p>State Earnings Related Pension Scheme.</p>
Spouse	<p>Your legal wife or husband at the date of death (i.e. widow or widower).</p>

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BT PENSION SCHEME

The BT Pension Scheme is one of the largest in the United Kingdom, both in the number of contributing members and pensioners and the amount of investments. Membership is voluntary but most Company employees are members.

The Scheme is managed by nine Trustees who, although appointed by BT, must act independently of BT on behalf of all the membership and in their best interests at all times.

The Chairman of the Trustees is appointed after agreement with the unions. At present, two of the four Company Trustees are independent of BT. The four members' Trustees are appointed by BT on the nomination of the BT Unions after consultation with The National Federation of PO and BT Pensioners.

Trustees are appointed for a three year term and are then eligible for re-appointment.

The Trustees usually meet monthly. They are responsible for the investments which are managed mainly by Hermes Pensions Management Limited (HPM), a company owned by the BTPS Trustees.

Administration of the membership records and the payment of pensions is carried out by the BT Pensions Centre at Chesterfield, working on behalf of the Trustees. The Secretary to the Trustees and the Secretariat staff are based in London. The address is on page 20 of this booklet.

A shortened version of the annual Report and Accounts of the Scheme is sent to all members and pensioners. A copy of the full Report is also available from the BT Pensions Centre on request or may be accessed on the Internet at web address www.hermes.co.uk. The Report contains the audited accounts and details of the performance of the investments, as well as information about the Trustees. The annual audit is carried out by the Scheme's independent auditors.

The Scheme's Actuary, prepares a valuation, at least every three years, of the assets (the investments) and the liabilities (the benefits provided to members and pensioners) to monitor the financial health of the Scheme. If there was a deficit BT would, under the Rules of the Scheme, legally have to ensure that it was rectified by extra employer's contributions. The Scheme Trust Deed does not allow BT to terminate the Scheme although it may be amended from time to time with the agreement of the Trustees.

The BT Pension Scheme has been approved by the Inland Revenue under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988. This means that under current legislation, no tax is paid on the contributions made by the members and BT, and that the Scheme's investments enjoy valuable tax exemptions. The lump sums payable on death or at retirement are currently tax free but pensions are taxed as income - just like wages. The Scheme, however, in return for these tax concessions is required by the Inland Revenue to comply with strict limits on the amounts of pension and other benefits payable on death, leaving service and retirement .

On 1 October 1981 BT split from the Post Office but employees remained in the Post Office Staff Superannuation Scheme (POSSS) until April 1983. The BT Staff Superannuation Scheme (BTSSS) was set up on 1 April 1983 with similar terms to POSSS and all the BT members and their share of the assets were transferred to it from POSSS.

BT employees who joined the Post Office or BT between 1 December 1971 and 31 March 1986 are now members of Section B of the BT Pension Scheme.



On 1 April 1986 the BTSSS was closed to new members and the BT New Pension Scheme (BTNPS) was set up for all new BT employees.

On 1 January 1993 the BTNPS and BTSSS were merged and renamed the BT Pension Scheme (BTPS). Members belong to Section A, B or C depending on the date that they joined the Scheme.

For members who have rejoined the Scheme after 31 May 1989, the permitted maximum scheme salary on which contributions may be paid and benefits calculated is restricted to the Inland Revenues' earnings 'cap' - which at April 1999 is £90,600 and may be reviewed annually by the Government.

Note: This booklet reflects pensions and taxation law and practice as at April 1999. However these can change at short notice.



MEMBERSHIP

Joining & Leaving

Sections A & B of the BT Pension Scheme continues for existing members but has been closed to new members from 1 April 1986.

If you are unsure which Section you are a member of, please contact the Pensions Centre.

Should you wish to leave the Scheme without leaving the Company you may do so. Further information can be obtained in the Opting Out of the BT Pension Scheme booklet, available from the Pensions Centre. Once you have opted out of the Scheme, you may only rejoin Section A or B with the agreement of the employer. You may, instead, be allowed to join Section C of the Scheme at the discretion of the Company if, at the time of application, you can provide satisfactory evidence of good health and you meet certain other criteria.

If you do not join or opt out of the Scheme, you should ensure that you have written confirmation of the conditions for joining/rejoining the Scheme at a later date. Arrangements will not be made to opt you out of the Scheme until the Pensions Centre receive your completed optant-out request form contained within the booklet.

Transfer of Benefits to the Scheme

If you were a member of another pension scheme or had other pension arrangements before you joined the Scheme and you have pension benefits preserved in that scheme or under those arrangements, then you may be able to transfer the value of those benefits into the Scheme. It is recommended that you make enquiries as soon as possible, as your previous pension scheme may have a time limit on applications for transfer out of their scheme.

A transfer takes the form of a cash payment from your previous scheme which is converted into a period of Pensionable Service in the BT Pension Scheme. A transfer will be accepted at the discretion of the Trustees.

For further information, please write to Membership Services at the BT Pensions Centre.

Contributions

Your Contributions

Your contributions towards the cost of the Scheme's benefits are at the rate of 6% of your Pensionable Pay. Your contributions are deducted directly from your pay and qualify for full tax relief under current legislation. You also pay National Insurance contributions on your earnings but, as the Scheme is contracted-out of SERPS, they are at a reduced level determined each year by the Government.

You will stop paying contributions to the Scheme if you leave the Company or when you retire or after 40 years of Pensionable Service, whichever is the earlier.



The Company's Contribution

As your contributions are not enough to provide for the Scheme benefits the balance of the cost of providing them is met by the Company based on the recommendation of the Actuary. The Trustees' Annual Report and Accounts show how much the Company has contributed.

Additional Voluntary Contributions (AVCs) / Added Years

You may also pay extra contributions in order to improve your benefits at retirement. Further information is provided on page 18.

Unpaid Leave or Absence

Any period of unpaid leave granted to you or of unpaid absence by you will not count as Pensionable Service unless, on your return to work, you agree to pay the contributions which are due for that period. This needs to be agreed within three months of your return to work.

Maternity Leave

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

Note for Section A Members

If you were employed by the Post Office before 1 December 1971, you may be entitled to benefits under Section A of the Scheme. Under the terms of Section A, benefits are payable in line with those of the PCSPS and Pensionable Pay is reduced by 6% when benefits are calculated. Any member who is eligible for Section A benefits may choose to elect for Section B by the age of 59³/₄ or within 6 months of leaving the Scheme, if earlier.

As Section B benefits are usually better than the equivalent PCSPS benefits, details of Section A rules and PCSPS benefits are not described in this booklet. If you were to die in service before making an election for Section B benefits, the better benefits will be paid.

If you are eligible for Section A benefits, you will be given information about the alternative Section A or Section B benefits prior to retirement.

YOUR BENEFITS AT AND AFTER NORMAL RETIREMENT

Normal Retirement

If you retire from your employment with the Company at Normal Retirement Age with at least 2 years of Qualifying Service, you will be entitled to a pension and an immediate lump sum from the Scheme based on your Pensionable Service (expressed in years and days) and Final Pensionable Pay.

You will receive an annual pension from age 60 payable for life equal to:-

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

plus

**a lump sum at age 60 (currently free of tax) of
 $3/80 \times \text{Final Pensionable Pay} \times \text{Pensionable Service}$**

	Example 1	Example 2
Age at retirement:	60	60
Final Pensionable Salary:	£15,000	£21,000
Pensionable Service:	22 years	36 years
Normal Retirement Pension	$1/80 \times £15,000 \times 22$ = £4,125 per annum	$1/80 \times £21,000 \times 36$ = £9,450 per annum
Plus a lump sum of	$3/80 \times £15,000 \times 22$ = £12,375	$3/80 \times £21,000 \times 36$ = £28,500

Note: Pensionable Service is subject to a maximum of 40 years. If you complete 40 years of Pensionable Service before reaching Normal Retirement Age, you may, with the consent of the Company, be able to retire and receive your pension immediately.

Unmarried Members at Retirement

Family Benefit Provision - refund of contributions for pre 6 April 1978 service

If you are unmarried when you retire, you may be eligible for a refund of any family benefit contributions you paid before 6 April 1978 or you can choose to leave them in the Scheme to provide a full Widow/Widower/Adult Dependant's pension should your circumstances change in retirement.



Death in Retirement

In the first 5 Years of Retirement

If you were a member of Section B of the Scheme and were to die within 5 years from the commencement of your pension, a cash lump sum will become payable at the discretion of the Trustees. It will normally be equal to the total amount of pension that would have been paid for the remainder of the 5 years. In addition, if you leave a Widow/Widower/Adult Dependant he/she will receive a pension payable at the rate for which you make provision at retirement. A Widow/Widower/Adult Dependant's pension will be payable for life.

After 5 Years of Retirement

If you die after 5 years of retirement, your Widow/Widower/Adult Dependant will, for the first 91 days, receive a pension equal to the pension paid to you immediately before your death. After that period, the pension payable will depend on the provision that you make at the time of your retirement.

Children's Pensions

If, on your death whilst in receipt of a pension, you leave a Dependent Child or Children (see definition), a pension will be payable for that child or those children. The amount of the pension will depend on the number of eligible children and whether there is a surviving Widow/Widower/Adult Dependant.

Section A Members

If you were a continuous member of the Pension Scheme before 1.12.71 and choose Section A benefits on retirement a lump sum may become payable on your death, depending upon the total benefits that you have received since retirement.



YOUR BENEFITS BEFORE NORMAL RETIREMENT

Ill Health

If you are unable to continue work due to serious ill-health or disability you may be eligible for an immediate pension from the Scheme, provided you have at least 2 years' Qualifying Service. Subject to satisfying the Company's medical retirement procedure, you will receive an immediate ill-health pension and lump sum payment as described below.

If you have completed 10 or more years of Qualifying Service:

You will be entitled to receive an immediate ill-health pension equal to:-

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

plus a lump sum of:

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

In this case, your enhanced Pensionable Service will be calculated as the greater of:-

- The addition to your Pensionable Service of $6\frac{2}{3}$ years
- or
- The addition to your Pensionable Service of 75% of what would have been your future Pensionable Service to age 60

In any case, the enhanced Pensionable Service on which benefits are based may not exceed the service that would have been pensionable by Normal Retirement Age.

	Example 1	Example 2
Age at ill-health retirement:	38	52
Final Pensionable Pay	£15,000	£21,000
Pensionable Service	12 years	16 years
Enhancement	$16\frac{1}{2}$ years ($75\% \times 22$)	$6\frac{2}{3}$ years
Enhanced Pensionable Service	$28\frac{1}{2}$ years ($12 + 16\frac{1}{2}$)	$22\frac{2}{3}$ years ($16 + 6\frac{2}{3}$)
Immediate Pension Payable	$1/80 \times £15,000 \times 28.5$ = £5,343 per annum	$1/80 \times £21,000 \times 22\frac{2}{3}$ = £5,950 per annum
Plus a lump sum of	$3/80 \times £15,000 \times 28.5$ = £16,031	$3/80 \times £21,000 \times 22\frac{2}{3}$ = £17,850



If you have completed at least 5, but less than 10 years of Qualifying Service

Your enhanced Pensionable Service will be the greater of; double your Pensionable Service (subject to it not exceeding the number of years you would have at age 60) or, adding to your Pensionable Service 75% of what would have been your future Pensionable Service to Normal Retirement Age.

Leaving the Scheme

If you leave the Scheme before Normal Retirement Age, you may choose either:

- a deferred pension payable at your Normal Retirement Age, equal to:

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

plus a deferred lump sum of:

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

Note: These benefits will be retained in the Scheme and increased in line with the Scheme's pension increase arrangements.

or

- A transfer of the value of your pension to your new employer's pension scheme, or your own pension policy.

Early Payment of Actuarially Reduced Benefits

An actuarially reduced pension and lump sum may be available to deferred pensioners from the age of 50, irrespective of the reason for the cessation of Scheme membership.

If you would like further information please contact the Pensions Centre.

Early Payment of full Benefits

If you opt to receive a deferred pension, then circumstances could later arise where you wish to apply for this pension to be paid early on ill-health or (rarely) compassionate grounds - eg: extreme hardship as a direct result of having to give up work to give full time care and attention to a sick or elderly relative.

Early payment for other than your own ill health will not be considered until you are aged 50. If you would like further information please contact the Pensions Centre.



Death after leaving with payment of benefits deferred

If you have a deferred pension and die before Normal Retirement Age, your Widow/Widower/Adult Dependant and any eligible children will receive pensions similar to those that would have been payable if you had died in service except that there will be no enhancement of service. In addition, a lump sum death benefit would be payable.

Redundancy (Not Special Release arrangements)

If you leave on redundancy, you will be entitled to receive the same benefits from the Scheme as those for "LEAVING THE SCHEME" as described on page 12.

If, however, you have completed at least 5 years of Qualifying Service AND you are aged 50 or over:

You will be entitled to receive an immediate pension and lump sum (which will not be reduced to take account of any early payment) based on an enhancement of your Pensionable Service.

In this case, your enhanced Pensionable Service will be calculated by the lesser of:-

the addition to your Pensionable Service of 6²/₃ years

or

the addition to your Pensionable service of the amount of future Pensionable Service that you would have obtained if you had remained in the Scheme up until Normal Retirement Age.

In either case, the enhancement cannot more than double your Pensionable Service.

Death in Service

Should you die whilst you are still employed with the Company and are a member of the Scheme, then, no matter what causes your death, a minimum lump sum of 3 times your Final Pensionable Pay (actual pay if you are part-time) will be immediately payable, at the discretion of the Trustees, as well as any pension or pensions which may be payable under the Scheme to your Widow/Widower/Adult Dependant and/or Children.

A death in service lump sum is not payable to a former member who has opted to leave the Scheme.

	Example 1	Example 2
Age at death	38	52
Final Pensionable Pay:	£15,000	£20,000
Lump Sum	= 3 x £15,000 = £45,000	= 3 x £20,000 = £60,000

Widow/Widower/Adult Dependant's Pension

A pension for life will also be paid to your Widow/Widower/Adult Dependant. It will be calculated up to a maximum of $\frac{1}{2}$ the pension you would have received on ill-health retirement (ie: calculated on enhanced Pensionable Service). Please see following examples.

It should also be noted that the pension payable to any Widower (or Adult Dependant instead of a Widower) will be based on your Pensionable Service since 1 June 1972 or from the date of joining the contributory part of the Scheme, if earlier.

If you have completed at least 5 years Qualifying Service at the date of your death, your Widow/Widower/ Adult Dependant will receive an immediate pension based on the following maximum calculation:-

$$\frac{1}{160} \times \text{Final Pensionable Pay} \\ \times \text{enhanced Pensionable Service (as outlined on page 11)}$$

	Example 1	Example 2
Age at death	38	52
Final Pensionable Pay:	£15,000	£21,000
Pensionable Service	12 years	16 years
Pensionable Service Enhancement	16 $\frac{1}{2}$ years (75% x 22)	6 $\frac{2}{3}$ years
Enhanced Pensionable Service	28 $\frac{1}{2}$ years (12 + 16 $\frac{1}{2}$)	22 $\frac{2}{3}$ years (16 + 6 $\frac{2}{3}$)
Maximum Immediate Pension payable	1/160 x £15,000 x 28 $\frac{1}{2}$ =£2,672 per annum	1/160 x £21,000 x 22 $\frac{2}{3}$ =£2,975 per annum

Children's Pensions

The following pension or pensions will be payable in respect of any Dependent Child or Children (see definition):

- If there is a surviving Widow/Widower/Adult Dependant and one Dependent Child, an immediate pension of $\frac{1}{4}$ of your pension in respect of that child
- If there is a surviving Widow/Widower/Adult Dependant and more than one Dependent Child, an immediate pension equal to $\frac{1}{2}$ of your pension in respect of those children.
- If there is no surviving Widow/Widower/Adult Dependant then the pension in respect of the Dependent Child or Children will be increased to $\frac{1}{3}$ of your pension for 1 child and to $\frac{2}{3}$ for 2 or more children.

Example - Your pension = £6,000 per annum		
Widow/Widower/ Adult Dependant's Pension Payable	Dependent Children	Total Children's Pensions
Yes	1	£1,500
Yes	2 or more	£3,000 in respect of all eligible children
No	1	£2,000
No	2 or more	£4,000 in respect of all eligible children



PAYMENT OF YOUR SCHEME BENEFITS

Your BT Pension

Your pension and any Widow/Widower/Adult Dependant or Child(ren's) pension(s) will be paid in arrears in monthly instalments, just like your pay. Pension payments are also treated as earned income for tax purposes.

Death Benefit

A lump sum death benefit will not normally attract a liability for inheritance tax as the payment is made under a discretionary trust.

Within the Trust Deed of the Scheme, there is a list of persons to whom the Trustees can pay the lump sum benefit. They include widow, widower, children and dependants. You can, however, inform the Trustees that you wish to nominate other persons or organisations by completing an "Expression of Wish" form. Any payment will always remain at the discretion of the Trustees.

An explanatory leaflet and "Expression of Wish" form are available on request or via access to the BT Human Resource Intranet site (for details see page 20)

Adult Dependant

If you are not married, you may be able to nominate an adult who is wholly or partly financially dependent on you, and who is likely to continue to be so, to receive pension benefits that would have been payable to your Widow or Widower.

Such a nomination would remain in force unless you revoked it in writing or became married. A booklet (including a Nomination Form) is available on request or via the Intranet.

Surrender of Part-Pension

If you are medically fit you may, within 6 months before your pension becomes payable, surrender part of that pension to provide extra pension for either your Widow/Widower or one dependant.

If you would like further information about this option please ask the Pensions Centre for details during the 6 months prior to your pension becoming payable.

Pension Increases

Pensions in payment are reviewed and increased in April each year.

Pensions in payment in excess of the Guaranteed Minimum Pension (GMP) are at present increased by the Scheme at a rate equal to the increase in the cost of living over the 12 months to September of the previous year - as measured by the Retail Prices Index (RPI).

Any increase on the GMP earned before 6 April 1988 will be paid by the State along with the basic State retirement pension and any increase up to 3% earned on or after that date will be paid by the Scheme, with any balance of such increase being paid by the State. During the first year the pension starts to be paid, a proportion of the full annual increase will be awarded.

OTHER INFORMATION

State Pensions

The State Basic Scheme

The State provides a basic flat rate pension at State Pension Age (currently 65 for men, 60 for women).

Married women who have only ever paid National Insurance contributions at a reduced rate are not eligible for their own state pension.

Membership of the BT Pension Scheme does not affect your entitlement to the basic flat rate State pension.

State Earnings Related Pension Scheme (SERPS)

Whilst you are a member of the BT Pension Scheme, you are contracted-out of SERPS and pay lower National Insurance contributions as a result.

In relation to the part of Pensionable Service built up before 6th April 1997:

- Your pension from the Scheme will never be less than the pension you would have earned had you remained in SERPS. This is known as your Guaranteed Minimum Pension or GMP.
- On your death, your Widow/Widower/Adult Dependant will receive a pension equal to half your own GMP.

In relation to the part of Pensionable Service built up after 5th April 1997:

- The Scheme's Actuary has to certify that the Scheme provides a certain minimum level of benefit. In practice, in almost all circumstances, the benefits provided by the Scheme will be significantly better than would otherwise have been expected under SERPS.

Part-Time Employees

All part-time employees are eligible to be members of the Scheme. Benefits for part-time employees are calculated in a similar way to those for full-time employees. However, there are the following differences:

Pensionable Pay

Pensionable Pay is calculated using the notional full-time pay of your grade plus actual assigned allowances.

Qualifying Service

Part-time service qualifies at its full calendar length - eg: 1 year of contributory membership of the Scheme by a part-time employee will provide 1 year of Qualifying Service.

Pensionable Service

Pensionable Service is accrued in proportion to the number of hours that you work, compared to the number of hours worked by a full-time employee of the same grade. For example, if you worked 20 hours per week compared to the full-time equivalent of 35 hours, each year of service in the Scheme would be equivalent to:-

$$\frac{20}{35} \times \text{years of Pensionable Service}$$

Service Enhancements

In certain cases, enhanced service (as used in redundancy calculations) will only be granted at a proportion of the full-time hours of the relevant job.

If you are working part-time or have worked part-time in the past, your benefits will be affected. For further information, contact the Pensions Centre.



Extra Pension Benefits

In order to increase your future pension (and other benefits) at retirement, you can choose to make Additional Voluntary Contributions or buy Added Years.

Additional Voluntary Contributions (AVCs)

The BT Pension Scheme has a facility (the AVC Plan) into which you can make additional contributions in order to top up your Scheme benefits. This facility is especially useful if you have a low number of years of Pensionable Service or if you intend to retire early. The usefulness of the AVC Plan depends on your individual circumstances.

The AVC Plan is an arrangement which allows you to have regular amounts paid from your salary into your own personal account with an external investment manager. At present, you have the choice of either the Abbey National or Equitable Life. When you retire, your personal account will be available to provide extra benefits for you; through the purchase of an annuity from an insurance company or by buying extra BT Pension.

AVCs can provide a very tax efficient way of saving because under current legislation both your contributions to and any interest earned on your money are completely free from tax.

There are certain Inland Revenue limits on the amount you can contribute to AVCs and on the amount of pension benefits that can be provided under this Plan.

A booklet (including Application Form) is available from the Intranet website or the Pensions Centre.

Added Years

An alternative way to top up your Scheme benefits is by purchasing Added Years of Pensionable Service. These are especially useful if you cannot complete 40 years of Pensionable Service by the age of 60. The option to buy Added Years is made available by a special arrangement set up under the BT Pension Scheme.

Each Added Year you purchase will simply be added to your Pensionable Service when you retire and all of your retirement benefits will be based on this total amount of service. That means that not only can you increase your own pension and lump sum, but also the benefits payable to your beneficiaries.

As with AVCs, there are tax concessions and upper limits on the amount of Added Years that you can purchase. Arrangements have been made to deduct automatically the cost of any Added Years that you wish to buy from your salary and there are no administration or commission charges.

A booklet (including Application Form) is available from the Intranet website or the Pensions Centre.

Use of Benefits as Security, etc.

You cannot make use of or assign your Scheme benefits (present or future) as security or collateral for any mortgage, loan or debt. Any attempt to do so could result in the benefits ceasing to be payable.



Any Questions or Problems

As required by the Pensions Act 1995, the Scheme has an internal procedure for resolving any disputes which may arise. This is a two stage process. In the first instance you must address your complaint to the Pensions Technical Support Manager, BT Pensions Centre, Pioneer House, Chesterfield, Derbyshire S42 6NT for referral to the Chief Pensions Officer for the Scheme. In normal circumstances you will receive a full response within 2 months. If you are dissatisfied with this response you will be entitled to refer the matter to the Trustees within 6 months of receiving it. The Trustees will then reply directly to you, where possible within 2 months.

Hopefully, any dispute will be sorted out by the Chief Pensions Officer or the Trustees. However, you can also approach the Pensions Advisory Service (OPAS) details of which are given below.

*OPAS
11 Belgrave Road
London
SW1V 1RB*

This service is available to help members and beneficiaries of occupational pension schemes resolve difficulties with Trustees or Administrators. Should OPAS be unable to resolve any difficulties, the Pensions Ombudsman has the power to investigate and settle complaints of mal-administration and disputes of fact or law relating to occupational pension schemes. The Ombudsman can be contacted at the same address as OPAS.

Registrar of Occupational and Personal Pension Schemes

Full details about the BT Pension Scheme, including current and previous employers associated with the Scheme, has been sent to the Registrar of Occupational and Personal Pension Schemes. The address at which the Trustees of the scheme may be contacted was also sent to the Registrar.

The Registrars address is:

*PO Box 1NN
Newcastle-upon-Tyne
NE99 1NN*

Occupational Pension Regulatory Authority (OPRA)

OPRA is able to intervene in the running of plans where trustees, employers or professional advisors have failed in their duties. OPRA may be contacted at:

*Invicta House
Trafalgar Place
Trafalgar Street
Brighton
East Sussex
BN1 4DW*

The Trustees

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

*The Secretary
BT Pension Scheme
Standon House
21 Mansell Street
London
E1 8AA*

Contacting the Pensions Centre

*BT Pensions Centre
Pioneer House
Chesterfield
Derbyshire
S42 6NT*

If you would like any of the booklets mentioned or any further information about BT Pension Scheme Benefits, please telephone 0800 731 4747.

If, however, your query requires investigation you will be asked to put this in writing, so it is advisable to consider this before contacting the Pensions Centre.

**Additional Booklets available on the Intranet via the
BT Human Resources website:
<http://hr.intra.bt.com/pensions/index.htm> or on
request from the Pensions Centre**

- **Added Years**
- **Additional Voluntary Contributions**
- **Adult Dependant's Pension**
- **Expression of Wish for the Payment of Lump Sum Death Benefits**
- **Opting Out of the BT Pension Scheme (This booklet is currently only available from the Pensions Centre)**

