

NEU Pension Scheme

MEMBER BOOKLET

Welcome to the NEU Pension Scheme (the **Scheme**). The **Scheme** offers you a wide range of benefits, helping you to enjoy financial security in your retirement and peace of mind for you and your family before you retire.

This is a temporary member booklet. A member booklet setting out full details of your benefits in the **Scheme** will be available shortly.

The main features of the **Scheme** are summarised in the appendix. The Scheme is governed by a formal Trust Deed and Rules, and where there is any difference between the provisions of the Scheme as laid out in this guide and those set out in the formal Trust Deed and Rules, the latter will apply. Benefits built up prior to July 2021 will continue to be administered on the relevant schemes' Trust Deed and Rules applying.

If you would like to see the governing documents or would like further information about the **Scheme** or your benefits, you should contact the Scheme's administrators First Actuarial:

NEU Pension Scheme
c/o Lis Armer, First Actuarial
Trafford House
Chester Road
Manchester
M32 0RS

Your Contributions

Contributions to the **Scheme** depend on your "**CARE Pensionable Salary**".

*"**CARE Pensionable Salary**" means the basic salary paid to a CARE Active Member by their Employer over the previous 12 months ending on 31 December of each year including London weighting but excluding bonuses, overtime, casual or homeworkers' allowance and any other item of pay which the NEU deems to be non-pensionable.*

The contributions payable by members are:

NEU earnings band	% of CARE Pensionable Salary
Bands 6 to 8	7%
Bands 3 to 5	9.5%
Bands 1 and 2	12%

A CARE Active Member whose earnings are in NEU earnings band 5 must pay Member Contributions at the following rates of their CARE Pensionable Salary:

- (a) 8% of their CARE Pensionable Salary between 1 July 2021 and 30 June 2022;
- (b) 8.5% of their CARE Pensionable Salary between 1 July 2022 and 30 June 2023; and
- (c) 9.5% of their CARE Pensionable Salary on and after 1 July 2023.

Contribution rates for part-time staff are based on actual salary, (not full-time equivalent salary).

From time to time, the salary bands may need to be amended by the **Employer**. Members have the option of contributing under the salary sacrifice arrangement.

Changes to original pension scheme proposals following employee consultation

The consultation on proposed changes to the NEU's pension arrangements closed on 21 April 2021. The NEU has carefully considered the feedback submitted by individuals and through staff unions throughout the consultation period. Following this feedback, there are a number of amendments to the original proposals that were agreed by the Executive on 8 May 2021

This document summarises the changes to the original proposed benefits in the new NEU Pension Scheme.

Two amendments have previously been communicated:

1. An increase in the death-in-service lump sum from 3 times salary to 4 times salary.
2. An agreement to introduce a joint trustee and employer discretionary power to grant active member CARE revaluations over the 2.5% pa cap (when Consumer Prices Index (CPI) inflation is greater than 2.5% and considering scheme funding).

Three further amendments, agreed by the Executive, are:

1. Lower pension contributions for Band 5 employees (whether a member of NUTSSF or ATLPS) for two years. This means Band 5 NUTSSF members will see a reduction in contributions (and an increase in take home pay) for two years. This also means Band 5 ATLPS members will have a gradual increase in contributions (while still benefiting from a more a generous accrual rate and NRA compared to the ATLPS). A small number of ATLPS members in Band 5 will see a contribution reduction in the first year.
2. The death-in-service lump sum to be based on full time equivalent (FTE) salary not actual salary. This means under the proposals a majority of employees will be covered for a higher lump sum (compared to the current position).
3. A more generous definition for eligibility for children's pensions (compared to either current scheme).

The amendments and proposals are summarised in the appendix.

Appendix

Previously communicated amendments to the proposals

	ATL Pension Scheme	NUT Staff Superannuation Fund	Original NEU Pension Scheme proposal	Amended NEU Pension Scheme proposal
Death in service lump sum	4 x pensionable salary at the date of death	3 x 'average salary' plus any AVCs;	3 x <i>Salary</i> <i>where Salary is your basic salary paid to you by the NEU in that year</i>	4 x Salary <i>where Salary is your basic salary paid to you by the NEU in that year</i>
CARE revaluation cap	n/a	n/a	<i>Consumer Prices Index (CPI) inflation, capped at 2.5% each year.</i>	CPI inflation, capped at 2.5% each year, with an amendment to the Rules of the NEU Pension Scheme to allow discretionary revaluation above the 2.5% per annum cap to be granted, with agreement of both the NEU and the Trustees.

Further amendments to the proposals

	ATL Pension Scheme	NUT Staff Superannuation Fund	Original NEUPS proposal	Amended NEUPS proposal
Death in service lump sum – part time staff	Lump sum is based on actual salary	Lump sum is based on full-time equivalent salary	Lump sum is based on actual salary	Lump sum is based on full-time equivalent salary

	ATL Pension Scheme	NUT Staff Superannuation Fund	Original NEUPS proposal	Amended NEUPS proposal
Member's contribution rate	6% if salary below £31,457* 7% if salary between £31,458 - £39,322* 8.5% if salary between £39,323 - £55,050* 9% if salary between £55,051 - £66,283* 9.5% if salary above £66,284* <i>*2021 salary bands</i>	9.5% of salary	<i>7% if on salary band 6 to 8</i> <i>9.5% if on salary band 3 to 5</i> <i>12% if on salary band 1 or 2</i>	7% if on salary band 6 to 8 For salary band 5 <ul style="list-style-type: none"> ▪ 8% for one year ▪ 8.5% for the following year; and ▪ 9.5% thereafter. 9.5% if on salary band 3 to 4 12% if on salary band 1 or 2 Contributions rates for part-time staff will be based on actual salary, not full-time equivalent.
Eligible children for children's pensions	Up to age of 18, or 21 if in full-time education or training approved by Trustees.	Up to age of 17, or 23 if in full-time education or full-time training course of at least 2 years.	<i>Up to age of 18, or 21 if in full-time education or training approved by Trustees.</i>	Up to age of 18 , or 23 if in full-time education or training approved by Trustees.

Summary of other key NEUPS benefit features

	ATL Pension Scheme	NUT Staff Superannuation Fund	NEU Pension Scheme
Type of scheme	Final salary	Final salary	CARE
Member's Pension	$1/70 \times \text{'final pensionable salary'} \times \text{pensionable service (measured in complete years and days)}$	$1/66 \times \text{'average salary'} \times \text{pensionable service (measured in complete years and days)}$	Annual block of pension: $1/66 \times \text{total salary paid by the NEU in that year} \times \text{the NEUPS revaluation rate}$
Normal Retirement Age	66	65	65
Increases on pensions in payment	In line with the annual increase in CPI, up to a maximum of 2.5% per year	In line with the annual increase in CPI, up to a maximum of 2.5% per year	In line with the annual increase in CPI, up to a maximum of 2.5% per year
Death in retirement pension	50% of your annual pension in payment at the date of death (calculated on a pre-commutation basis)	$1/160 \times \text{'average salary'} \times \text{pensionable service (measured in complete years and days)}$	$1/160 \times \text{total salary earned while a member of the scheme}$
Death in retirement lump sum	If your pension has not been paid for 5 years, the remainder of the 5 years' worth of your pension in payment	If your pension has not been paid for 5 years, the remainder of the 5 years' worth of your pension in payment	If your pension has not been paid for 5 years, the remainder of the 5 years' worth of your pension in payment

	ATL Pension Scheme	NUT Staff Superannuation Fund	NEU Pension Scheme
Death in service pension	$1/140 \times \text{'final pensionable salary'} \times \text{pensionable service (measured in complete years and days), plus}$ $1/140 \times \text{'final pensionable salary'} \times \text{each year between the date of death and your NRA}$	$1/160 \times \text{'average salary'} \times \text{pensionable service (measured in complete years and days)}$	$1/160 \times \text{total salary earned while a member of the scheme, plus}$ $1/320 \times \text{total salary} \times \text{service which could have been worked between the date of death and your NRA}$

Important note:

This benefit summary table contains a summary of what the ATL Pension Scheme and the NUT Staff Superannuation Fund currently provide for their respective members. Every effort has been made to ensure the accuracy of this table, but it is not a legal document. Full details of the ATL Pension Scheme and the NUT Staff Superannuation Fund are set out on the governing trust deed and rules of each of the two schemes. Where anything in this benefit summary table is inconsistent with the relevant scheme's governing trust deed and rules, those relevant governing trust deed and rules will override what is set out in this benefit summary table.

Please note that the benefit summary table has been drafted by reference to the benefits which members can currently build up in the ATL Pension Scheme and the NUT Staff Superannuation Fund. It does not reflect benefits which may have been built up historically in each of those schemes, as, for example, both the ATL Pension Scheme and the NUT Staff Superannuation Fund had different build-up rates which applied to different periods of historical service.