

# MRC Pension Scheme

## A guide for new members

*February 2024*



## Welcome

### Welcome to the MRC Pension Scheme

MRC has an excellent pension scheme that provides generous benefits linked to your career averaged salary and service.

It is an important part of your remuneration package as it helps give you and your family financial security and protection, both now and in the future, so please do take the time to read this guide.

Membership is great value for money as your employer currently pays 16% of payroll towards the provision of retirement benefits for its staff, which is significantly more than members are asked to pay.

Money paid into the Scheme is held in trust, the assets of which are kept entirely separate from MRC and UKRI as principal sponsoring employer. All retirement benefits are paid through this trust fund, which is managed by the directors of MRC Pension Trust Ltd and who are popularly known as the scheme trustees.

Mercer provides award winning pensions administration services and has been appointed by the trustees to look after the day-to-day running of the Scheme and to settle the benefits due to you and your family at the appropriate time. Should you have any questions about the Scheme, please refer them to Mercer in the first instance.

This guide is intended to give a summary of the benefit entitlements of new members joining the Scheme since 1 April 2018. Whilst every effort has been made to ensure the accuracy of this guide, the governing documents relating to the Scheme are the trust deed and rules and take precedence over this guide. This guide was updated in February 2024.

Please keep this guide in a safe place for future reference.

*Stuart McLean*

**Stuart McLean MBA FPMI**

Director of Pensions,

Medical Research Council Pensions Scheme



## The MRC Pension Scheme — so good to be a member

MRC and UKRI are part of an increasingly small number of organisations that still gives its employees the opportunity to belong to a defined benefit pension scheme.

This means that the Scheme gives you a pension based on service and your pensionable salary when you retire. Even if your retirement is a number of years away, you should have a reasonable idea of what you will be due to get.

To help with retirement planning, you will be sent an annual statement of benefits each year which will reflect the most recent pay award.

### The Scheme offers more than a pension when you retire:-

- The option to exchange some of your pension for a tax-free lump sum at retirement
- An ill health pension if you are retired because of permanent ill health
- A tax-free lump sum of 4 times your salary if you die in service
- Pensions for an adult dependent and your children if you die
- A pension at retirement - even if you are only in the Scheme for two years
- Pensions in payment are indexed in line with consumer price inflation

### Important

If you pass up the opportunity to belong to the Scheme, MRC and UKRI will **not** pay into an alternative pension arrangement. You would, therefore, be missing out on an important stake in your future retirement plans and financial protection of your family if you decided not to be a member of the Scheme.

It is recommended that you take independent financial advice before opting out of the Scheme.

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Mercer - contact details

Portal: <https://contact.mercer.com>

Pensions helpline - 01372 200 275

Address for correspondence:-

Mercer  
Post Handling Centre  
Maclaren House  
Talbot Road  
Stretford  
Manchester  
M32 0FP

[www.mrcps.co.uk](http://www.mrcps.co.uk)

# 1. Joining the MRC Pension Scheme

## Automatic enrolment

To help people save more for their retirement, the government requires employers to enrol their staff into a workplace pension scheme. This is happening because the aim is for more people to have another income, on top of the State pension.

If you are on an MRC contract of employment you will be entered into the Scheme automatically, provided you are at least 16 years of age and under the State Pension Age.

## Opting out

Although the UK government requires employers to provide their staff with pension benefits, it is not compulsory to belong to the Scheme. Nevertheless, your employer must not ask you or force you to opt out.

If you do not wish to be in the Scheme, you have the opportunity to withdraw retrospectively within the first three months of membership by giving notice to your employer in writing. In those circumstances, your contributions will be refunded in full and you will be deemed never to have been a member of the Scheme.

You also have the right to opt out of the Scheme at any time, provided you give your employer at least 28 days notice in writing. It is recommended that you take independent financial advice before leaving the Scheme.

## Can I bring my other pensions into the Scheme?

The scheme currently only accepts benefits transferred from schemes which are part of the public sector transfer club. It should also be noted that strict deadlines and conditions apply to club transfers.

If you would like to investigate transferring previous public sector pension benefits, you should complete a transfer request form and send it to Mercer. Transfers can take over six months to complete, so please do not leave investigating a transfer until the last moment as a delay may result in disappointment. Transfers from public sector schemes must complete within 1 year of starting employment.

## If I opt out can I rejoin later?

If you decide to opt out of the Scheme, you can change your mind and ask to rejoin at any time by putting your request in writing to your employer. If you choose to stay opted out, you will normally be put back in a workplace pension scheme automatically after three years. There is no guarantee you will be able to rejoin the MRC Pension Scheme if you choose to opt out.

## Concurrent pension arrangements

It is permissible to invest in a personal pension or stakeholder plan whilst also being a member of the Scheme. Should you wish to invest outside of the Scheme, it is recommended that you take independent financial advice before doing so.

## 2. How much does membership cost?

### What do I pay?

Members are required to pay 6.5% of pensionable salary into the Scheme. Although this might seem a lot, the net cost for most members is around 5.2%, after taking account of tax relief at source through payroll. This is because tax is calculated on your salary after your contributions have been deducted. If you are a higher rate tax payer, the net cost will be less than 4%.

### What happens to the money you and MRC pay?

MRC currently pays 16% into the Scheme in addition to the 6.5% you are expected to contribute. These contributions go into one fund which is invested by the trustees on behalf of all the members, past and present, and used to pay retirement and death benefits.

Details of how the trustees invest your contributions appear in the Scheme's report and accounts that are published annually. A summarised version of the accounts is sent to all members each year. Current members of the Scheme also receive an annual statement of benefits, so you can review your plans for retirement on a regular basis.

The trustees monitor investment performance on an ongoing basis and every three years a formal valuation of the assets and liabilities is undertaken to ensure the Scheme is funded sufficiently. The summarised version of the accounts also includes an annual statement of the Scheme's funding position.

### Can I add to my retirement benefits?

You can increase the benefits at retirement by investing in unitised funds offered currently by Standard Life. This option is referred to as AVCs (additional voluntary contributions) and members are permitted to pay up to 15% of salary by way of AVCs in each tax year. The scope to make AVCs is over and above the 6.5% you are required to pay as a Scheme member.

Further details on investing with Standard Life can be obtained from Mercer. AVCs with Standard Life can be started at any time and up to 100% of the fund can be taken as a tax free lump sum on retirement.

Since April 2015 it has been possible to transfer your AVC fund independently of your main MRC pension to an alternative pension provider at any time prior to being put into payment.



## This is how your career averaged pension grows

If you had pensionable earnings of £20,000 in one scheme year, on 31 March of that year you would have earned a pension of £333, calculated as:

$$£20,000 \times 1/60 = £333$$

In the years that follow, an *in-service revaluation* is applied to the aggregated pension balance accrued at the end of each year ending 31 March.

The formula used for this revaluation is **1.5% plus the Consumer Price Index** (if that rate is positive). The CPI rate is announced annually each September.

For the purposes of illustrating how a career averaged pension grows, **CPI is assumed to be 2.0%** (the Bank of England's long term inflation target).

When added to the Scheme's own 1.5% revaluation figure, this produces a combined revaluation figure of 3.5%.

So, if you earned the same pensionable salary of £20,000 in **Year 2**, you would have earned another £333 in pension.

As a result, your pension at the end of **Year 2** would be calculated as follows:

$$£333 + (£333 \times 3.5\%) \\ = £333 + (£333 + £11.65)$$

**Your built up pension = £677.65 pa**

Your pension at the end of **Year 3** (assuming your salary remained the same) would be as follows:

$$£333 + (£677.65 \times 3.5\%) \\ = £333 + (£677.65 + £23.71)$$

**Your built up pension = £1,034.36 pa**

Your pension at the end of **Year 4** (assuming your salary remained the same) would be as follows:

$$£333 + (£1,034.36 \times 3.5\%) \\ = £333 + (£1,034.36 + £36.20)$$

**Your built up pension = £1,403.56 pa**

*This pattern continues every year you are an active member of the Scheme.*



### 3. What will I get when I retire?

#### How does my pension build up?

For each year you are in the Scheme, you will accrue a pension equivalent to 1/60th of your pensionable salary for each year of service, and account is taken of the number of days worked in an incomplete year. The in-service revaluation is based on 1.5% plus CPI, where CPI is positive.

#### Lifetime Allowance (LTA)

The Lifetime Allowance (LTA) is the limit on the amount you can take from all sources of pension when you retire before you're charged tax. The initial LTA was set at £1.5 million for the tax year 2006/2007, rising to £1.8 million by 2010/2011. Since April 2012, the allowance has seen a number of reductions. In April 2016, the LTA was reset at £1 million and increased in line with consumer price inflation. In 2021 the LTA was frozen at £1,073,100 until 2026.

From 6 April 2023, the LTA tax charge for exceeding the LTA has been removed and any benefits that would have been subject to an LTA charge will now be taxed at your marginal rate of income tax.

In addition, from 6 April 2024, the LTA itself is abolished entirely. There is, however, speculation that this decision could be reversed by a future government.

With the abolition of the lifetime allowance, a new Lump Sum Allowance (LSA) has been introduced which continues to allow 25% of the value of your pension benefits to be taken as a tax-free lump sum, up to the new allowance limit of £268,275.

If you have registered with HMRC for any protections against the LTA, you may wish to review these and consider your position given the changes made, seeking financial advice if necessary. You can find a financial adviser at: <https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser>

#### Maximum lump sum cash on retirement and AVCs

The maximum cash that you can take tax-free from the Scheme is broadly calculated as 25% of the LTA equivalent of your Scheme pension. This means that most members will be able to take some or all of any AVC fund with Standard Life as a tax-free lump sum on retirement, in addition to their MRC pension.

There is, however, no guarantee that you will be able to take the whole of your AVC fund as tax-free cash on retirement. In that event, any residual amount must be used to buy an annuity, which is a type of pension, on the open annuity market or transferred to another pension arrangement. The maximum cash calculation is complicated and where AVCs are involved it further increases the complexity of the calculation that Mercer needs to perform. As a consequence, the settlement of benefits can be delayed when finalising the AVC figures that need to be included in order to calculate your maximum cash entitlement.

#### Commutation

Where there is scope to do so within the maximum cash calculation, you will have the option to exchange part of your Scheme pension for tax-free cash when you retire.

This option is called commutation and involves giving up some of your pension. Dependents' benefits, such as those payable to a spouse or children in event of death, are not affected by commutation. The current factors set by the trustees are based on age and means that for every £1 of pension that you give up, you will receive tax-free cash based on your age at retirement.

Although the decision to commute your pension is entirely voluntary, Mercer will provide commutation figures when you retire to enable you to take up this option, should you wish to do so.

## What will I get when I retire? *(continued)*

### Early Retirement

Apart from on grounds of serious ill health, the earliest age you can retire at is age 55.

The minimum pension age will increase from age 55 to age 57 with effect from April 2028. Members of the Scheme prior to 4 November 2021 will retain the right to retire early from age 55 under protections outlined in the Finance Act 2022.

Should you wish to retire before reaching your normal pension age, however, you should give a minimum of 3 months notice in writing of your intentions to your employer.

Please note that the pension you have built up will be reduced to take account of early payment. It is therefore recommended that you obtain estimated figures from Mercer before resigning from your job.

### Benefits at normal pension age

When you reach normal pension age, the Scheme will pay you the total benefits your service and pensionable salary have built up to State Pension Age. The maximum number of years recognised to normal pension age is 45 years. If you are granted permission to work beyond State Pension Age and continue in the Scheme, you will accrue further pensionable service at the same annual rate of 1/60th but not more than the maximum of 45 years.

In certain circumstances and with the prior agreement of your employer, it may be possible for you to continue to work beyond normal pension age and draw your pension at the same time. You should consult Mercer as conditions apply that will restrict the flexibility of this option.

### How will my pension be paid?

All pensions are paid to your nominated bank or building society account at the end of each month. If you retire overseas your pension can be paid to an overseas bank account. Payments are made in advance, which means that if you retire from work at the end of September the first instalment of your pension, which would be October, is due to you at the end of September.

Tax will be deducted by Mercer under the PAYE system, which is the same way your salary is taxed at the moment. You will not, however, be required to pay national insurance contributions on your pension. Any cash lump sum is paid tax-free and payment will be made direct to your nominated bank account shortly after you retire.

### Will my pension be increased?

Pensions in payment and deferred pensions are increased each April in line with the UK Consumer Price Index (CPI) under the Pensions (Increases) Act 1971. A proportionate increase is awarded to pensions that come into payment during the course of the year.

### Part-time staff

If you work part-time, you will receive benefits in the same way as all other members of the Scheme. Your pension benefits will be based on your actual pensionable salary. Lump sum death benefits are also based on your actual pensionable salary.

### Allocation of pension

At retirement, it is possible to make additional provision for your spouse or partner by giving up part of your pension. As this additional pension would be payable in the event that you died before your partner, it will be subject to proof of your good health.

### Aggregation of service

If you have a deferred pension under the Scheme from a previous period of service, there will be an additional benefit payable to you. You will be given the opportunity at retirement to aggregate the two periods or keep them as separate entitlements.

### Re-employment after retirement or redundancy

If you are receiving a pension from the Scheme and are re-employed by MRC or UKRI, it is possible that your pension will be reduced or suspended. You should contact Mercer so that the impact on your pension can be assessed before you return to work with MRC.

From time to time, your employer may call for volunteers to retire early or may make staff redundant as part of the closure of a research unit.

## 4. Ill health early retirement

The terms and conditions applicable to early retirement in such exceptional circumstances can be found in the staff guide to the MRC Redundancy Compensation Scheme, which is often referred to as the 'Blue Book'.

If you are re-employed after being made redundant you may be asked to repay some of the redundancy benefits you have received; you should contact Mercer in order to understand the extent any recovery will apply to your particular circumstances.

### What will I get if I fall ill?

The Scheme gives you the security of a pension if you are unable to continue working because of permanent ill health or incapacity.

If in the opinion of MRC and the trustees you are incapable of doing your job on grounds of permanent ill health, you will be entitled to receive a pension based on your accrued pension, plus service enhanced to your State Pension Age.

#### Example

John is 55 and has a final pensionable salary of £40,000; he has been in the Scheme for 10 years. His ill health pension would be:-

Accrued pension = £7,000

$12/60 \times £40,000 = £8,000$

**Total pension = £15,000 pa**

If John has AVCs with Standard Life he will also have the option to take all or part of his fund as tax-free cash or transfer the AVC fund to another pension arrangement.

John will also have the option to commute some of his pension for additional cash without affecting the death benefits payable to his family.

*Please note that the trustees have a responsibility to review all ill health pensions in payment from time to time. Improvement in health and return to paid employment should be reported to Mercer at the earliest opportunity.*



## 5. What if I die?

### Tax-free cash lump sum

If you die in service the Scheme will pay a tax-free lump sum based on 4 times your pensionable salary to your next of kin. You are encouraged to complete an Expression of Wish form, and to keep it up to date should your circumstances change, so that the trustees know who you want to receive this money.

### Dependant's pension

The Scheme will also pay a pension to your spouse or registered civil partner, based on 1/160th for each year of service had you continued to work to State Pension Age, regardless of your age or length of service, if you die in service, up to a maximum of 45 years..

If you are not married or in a registered civil partnership, but have a long term adult partner, you should complete a Nomination form so that your partner is eligible to receive a dependant's pension. The Nomination form outlines the conditions that should be satisfied in order for a pension to be paid to an adult partner.

In exceptional circumstances and where there is no existing spouse, civil partner or nominated adult dependant, the trustees may use their discretion to award a pension on grounds of financial inter-dependency. It is not advisable, however, to rely on the trustees making a decision in favour of your partner on those grounds alone.

Please note that the pension will be reduced if the beneficiary is more than 10 years younger than you and payments must cease if the dependent remarries or sets up home with a new partner.

The pension payable during the first 3 months is equivalent to your pensionable salary, after which it reduces to the amount payable under the Scheme rules. Where there are children, the full rate of pensionable salary is paid for the first 6 months. The cost of the additional 3 months salary is met by your employer.

### Child allowances

Children under age 17 are entitled to a child allowance. Children over age 17 can also receive an allowance until they reach age 23, provided they continue in full-time education or vocational training.

Where there is only one child, the allowance is 50% of the pension payable to an adult dependent; the allowance is enhanced to 66% in the event that there is no spouse or partner to receive a dependant's pension.

#### Example

Liz dies in service age 48, leaving a husband Tom, also age 48 and two children, Andrea age 18 and Luke age 15. Liz had 10 years service in the Scheme and was earning a pensionable salary of £35,000. The pension benefits payable to Liz's family are based on a total of 30 years of service, including her prospective service to State Pension Age:-

**Tax-free lump sum of 4 x £35,000 = £140,000**

**plus**

Dependant's pension of  $30/160 \times £35,000$

**= £6,562 pa\***

**plus**

Child allowance per child of  $30/320 \times £35,000$

**= £3,281 pa**

\* The pension paid will be at a rate of £17,500 pa for the first 6 months, after which it will reduce to £6,562 pa.

Where there are two or more children, the allowance is based on 50% of the pension payable to an adult dependant and shared equally amongst the beneficiaries; the total allowance is enhanced to 66% when there is no adult dependant.

Child allowances come into payment after the initial 6 month period, during which time the actual pensionable salary is paid.

#### **Invalid children**

If you are responsible for the care of an invalid child, it is possible to pay extra contributions to provide a pension for the benefit of that child. Further details are available from Mercer.

#### **What is payable if I die in retirement?**

The Scheme will pay a pension based on 1/60 for each year of service, plus pension increases to your spouse, civil partner or nominated adult partner. The Scheme will also pay allowances to dependant children up to age 17 or to age 23 if they are in full-time education.

The benefits payable to your family will not be affected if you choose to commute some of your pension for cash when you retire,

Should you die within the 5 year period after retirement, the Scheme will also pay the balance of any pension that would have been paid had you survived for those 5 years, less the pension and tax-free lump sum already paid to you before your death.

As this amount, often referred to as the guarantee period, is payable as a tax-free cash sum it is important that you complete an Expression of Wish form so that the trustees know who you would like to receive the money. You should also complete a revised form if your family circumstances change after you have retired.

#### **What is payable if I leave service with a deferred pension?**

The Scheme will pay a dependant's pension based on 1/60 for each year of service in the Scheme, which will have been increased by price inflation since leaving service, to your spouse, civil partner or nominated adult partner. The Scheme will also pay allowances to dependant children up to age 17 or to age 23 if they are in full-time education.

In addition, a tax-free lump sum of 5 times your pension is payable to your next of kin. You are therefore encouraged to complete an Expression of Wish form and to keep it up to date after you leave service.





## 6. What happens if I leave before I retire?

### Two or more years of pensionable service

Mercer will write to you soon after you have left service and will provide you with a statement of the deferred pension payable from State Pension Age.

There are 3 options open to you:-

- You can leave your pension with the Scheme and it will be index-linked to price inflation during the period until you retire. If you choose to keep your pension in the Scheme you will need to notify Mercer of any change of home address. At State Pension Age, Mercer will write to you setting out your retirement options.
- You can retire early from age 55. Your pension will be reduced to take account of early payment. Mercer will provide you with a retirement quote on request.
- You can transfer your benefits to the scheme of a new employer or to a personal pension or stakeholder plan. You have the right to transfer your benefits at any time prior to a year before reaching State Pension Age. Mercer will provide you with a transfer value on request. It is recommended that you take independent financial advice before transferring your benefits out of the Scheme. Transfers to a personal pension in excess of £30,000 require independent advice to be taken.

### Less than two years of pensionable service

There are 2 options open to you:-

- You can elect to take a refund of your contributions, which will be paid to you after deduction of tax by Mercer.
- You can transfer the value of your pension to the scheme of your new employer or to a personal pension. You should let Mercer know in writing that you wish to take up this option within 3 months of leaving; otherwise Mercer will seek to give you a refund.

## 7. What about my state pension?

### The State pension – Pre 6 April 2016

The State pension was made up essentially of two parts:

- The basic State pension, which was flat rate;
- The State second pension (S2P), which was earnings related.

How much basic State pension you will get broadly depends on how many years you had been paying national insurance contributions during your working lifetime.

Many workplace pension schemes, if not all, were contracted out of S2P (formerly known as the State earnings related pension scheme or SERPS for short), so the Scheme promised to pay a pension at least equal to the S2P pension given up prior to 5 April 2016.

In exchange for contracting out of S2P, both you and your employer paid lower national insurance contributions while you were a member of the Scheme. This incentive, known as contracting-out, was available because the government was keen to encourage private pension provision and reduce the financial burden on the State scheme.

### The State pension – Post 6 April 2016

Contracting out ceased with effect from April 2016, from which time the State pension became a single tier pension, subject to 35 years' qualifying service. Service in the Scheme prior to April 2016 will not count towards the new single tier pension.

You can find out more about State pensions and the law relating to State benefits from the Money and Pensions Service at [www.mps.org.uk](http://www.mps.org.uk)

**Please note: the State pension is paid in addition to your MRC pension, and should the State Pension Age change, the pension under the MRC Pension Scheme will change also.**

## 8. General information

### Summary of tax concessions to Scheme members

The Scheme is registered as an approved occupational pension scheme and this means that membership has important tax advantages:-

- The contributions you pay to the Scheme receive tax relief at your highest rate through the staff payroll.
- Any AVCs you pay to Standard Life receive the same favourable tax treatment.
- No contributions paid by your employer are treated as your income and therefore you are not taxed on them as a benefit in kind.
- Profits earned on Scheme investments are treated favourably for income and capital gains taxes, thus increasing the financial efficiency of the Scheme.
- You will have the option to exchange pension for a tax-free lump sum when you retire.
- Your dependants will be eligible for a tax-free lump sum in the event of your death.
- Some or all of any AVC fund with Standard Life can be taken as an additional tax-free lump sum.
- National insurance is not payable on your pension when you retire.

### Maternity leave

Membership of the Scheme continues as of right during paid and unpaid periods of statutory maternity leave. Contributions to the Scheme will be deducted at the actual rate of pay during this time.

### Adoption leave

The same terms apply as for statutory maternity leave.

### Unpaid leave

With the exception of periods of absence recognised in law, such as statutory maternity leave, unpaid leave does not count towards your pension. If you are granted an extended period of unpaid leave and wish to make up the break in your pensionable service you will be required to meet the costs of both your and MRC's contributions.

### Sick leave

Membership of the Scheme continues as long as your salary continues to be paid, regardless of whether your salary is paid at full or half-rate.

### Data Protection Act 1998

The trustees and Mercer hold and process personal and financial information about Scheme members. From time to time, this information may need to be passed to your employer, insurance companies and the trustees' professional advisers or delegates. At all times, this information will be held securely and used in accordance with the requirements of data protection.

### Pension Tracing Service (PTS)

The PTS maintain a register of all pension schemes and can help you to track down pension schemes you have belonged to in the past. You can contact the tracing service at [www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details).

### Complaints

If you find that you have a complaint that Mercer has been unable to resolve to your satisfaction, you should refer the matter in writing to the Pensions Manager.

In the event that you are still not satisfied the matter can be referred to the trustees using a formal grievance procedure, details of which are available from the Secretary.

You can also take a complaint to The Money and Pensions Service (MaPS) at [www.maps.org.uk](http://www.maps.org.uk), which offers independent advice in order to resolve disputes between members and the Scheme trustees. If MaPS or the internal grievance procedure is unable to resolve the problem, you can take your case to the Pensions Ombudsman and he will oversee any dispute that cannot be settled through voluntary means.

Any decision made by the Ombudsman is legally binding on all parties, subject to appeal to the High Court. Both MaPS and the Ombudsman can be contacted at 11 Belgrave Road, London SW1V 1RB.

### The Pensions Regulator (TPR)

The Regulator is able to intervene in the running of schemes where employers, trustees or their advisers have failed in their duties. Details on the TPR can be found at [www.thepensionsregulator.gov.uk/](http://www.thepensionsregulator.gov.uk/).

## 9. Glossary of terms

### Actuary

An independent person or firm that is professionally qualified to give advice as to the financial position of the Scheme. The actuary will give the trustees advice on the future funding of the Scheme.

### Annual allowance

In addition to the overall Lifetime Allowance, there is also a limit on the maximum tax approved benefits that a Scheme member can accrue each year. The maximum is currently £60,000.

This allowance can be tapered for those with taxable earnings broadly in excess of £200,000. If you have earnings at this level you are encouraged to seek financial advice.

### Civil partner

A person with whom you have entered into a registered civil partnership.

### Consumer Price Index (CPI)

This is the CPI rate declared each September.

### Deferred pension

The pension you have earned up to the date you leave service and held in the Scheme until your normal pension age. Your pension is increased by price inflation in deferment.

### Dependant

An adult partner who is dependent or interdependent on you for financial support.

### Incapacity

A permanent physical or mental incapacity that prevents you from doing your job; MRC and the trustees will make the final decision as to whether or not your condition meets the requirements to receive an ill health pension.

### In-service revaluation

The formula for increasing your in-service pension is 1.5% plus CPI, where CPI is positive.

### Normal pension age

The normal pension age under the Scheme is State Pension Age. If the State Pension Age changes, your normal pension age will also change.

### Partner

The adult who lives with you as a partner, who is financially dependent on you when you die and whom you have nominated to receive a dependant's pension. You can nominate a partner only if you have no spouse or registered civil partner.

### Pensionable earnings

The highest pensionable salary received from 1 April to 31 March.

### Pensionable salary

The pensionable salary which determines the contributions you pay to the Scheme.

### Pensionable service

Complete years and days of membership in the Scheme subject to a maximum of 45 years.

### Pension Protection Fund

The Pension Protection Fund (PPF) is a statutory body set up under the Pensions Act 2004. The primary function of the PPF is to provide compensation to members of defined benefit pension schemes when the sponsoring employer becomes insolvent and there are insufficient assets to pay pension benefits. The PPF is funded by a levy paid by defined benefit pension schemes each year.

### Scheme

The Scheme is the MRC Pension Scheme, which was set up under trust in 1975 for the staff of MRC and related employers.

### Spouse & Same Sex Marriage

The person to whom you are legally married at the time of death.

### Trust

A legal entity governed by specific terms and conditions for the benefit of members of the MRC Scheme. Money placed in the trust is held separately to the assets and liabilities of MRC and UKRI.

### Trustees

The trustees are the directors of MRC Pension Trust Ltd, which is a corporate trustee. The directors are nominated to their posts by MRC and UKRI and by members of the Scheme.

## 10. Important forms

### **Previous pension arrangements form\***

Please complete this form if you wish Mercer to investigate the transfer of your pension benefits from a previous public sector pension arrangement.

The transfer of pension benefits to the Scheme is entirely voluntary and you are recommended to take independent financial advice before transferring.

Mercer will only investigate transfers from other public service schemes where the request is made within one year of starting employment.

### **Expression of Wish form\***

Please complete this form so that the trustees know who you wish to receive the death in service lump sum payment, death in deferment lump sum and payment on death in retirement during the 5 year guarantee period.

### **Dependant's Nomination form\***

Please complete this form if you wish an adult partner to receive a pension in the event of your death. Please take care to read the form carefully before making a nomination and to note the conditions that will apply in the event of a claim.

\* These forms are also available from the MRC portal and member website; [www.mrcps.co.uk](http://www.mrcps.co.uk)



## **Useful contacts**

### **MRC Pension Scheme**

Mercer administers the MRC Pension Scheme on behalf of the Trustee Directors. Mercer should be contacted on all matters relating to the day-to-day administration of the Scheme.

Their address is:

Mercer

Post Handling Centre

Maclaren House

Talbot Road

Stretford

Manchester

M32 0FP

Portal: <https://contact.mercer.com>

T: 01372 200275

### **MRC Pension Trust Ltd**

Stuart McLean is Director of Pensions for the MRC Pension Scheme and also Secretary to the Trustee Directors. He is based in London and is has primary responsibility for the management of the MRC Pension Scheme.

### **Independent Financial Advice**

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

[www.unbiased.co.uk](http://www.unbiased.co.uk)