



The Gist Limited Pension Scheme

Your guide to the Gist Scheme



FUTURE BUSINESS LOGISTICS

Terms used in this booklet

The pension-related terms used in this booklet are defined below and are highlighted in **bold** the first time they appear in each section.

Active Member

A member of the Gist Scheme who is making contributions or having contributions made on his or her behalf through Salary Exchange.

Additional Voluntary Contributions

Extra contributions that you choose to make (or are made through Salary Exchange on your behalf) in order to build up additional benefits for retirement. Additional Voluntary Contributions (AVCs) are made on top of your regular contributions.

Annual Allowance

The maximum amount of pension savings that you can generally build up in any one tax year without incurring a tax charge. The Annual Allowance for the 2011/12 tax year is £50,000.

BOC Pensionable Service

The total time you have been an active member of the BOC Pension Scheme (plus any additional service granted, for example as a result of a transfer in), used when calculating your benefits in the BOC Pension Scheme. For any period of part-time employment, your BOC Pensionable Service will be adjusted proportionately.

BOC Pension Scheme Trustee

Responsible for looking after the assets of the BOC Pension Scheme on behalf of the beneficiaries. Some of the Trustee Directors are appointed by the BOC Group and some are member nominated.

Child's Allowance

Calculated as $\frac{1}{4}$ of the Recognised Dependant's pension for each Qualifying Child, up to a maximum of four. If you are not survived by a Recognised Dependant, the first Child's Allowance will be increased to the full amount of the Recognised Dependant's pension.

Company

Gist Limited.

Consumer Price Index

A measure of inflation similar to the Retail Prices Index (RPI), but which currently excludes housing costs, such as mortgage and interest rates. The Consumer Price Index (CPI) is based on a harmonised standard used throughout Europe. Historically, CPI has risen more slowly than RPI.

Final Earnings

Broadly, your Pensionable Earnings for the 12 months before leaving the Gist Scheme, retirement or death.

Note: Final Earnings are based on your Pensionable Earnings, increases to which are subject to an annual 2.5% cap from 1 April 2011, averaged over five-year rolling periods (see 'Cap on

increases to Pensionable Earnings' on page 6). However, for the purpose of calculating any death-in-service lump sum based on your salary, the cap on increases to Pensionable Earnings will be ignored and uncapped Pensionable Earnings will be used instead.

Final Pensionable Earnings

Broadly, the highest of:

- The average of your Pensionable Earnings in your final three years' Gist Pensionable Service;
- The average of your highest three consecutive tax years' annual Pensionable Earnings in your final thirteen years' Gist Pensionable Service; and
- An average of your Pensionable Earnings over your entire Gist Pensionable Service, revalued in line with the increase in the Retail Prices Index, capped at 2.5%.

Note: Final Pensionable Earnings are based on your Pensionable Earnings, increases to which are subject to an annual 2.5% cap from 1 April 2011, averaged over five-year rolling periods (see 'Cap on increases to Pensionable Earnings' on page 6).

The BOC Pension Scheme uses the same definition of Final Pensionable Earnings in relation to your BOC Pensionable Service.

Gist Pensionable Service

The time you have been a member of the Gist Scheme in years and complete months from 1 April 2011 onwards (plus any additional service granted, for example as a result of a transfer in), used when calculating your benefits in the Gist Scheme. For any period of part-time employment, your Gist Pensionable Service will be adjusted proportionately.

Gist Scheme

The Gist Limited Pension Scheme.

Guaranteed Minimum Pension

Only applies to members with BOC Pensionable Service between 6 April 1978 and 5 April 1997. The Guaranteed Minimum Pension (GMP) is broadly equivalent to the pension you would have otherwise earned from the State Earnings Related Pension Scheme (SERPS) for any period up to 5 April 1997 had you not been contracted out under the BOC Pension Scheme. GMPs become due at age 60 for women and age 65 for men. Your pension from the BOC Pension Scheme is calculated to be at least equal to the GMP from these ages.

Ill health

A physical or mental illness or disability which in the Trustee's opinion (after considering evidence from a registered medical practitioner) is serious enough to prevent you from carrying out your normal occupation.

Incapacity

A physical or mental illness or disability which in the Trustee's opinion (after considering evidence from a registered medical practitioner):

- is serious enough to prevent you from following any employment; and
- is considered permanent because you are unlikely to recover to any substantial degree.

Lifetime Allowance

The maximum value of pension benefits (excluding your State pension) that you can generally build up during your lifetime without incurring a tax-recovery charge. The Lifetime Allowance for the 2011/12 tax year is £1.8m, and will be reduced to £1.5m in the 2012/13 tax year.

Normal Retirement Age

Your 65th birthday, or any other age notified to you.

Pensionable Earnings

The earnings on which your pension contributions are based. Pensionable Earnings include all contractual elements of your pay (including overtime and sick pay), before:

- tax and deductions for contributions to the Gist Scheme;
- Additional Voluntary Contributions; and
- deductions in relation to State sickness, incapacity or invalidity benefits.

Discretionary payments and the cash equivalent of benefits in kind are excluded. Any increases to Pensionable Earnings from 1 April 2011 are subject to an annual 2.5% cap, averaged over five-year rolling periods (see 'Cap on increases to Pensionable Earnings' on page 6). The cap does not affect your actual pay.

Please note that the cap on Pensionable Earnings does not apply to your BOC Pensionable Service earned before 1 April 2011.

If you take advantage of Salary Exchange, or any of the Company's other voluntary benefits that are paid through salary sacrifice, your pension contributions will be based on your 'reference salary' (i.e. the Pensionable Earnings you would have received if you had not made contributions through Salary Exchange or taken the voluntary benefit).

Qualifying Child

A child under age 16 (or up to age 23 while the child continues in full-time education). Special conditions apply if, in the opinion of the Trustee, a child is permanently dependent through disability.

Qualifying Service

The total time you have been a member of the Gist Scheme in years and complete months, plus your actual service within the BOC Pension Scheme. Qualifying Service is used to determine your eligibility for early retirement pensions. For any period of part-time employment, Qualifying Service will be adjusted proportionately.

Recognised Dependant

Your spouse or registered civil partner (if normally resident with you) at your date of death. If there is no such person, an adult who is financially interdependent with you for basic living needs and who has normally been resident with you for at least two years up to your death. An adult qualifying for a Child's Allowance would not be eligible for a Recognised Dependant's pension as well. The Trustee also has discretion to provide a pension to other dependants if you do not have a Recognised Dependant.

Retail Prices Index

A measure of inflation based on the increasing cost of a 'basket' of certain items assumed to represent typical spending within the UK. It currently includes housing costs, such as mortgage and interest rates, as well as food and other goods.

Salary Exchange

A cost-effective way to make contributions to the Gist Scheme (assuming you pay UK tax and National Insurance contributions).

Scheme Notional Cap

Restricts Pensionable Earnings for members who joined the BOC Pension Scheme after 31 May 1989. The Cap is £129,600 for the 2011/12 tax year and will be increased each year in line with the increase in the Retail Prices Index to the end of the previous September, capped at 2.5% and rounded up to the nearest £600.

State Pension Age

The age you will receive your State pension. If you are a man this is between age 65 and 68 and if you are a woman this is between age 60 and 68, depending on your date of birth.

State Second Pension

Paid in addition to the Basic State Pension upon reaching State Pension Age. The State Second Pension (S2P) may be deferred beyond State Pension Age, but may not be paid early. S2P was introduced on 6 April 2002 and replaced the State Earnings Related Pension Scheme.

Total Pensionable Service

The total time you have been a member of the BOC Pension Scheme and the Gist Scheme (plus any additional service granted, for example as a result of a transfer in). For any period of part-time employment, your Total Pensionable Service will be adjusted proportionately.

Trust Deeds and Rules

The Trust Deeds and Rules (as amended from time to time) are the formal legal documents which govern the Gist Scheme and the BOC Pension Scheme and set out your entitlements to benefits. You can download the full Trust Deeds and Rules on the website at www.bocpensions.co.uk

Trustee

Responsible for looking after the assets of the Gist Scheme on behalf of the beneficiaries. Some of the Trustee Directors are appointed by the Company and some are member nominated.

Contents

	Page
Terms used in this booklet	Fold out
Introduction	3
Scheme overview	
- Scheme benefits at a glance	4
- How the Scheme works	5-8
- Contributions	9-10
Planning for your retirement	
- Maximising your pension	11-12
- Working Money	13-14
Benefits on retirement	
- Normal retirement	15-18
- Early retirement	19-20
- Ill-health retirement	21-22
- Redundancy, flexible and late retirement	23
- How benefits are calculated in practice	24
Benefits on death	25-27
Leaving the Company or the Scheme	28-30
Working part time and temporary absences	31-32
Pensions in payment	33
State pension	34
Regulatory bodies	35
General information	36-38



Introduction

Welcome to your guide to the Gist Limited Pension Scheme (the **Gist Scheme**).

Valuable benefits for you and your family

In addition to providing you with a pension, the Gist Scheme offers other excellent benefits that are designed to give you and your family financial security in the event of your illness or death.

This booklet outlines the valuable benefits you receive from the Gist Scheme, and explains how they combine with your benefits from the BOC Pension Scheme.

Planning for your retirement

It is important that you take steps to plan for your retirement. The **Company** offers a wealth of planning tools, which can be found by visiting www.bocpensions.co.uk

Some of the tools include:

- **Wealthcheck** – calculates what your total monthly income and outgoings might be in retirement.
- **Working Money** – helps you to understand how you can make the most of your money and reach your retirement savings goals.
- **Pension calculator** – estimates what your pension might be in retirement, and shows how retiring early, taking tax-free cash or making **Additional Voluntary Contributions (AVCs)** may affect your total pension.
- **Contribution calculator** – shows the actual cost of membership to you, after tax and National Insurance savings.

As a member of the Gist Scheme, you will also receive regular communications from BOC Pension Services including:

- **Annual benefit statements** – one giving you details of the benefits you are building up in the Gist Scheme and the other showing your benefits in the BOC Pension Scheme;
- **Annual newsletters** – one summarising the Gist Scheme's financial development during the year and the other summarising the financial development of the BOC Pension Scheme; and
- **Periodic newsletters** – covering pension-related topics.



Working Money



Pension calculator



Contribution calculator

Scheme benefits at a glance

- **A pension** – you will receive an income for the rest of your life when you retire.
- **A tax-free cash sum** – at retirement, you can take up to 25% of the value of your pension benefits (within the **Lifetime Allowance**) as a tax-free cash sum.
- **Tax and National Insurance savings** – you can make tax savings on your contributions (within the **Annual Allowance**) and pay less National Insurance.
- **Company contributions** – the **Company**, Gist Limited, meets the balance of the cost of providing your benefits.
- **Additional Voluntary Contributions** – you can boost your pension with **Additional Voluntary Contributions**.
- **Ill health or Incapacity** – you can take your pension immediately if you retire because of **Ill health** or **Incapacity**, subject to meeting the eligibility requirements (as described on pages 21 and 22).
- **Early retirement** – you can retire early (between the ages of 55 and 65) with consent, providing certain other conditions are met – these are described on pages 19 and 20. Your pension may be reduced to take account of early payment.
- **Death in service** – if you die while an **Active Member** of the **Gist Scheme**, your beneficiaries will receive a cash lump sum equal to four times your **Final Earnings** plus a refund of your contributions. In addition, your **Recognised Dependant** will receive a pension for life and your **Qualifying Children** (up to four) will receive a **Child's Allowance**.
- **Death in retirement** – if you die while a retired member of the Gist Scheme, your Recognised Dependant will receive a pension for life and your Qualifying Children (up to four) will receive a Child's Allowance. In the event of death within five years of retirement, a lump sum equal to five years' pension payments (less any payments already received, excluding any Child's Allowance) will also be payable.



How the Scheme works

The **Gist Scheme** is a defined benefit (DB) scheme. The amount of pension you build up in the Gist Scheme is based on:

- Your **Final Pensionable Earnings** (an average of your **Pensionable Earnings** while you are an **Active Member** of the Gist Scheme);
- Your **Gist Pensionable Service** (the time you have been a member of the Gist Scheme in years and complete months plus any additional service granted); and
- An accrual rate that depends on your membership level (as shown below).

Contributing to your pension

There are two levels of membership within the Gist Scheme – Level 1 and Level 2. Member contribution rates are:

	1 April 2011	1 April 2012	1 April 2013
	% of Pensionable Earnings		
Level 1 members	3.6%	4.2%	4.8%
Level 2 members	6.0%	7.0%	8.0%

Level 2 members make contributions at a higher rate in exchange for building up benefits at a higher rate.

Building your pension

The formula for calculating your pension earned from 1 April 2011 is as follows:

Level 1

$$\frac{1}{100} \times \text{Final Pensionable Earnings} \times \text{Gist Pensionable Service} = \text{annual pension}$$

Level 2

$$\frac{1}{60} \times \text{Final Pensionable Earnings} \times \text{Gist Pensionable Service} = \text{annual pension}$$

Let's meet Martin



- Martin has Final Pensionable Earnings of £20,000.
- He has Gist Pensionable Service of 30 years.
- Depending on Martin's membership level, his pension from the Gist Scheme would be calculated as follows:

Level 1

$$\frac{1}{100} \times £20,000 \times 30 \text{ years} = £6,000 \text{ a year}$$

Level 2

$$\frac{1}{60} \times £20,000 \times 30 \text{ years} = £10,000 \text{ a year}$$

Cap on increases to Pensionable Earnings

Your Pensionable Earnings is the earnings figure used by the Gist Scheme to calculate your contributions. Increases to your Pensionable Earnings are subject to an annual cap of 2.5%, averaged over rolling five-year periods. The first rolling five-year period starts in April 2011. The base point for the cap is Pensionable Earnings in the year to 31 March 2011.

In years when the increase in your Pensionable Earnings is less than 2.5%, you will receive a credit equal to the difference between the increase in your Pensionable Earnings and the 2.5% cap. This credit can be applied to offset the effect of the 2.5% cap in years when the increase in your Pensionable Earnings is more than 2.5%.

For example, if the increase in your Pensionable Earnings in one year is 1.5%, your credit will be 1%. Credits will expire if they are not used within five years of when they are earned.

The cap does not affect your actual pay; it only affects your Pensionable Earnings, which are used to calculate your contributions to the Gist Scheme.

Please note that the **Scheme Notional Cap** may restrict the Pensionable Earnings of some high earners who joined the BOC Pension Scheme after 31 May 1989. Further information is available from BOC Pension Services.

Example

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Actual increase in Pensionable Earnings	1.09%	3.20%	3.58%	2.12%	3.86%	13.85%
Credit at start of year	0.00%	1.41%	0.71%	0.00%	0.38%	N/A
Credit earned	1.41%	0.00%	0.00%	0.38%	0.00%	N/A
Credit used	0.00%	0.70%	0.71%	0.00%	0.38%	N/A
Credit at end of year	1.41%	0.71%	0.00%	0.38%	0.00%	N/A
Applied increase in Pensionable Earnings	1.09%	3.20%	3.21%	2.12%	2.88%	12.50%

- **Year 1** – As the actual increase in Pensionable Earnings (1.09%) is below the 2.5% cap, a credit of 1.41% is earned. The increase applied to Pensionable Earnings is 1.09%.
- **Year 2** – No credit is earned as the actual increase in Pensionable Earnings (3.20%) is above the 2.5% cap. However, part of the credit carried forward from the previous year (0.70%) is used, so that the increase applied to Pensionable Earnings is 3.20%.
- **Year 3** – No credit is earned as the actual increase in Pensionable Earnings (3.58%) is above the 2.5% cap. However, the entire credit carried forward from the previous year (0.71%) is used, so that the increase applied to Pensionable Earnings is 3.21%.
- **Year 4** – As the actual increase in Pensionable Earnings (2.12%) is below the 2.5% cap, a credit of 0.38% is earned, taking the credit at the end of the year to 0.38%. The increase applied to Pensionable Earnings is 2.12%.
- **Year 5** – No credit is earned as the actual increase in Pensionable Earnings (3.86%) is above the 2.5% cap. However, the entire credit carried forward from the previous year (0.38%) is used, so that the increase applied to Pensionable Earnings is 2.88%.
- The member's total increase to his or her Pensionable Earnings over this five-year period is therefore 12.50%.

How the Scheme works continued

Variable earnings

A special 'variable pensionable earnings cap' provides protection for members on variable pay. This means that the Pensionable Earnings of a member with variable earnings is capped by the higher of the 'normal' Pensionable Earnings cap and the special 'variable pensionable earnings cap'.

The special 'variable pensionable earnings cap' works as follows:

- A 'base point' is set, based on your Final Pensionable Earnings as at 31 March 2011.
- This base point is then increased annually by the amount of the increase to your basic salary, capped at 2.5%.
- If your total Pensionable Earnings fall (for example, because you work less overtime), then in future years your Pensionable Earnings can increase up to the 'variable pensionable earnings cap', even if this would take your Pensionable Earnings increase for that year above the normal cap of 2.5%.
- Even though you are protected in this way, you would make pension contributions based on your actual Pensionable Earnings rather than the 'variable pensionable earnings cap'.

Special 'variable pensionable earnings cap' example

- A member has Final Pensionable Earnings of £30,000 as at 31 March 2011. In this member's case, Final Pensionable Earnings are the average of the last three years' annual Pensionable Earnings. The member's Final Pensionable Earnings are used as the base point for the special 'variable pensionable earnings cap'.
- The member's total Pensionable Earnings for 2010 were £31,000 (£26,000 of which was basic pay and £5,000 of which was variable earnings).
- This is illustrated in the table below, with a detailed description provided opposite on page 8.

	At 31 March 2011 (starting point)	Year 1	Year 2	Year 3	Year 4	Year 5
Basic pay	£26,000	£26,650	£27,316	£28,135	£28,838	£29,559
Variable pay	£5,000	£5,125	£5,253	£0	£5,300	£5,433
Total pay	£31,000	£31,775	£32,569	£28,135	£34,138	£34,992
Basic pay rise on previous years	N/A	2.5%	2.5%	3.0%	2.5%	2.5%
Pensionable Earnings (calculated on the basis of the 'normal' Pensionable Earnings cap)	£31,000	£31,775	£32,569	£28,135	£28,838	£33,943
Variable pensionable earnings cap	£30,000	£30,750	£31,519	£32,307	£33,115	£33,943

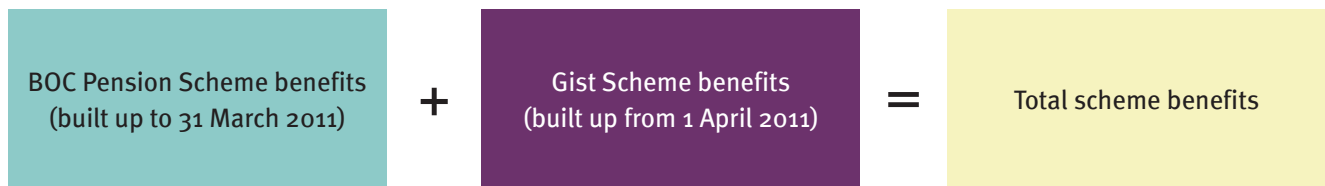
■ Figure used for Pensionable Earnings

This is the 'base point', which is the member's Final Pensionable Earnings as at 31 March 2011. The 'base point' increases by the annual increase to basic salary, up to 2.5%, to give the 'variable pensionable earnings cap'.

What about my pre-1 April 2011 benefits?

Your benefits earned before 1 April 2011 are held within the BOC Pension Scheme. This means that the pension benefits you receive at retirement will come from two different schemes – the BOC Pension Scheme for benefits earned before 1 April 2011 and the Gist Scheme for benefits earned from 1 April 2011.

See pages 15 and 16 for more information about how your pension earned up to 31 March 2011 is calculated. See also the 'RPI/CPI' section on page 36 for more information about the rules regarding revaluation.



Year 1 – the member receives a 2.5% pay increase, with his/her total pay increasing from £31,000 to £31,775. The 'normal' Pensionable Earnings cap of 2.5% applies, so the 2.5% increase is fully allowed and Pensionable Earnings increase to £31,775.

Year 2 – the member receives a 2.5% pay increase. The 'normal' Pensionable Earnings cap of 2.5% applies, so the 2.5% increase is fully allowed and Pensionable Earnings increase to £32,569.

Year 3 – the member receives a 3.0% increase to basic pay but does not work any overtime and as a result total pay drops to £28,135. Pensionable Earnings also drop and the member makes contributions on this lower amount. Even though the member has received a 3.0% increase (which is above the 2.5% cap on increases to Pensionable Earnings), this still counts towards Pensionable Earnings.

Year 5 – the member receives a pay increase of 2.5% to total pay. The 'normal' Pensionable Earnings cap of 2.5% applies, so the 2.5% increase is fully allowed and Pensionable Earnings for the year increase from £33,115 to £33,943.

Year 4 – the member starts to work overtime again and as a result total pay increases significantly. The increase in Pensionable Earnings is now subject to the 'variable pensionable earnings cap' and so the member's Pensionable Earnings increase to £33,115. If the 'variable pensionable earnings cap' was not in place then the member's Pensionable Earnings would have been restricted to £28,838 (£28,135 plus 2.5%).

Contributions

What is my contribution rate?

Your contribution rate depends on the level of membership you choose, as shown in the table below:

	1 April 2011	1 April 2012	1 April 2013
	% of Pensionable Earnings		
Level 1 members	3.6%	4.2%	4.8%
Level 2 members	6.0%	7.0%	8.0%

Level 2 members make contributions at a higher rate in exchange for building up benefits at a higher rate. See page 5 for further details.

How much does the Company contribute?

The **Company** contributes the balance of the cost (after members' contributions and any investment returns) of providing pension benefits.

The Company's contributions vary over time, as the estimated cost of providing pension benefits changes. The level of contributions is agreed by the **Trustee** and the Company on the advice of the **Gist Scheme Actuary** (an adviser appointed by the Gist Scheme Trustee) and is published annually in the Summary Report and Accounts, which you receive from the Gist Scheme each year.

You can download the latest Summary Report and Accounts at www.bocpensions.co.uk or request one from BOC Pension Services.

What is Salary Exchange?

Salary Exchange is a cost-efficient arrangement that allows you to pay reduced National Insurance contributions and, as a result, increase your take-home pay (assuming you pay UK tax and National Insurance contributions).

In Salary Exchange, the Company makes contributions to the Gist Scheme on your behalf, instead of you contributing directly to the Gist Scheme. In return, you agree to accept a salary that is reduced by the amount the Company pays on your behalf. As your salary is reduced, you pay less in National Insurance contributions, resulting in higher take-home pay.

This does not affect the amount of money paid into the Gist Scheme or the benefits you receive.

You can find more information about Salary Exchange, and download an 'Opt-in form' (if you have previously opted out), from the Salary Exchange section of the website at www.bocpensions.co.uk

Do I pay less tax and National Insurance?

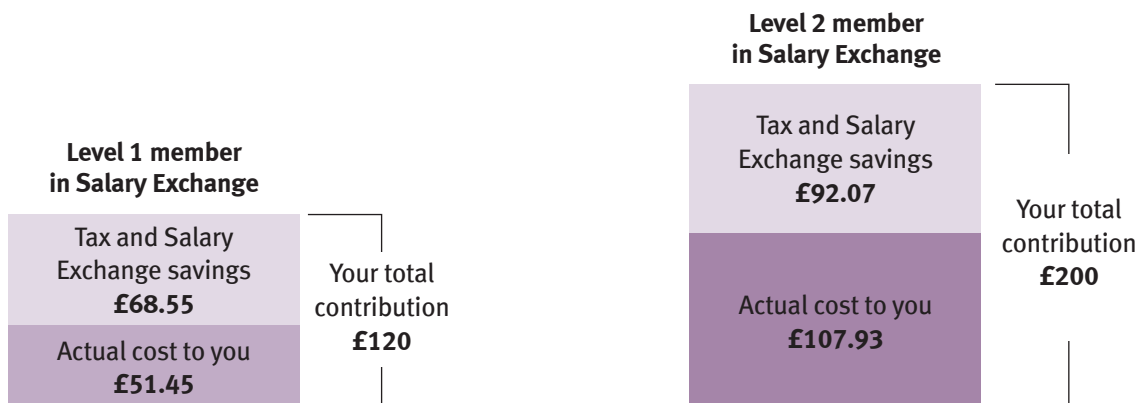
As the Gist Scheme is contracted out of the **State Second Pension**, you receive a National Insurance rebate (if you pay National Insurance).

As described on the previous page, if you are in Salary Exchange, you can also benefit from additional National Insurance savings because of the reduction to your salary. You can also make income tax savings (within the **Annual Allowance**) because your salary is reduced by the amount the Company contributes to the Gist Scheme on your behalf.

If you are not in Salary Exchange, you pay contributions directly from your gross salary. You therefore make the same income tax savings because contributions are deducted from your salary before tax is calculated, but you do not benefit from any additional National Insurance savings.

The bar charts below illustrate that the actual cost of membership to you is less than your contributions to the Gist Scheme, if you pay UK tax and National Insurance. This is because of the National Insurance and tax savings you can make.

Example of monthly contributions based on Pensionable Earnings of £30,000



A Level 1 member with **Pensionable Earnings** of £30,000 makes contributions of £120 a month (or 4.8% of Pensionable Earnings). In Salary Exchange, the actual cost to the member is only £51.45 (2.1%) a month, while the cost out of Salary Exchange is £62.73 (2.5%) a month.

A Level 2 member with Pensionable Earnings of £30,000 makes contributions of £200 a month (or 8% of Pensionable Earnings). In Salary Exchange, the actual cost to the member is only £107.93 (4.3%) a month, while the cost out of Salary Exchange is £126.73 (5.1%) a month.

Note that these examples are based on the member contribution rates effective from 1 April 2013. Initially the cost would be less, due to the phased increase in member contribution rates.

Can I switch membership levels?

To switch membership levels, download the relevant form from the website at www.bocpensions.co.uk or request one from BOC Pension Services.

Any switches you make will apply to pension benefits you build up in the future, but will not affect benefits you've already earned.

Contribution calculator

A contribution calculator is available on the website to help you see the cost of membership at Level 1 and Level 2, as well as the actual cost of membership to you, after tax and National Insurance savings.



Maximising your pension

You can maximise the pension you receive from the **Gist Scheme** by switching to Level 2 for future **Gist Pensionable Service** or, if you are already a Level 2 member, by making **Additional Voluntary Contributions (AVCs)**.

Why do I need to plan?

Planning for retirement allows you to set goals for how much money you think you will need in retirement, and take the necessary steps to ensure that you are saving enough.

There are several actions you can take to increase the amount you are saving for retirement, including:

- **Switching to Level 2** – If you are currently a Level 1 member, you can switch to Level 2 for future Gist Pensionable Service to increase the amount of pension you are building up in the Gist Scheme.
- **Making AVCs** – You could consider making AVCs. It is possible to make AVCs if you are a Level 1 member, but you should seriously consider switching to Level 2 before making AVCs.
- **Saving through other pension arrangements** – You can also save through arrangements outside the Gist Scheme, such as personal and stakeholder plans.

More details about these options follow.

Switching to Level 2

The membership level you choose makes a big difference to the amount of pension you receive at retirement. Although Level 1 members make contributions at a lower rate, they build up pension at a lower accrual rate.

Level 1 members build up pension at an accrual rate of 1/100th, and Level 2 members build up pension at an accrual rate of 1/60th. This means that Level 2 members will receive a pension which is about 67% higher for future Gist Pensionable Service compared to if they remained in Level 1 from 1 April 2011, assuming the same **Final Pensionable Earnings** and Gist Pensionable Service.

Example

An example of the Gist pension payable to a Level 1 and Level 2 member with the same Final Pensionable Earnings and Gist Pensionable Service is shown below.

Level 1 member

1/100 (accrual rate)
 x £20,000 (Final Pensionable Earnings)
 x 15 years (Gist Pensionable Service)
 = **£3,000 annual pension**

Level 2 member

1/60 (accrual rate)
 x £20,000 (Final Pensionable Earnings)
 x 15 years (Gist Pensionable Service)
 = **£5,000 annual pension**

You can change your membership level by completing a 'Change from Membership Level 1 to Level 2 Form' and returning it to BOC Pension Services. Forms are available on request or downloadable from the website at www.bocpensions.co.uk

Making or increasing Additional Voluntary Contributions

You can boost your pension by making or increasing Additional Voluntary Contributions (AVCs).

AVCs are extra payments you can choose to make (or have made through **Salary Exchange** on your behalf) on top of your regular contributions in order to receive additional benefits on retirement. If you are in Salary Exchange, the **Company** pays an extra 5% of any AVCs you make into your AVC fund. So, if you make AVCs of £100, the Company will pay an extra £5 into your AVC fund.

It is possible to make AVCs if you are a Level 1 member, but you should seriously consider switching to Level 2 before making AVCs.

The AVC arrangement is called the AVC section and is part of the BOC Retirement Savings Plan. It is a defined contribution (DC) arrangement, which means your retirement benefits are determined by:

- the value of your AVC fund (made up of contributions and any investment returns), which can go up or down; and
- the cost of buying a pension at retirement.

For more information about the AVC section, download 'Your Guide to the AVC section' from the website at www.bocpensions.co.uk or request a copy from BOC Pension Services.

If you are interested in joining the AVC section or increasing your AVCs, you can download a 'Joining/Change of AVCs Form' from the website at www.bocpensions.co.uk or contact BOC Pension Services for a copy.

Pension calculator

A pension calculator is available on the website at www.bocpensions.co.uk to help you estimate the total pension you may receive at retirement. It also shows how you can maximise your pension by transferring from Level 1 to Level 2 and/or by making AVCs.

Making your own arrangements

Personal and stakeholder plans allow you to make additional savings outside of the Gist Scheme, although the Company will not contribute to these arrangements.

Personal and stakeholder pensions are types of defined contribution (DC) schemes. This means that the level of pension you receive depends on:

- the amount you contribute;
- how well your investments perform; and
- the cost of buying a pension at retirement.

The amount you contribute is invested in funds, which means the value of your account can go up or down. At retirement, you can take up to 25% of the value of your account (within the **Lifetime Allowance**) as a tax-free cash sum. The remaining value of your fund is used to buy a pension, usually from an insurance company.

You can contribute into a personal or stakeholder pension at the same time as being an **Active Member** of the Gist Scheme, but you will only receive tax relief on the amount you contribute within the **Annual Allowance** (including your contributions to the Gist Scheme and any AVCs that you make).



Working Money

“You say I should plan for my retirement
but I have no idea how to do that”

“I know I need to save more but I don't know how”

“I'm ready to save but I can't decide what to do with my money”

If you could do with some help understanding how to make the most out of your money or the best way to save for your retirement, you should take a look at the Working Money website which has been developed by BOC Pension Services. You can visit the site at www.workingmoney.co.uk

How it works

Working Money is broken down into five easy steps. The five steps allow you to look at what you might want from your money, where it's going at the moment, what the future might be like and what options you have to help you get to where you want to be.

Step 01: What is your goal?

Step 02: Where are you now?

Step 03: Are you on target?

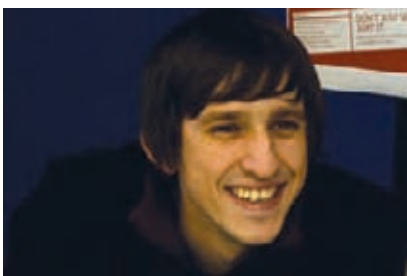
Step 04: What are your options?

Step 05: Take action.

Throughout each step you can enter personal information to help you on your way. By working through the steps you should feel more in control of your future.

Bringing Working Money to life

Five characters help bring Working Money to life in a series of videos you'll find throughout the programme. We also follow three employees as they consider the issues facing them in the lead up to retirement. Mark, John and Louise are all at different stages in their lives and have different financial situations:



Mark

Mark is just starting out in life and isn't taking anything too seriously. He doesn't have any intention of thinking about his retirement until he is at least thirty.



John

John is getting close to his retirement but regrets not having planned more carefully a few years ago.



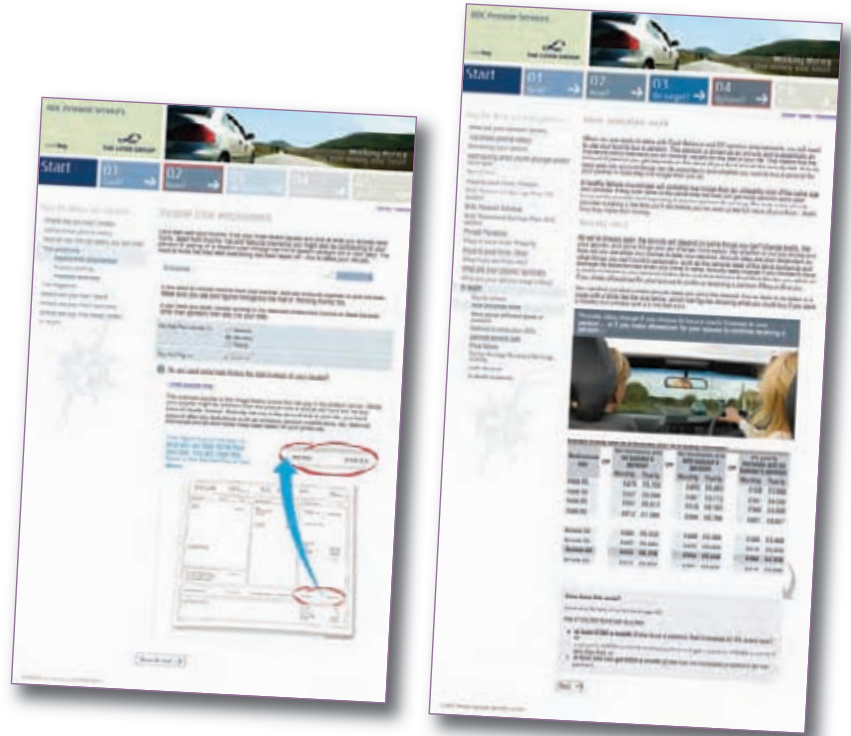
Louise

Louise is a great organiser in the office but hasn't paid as much attention to her personal life. She is now wondering whether this will affect her long-term plans.

Find a path that suits you

The five steps allow you to take different routes through the content, so that you can find a path that suits you. You can change this at any time, so that if you start out wanting help with simple tasks, and later want more complex information, you can have both.

As you work through the Working Money programme, you have the option to log in, and enter and save personal financial details. These are safely held to protect your privacy (and you can use a personal email address to log in with if you want to). Your details will then be ready for you to use every time you come back to the site. Don't forget that your computer will do any calculations that are needed as well!



Where do I start?

To make the most out of your money, simply visit www.workingmoney.co.uk. Begin by looking at the 'Start' page and then use the 'Next' buttons to follow the pages in the right order. If you choose to log in you will be able to build a personal picture of your finances. You can come back to this at any time that suits you.

A workbook and DVD are also available from BOC Pension Services if you prefer.

Still need convincing?

Working Money has already had the stamp of approval from a number of Gist employees who attended focus groups throughout its development. They believe that the programme, which aims to help employees plan for their future, should help members get the best out of their financial situation.



Normal retirement

Your benefits from the **Gist Scheme** combine with those provided by the BOC Pension Scheme. On retirement at **Normal Retirement Age**, you will receive:

- A pension from the BOC Pension Scheme in respect of your **BOC Pensionable Service** earned up to 31 March 2011; and
- A pension from the Gist Scheme in respect of your **Gist Pensionable Service** earned from 1 April 2011.

Please see page 24 for details of how your benefits will be calculated in practice.

When can I retire?

Your Normal Retirement Date is your 65th birthday or any other date notified to you. However, you may be able to take your benefits earlier or later than your Normal Retirement Age – you can find more details on pages 19 to 23.

How is my pension calculated?

Your pension is calculated in two parts, as follows:

Your pension earned up to 31 March 2011

Level 1 members

$$\begin{aligned} & 1/100 \times \text{Final Pensionable Earnings at 31 March 2011} \\ & \quad \times \\ & \text{BOC Pensionable Service earned up to 31 March 2011} \\ & \quad = \text{annual pension} \end{aligned}$$

Level 2 members

$$\begin{aligned} & 1/60 \times \text{Final Pensionable Earnings at 31 March 2011} \\ & \quad \times \\ & \text{BOC Pensionable Service earned up to 31 March 2011} \\ & \quad = \text{annual pension} \end{aligned}$$

This amount will then be increased each year from 1 April 2011 until you retire, which is known as 'revaluation'. This revaluation helps your pension to keep pace with inflation. The revaluation rate applied to your pension earned up to 31 March 2011 is, broadly, the rate of increase to the **Retail Prices Index (RPI)**, up to a maximum of 5% a year.

See the 'RPI/CPI' section on page 36 for more information about the rules regarding revaluation.

Your pension earned from 1 April 2011

Level 1 members

$$\begin{aligned} & 1/100 \times \text{Final Pensionable Earnings}^* \\ & \quad \times \\ & \text{Gist Pensionable Service earned from 1 April 2011} \\ & \quad = \text{annual pension} \end{aligned}$$

Level 2 members

$$\begin{aligned} & 1/60 \times \text{Final Pensionable Earnings}^* \\ & \quad \times \\ & \text{Gist Pensionable Service earned from 1 April 2011} \\ & \quad = \text{annual pension} \end{aligned}$$

* Please note that for the purpose of calculating your pension earned from 1 April 2011, your **Pensionable Earnings** (and therefore **Final Pensionable Earnings**) are subject to an annual 2.5% cap on increases, averaged over five-year rolling periods (see page 6 for more information).

Your total pension

The amount of your total pension is the sum of:

- the benefits you have earned up to 31 March 2011 within the BOC Pension Scheme (including revaluation between 2011 and your retirement) and payable by the BOC Pension Scheme;

AND

- the benefits you have earned from 1 April 2011 within the Gist Scheme and payable by the Gist Scheme.

Your pension earned up to 31 March 2011, including revaluation + your pension built up since 1 April 2011
= **your total pension**

Let's meet Terry



- Terry is a Level 2 member and retires on 31 March 2020 at age 65, with Final Pensionable Earnings of £37,000.
- He joined the BOC Pension Scheme on 31 March 1999 and, at 31 March 2011, his Final Pensionable Earnings were £30,000.
- Between 2011 and 2020, the rate of RPI is 5% each year.

Terry's pension is calculated as follows:

Pension earned up to 31 March 2011

$$\begin{aligned} & 1/60 \times £30,000 \text{ (Final Pensionable Earnings at 31 March 2011)} \\ & \times 12 \text{ years (BOC Pensionable Service earned up to 31 March 2011)} \\ & = \mathbf{£6,000 \text{ a year}} \end{aligned}$$

Revaluation

Terry's pension earned up to 31 March 2011 will be revalued by 5% each year between 2011 and 2020, so the pension of £6,000 will receive revaluation of £3,308 in 2020.

Pension earned from 1 April 2011

$$\begin{aligned} & 1/60 \times £37,000 \text{ (Final Pensionable Earnings at 31 March 2020)} \\ & \times 9 \text{ years (Gist Pensionable Service earned up to 31 March 2020)} \\ & = \mathbf{£5,550 \text{ a year}} \end{aligned}$$

Terry's total pension

£6,000 (pension earned up to 1 April 2011)	+	£3,308 (revaluation between 2011 and 2020)	+	£5,550 (pension earned since 1 April 2011)	=	£14,858 a year
--	---	--	---	--	---	-----------------------

Normal retirement continued

Can I take a tax-free cash sum when I retire?

Yes – you can exchange part of your pension for a tax-free cash sum when you retire. This is known as ‘commuting’ part of your pension.

You can also use the pension calculator on the website at www.bocpensions.co.uk to see the effect of taking a tax-free cash sum on your annual pension.

How much can I receive as a tax-free cash sum?

You can take up to 25% of the value of your Gist Scheme benefits (within the **Lifetime Allowance**) as a tax-free cash sum. You can also take up to 25% of the value of your BOC Pension Scheme benefits (within the Lifetime Allowance) as a tax-free cash sum.

For example, if the total value of your benefits within the BOC Pension Scheme was £58,000 and the total value of your benefits within the Gist Scheme was £65,000, you could take a total cash sum of:

£58,000 x 25% = £14,500
(from the BOC Pension Scheme)

£65,000 x 25% = £16,250
(from the Gist Scheme)

£14,500 + £16,250 = £30,750
(total maximum tax-free cash sum)

However, you could also choose to take 0% of the value of your Gist Scheme benefits as a tax-free cash lump sum and 25% of the value of your BOC Pension Scheme benefits as a tax-free cash sum (or vice versa).

The amount of pension you have to give up in order to receive the tax-free cash sum depends on the factor adopted by each scheme for exchanging (or ‘commuting’) pension for cash. This is known as the cash commutation factor. Different factors apply for different ages, and the factors are subject to change. You can find up-to-date commutation factors on the website at www.bocpensions.co.uk

Note: If the rate at which you exchange pension for cash (the commutation factor) was set at 14:1, this means that your initial annual pension would be £1 lower for each £14 of cash you receive.

Can I provide extra pension for my dependants?

Yes – if the **Trustee** agrees, you can give up part of your pension (in a similar way as for the tax-free cash sum) in order to provide extra pension for your **Recognised Dependant** on death. You can contact BOC Pension Services for further information.

If I retire before State Pension Age, can I take a larger pension from the Gist Scheme?

If you retire before your **State Pension Age**, you may wish to opt to receive a larger pension from the Gist Scheme (and/or the BOC Pension Scheme), which then reduces once your State pension comes into payment. If you would like more details about this, please contact BOC Pension Services.

Independent financial advice is also recommended if you are considering this option. We can provide contact details for a specialist adviser, on your request.

What will I need to do to start taking my benefits?

BOC Pension Services will send you a Retirement Pack and a Personal Benefit Illustration shortly before your retirement. The Personal Benefit Illustration will outline your options for taking pension and tax-free cash at your retirement date. If you have made **Additional Voluntary Contributions (AVCs)**, it will also outline your options in relation to your AVCs.

Can I take my pension from the BOC Pension Scheme while continuing to be an Active Member of the Gist Scheme?

You may be able to take your benefits earned in the BOC Pension Scheme, while continuing to be an **Active Member** of the Gist Scheme. However, if you choose to do this, your BOC Pensionable Service will no longer count for the purpose of calculating other benefits from the Gist Scheme – such as death or early retirement benefits, or as **Qualifying Service** for special early retirement terms. This means that you may not receive the same total death or early retirement benefits as if you take benefits from both schemes at the same time. BOC Pension Services can provide more information about this on request.

Are there any limits on the overall benefits that can be provided?

Your annual pension will be restricted if your pension exceeds two-thirds of your **Final Pensionable Earnings** as at 31 March 2011, revalued until the date you take your pension in the same way as your pension in the BOC Pension Scheme. See the 'RPI/CPI' section on page 36 for information about the rules regarding revaluation.

Please note that the **Scheme Notional Cap** may also restrict the Pensionable Earnings of some high earners who joined the BOC Pension Scheme after 31 May 1989. Further information is available from BOC Pension Services.

Pension calculator

A pension calculator is available on the website at www.bocpensions.co.uk. You can use the calculator to estimate what your total pension might be at retirement. The pension calculator also shows the effect that retiring early, taking tax-free cash or paying AVCs can have on your pension.



What about my pre-1 April 2011 benefits?

As described throughout this section, the benefits you earned up to 31 March 2011 are treated separately to the benefits you earn after this date. These benefits are paid by the BOC Pension Scheme, while your benefits earned from 1 April 2011 are paid by the Gist Scheme. See 'How benefits are calculated in practice' on page 24 for more details.



Early retirement

Can I retire early?

Yes – you can retire at any time from age 55, as long as you receive consent (see below for details of the consent requirements). If you retire early, your pension is calculated in the same way as at **Normal Retirement Age** (see pages 15 and 16), but based on your **Final Pensionable Earnings** and pensionable service when you actually retire. A reduction may be applied to your pension to allow for the longer period your pension is expected to be paid.

The amount of the reduction depends on your age, **Qualifying Service** and whether you have received **Company** consent.

As with normal retirement, you receive part of your pension from the BOC Pension Scheme and part of your pension from the **Gist Scheme**. The examples below set out the total pension that Rachel, James and Robert would receive from both schemes on retirement. See ‘How benefits are calculated in practice’ on page 24 for the detail of which part of their benefit comes from which scheme.

If you retire with Company consent and at least 10 years’ Qualifying Service

From age 60

As long as the Company consents, and you have at least 10 years’ Qualifying Service and serve any required notice period, you can retire from age 60 with no early retirement reduction.

Between age 55 and 60

As long as the Company consents, and you have at least 10 years’ Qualifying Service and serve any required notice period, there will be a ‘subsidised’ reduction to your pension of 2% for each year you retire earlier than age 60.

Let’s meet Rachel



- Rachel’s total pension from both the BOC Pension Scheme and the Gist Scheme is £10,000 a year, before reduction.
- Rachel retires at age 58, with Company consent.
- Rachel has 15 years’ Qualifying Service.

The reduction to Rachel’s pension is calculated as follows:

$$60 \text{ (age unreduced pension payable)} - 58 \text{ (Rachel's actual retirement age)} = \mathbf{2 \text{ years}}$$

$$2 \text{ years} \times 2\% \text{ (yearly reduction)} = \mathbf{4\% \text{ (Rachel's reduction)}}$$

$$£10,000 \text{ (unreduced pension)} \times 4\% \text{ (Rachel's reduction)} = \mathbf{£400}$$

$$\text{Reduced pension: } £10,000 - £400 = \mathbf{£9,600 \text{ a year}}$$

If you retire between age 55 and 65 without Company consent

If the **Trustee** agrees, you can retire between age 55 and 65 without Company consent. The **BOC Pension Scheme Trustee** will also need to consent to you taking your pension from the BOC Pension Scheme. Your pension will be reduced to reflect early payment. This is known as a ‘full’ reduction. Part of your pension will be paid by the BOC Pension Scheme and part of your pension will be paid by the Gist Scheme. The trustee of each scheme sets the reduction factors on advice from their own actuaries and these factors may change from time to time. You can find details of the factors used on the website at www.bocpensions.co.uk

Let's meet James



- James' total pension from both the BOC Pension Scheme and the Gist Scheme is £10,000 a year, before reduction.
- James retires at age 58, without Company consent and has 9 years' **Total Pensionable Service**.
- The reduction factors at the time James retires are: 6% for each year between age 61 and 65; 4% for each year between age 56 and 61; and a further 3% for retirements at age 55.

The reduction to James' pension is calculated as follows:

$$\begin{aligned}
 &65 \text{ (age unreduced pension payable)} - 58 \text{ (James' actual retirement age)} = \mathbf{7 \text{ years}} \\
 &4 \text{ years (years between age 61 and 65)} \times 6\% + 3 \text{ years (years between age 58 and 61)} \times 4\% = \mathbf{36\%} \text{ (James' reduction)} \\
 &\quad \quad \quad \text{£10,000 (unreduced pension)} \times 36\% \text{ (James' reduction)} = \mathbf{£3,600} \\
 &\quad \quad \quad \text{Reduced pension: } \text{£10,000} - \text{£3,600} = \mathbf{£6,400 \text{ a year}}
 \end{aligned}$$

What if I am a deferred member?

As long as the Trustee consents, you can apply for your Gist Scheme benefits from age 55. You can also apply to take your benefits from the BOC Pension Scheme if the BOC Pension Scheme Trustee agrees. However, if you take your pension before Normal Retirement Age it will be reduced for early payment to allow for the longer period your pension is expected to be paid. The trustee of each scheme sets the reduction factors on advice from their own actuaries, and these factors may change from time to time. You can find details of the factors used on the website at www.bocpensions.co.uk

Let's meet Robert



- Robert retires at age 55.
- Robert's total pension from the BOC Pension Scheme and the Gist Scheme is £7,500 a year, before reduction.
- The reduction factor at the time Robert retires is 4% for each year he retires earlier than age 65.

The reduction to Robert's pension is calculated as follows:

$$\begin{aligned}
 &65 \text{ (age unreduced pension payable)} - 55 \text{ (Robert's actual retirement age)} = \mathbf{10 \text{ years}} \\
 &10 \text{ years} \times 4\% \text{ (yearly reduction)} = \mathbf{40\%} \text{ (Robert's reduction)} \\
 &\quad \quad \quad \text{£7,500 (unreduced pension)} \times 40\% \text{ (Robert's reduction)} = \mathbf{£3,000} \\
 &\quad \quad \quad \text{Reduced pension: } \text{£7,500} - \text{£3,000} = \mathbf{£4,500 \text{ a year}}
 \end{aligned}$$

Can I take tax-free cash?

If you retire early, you still have the option to take a tax-free cash sum. The tax-free cash sum is calculated in the same way as if you retired at Normal Retirement Age (see page 17 for details).

Remember, you can use the pension calculator at www.bocpensions.co.uk to get an idea of what impact retiring early and/or taking tax-free cash might have on your total pension.

Important note

If you have **BOC Pensionable Service** before 6 April 1997, you will have a **Guaranteed Minimum Pension (GMP)** element to your pension.

Before you retire, BOC Pension Services must check that your pension is not less (or will not be less) than your GMP at **State Pension Age**. If your pension is less than your GMP, you may be unable to take early retirement.

Ill-health retirement

Can I retire early on ill-health grounds?

If you have to leave the **Company** due to **Ill health** or as a result of **Incapacity** before you reach **Normal Retirement Age**, you may be able to take your pension immediately (whatever your age) if the Company consents.

The **Trustee** of the **Gist Scheme** in relation to your **Gist Pensionable Service** and the **BOC Pension Scheme Trustee** in relation to your **BOC Pensionable Service** will determine your eligibility for an Ill-health or Incapacity pension, based on evidence from a registered medical practitioner. You should note that the decisions of each trustee are independent of the Company's decision to end your employment.

As with normal retirement, you receive part of your pension from the BOC Pension Scheme and part of your pension from the Gist Scheme. The examples below set out the total pension that John and Sarah would receive from both schemes on retirement. See 'How benefits are calculated in practice' on page 24 for the detail of which part of their benefit comes from which scheme.

Further medical evidence may be required from time to time to ensure your continued eligibility. Ill-health and Incapacity pensions may be reduced or suspended if you recover.

1. Ill-health medical pension

The pension is calculated in the same way as if you retired at Normal Retirement Age (see pages 15 and 16) but will be based on your **Final Pensionable Earnings** and Gist Pensionable Service at the date you leave the Company, with no reduction for early payment.

Let's meet John



- John is a Level 2 member.
- He retires on grounds of Ill health on 30 September 2016, with Final Pensionable Earnings of £25,000.
- He has 5 years and 6 months' Gist Pensionable Service.
- The value of his pension earned from the BOC Pension Scheme up to 31 March 2011 is £10,000 a year (this includes revaluation between 2011 and his retirement).

John's Ill-health pension is calculated as follows:

Pension earned up to 31 March 2011 = £10,000 a year

Pension earned since 1 April 2011 = $\frac{1}{60}$ (Level 2 accrual rate) x 5.5 (5 years and 6 months' Gist Pensionable Service) x £25,000 (Final Pensionable Earnings) = £2,292 a year

Total pension = £10,000 + £2,292 = £12,292 a year



2. Incapacity medical pension

If you are awarded an Incapacity medical pension, your Gist Pensionable Service will be increased by half the remaining Gist Pensionable Service you would have completed to Normal Retirement Age or the end of your employment contract (if earlier), unless the Trustee decides otherwise. Your pension is then calculated in the same way as if you had retired at Normal Retirement Age (see pages 15 and 16), but will be based on your Final Pensionable Earnings at the date you leave the Company, with no reduction for early payment.

Let's meet Sarah



- Sarah is a Level 2 member.
- She retires on grounds of Incapacity on 30 September 2016, with Final Pensionable Earnings of £25,000.
- Sarah's Normal Retirement Age is her 65th birthday (31 March 2022).
- She has 5 years' and 6 months' Gist Pensionable Service.
- The value of her pension earned from the BOC Pension Scheme up to 31 March 2011 is £10,000 a year (this includes revaluation between 2011 and her retirement).
- Sarah could have completed a further 5 years 6 months' Gist Pensionable Service to her Normal Retirement Age and is therefore awarded 2 years and 9 months' additional Gist Pensionable Service.

Sarah's Incapacity pension is calculated as follows:

Pension earned up to 31 March 2011 = £10,000 a year

Pension earned since 1 April 2011 = $1/60$ (Level 2 accrual rate) x 8.25 (8 years and 3 months' Gist Pensionable Service) x £25,000 (Final Pensionable Earnings) = £3,438 a year

Total pension = £10,000 + £3,438 = £13,438 a year

If you are a deferred member

If, after you leave the Company, you become ill, you can apply to take your Gist pension immediately (whatever your age).

The Trustee will determine your eligibility for a pension due to Ill health, based on evidence from a registered medical practitioner.

The pension is calculated in the same way as if you retired at Normal Retirement Age (see pages 15 and 16), but there will be a reduction for early payment unless the Company agrees otherwise.

You can also apply to take your pension immediately from the BOC Pension Scheme if the BOC Pension Scheme Trustee agrees and determines you are eligible, based on evidence from a registered medical practitioner. There will be a reduction for early payment unless the BOC Group agrees otherwise.

Can I take tax-free cash?

If you retire due to Ill health or Incapacity, you still have the option to take a tax-free cash sum. The tax-free cash sum is calculated in the same way as if you retired at Normal Retirement Age (see page 17 for details).

Important note

Please note that for the purpose of calculating Ill-health retirement and Incapacity pensions, your **Pensionable Earnings** from 1 April 2011 (and therefore Final Pensionable Earnings) are subject to an annual 2.5% cap on increases, averaged over five-year rolling periods. See page 6 for more information.

Redundancy, flexible and late retirement

What if I'm made redundant?

If you are made redundant you may be able to receive a pension early.

Provided you have a minimum of 10 years' **Qualifying Service**, you will be entitled to an unreduced redundancy pension from age 55. The pension is calculated in the same way as if you retired at **Normal Retirement Age** (see 'Normal retirement' on pages 15 and 16 for more details) but based on your **Final Pensionable Earnings** and pensionable service at the date you retire. There will be no reduction for early retirement.

You receive part of your pension from the BOC Pension Scheme and part of your pension from the **Gist Scheme**. See 'How benefits are calculated in practice' opposite for more details.

If you are made redundant and have less than 10 years' Qualifying Service, you can still receive a pension when you reach age 55 with **Trustee** consent, but your pension will be reduced to reflect early payment. You will also need consent from the **BOC Pension Scheme Trustee** in relation to your **BOC Pensionable Service**. The reduction factors are set by the BOC Pension Scheme Trustee on the advice of its Actuary in relation to your BOC Pensionable Service, and the Gist Scheme Trustee on the advice of its Actuary in relation to your **Gist Pensionable Service**. You can find details of the factors used on the website at www.bocpensions.co.uk

Can I delay payment of my redundancy pension?

If you are entitled to an unreduced redundancy pension as described above, you have the option to postpone payment of the redundancy pension beyond age 55 and up to age 65. When the benefits are paid, they will be increased to reflect this. The amount of increase is set by the Trustee on advice from the Gist Scheme Actuary. This is in addition to the annual increases which would have applied had your pension been paid from your leaving date or age 55 if later.

You receive part of your pension from the BOC Pension Scheme and part of your pension from the Gist Scheme. See 'How benefits are calculated in practice' opposite for more details.

On leaving the Gist Scheme you will receive a Leaver's Pack. If you would like to claim your pension you can download a 'Deferred Benefit Claim Form' or contact BOC Pension Services for a copy.

Note: Redundancy benefits are based on your Final Pensionable Earnings, which are in turn based on your **Pensionable Earnings**. Increases to your Pensionable Earnings are subject to an annual 2.5% cap, averaged over five-year rolling periods (see page 6 for more information).

Can I receive my redundancy pension early?

If you are made redundant before age 55 and subsequently suffer from **Ill health**, you may be able to take your redundancy pension early. This is subject to the consent of the **Company**, the BOC Pension Scheme Trustee in relation to your BOC Pensionable Service and the Gist Scheme Trustee in relation to your Gist Pensionable Service.

When would I be eligible for a general welfare pension?

If you leave Gist Pensionable Service on general welfare grounds (for example, to care for a dependant), you may receive an immediate unreduced pension. In order to be eligible, the Company must certify that you have left on welfare grounds, you must have at least ten years' Qualifying Service and be aged at least 55. For more information, you should contact BOC Pension Services.

What about flexible retirement?

You may be able to start receiving your pension from age 55 without leaving Gist's employment, if the Trustee and the Company consent. This can help to ease you into retirement, for example if you choose to reduce your working hours as you approach age 65. As with early retirement, your pension will be reduced to reflect early payment. For more information, you should contact BOC Pension Services.

Can I retire late?

You may be able to retire from the Gist Scheme after Normal Retirement Age. You can continue to make contributions to the Gist Scheme, in which case you will continue to be an **Active Member**. Your pension will be greater at retirement to take account of the expected shorter period of payment, and any active membership after age 65. For more information, you should contact BOC Pension Services.

How benefits are calculated in practice



When calculating your benefits, both your pre-1 April 2011 **BOC Pensionable Service** (within the BOC Pension Scheme) and your post-1 April 2011 **Gist Pensionable Service** (within the **Gist Scheme**) are taken into account.

The benefits you earned up to 31 March 2011 are called 'deferred benefits'. This is because you have ceased active membership of the BOC Pension Scheme and make contributions to the Gist Scheme instead.

As deferred members receive different benefits to **Active Members** on death and early retirement, a special calculation is undertaken. This ensures that the total benefits payable from the two schemes are calculated from 1 April 2011 to be the same as benefits payable to active members of the BOC Pension Scheme from 1 April 2011.

On death and early retirement

Deferred members receive different benefits to Active Members on death and early retirement grounds – including **ill health**, **Incapacity**, general welfare and redundancy.

If you receive an early retirement pension from the Gist Scheme, a deferred pension will be payable by the BOC Pension Scheme. (Similar conditions apply if you receive an ill-health pension from the Gist Scheme.) Your BOC pension will be reduced for early payment by the **BOC Pension Scheme Trustee** on its Actuary's advice. The reduction factors may change from time to time and be different from the factors used by the Gist Scheme.

To ensure that the total benefits payable from the two schemes are calculated from 1 April 2011 to be the same as benefits payable to active members of the BOC Pension Scheme from 1 April 2011, a special calculation is undertaken by the Scheme administrators, BOC Pension Services. This calculation is as follows:

- The Gist Scheme benefit is calculated based on your **Total Pensionable Service** – this includes both your pre-1 April 2011 BOC Pensionable Service (built up in the BOC Pension Scheme) and your post-1 April 2011 Gist Pensionable Service (built up in the Gist Scheme);
- From this amount, a deduction is made equal to the benefit payable by the BOC Pension Scheme based on its rules as at 1 April 2011; and
- The remaining amount is the benefit you will receive from the Gist Scheme.

Please note that if you choose to take your benefits from the BOC Pension Scheme while continuing to be an Active Member of the Gist Scheme, your BOC Pensionable Service will no longer count for the purpose of calculating other benefits from the Gist Scheme – such as death or early retirement benefits, or as **Qualifying Service** for special early retirement terms. This means that you may not receive the same total death or early retirement benefits as if you take benefits from both schemes at the same time.

On normal retirement

At **Normal Retirement Age**, the following benefits would be payable:

- A normal retirement deferred pension from the BOC Pension Scheme in respect of your pre-1 April 2011 BOC Pensionable Service (including revaluation); and
- A normal retirement active pension from the Gist Scheme in respect of your post-1 April 2011 Gist Pensionable Service.

The effect of this is that the total benefits payable from the two schemes are calculated from 1 April 2011 to be the same as benefits payable to active members of the BOC Pension Scheme from 1 April 2011.

For more information about how benefits are calculated on normal retirement, see pages 15 and 16.

You should note that BOC Pension Services is the administrator of both the BOC Pension Scheme and the Gist Scheme.

Benefits on death

The **Gist Scheme** offers valuable benefits that are designed to give your family financial security in the event of your death. These will be added to the benefits payable by the BOC Pension Scheme in relation to your **BOC Pensionable Service**.

What if I die as an Active Member?

If you die as an **Active Member** (i.e. you are making contributions or the **Company** is making contributions on your behalf through **Salary Exchange**), the following benefits are payable:

• A cash lump sum

A cash lump sum will be paid, equal to:

- four times your **Final Earnings*** payable by the Gist Scheme; plus
- a refund of your contributions (or those made on your behalf through Salary Exchange) made before 1 April 2011 will be paid by the BOC Pension Scheme and those made from 1 April 2011 will be paid by the Gist Scheme plus interest.

* The cap on increases to **Pensionable Earnings** affects your Final Earnings. However, for the purpose of calculating the cash lump sum based on your salary, your uncapped Pensionable Earnings (and therefore uncapped Final Earnings) are used instead. For the other benefits payable in the event of your death, your capped Pensionable Earnings are used.

Who will receive the cash lump sum benefit?

You should complete an 'Expression of Wish Form', which lets the Gist Scheme Trustee and the **BOC Pension Scheme Trustee** know who you would like to receive any cash lump sum payable in the event of your death. The trustee of each scheme is not bound by the form but will take your wishes into account. Under current legislation, any cash lump sum paid is not subject to Inheritance Tax.

Remember to update your form when your circumstances change (e.g. if you get married or have children). You can download an 'Expression of Wish Form' from the website at www.bocpensions.co.uk or request a copy from BOC Pension Services.

• A pension

Your **Recognised Dependant** (usually your spouse or registered civil partner) will receive a pension for life. This is equal to half* the pension you would have received if you stayed in the Gist Scheme as an Active Member until **Normal Retirement Age** (but based on your Final Earnings rather than your **Final Pensionable Earnings**).

* If your Recognised Dependant is more than 10 years younger than you, the **Trustee** may reduce the amount of pension payable.

• A Child's Allowance

Each of your **Qualifying Children** (up to four) receives a **Child's Allowance**. This is equal to one-quarter of your Recognised Dependant's pension (or the full amount of the Recognised Dependant's pension for the first child if you are not survived by a Recognised Dependant).

The BOC Pension Scheme will pay the pension and the Child's Allowance based on your BOC Pensionable Service, and the Gist Scheme will pay the remainder.



Example



- Jeff is an Active Member (Level 2) of the Gist Scheme.
- He dies aged 50, so his prospective **Gist Pensionable Service** is 15 years.
- Jeff's capped Final Earnings are £28,000. His uncapped Final Earnings are £30,000.
- His Gist Pensionable Service at the time of his death is four years.
- His pension within the BOC Pension Scheme, earned up to 31 March 2011, is £4,550 at the time of his death.
- He leaves a wife and two Qualifying Children.

The following benefits are payable:

Cash lump sum

£30,000 (Final Earnings based on uncapped Pensionable Earnings) x 4 = **£120,000**

Jeff's beneficiaries receive a cash lump sum of £120,000 plus the value of his contributions to the Gist Scheme and to the BOC Pension Scheme plus interest.

Pension

Benefits earned within the Gist Scheme are calculated as follows:

$$\begin{aligned} &1/60 \text{ (Level 2 accrual rate)} \times 19 \text{ years (Gist Pensionable Service plus prospective service up to his} \\ &\text{Normal Retirement Age)} \times £28,000 \text{ (Final Earnings based on capped Pensionable Earnings)} \\ &= \mathbf{£8,867 \text{ a year}} \end{aligned}$$

This amount is then added to benefits earned up to 31 March 2011:

$$\begin{aligned} &£8,867 + £4,550 \\ &= \mathbf{£13,417 \text{ a year}} \end{aligned}$$

Jeff's wife is entitled to half of the benefits he would have received had he remained in the Gist Scheme until retirement, so her pension is calculated as:

$$\begin{aligned} &£13,417 / 2 \\ &= \mathbf{£6,709 \text{ a year}} \end{aligned}$$

Child's Allowance

The Child's Allowance is calculated as one-quarter of the Recognised Dependant's pension, so each of Jeff's two children will receive a pension calculated as:

$$\begin{aligned} &£6,709 / 4 \\ &= \mathbf{£1,677 \text{ a year}} \end{aligned}$$

Benefits on death continued

What if I die in retirement?

If you die as a retired member, the following benefits may be payable:

- **A pension**

Your Recognised Dependant will receive:

- a pension equal to half* of your pension but based on your Final Earnings rather than your Final Pensionable Earnings (before any reduction for early retirement or taking a tax-free cash lump sum); plus
- any extra pension that you chose to provide for your dependant (in exchange for part of your pension at retirement) when you retired; plus
- any extra pension from your AVC fund that you chose to provide for your dependant when you retired.

* If your Recognised Dependant is more than 10 years younger than you, the Trustee may reduce the amount of pension payable.

- **A Child's Allowance**

Each of your Qualifying Children (up to four) receives a Child's Allowance, calculated in the same way as if you die as an Active Member (see pages 25 and 26).

- **Pension guarantee**

If you and your dependants (if any) die before a total of five times your initial pension has been paid, your beneficiaries will receive a lump sum equal to this amount (less any payments already made to you and your dependants, excluding any Child's Allowance). This guarantees that the total pension benefit payable is at least five times your initial pension.

Benefits are also payable from the BOC Pension Scheme in respect of your BOC Pensionable Service, as a retired member of that scheme.

Remember to complete an 'Expression of Wish Form' and keep it up to date. This form allows you to nominate beneficiaries who you wish to receive any lump sum payable in the event of your death. You can download a form from the website at www.bocpensions.co.uk or request one from BOC Pension Services.



What if I die as a deferred member?

If you die as a deferred member and have left the Company, the following benefits may be payable:

- **A pension**

Your Recognised Dependant will receive a pension for life. This is equal to half* of your deferred pension (but is based on your Final Earnings rather than your Final Pensionable Earnings) and is increased each year between the date you left the Gist Scheme and the date of death, to help it keep pace with inflation. See 'Leaving the Company or the Scheme' opposite for more information about how deferred pensions are calculated.

* If your Recognised Dependant is more than 10 years younger than you, the Trustee may reduce the amount of pension payable.

- **A Child's Allowance**

Each of your Qualifying Children (up to four) will receive a Child's Allowance, calculated in the same way as if you die as an Active Member (see pages 25 and 26).

If you die as a deferred member and are still employed by the Company, you may also receive a lump sum payable to your beneficiaries, in addition to the Recognised Dependant's pension and Child's Allowance.

If you and your dependants (if any) die before a total of five times your deferred pension at date of death has been paid, your beneficiaries will receive a lump sum equal to this amount (less any payments already made to you and your dependants, excluding any Child's Allowance). This guarantees that the total pension benefit payable is at least five times the deferred pension at your date of death.

Benefits are also payable from the BOC Pension Scheme in respect of your BOC Pensionable Service in the event of your death, as a deferred member of that scheme.

Leaving the Company or the Scheme

If you leave the **Company** or opt out of the **Gist Scheme**, you can leave your pension benefits where they are or transfer them to another registered pension arrangement. If you have less than two years' **Gist Pensionable Service** and you are not in **Salary Exchange**, you can choose a refund of your contributions (less tax) instead.

Your options on leaving

1. Defer your pension benefits

If you leave the Company, you will automatically become a deferred member of the Gist Scheme. Your benefits will remain in the Gist Scheme/BOC Pension Scheme until you retire. Please note that you will no longer be covered for the cash lump sum payable in the event of your death.

Calculating your deferred pension

Your deferred pension from the Gist Scheme is calculated as follows:

Level 1 members

$$\begin{aligned} & 1/100 \times \text{Final Pensionable Earnings} \\ & \text{at your date of leaving*} \\ & \quad \times \\ & \text{Gist Pensionable Service at your date of leaving} \\ & = \text{annual pension} \end{aligned}$$

Level 2 members

$$\begin{aligned} & 1/60 \times \text{Final Pensionable Earnings} \\ & \text{at your date of leaving*} \\ & \quad \times \\ & \text{Gist Pensionable Service at your date of leaving} \\ & = \text{annual pension} \end{aligned}$$

* Please note that for the purpose of calculating your deferred pension earned from 1 April 2011, your **Pensionable Earnings** (and therefore **Final Pensionable Earnings**) are subject to an annual 2.5% cap on increases, averaged over five-year rolling periods (see page 6 for more information).

Your annual pension will be restricted if your pension exceeds two-thirds of your Final Pensionable Earnings as at 31 March 2011 (revalued until the date you take your pension in the same way as your pension in the BOC Pension Scheme). See the 'RPI/CPI' section on page 36 for information about the rules regarding revaluation.

The **Scheme Notional Cap** can also restrict the benefits of high earners who joined the BOC Pension Scheme before 31 May 1989. This is because members can only build up benefits based on their earnings under the Scheme Notional Cap. Further details are available from BOC Pension Services.

Your deferred pension from the Gist Scheme will be added to your pension earned within the BOC Pension Scheme to give your total deferred benefits.

Increases to your deferred pension

Your deferred pension is increased each year, between your date of leaving and date of retirement (or transfer), to help your benefits keep pace with inflation. Your Gist pension benefits will increase in line with the **Retail Prices Index**, up to a maximum of 2.5% a year. This is subject to overriding legislation.

Please note that in certain circumstances, for example if you resign or are dismissed (e.g. on grounds of gross misconduct), the measure of inflation would be the **Consumer Price Index** rather than the Retail Prices Index (see page 36).

Taking your deferred pension

Benefits become payable at your **Normal Retirement Age**. You can receive your benefits from age 55 if the **Trustee** consents, but they will be reduced for early payment. The **BOC Pension Scheme Trustee** will also need to consent to the early payment of your benefits in the BOC Pension Scheme, and your BOC Pension Scheme benefits will also be reduced for early payment.

You can retire due to **ill health** at any age if the Trustee agrees, although satisfactory medical evidence will be required. You will also need the consent of the BOC Pension Scheme Trustee in relation to your BOC Pensionable Service.

To apply for early payment of your benefits, complete the 'Deferred Benefit Claim Form', which can be downloaded from www.bocpensions.co.uk or requested from BOC Pension Services.

You also have the option to take your benefits after Normal Retirement Age. In this case, the benefits will be increased to reflect late payment by the Trustee on the advice of the Gist Scheme Actuary. Your benefits under the BOC Pension Scheme would also be increased on the advice of the BOC Pension Scheme Actuary. For more information, you should contact BOC Pension Services.

Leaving the Company or the Scheme continued

Keeping in touch

As a deferred member, you will receive two annual benefit statements. One will show the value of your deferred pension within the Gist Scheme, and the other will show the value of your deferred pension from the BOC Pension Scheme.

It is important that you notify BOC Pension Services if your personal circumstances change (e.g. if you move house or change your name) so that they can maintain contact with you.

Additional Voluntary Contributions

If you've made **Additional Voluntary Contributions** (AVCs), these will remain invested in the AVC section until you retire (or transfer). You can change your investment choices at any time. You will receive a separate statement each year showing the value of your AVC fund.

2. Transfer your pension benefits

If you decide not to leave your benefits in the Gist Scheme, you can usually transfer the value of your benefits to another registered pension arrangement, such as:

- your new employer's pension scheme (provided the trustees of the new arrangement are willing and able to accept the transfer);
- a personal pension plan (including stakeholder pensions); or
- a special insurance arrangement, usually known as a 'buyout' policy.

You can transfer your benefits at any time before payment of your pension. Once you have transferred your benefits, you are not eligible for any further benefits from the Gist Scheme. However, please consider the implications of this carefully. Depending on the pension arrangement you transfer your benefits to, you may not retain protection against inflation or may not receive a guaranteed pay-out.

Transfer value

The transfer value will take into account pension increases and benefits payable on death. It will also include the value of any AVC benefits, which must be transferred at the same time as your Gist Scheme benefits.

Any statutory cash equivalent transfer value will not include any additional discretionary benefits that you might accrue (resulting from any discretion exercised by the Trustee or the Company).

You can request an estimated transfer value at any time by completing the 'Deferred Benefit Claim Form', which can be downloaded from www.bocpensions.co.uk or requested from BOC Pension Services.

What happens if I transfer elsewhere in the Linde Group?

You may be able to continue as an **Active Member** of the Gist Scheme if you are seconded to another UK employer within the Linde Group. For further information, you should contact BOC Pension Services.

3. Refund of your contributions (less tax)

If you have between three months and two years' Gist Pensionable Service and you are not in Salary Exchange, you can choose a refund of your contributions (less tax).

Opting out of the Scheme

You can opt out of the Gist Scheme while continuing to work for the Company. If you opt out, you will have the same options as on leaving the Company.

If you wish to opt out, you will need to complete and return an 'Opt-out Form'. This can be downloaded from the website at www.bocpensions.co.uk or can be requested from BOC Pension Services.

Please note that if you opt out of the Gist Scheme, you will not be allowed to rejoin at a later date.

What about my pre-1 April 2011 benefits?

Deferred benefits

Your pre-1 April 2011 benefits are held within the BOC Pension Scheme as deferred benefits. These benefits are calculated in the same way as your deferred pension in the Gist Scheme.

However, increases to your deferred pension in the BOC Pension Scheme are calculated at a different rate. Between 31 March 2011 and your date of retirement (or transfer), your deferred pension built up in the BOC Pension Scheme, in excess of any **Guaranteed Minimum Pension (GMP)**, will be revalued in line with the Retail Prices Index (RPI) up to a maximum of 5% a year. See the 'RPI/CPI' section on page 36 for information about the rules regarding revaluation.

If you have **BOC Pensionable Service** prior to 6 April 1997, your GMP will increase in line with statutory requirements up to age 65 for men and 60 for women. The rate of increase will be shown on your Leaving Statement in your Leaver's Pack.

Transferring benefits

You may be able to transfer your BOC Pension Scheme benefits to another registered pension scheme, if you wish. However, please consider the implications of this carefully. Depending on the pension arrangement you transfer your benefits to, you may not retain protection against inflation or may not receive a guaranteed pay-out.

The transfer value will take into account pension increases and benefits payable on death. It will also include the value of any AVC benefits, which must be transferred at the same time as your BOC Pension Scheme benefits. Any statutory cash equivalent transfer value will not include any additional discretionary benefits that you might accrue (resulting from any discretion exercised by the Trustee or the Company).

Note: If you transfer your BOC Pension Scheme benefits and have BOC Pensionable Service before 6 April 1997, your transfer value should include a GMP.

Financial advice

BOC Pension Services cannot advise on which option might be best for you. Independent financial advice is recommended if you are thinking of transferring your benefits. We can provide contact details for a specialist adviser, on your request.



Working part time and temporary absences

What happens if I work part time?

If you work part time for any period while a member of the **Gist Scheme**, your **Gist Pensionable Service** is adjusted proportionately when calculating your pension benefits. Your Gist Pensionable Service is calculated by dividing the actual number of hours you worked as a part-time employee by the number of hours you would have worked as a full-time employee.

On the other hand, your **Final Pensionable Earnings** are based on your full-time equivalent rate, not your part-time rate. This means that even if you work part time at the end of your career, leading to a reduction in your pay, your pension will be based on your full-time equivalent Final Pensionable Earnings. Only your Gist Pensionable Service will be reduced.

So, for example, if you work half time for 10 years, this will give five years' service on full-time earnings.

Please note that the same rules apply to your **BOC Pensionable Service**.

Let's meet Mary



- Mary is a Level 2 member.
- She has been a member of the Gist Scheme for 12 years.
- For 10 years, Mary worked full time.
- Over the last 2 years, she worked half her normal hours.
- Her full-time equivalent Final Pensionable Earnings are £22,000 (her actual earnings are £11,000).
- Mary is retiring at **Normal Retirement Age**.
- The value of Mary's pension earned from the BOC Pension Scheme up to 31 March 2011 is £9,700 a year (this includes revaluation between 2011 and her retirement).

Mary's pension benefits within the Gist Scheme are calculated as follows:

$$\begin{aligned} &1/60 \text{ (Level 2 accrual rate)} \times 11 \text{ years (10 years' full-time + 2 years' half-time service)} \\ &\quad \times £22,000 \text{ (Final Pensionable Earnings)} \\ &= \mathbf{£4,033.33 \text{ a year}} \end{aligned}$$

This is then added to her pension earned from the BOC Pension Scheme up to 31 March 2011, as follows:

$$\begin{aligned} &£4,033.33 + £9,700 = \mathbf{£13,733.33} \\ &\mathbf{Mary's annual pension is £13,733.33 a year} \end{aligned}$$

What happens if I'm temporarily absent from work?

Most absences from work are short term and will not generally affect your membership of the Gist Scheme. If you are absent for a longer time, your membership of the Gist Scheme will continue as long as the **Company** continues to pay contributions on your behalf. In some cases, the Company may decide to extend your membership of the Gist Scheme beyond the period for which you are paid.

Maternity, paternity, parental or adoption leave

You will remain a member of the Gist Scheme while you are on maternity, paternity, parental or adoption leave, provided you continue to be employed by the Company. You will be entitled to the same range of benefits as if you were working normally. This means that you continue to be eligible for death-in-service and ill-health benefits, for example.

If you do not return to work after your period of unpaid leave, your date of leaving will be used as the date your maternity, paternity or adoption pay stopped. You will then be entitled to the same benefits as members who leave the Company (see pages 28 to 30 for details of your options on leaving).

Paid leave

If you are on paid leave, you will continue to be a member of the Gist Scheme and will make contributions to the Gist Scheme based on your actual earnings (including any statutory pay). Your **Pensionable Earnings** will be calculated as if you were working your normal hours, and your time of absence will count as Gist Pensionable Service.

Unpaid leave

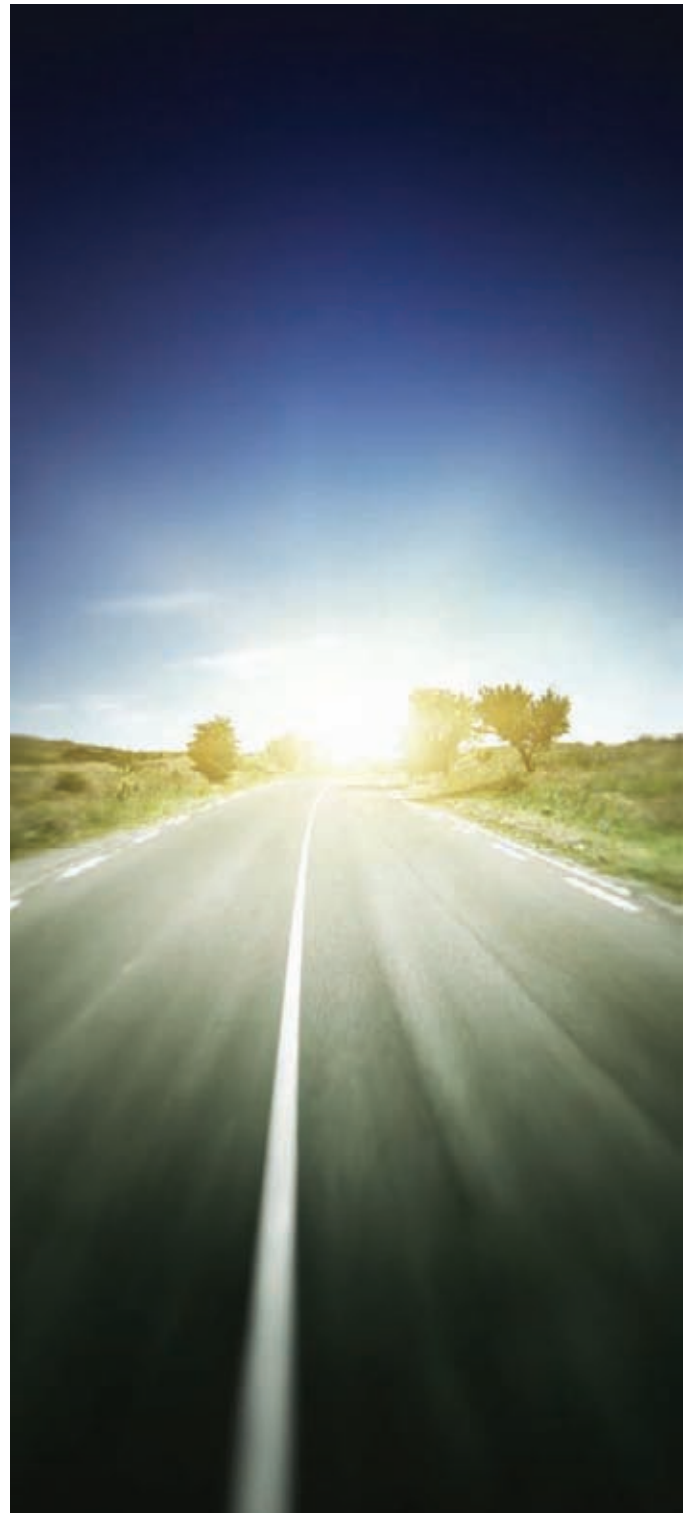
If you are on unpaid leave, your Gist Pensionable Service will continue for as long as the Company agrees to this. You will be entitled to the same range of benefits as if you were working normally.

Other absences

You should contact BOC Pension Services if you are absent from work for another reason than maternity, paternity, parental or adoption leave. They will provide you with information about how your absence may affect your pension benefits.

Can I transfer benefits into the Scheme?

You are unable to transfer previous pension benefits into the Gist Scheme. The **Trustee** and the Company will review this policy only if the Gist Scheme Actuary advises that it is appropriate to do so.



Pensions in payment

The pension you receive once you have retired (i.e. your pension in payment) increases each year to help protect it from the effects of inflation.

Will my pension increase during retirement?

Yes. Once you have retired, your pension will increase on 1 April each year to help it keep pace with inflation. Subject to overriding legislation, your pension will increase in line with the **Retail Prices Index (RPI)**, up to a maximum of 2.5% a year. This 2.5% cap is averaged over rolling five-year periods, and works in the same way as the averaging of the cap on increases to **Pensionable Earnings** (described on page 6). Pension derived from **Additional Voluntary Contributions (AVCs)** will be increased at the rate notified to you on retirement. The **Company** also has a discretionary power to increase pensions further.

What about my pre-1 April 2011 benefits?

Your pension earned before 1 April 2011 (in the BOC Pension Scheme) will increase in line with RPI, up to 6% a year compound.

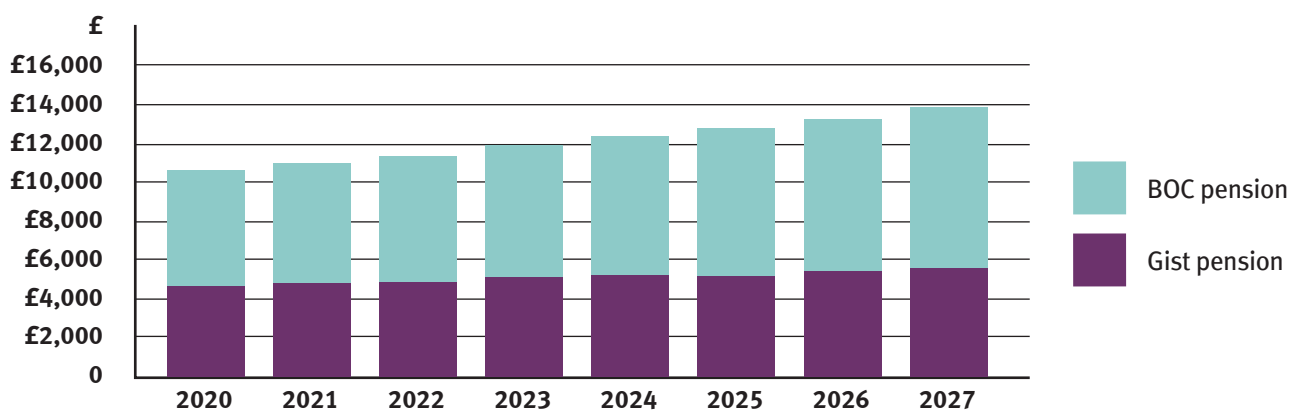
You will receive letters each March notifying you of the increase that will be applied to your Gist pension and BOC pension respectively. Pensions which have been in payment for less than a year will receive a proportion of the full year increase.

Let's meet Mark



- Mark retires in 2020 with a pension of £4,500 a year from the **Gist Scheme**.
- His pension from the BOC Pension Scheme is £6,300 a year.

Assuming RPI increases at 4% a year, Mark's pension will increase in retirement as follows:



How is my pension paid?

Once you retire, you will start receiving your Gist Scheme pension, which will provide you with an income for the rest of your life. Your pension is paid monthly (usually on the 6th of each month) directly into your bank or building society account. The first payment will be made once all the necessary information is processed. This may take between four to six weeks after your retirement date. Your payment will be backdated to your retirement date. As with your salary under the Pay As You Earn (PAYE) system, income tax is deducted directly from your pension.

The same rules apply to your BOC pension.

It is important that you let BOC Pension Services know if you change your address or bank account details, so that they can continue to pay your pension without delay.

State pension

What pension will I receive from the State?

At present, the State provides a pension in two parts:

- the Basic State Pension – often called the ‘old age’ pension. This is available from **State Pension Age** to everyone who has made sufficient National Insurance contributions during their working life.
- the **State Second Pension (S2P)** – an additional pension based on an individual’s earnings up to a ceiling. S2P replaced the State Earnings Related Pension Scheme (SERPS) in April 2002. (You should note that sometime between 2012 and 2015, the earnings-related element of the S2P will begin to be gradually withdrawn so that individuals will start to build up entitlement on a flat-rate basis.)

The **Gist Scheme** is contracted out of the S2P on a reference scheme test basis. In other words, the Gist Scheme Actuary certifies that your benefits under the Gist Scheme are broadly equivalent to, or better than, the standard set by the Government known as the ‘reference scheme’. As a result, you and the **Company** pay lower National Insurance contributions.

As you pay reduced National Insurance contributions, you receive a lower S2P at State Pension Age. However, the benefits the Gist Scheme provides are certified by the Gist Scheme Actuary to be broadly equivalent to, or better than, the standard set by the Government.

If you joined the BOC Pension Scheme before 6 April 1997 you will receive a **Guaranteed Minimum Pension** in place of any SERPS benefit you would have earned in respect of membership of the BOC Pension Scheme up to 6 April 1997.

When will I receive my State pension?

If you are a man, your State Pension Age is between age 65 and 68 and if you are a woman it is between age 60 and 68, depending on your date of birth.

You can find out your State Pension Age by using the calculator at www.direct.gov.uk (following the ‘Pensions and retirement planning’ and ‘State Pension’ links), or by asking BOC Pension Services.



Where can I get more information?

Unless you have declined permission for the Company to pass your data to The Pension Service, the annual benefit statements you receive from BOC Pension Services will include estimates of your current and future State pension. You can also request a State pension forecast as follows:

In writing:

State Pension forecasting team
Future Pension Centre
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA

By phone:

0845 300 0168

Online:

Complete an online application by visiting the Directgov website at www.direct.gov.uk and following the ‘Pensions and retirement planning’ and ‘State Pension’ links.

Regulatory bodies

The Pensions Advisory Service (TPAS)

TPAS is an independent organisation that provides free help and advice to members and beneficiaries of pension schemes who have pension queries or are unable to resolve a dispute with the scheme administrator or trustees. TPAS can be contacted at:

11 Belgrave Road
London
SW1V 1RB

Tel: 0845 601 2923

www.pensionsadvisoryservice.org.uk

Pensions Ombudsman

If, with the assistance of TPAS, a member or beneficiary is not able to resolve a dispute with the scheme administrator or trustees, the Pensions Ombudsman can provide additional assistance. This organisation investigates and decides the outcome of complaints and disputes about how occupational and personal pension schemes are run. The Ombudsman's address is also:

11 Belgrave Road
London
SW1V 1RB

Tel: 0207 630 2200

www.pensions-ombudsman.org.uk

Pension Tracing Service

If you've lost touch with a former pension scheme, the Pension Tracing Service can help you trace a pension. Information about the **Gist Scheme** has been given to the Pension Tracing Service, which can be contacted at:

Pension Tracing Service
The Pension Service
Tyneview Park
Whitley Road
Newcastle upon Tyne
NE98 1BA

Tel: 0845 600 2537

Visit the Directgov website at www.direct.gov.uk and follow the 'Pensions and retirement planning', 'Planning for retirement' and 'About to retire' links.

The Pensions Regulator

The Pensions Regulator is responsible for regulating occupational pension schemes and assisting with the protection of members' benefits and is able to intervene in the running of pension schemes where necessary. The Pensions Regulator can be contacted at:

Napier House
Trafalgar Place
Brighton
BN1 4DW

Tel: 0870 606 3636

www.thepensionsregulator.gov.uk



General information

Gist Scheme Trustee

The **Gist Scheme** is run by a special trustee company, GLPS Trustees Limited. The **Trustee** is responsible for looking after the assets of the Gist Scheme on behalf of the beneficiaries. Some of the Trustees are appointed by the **Company** and some are member nominated. The Member Nominated Director policy is available on request from BOC Pension Services.

The **Trust Deeds and Rules** govern how the Gist Scheme and the BOC Pension Scheme are run. These are available on the website or from BOC Pension Services on request. The Trustee delegates the day-to-day administration to BOC Pension Services. The Gist Scheme's accounts are audited annually.

General

The Company/BOC Group reserve the right to discontinue the Gist Scheme/BOC Pension Scheme at any time in accordance with their powers under the Trust Deeds and Rules. The Company/BOC Group have not assumed any obligation to make up any deficiency on winding up over and above any obligation imposed by legislation or the Trust Deeds and Rules.

Similarly the Company may make changes to the Gist Scheme and the BOC Group may make changes to the BOC Pension Scheme in accordance with their powers under the Trust Deeds and Rules at any time, but no change may reduce a member's subsisting rights (as defined by legislation).

The granting of consent by the Company/BOC Group or the Gist Scheme Trustee/**BOC Pension Scheme Trustee** on a particular occasion does not require the consent to be granted on another occasion even where the facts are the same. The regular giving of consent is not to be taken as a waiver of the right to withhold consent in the future.

RPI/CPI

The Government now allows pension schemes to use the **Consumer Price Index** (CPI) as the inflation measure for revaluing deferred pensions and increasing pensions in payment. The following rules apply to your pension benefits:

- **While you are employed**

While you are employed by the Company, the inflation measure for the pension built up to 31 March 2011 in the BOC Pension Scheme will continue to be the **Retail Prices Index** (RPI).

- **After leaving the Company**

If you are made redundant before age 55, then RPI will continue to apply to the revaluation of your pension built up to 31 March 2011 in the BOC Pension Scheme and from 1 April 2011 in the Gist Scheme.

If you resign of your own accord or you are dismissed for cause (e.g. due to gross misconduct), then RPI will continue to apply up until your resignation or dismissal. CPI will then apply to the revaluation of your total deferred pension in both the BOC Pension Scheme and the Gist Scheme from the date you leave until you take your pension from the schemes.

- **Once your pension comes into payment**

The measure of inflation for increases to pensions in payment will be RPI.

General information continued

Tax

The Gist Scheme is registered with HM Revenue & Customs (HMRC) under the Finance Act 2004. Under current legislation, this gives you and the Company certain tax advantages.

You automatically receive tax savings on the contributions you make through the Pay As You Earn (PAYE) system at the highest marginal rate of income tax you pay, subject to the **Annual Allowance**. The Annual Allowance is the maximum amount of savings you can generally build up in any one tax year without incurring a tax charge. HMRC requires the amount of pension you build up in pension schemes to be measured each year for Annual Allowance purposes between two dates. This is known as a 'pension input period' (PIP). The time period over which a PIP runs can be nominated by pension schemes. Both the Gist Scheme Trustee and the BOC Pension Scheme Trustee have chosen 5 April as the date on which all PIPs for all arrangements under the Gist Scheme and the BOC Pension Scheme will end for all tax years, but each trustee reserves the right to choose a new date in the future. The Trustee of the BOC Retirement Savings Plan has chosen 30 June as the date on which all PIPs for all arrangements under AVC section will end for all tax years, but also reserves the right to choose a new date in the future.

The pension you receive will be subject to income tax under the PAYE system. Lump sum cash benefits on retirement are currently tax free up to 25% of the value of the overall pension benefits within the **Lifetime Allowance** (LTA).

Any contributions paid (or benefits received) above the Annual or Lifetime Allowance will incur a tax charge payable by you. If you think you might be affected by either of the allowances, you should contact BOC Pension Services.

Statements made in this booklet in relation to the tax treatment of contributions and benefits are based on the Trustee's understanding of HMRC law and practice at the date of publication. Benefits will be subject to tax in accordance with the actual law and practice, applicable at the time of payment.

The benefits provided by the Gist Scheme and the BOC Pension Scheme are limited in certain circumstances in form and amount by rules designed to prevent inadvertent tax charges arising and to retain most pre-6 April 2006 tax limits. These rules override the normal rules of the schemes.

Pensions and divorce

If you get divorced, both you and your spouse's (or registered civil partner's) pension benefits must be taken into account when your joint assets are calculated.

If the Trustee receives a pension sharing order from the Court, your ex-spouse (or ex-registered civil partner) will become entitled to a share of the value of your pension – called a pension credit. A corresponding pension debit is applied to the value of your pension, leaving you with a smaller entitlement.

The Trustee will require your ex-spouse (or ex-registered civil partner) to transfer this pension credit out of the Gist Scheme (unless he or she is also a Gist member) at the time the order is received.

A separate process applies if the Trustee receives a Court order requiring pension earmarking.

Similar rules apply to your BOC pension.

Further information about pensions and divorce can be obtained from BOC Pension Services.

Internal Dispute Resolution Procedure

There is a procedure in place to deal with complaints from members of the Gist Scheme. Full details of the formal Internal Dispute Resolution Procedure is available on the website at www.bocpensions.co.uk or can be obtained from BOC Pension Services.

Data Protection Act

It is necessary for the Trustee (and any third party it appoints) to hold and process personal data about you. This data and its use has been registered under the Data Protection Act 1998 which gives you certain rights to ensure that the information is accurate and that proper security is maintained.

As a member of the Gist Scheme, you consent to your personal information being held and processed by the Trustee and any third party it appoints for the effective running of the Gist Scheme. You are entitled to request a copy of the information held about you and have any inaccuracies corrected. If your circumstances change, please contact BOC Pension Services to ensure the information held by the Trustee remains accurate.

Contact us

If, after reading this booklet, you have any queries about the Gist Scheme, you should contact:

BOC Pension Services
The Priestley Centre
10 Priestley Road
The Surrey Research Park
Guildford
Surrey GU2 7XY

Helpline: 0800 096 3214 (BOCTEL 750 4745)
Fax: 01483 244 739

Email: pensions.uk@boc.com
Website: www.bocpensions.co.uk

Full details of the Gist Scheme and the BOC Pension Scheme can be found in their Trust Deeds and Rules, which are the legal documents that govern the schemes. This booklet is a summary of benefits provided by the Gist Scheme and BOC Pension Scheme and does not confer rights to benefits.

If there is any discrepancy between this booklet and the Trust Deeds and Rules (as amended from time to time), the Trust Deeds and Rules will take precedence. Copies of the Trust Deeds and Rules are available on the website at www.bocpensions.co.uk or from BOC Pension Services on request.



Contact details

BOC Pension Services
The Priestley Centre
10 Priestley Road
The Surrey Research Park
Guildford
Surrey GU2 7XY

Helpline: 0800 096 3214 (BOCTEL 750 4745)

Fax: 01483 244 739

Email: pensions.uk@boc.com

Website: www.bocpensions.co.uk