

4.2.4 If the annuity is paid monthly and the surviving spouse pension option has been selected, the annuity will be paid until the death of both you and your spouse, registered civil partner or dependant OR until 60 monthly payments have been paid, whichever is the later.

4.3 To the Annuitant

4.3.1 We shall pay the gross annuity to you as follows:

i) For monthly annuity payments, the first payment will be made approximately three days after the annuity has been put in place and then monthly thereafter for the annuity payment period.

ii) For yearly annuity payments, the first payment will be made approximately three days after the annuity has been put in place then annually thereafter for the annuity payment period.

4.3.2 The gross annuity will be the same as the initial gross annuity for a level annuity. For an escalating annuity, the initial gross annuity will increase on each anniversary of the commencement date by the percentage increase shown in the policy schedule.

4.4 To the Surviving Spouse

4.4.1 Non-protected rights policy

If the surviving spouse pension option has been selected, and on your death you leave a surviving spouse,

registered civil partner or dependant then depending on the option that you selected when your policy was set up, 100% or 50% of the annuity payable to you will be paid to them for the rest of their lifetime.

4.4.2 Protected rights policy

If you are married or in a civil partnership when the policy is set up, the surviving spouse pension option is compulsory in respect of any protected rights pension. On your death, if you leave a surviving spouse or registered civil partner, 50% of the annuity payable to you will be paid to them for the rest of their lifetime.

4.4.3 If you choose five year guarantee option and you die within the five year guarantee period, 100% of the protected rights or non-protected rights annuity payable to you will be paid to them for the remainder of the guarantee period.

4.4.4 The frequency of annuity payment (monthly or yearly) to the surviving spouse will be the same as set out in the policy schedule.

4.4.5 The surviving spouse will be the person named on the policy schedule. For non protected rights annuity this will be a widow(er) or surviving registered civil partner or dependant. For protected rights annuity this will be a widow(er) or surviving registered civil partner.

Since 1942, B&CE has provided financial welfare benefits to those working within the construction industry and their dependants. Today it manages assets of over £1.7 billion and provides financial benefits to over 214,000 operatives on behalf of almost 6,500 construction employers.

B&CE's EasyBuild stakeholder pension scheme for the construction industry has over 500,000 members and £540 million under management. In 2009, B&CE launched its employee healthcare product, offering a cash benefit towards routine healthcare.

The above information is correct as at September 2009.

Information in this brochure is correct as at November 2009 and subject to change. The details are based upon our understanding of HM Revenue & Customs (HMRC) and Department for Work & Pensions (DWP) rules and regulations, tax rates may differ depending on individual circumstances.

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To help improve our service, we may record your call.

Compulsory Purchase Annuity Policy Conditions



B&CE Compulsory Purchase Annuity Policy Conditions

1. DEFINITIONS FOR TERMS USED

“Annuitant(s)” is/are you and (if appropriate) the person named on the policy schedule entitled to receive the annuity i.e. your spouse, registered civil partner or dependant.

“Annuity” is a policy you buy with the pension fund you have built up. It gives you a pension which will be an income for life. An annuity is often referred to as a pension.

“Annuity payment period” is the period of time during which the annuity will be paid to you or (if appropriate) to your spouse, registered civil partner or dependant.

“Application form/application” means the annuity application form you signed, together (if appropriate) with your spouse, registered civil partner or dependant, which has been accepted by us prior to this policy being set up.

“Commencement date” is the official date that the annuity starts after everything has been put in place.

“Company”, “us”, “we”, “our” means B&CE Insurance Limited.

“Contracting Out” is the term for giving up state benefits under State Second Pension or State Earnings Related Pension Scheme in exchange for a regular payment from the HMRC into your private pension or your employer’s scheme.

“Endorsement” means any evidence of a change to the policy issued by us and signed by an authorised official.

“Gross annuity” means the amount of the annuity payable under the policy, at specific payment times.

“HMRC” means Her Majesty’s Revenue and Customs.

“Initial gross annuity” is the amount shown in the policy schedule before any income tax is deducted.

“Notice” means any notice you give us, in writing in a way we determine.

“Pension Credit” is a credit given to the spouse of a member in respect of any pension benefits arising on divorce.

“Policy” means these policy conditions including the policy schedule, any endorsement and the application form.

“Protected rights” is a type of contracted out benefit which would only apply if the annuitant had opted out of the State Earnings Related Pension Scheme/State Second Pension and HMRC had been making payments to a money purchase scheme on their behalf. Certain conditions are attached to protected rights such as:

- an annuity securing protected rights must be provided on a unisex basis;
- an annuity securing the protected rights of a scheme member who is married or in a civil partnership at the point of annuity purchase, must make provision for a 50% survivor benefit. Please refer to 4.4.2 and 4.4.3 for full details.

“Purchase price” means the lump sum (your pension fund) paid to provide the annuity as shown in the schedule.

“Registered Civil partner” is the annuitant’s registered civil partner as defined in the Civil Partnership Act 2004. Certain provisions that apply to spouses are extended to civil partners.

“State Earnings Related Pension Scheme/ State Second Pension” is the additional pension provision of the state pension scheme which is related to the slice of earnings between the lower and upper earnings limits. These limits apply to those earnings on which National Insurance contributions are payable and will change each year.

“Surviving spouse pension option” shall include reference to your surviving spouse, registered civil partner or dependant. This is also known as “joint life” option.

References in these policy conditions to the singular also include the plural.

2. NATURE OF POLICY

2.1 This B&CE product is a Compulsory Purchase Annuity.

2.2 We will, subject to these policy conditions, pay an annuity to you for the annuity payment period shown in your policy schedule.

2.3 If you fail to disclose material facts or misrepresent these facts in any documents you sign, we have the right to amend or cancel the policy. A material fact is any information which could influence our acceptance of your annuity application.

2.4 If an incorrect age has been stated, we will adjust the gross annuity to reflect the correct age.

3. VARIATION OF CONTRACT

3.1 The policy is based upon the information you have given in the application form and any other written statement you have sent to us. The policy contains all the terms of the contract and we accept liability in accordance with these terms.

3.2 We are only liable for policy conditions that are shown in writing.

3.3 Where we agree to any change to the policy, we will amend our records, and confirm the change to you by issuing an endorsement.

3.4 Subject to the policy conditions, we can only alter any term or condition of the policy by an endorsement.

3.5 This policy shall be governed by and interpreted in accordance with the law of England and Wales.

3.6 Any document or cheque or any notice we give you in writing will either be delivered personally or sent by prepaid post to the last known address we hold

for you in our records. We will not be responsible for any consequences which may arise from you failing to notify us of your change of address.

3.7 Before making any payment and from time to time we may need to see proof of the annuitant’s identity and their right of any payment, proof that the annuitant is still alive or proof that a person had died if payment is due on annuitant’s death.

4. ANNUITY PAYMENTS

4.1 Each individual annuity payment is subject to the deduction of income tax depending upon your or your surviving spouse’s, registered civil partner’s or dependant’s tax status.

4.2 Five Year Guarantee Annuities

4.2.1 If the annuity is paid annually, the annuity will be paid until your death OR until five annual annuity payments have been paid, whichever is the later.

4.2.2 If the annuity is paid monthly, the annuity will be paid until your death OR until 60 monthly annuity payments have been paid, whichever is the later.

4.2.3 If the annuity is paid annually and the surviving spouse pension option has been selected, the annuity will be paid until the death of both you and your spouse, registered civil partner or dependant OR until five annual annuity payments have been paid, whichever is the later.