

The Royal Bank of Scotland Group Pension Fund

NWB Retirement Benefits Scheme

This schedule compares the benefits you are currently entitled to with those you will be entitled to under the new schedule. Any changes are marked by a coloured row. You should read this document if you are a member of the Fund and:

- (1) you commenced employment with the Group on or after 1 April 1999 and joined the Fund between 1 April 1999 and 31 December 2001; or
- (2) you were a member of the NatWest Bank Retirement Benefits Scheme on 31 March 1999; or
- (3) you were a member of the Lombard NatWest Commercial Services Limited Retirement and Death Benefit Scheme (or were in a waiting period to join that Scheme) on 31 March 1999; or
- (4) you were an active member of the Centre-File Group of Companies Pension Scheme on 31 March 1997.

If you are a Fund member but do not think this applies to you, please contact Group Pension Services.

		Option 1 (retain current normal pension age of 60)	Option 2 (change normal pension age to 65)	
			Benefits built up prior to change	Benefits built up after change
Definitions				
RBSelect charge	5% additional RBSelect charge.	Unchanged RBSelect charge.		
Normal Pension Age	60	65		
Note: this is not the age at which you have to take your pension or stop working.				
Pensionable Salary	This is the Pensionable Salary that you are informed of annually. It is also shown on your personalised statement. Increases in Pensionable Salary are made only on 1 April each year, they reflect the percentage increase in your Salary Element over the prior year, subject to an annual limit of 2% or if less the increase in the Consumer Price Index over the 12 months to the previous 30 September.			
	Limit agreed annually as part of pay review.	The annual limit will form part of the Rules of the new schedule.		
Final Pensionable Salary	Highest average of Pensionable Salary in any 12 month period in the last 5 years before you leave Pensionable Service, retire or die (whichever occurs first).			
	If you are participating in a long term disability scheme within 12 months of leaving service, retirement or death, your Final Pensionable Salary may be adjusted	No adjustment.		
Pensionable Service	Years and complete months of Pensionable Service while you are a member of the Fund.			
	A maximum of 40 years up to age 60 (plus an additional 5 years if you work past 60).	A maximum of 45 years.		

	Option 1 (retain current normal pension age of 60)		Option 2 (change normal pension age to 65)	
			Benefits built up prior to change	Benefits built up after change
What happens when you draw your pension? ¹				
Pension at age 60 (no consent is required)	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums describe above).			
	No reduction or increase.	No reduction or increase.	This will be reduced to reflect the fact it is being paid before age 65.	
	This is your ' Standard Pension '.			
Pension between age 60 and 65 (no consent is required)	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums described above).			
	No reduction or increase.	This will be increased to reflect the fact it is being paid after age 60, or date of change (if later).	This will be reduced to reflect the fact it is being paid before age 65.	
Pension age 65 (no consent is required)	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums describe above).			
	No reduction or increase.	This will be increased to reflect the fact it is being paid after age 60, or date of change (if later).	No reduction or increase.	
			These two parts of pension are your ' Standard Pension '.	
Pension over age 65 (no consent is required)	1/60 x Final Pensionable Salary x Pensionable Service (subject to maximums describe above).			
	No reduction or increase.	This will be increased to reflect the fact it is being paid after age 60, or date of change (if later).	If you leave Personable Service after 65, this will be increased to reflect the fact it is being paid after age 65, or date of change (if later).	
Retirement before age 60 (but after age 55) (consent is required)	The pension will be calculated in the same way as at your Standard Pension (based on your Final Pensionable Salary and Pensionable Service when you retire) and will be reduced for early payment (other than in situations detailed below).			
	This will normally be reduced to reflect the fact it is being paid before age 60.	This will normally be reduced to reflect the fact it is being paid before age 60.	This will normally be reduced to reflect the fact it is being paid before age 65.	
	If you retire at the request of your Employer there will be no reduction.	The Bank can waive the reduction. Its current policy is to do so in cases of Voluntary Redundancy (this policy is subject to change and could be withdrawn in future).		
Lump sum on retirement	You can choose to give up part of your pension for a lump sum. The amount is broadly 25% of the value of your pension and this is converted to a lump sum on a basis agreed between the Bank and the Trustee after considering actuarial advice.			

¹Please note that under the new schedule the basis for increasing pension for late payment and reducing pension for early payment are decided between the Bank and the Trustees after considering actuarial advice. This may be different from your current schedules

Option 1 (retain current normal pension age of 60)	Option 2 (change normal pension age to 65)	
	Benefits built up prior to change	Benefits built up after change

What happens if you retire on incapacity (ill-health) grounds?		
Meaning of Incapacity	<p>Bank determines that you are incapable of carrying on your duties or have suffered a substantial loss in earning capacity because of physical or mental impairment which in either case is likely to continue. (Trustee only where completed maximum service in a long-term disability scheme).</p> <p>For retirement before age 55 evidence from a medical practitioner is required.</p> <p>Other requirements:</p> <ul style="list-style-type: none"> You have left service. 	<p>The Trustee receives evidence from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment.</p> <p>Other requirements:</p> <ul style="list-style-type: none"> You have left service. You have been absent from employment for at least 5.5 years due to the Incapacity. As a result of the Incapacity you are prevented from taking up any employment with any employer.
Pension on Incapacity Retirement	The pension will be calculated in the same way as at your Standard Pension (based on your Final Pensionable Salary).	
	Bank consent required. Pensionable Service may be calculated as if you stayed in service to 60, if Trustee and the Bank agree (and will be if maximum period in long-term disability scheme is completed).	Pensionable Service will be calculated as if you had stayed in service to age 65.
Alternative calculation	No additional restrictions.	If you are able to take up another job, or if you have been absent from employment due to Incapacity for less than 5.5 years, the pension is calculated as your Standard Pension, based on Final Pensionable Salary and Pensionable Service when you retire. The Bank and the Trustee may (but need not) agree to pay a greater amount.
Review	Your state of health may be reviewed at any time and your pension can be reduced or suspended as a result if it is believed you no longer meet the definition of Incapacity and/or the benefits payable on your death may be adjusted.	
	Review by the Bank.	Review by the Trustee.

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		Option 1 (retain current normal pension age of 60)		Option 2 (change normal pension age to 65)	
				Benefits built up prior to change	Benefits built up after change
What happens if you opt out or stop working for RBS (referred to as 'leaving service')					
Pension	Your pension is calculated in the same way as your Standard Pension, based on your Final Pensionable Salary and Pensionable Service when you leave service. The pension will then be 'revalued' (increased) until retirement (currently this increase is in line with Retail Price Index up to a maximum of 5% per annum compound).				
Transfer value	You have the right at any time until a year prior to retirement to transfer your benefits to another pension scheme provided it meets technical requirements and is willing to accept them. The Trustee determines the amount which would be payable after considering actuarial advice.				
	Transfer up until age 59.		Transfer up until age 64.		
Retirement at age 60 (No consent required)	The pension will be calculated as set out above.				
	No reduction or increase.		No reduction or increase.		This will be reduced to reflect the fact it is being paid before age 65.
Retirement between age 60 and 65 (No consent required)	The pension will be calculated as set out above.				
	Revaluation to age 60. This will be increased to reflect the fact it is being paid after age 60.		Revaluation to age 60. This will be increased to reflect the fact it is being paid after age 60.		This will be reduced to reflect the fact it is being paid before age 65.
Retirement before age 60 (after 55) (Trustee consent required)	The pension will be calculated as set out above.				
	This will be reduced to reflect the fact it is being paid before age 60.		This will be reduced to reflect the fact it is being paid before age 60.		This will be reduced to reflect the fact it is being paid before age 65.
	You can retire before age 55 if you are suffering from Incapacity.				
Retirement at age 65	The pension will be calculated as set out above.				
	Trustee consent required. Revaluation to age 60. This will be increased to reflect the fact it is being paid after age 60.		Revaluation to age 60. This will be increased to reflect the fact it is being paid after age 60.		No reduction or increase.
Retirement before age 65 (Trustee consent required)	The pension will be calculated as set out above.				
	Revaluation to age 60. This will be increased to reflect the fact it is being paid after age 60.		Revaluation to age 60. This will be increased to reflect the fact it is being paid after age 60.		Revaluation to age 65. This will be increased to reflect the fact it is being paid after age 65.
	When you retire, you will be able to choose to give up part of your pension for a lump sum as described above.				

Option 1 (retain current normal pension age of 60)		Option 2 (change normal pension age to 65)	
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Lump sum payable on death			
Who will receive	The lump sum is payable to one or more of your relatives, financial dependants or nominees as the Trustee decides.		
Death in Service	4 times your basic salary (or salary element of ValueAccount) at date of death. This is subject to an earnings cap which has been notified to you separately.		
	Note that the annual pensionable pay limit does not affect this benefit.		
	Plus, if you have paid additional pension contributions to the Fund, a refund of those contributions.		
Death within 5 years of retirement	The balance of 5 years' instalments of pension. The pension is calculated as the pension you are receiving when you die and does not include any allowance for increases after your death.		
	Lump sums can be converted to pension with the permission of the Trustee.		
Pensions payable on death			
Who will receive...	...a Spouse's pension?		
	If you die leaving a surviving legal spouse or registered civil partner, a pension will normally be paid to them. Alternately a pension may in certain circumstances be paid to a dependant or a Qualifying partner. A Qualifying Partner is a person who (a) you have nominated for this purpose (or who the Trustee nevertheless decides to include) (b) has been cohabiting with you for at least 6 months when you die, and (c) is financially dependant on you when you die.		
	If you leave no surviving spouse, or registered civil partner the Trustee will treat any Qualifying Partner as your spouse.		
	The Trustee can, with Bank consent, pay a pension to another dependant, if you leave no spouse, civil partner or Qualifying Partner.		
	...a Child's pension?		
	A child's pension can be paid to a Qualifying Child. This means your own child, a child who you adopt, a stepchild (provided they are financially dependent on you) and any child who is dependant on you who the Trustee decides to include. However, the child must be under 18 (or under age 23 and in full time education or training). The Trustee can in exceptional circumstances (e.g. disability) continue to pay a pension to a child beyond age 23.		
Spouse's Pension on Death in Service	Before normal pension age: 50% of your Standard Pension (based on your Final Pensionable Salary at your death) but Pensionable Service will be calculated as if you had stayed in service to normal pension age.		
	Pensionable service calculated as if you stayed in service to 60.	Pensionable service calculated as if you stayed in service to 65.	
	After normal pension age: 50% of your Standard Pension (calculated as if you had retired immediately before your death).		
	No reduction for marriage dates.	The pension will be reduced if you married/entered into the civil partnership after reaching normal pension age and within 6 months of your death (and the Trustee can pay the balance to another of your financial dependants).	
Spouse's Pension on Death after retirement	50% of the pension you are receiving at date of death, or if you gave up pension for lump sum, the pension you would have received if you had not done so.		
	No reduction for marriage dates.	The pension will be reduced if you married/entered into the civil partnership after the earlier of (a) leaving service and (b) reaching normal pension age and within 6 months of your death (and the Trustee can pay the balance to another of your financial dependants).	

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		Benefits built up prior to change	Benefits built up after change
Spouse's Pension on Death in deferment (after leaving service but before retirement)	Before normal pension age: 50% of your pension including revaluation from leaving service to the date of death.		
	After normal pension age: 50% of the pension you would have received if you had retired immediately before your death (increased for payment after normal pension age).		
	This will be increased to reflect the fact it is being paid after age 60.	This will be increased to reflect the fact it is being paid after age 60.	This will be increased to reflect the fact it is being paid after age 65.
	No reduction for marriage dates.	The pension will be reduced if you married/entered into the civil partnership after the earlier of (a) leaving service and (b) reaching normal pension age and within 6 months of your death (and the Trustee can pay the balance to another of your financial dependants).	
Amount of children's pension:	If there is more than one child the total amount will be divided among Qualifying Children as the Trustee decides. The total amount is as set out below:		
	A single Qualifying Child – total amount: 40% of Spouse's Pension (100% if no Spouse's Pension is payable).		
	Two Qualifying Children – total amount: 70% of Spouse's Pension (140% if no Spouse's Pension is payable).		
	Three or more Qualifying Children – total amount: 100% of the Spouse's Pension (200% if no Spouse's Pension is payable).		
	The Trustee can allow a person entitled to a Spouse's Pension or a Qualifying Child to exchange their pension for a lump sum. A person entitled to a Spouse's Pension cannot exchange more than 25% of the Spouse's Pension in this way.		
Other benefits			
Increases to pensions in payment	Guaranteed increases:		
	Your pension will increase each year by the lower of: <ul style="list-style-type: none">• The increase in an index agreed between the Bank and Trustee (currently Retail Price Index); and• 5%.		
	Discretionary increases: The Trustee regularly reviews pensions in payment and can provide a greater increase.		
Guaranteed minimum pensions	If you have a 'guaranteed minimum pension' in respect of pensionable service prior to April 1997 it will be treated differently in some respects. Full details will be provided when you take your pension.		
Amendment	Your benefits can be amended at any time by agreement between National Westminster Bank plc (or any successor as 'principal employer' in relation to the Fund) and the Trustee. Your agreement would be needed to an amendment which reduces the benefits which you have already built up and pensions legislation also restricts the ability to change benefits which have been built up.		
	In certain circumstance the agreement of 75% of members would be needed.		
Money owed to members of the RBS Group	If you owe money to a member of the RBS Group arising from your fraud or crime, the Bank is entitled to reduce your pension to take account of this.		