

# HOW ARE MY BENEFITS CALCULATED?

Broadly, your pension in the MNRPF is based on your length of service in the Fund, your earnings and the accrual rates as set out by the Fund's Trust Deed and Rules.

The accrual rates outlined in the Trust Deed and Rules are:

- 1/60th for service to 31 January 1998
- 1/80th for service from 1 February 1998 to 31 May 2001 (at which point the Fund closed to future accrual)

If you have taken any unpaid time away from work, this will not usually be included in your overall service used to calculate your benefits.

So, for example, if you had a pensionable salary of £20,000 per year, and you joined the Fund on 1 January 1990 and remained a member until the Fund closed on 31 May 2001, the pension benefits would be calculated as follows:

**Service from 1 January 1990 to 31 January 1998:**

$$\begin{array}{r} 8 \text{ years and } 1 \text{ month} \\ 60 \end{array} \quad \times \quad \text{£}20,000 \quad = \quad \text{£}2,694.44$$

Plus

**Service from 1 February 1998 to 31 May 2001:**

$$\begin{array}{r} 3 \text{ years and } 4 \text{ months} \\ 80 \end{array} \quad \times \quad \text{£}20,000 \quad = \quad \text{£}833.33$$

**Equals a total annual pension of: £3,527.77**

Plus any Pre 1978 Credits\*

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## \*Pre 1978 Credits

If you joined the industry before the Fund started on 6 April 1978, and you then became a contributing member of the Fund before 6 April 1979, you may be eligible for Pre 1978 Credits on the following basis:

A member receives £66.25 pa for each complete year of employment in the industry before 6 April 1978. They also receive a pro-rata amount for each part-year. Broadly, the maximum number of years is:

- 5 years, if still a contributing member of the Fund on 1 April 1985, or
- 8 years, if still a contributing member of the Fund on 1 April 1987

There are a number of additional specific conditions which a member needs to satisfy to qualify for Pre 1978 Credits. Please contact the administrators of the Fund if you would like more information.

## Increases before retirement

### Post-closure increases for active deferred members

The Fund closed to future accrual on 31 May 2001. While you remain employed in the industry with one of the Fund's employers, benefits built up to that date will revalue (increase) before retirement on the following basis:

- Increase in the National Average Earnings (sometimes known as Section 148 Orders) if your employer is making a 2% contribution to the Fund

Or

- Price inflation up to 7% pa (LPI 7%) if your employer is not making a 2% contribution to the Fund

If you're not sure whether a 2% contribution is being made on your behalf, you should contact your employer first.

### Increases before retirement if you are no longer employed in the industry

If you are no longer employed in the industry, the benefits you have built up in the Fund will revalue (increase) each year until you retire. Different parts of your benefits will receive different increases, and these are detailed below:

- Pre 1978 Credits will receive increases in line with statutory requirements (broadly, the Consumer Price Index (CPI) to a maximum of 5% per year)
- Your benefits over any GMP amount will increase in line with the same statutory requirements
- Increases to any GMP element of your pension will depend on when you ceased contracting out of SERPS, and will be between 6.25% and 8.5% pa. You can find out which rate applies to you by contacting the Administration Team

If you left the Fund on or before 31 December 1985, the benefits that have been built up in the Fund may not receive an increase in deferment in line with the above, other than any GMP element as described above.

## Important notice

This factsheet is for general guidance only. It is not a legal document and does not explain all situations or eventualities.

The Fund is governed by its Trust Deed and Rules. If there is any difference or conflict between the information provided in this factsheet and the provisions of the Fund's Trust Deed and Rules, the Fund's Trust Deed and Rules will prevail.