On 1 April 2013 the University introduced a number of changes to the Pension and Assurance Scheme (PAS). These changes included the introduction of a new CARE section of PAS.

The University also set up a new pension scheme, the University of Leeds Defined Contribution Pension Plan, the DC Plan.

Some changes were also made to the existing Final Salary section of PAS, of which you are a member. This 'addendum' provides information about those changes and should be read alongside your existing copy of the Final Salary booklet. All of the changes (unless otherwise stated) only apply to service built up from 1 April 2013.

**Who can join?**
The Final Salary section of PAS closed to new members on 1 April 2013.

**Can I rejoin the Final Salary section at a later date?**
If you leave the Final Salary section you will not be able to rejoin at a later date. You can, with the consent of the University, choose to move to the CARE section of PAS or the DC Plan at any time.

**Can I transfer pension benefits into the Scheme?**
From 1 April 2013 you will no longer be able to transfer benefits from other pension schemes into PAS.

**How much do I contribute?**
From 1 April 2013, your contribution rate will increase from 6.25% as follows:

<table>
<thead>
<tr>
<th>Date of change</th>
<th>% of Pensionable Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 April 2013</td>
<td>6.7%</td>
</tr>
<tr>
<td>1 April 2014</td>
<td>7.1%</td>
</tr>
<tr>
<td>1 April 2015</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

**Sharing the cost of your pension**
In the future, if the cost of providing future service benefits from the Scheme increases above 23.5% of Pensionable Salaries, the University may decide to share the increased cost with members. The University will pay 65% and members 35% of the extra cost. This means that if the cost of benefits increases significantly members may be asked to contribute at a higher rate.

If the costs then reduce, the process will reverse and member contributions would reduce back towards, but not lower than 7.5% of Pensionable Salary as described above.

**What are my AVC choices?**
No new Added Years AVC contracts will be permitted after 1 April 2013.

Before 1 April 2013, if you were paying Added Years Additional Voluntary Contributions (Added Years AVCs) you can continue to do so. However, if you decide to stop paying Added Years AVCs you will not be able to start paying them again in the future.

You will still be able to invest in a Money Purchase AVC account linked to PAS and will, within limits, be able to take this fund as a tax-free cash sum on retirement. However, you will no longer be able to use your Money Purchase AVC account to purchase additional pension within PAS on retirement. For more information about making AVCs please contact the Pensions Department using the contact details at the end of this addendum.
Normal retirement
The Normal Retirement Age (NRA) in the Scheme is currently age 65. In the future, the NRA in the Scheme will increase in line with the highest State Pension Age.

This means that if the Government increases the State Pension Age in the future, the NRA in the Scheme will also increase. Any new retirement age will only apply to pension built up after the date of the change.

Example
If the State Pension Age increases from 68 to 69 in 2020, the NRA in PAS would also increase by one year from 65 to 66 with effect from 2020.

Early retirement before age 65
If you meet the following conditions you may, with the consent of the University, be able to retire from age 60 without any reduction to your benefits:

• you are aged 55 or over at 1 April 2013, with more than five years’ pensionable service in the Scheme at retirement; or
• you have 25 years’ pensionable service in the Scheme at 1 April 2013 (including service purchased through Added Years AVCs and transfers in).

If you meet the above conditions and you wish to retire before age 60, your pension will be reduced for each year you retire before age 60 (see Final Salary booklet for details).

If you do not meet the above conditions and you wish to retire before age 65, all of your benefits will be reduced for each year you retire before age 65.

Pension increases
Any pension built up before 1 April 2013 will continue to increase in line with the Consumer Prices Index (CPI), as detailed on page 11 of your Final Salary booklet and the October 2011 edition of Pension Matters.

Any pension built up from 1 April 2013 will increase in line with the CPI subject to the following limits:

<table>
<thead>
<tr>
<th>CPI inflation</th>
<th>Pension increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>5% or less</td>
<td>CPI inflation</td>
</tr>
<tr>
<td>Between 5% and 15%</td>
<td>5% plus half of the CPI inflation above 5%</td>
</tr>
<tr>
<td>Above 15%</td>
<td>10%</td>
</tr>
</tbody>
</table>

This addendum and the Scheme booklet dated August 2008 provide an overview of the benefits which apply to all active members of the Final Salary section from 1 April 2013. This section of PAS is run in accordance with the Trust Deed and Rules, which are the legal documents governing PAS. In the event of any discrepancy between this booklet and the Trust Deed and Rules, the Rules will prevail. A copy of the Trust Deed and Rules is available on request from the Pensions Department.