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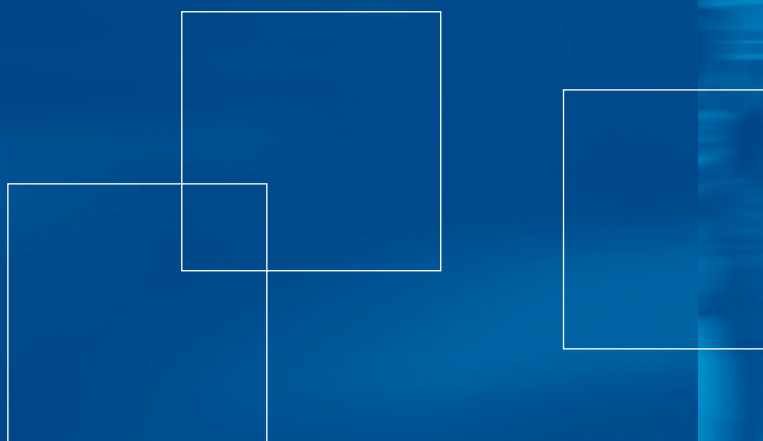
**The Genome  
Research Limited  
Pension Plan**

**Member's Guide**  
for those joining from  
1 April 2005

Mapping out your future

## Terms and Definitions

Open flap to reveal Terms and Definitions



# 1. Terms and Definitions

## The Company

Genome Research Limited

## The Plan

The Genome Research Limited Pension Plan

## Pensionable Service

Pensionable Service will start on the first day of employment when eligible to join the Plan, provided you complete an application form. It will end when you leave the Company, die, reach your Normal Retirement Date (or retire earlier), or leave the Plan whilst still employed by the Company.

## Qualifying Service

In general terms, service with the Company which is pensionable while a member of this or any other pension scheme of the Company, plus any service for which benefits have been transferred to the Plan from another occupational pension scheme.

## Pensionable Pay

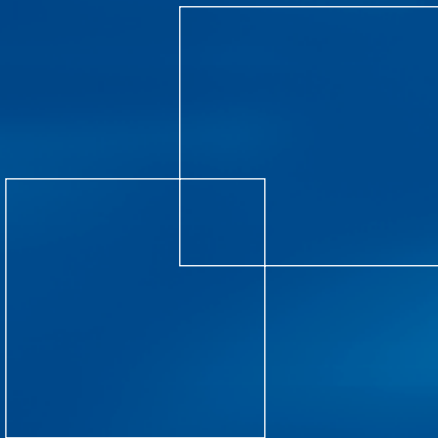
Your Pensionable Pay is the annual equivalent of your basic pay on the day you join the Plan and on each subsequent 1 January each year.

## Final Pensionable Pay

- (i) The annual rate of your basic pay at the date of your retirement, leaving Pensionable Service or death
- or
- (ii) Your highest Pensionable Pay during the last five years before your retirement, leaving Pensionable Service or death.

## Normal Retirement Date

Your 65th birthday.



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▶ This guide has been prepared to answer your questions about The Genome Research Limited Pension Plan and outlines the main provisions of the Plan. It is only a guide, and will always be overruled by legal documents governing the Plan and any overriding legislation which is in force from time to time.

The Plan is established under Trust and is managed by Trustees. One important reason for this is that assets of the Plan remain separate from the assets of the Company and are looked after by Trustees in accordance with the provisions of the Plan's legal documentation. The Trustees' job is to ensure that the Plan is run in accordance with the Trust Deed and Rules and to act in the best interests of all members of the Plan.

Every effort has been made to avoid using technical terms. However, the ones we have found necessary are explained at the beginning of the guide.

If you have any questions about the Plan in general, or your benefits in particular, you should contact the Human Resources Department at The Wellcome Trust Sanger Institute (address below) who will be pleased to either help you directly or arrange for appropriate assistance to be provided.

Alternatively, you may write to the Trustees at the address shown below:

**The Trustees of The Genome Research Limited Pension Plan**

**The Wellcome Trust Sanger Institute  
Wellcome Trust Genome Campus  
Hinxton  
Cambridge CB10 1SA**

The Company also operates a Permanent Disability Scheme, which is described in a separate leaflet enclosed with this guide. This Scheme is legally separate from the Pension Plan but details are included with this booklet for ease of reference.

## Summary of benefits



### Contributions

As a member of the Plan, you are not required to pay any money towards the benefits you will receive on retirement or death unless you want to build up a higher level of benefits. Full details of your options are given in Section 6.

### State benefits

The Plan is contracted-out of the State Second Pension on a 'defined benefit' basis. Prior to April 2002, the State Second Pension was known as the State Earnings Related Pension Scheme (SERPS). "Contracting out" means that you will not build up an entitlement to State Second Pension benefits from State Pension Age for the period when you are a Plan member. These benefits will be provided to you by the Plan instead. There are further details in Section 5 on page 6. In return for reduced State benefits, you, and the Company, pay reduced National Insurance contributions.

### Retirement Date

Although your Normal Retirement Date is 65, if you are aged 50 or over (55 from April 2010) you can, with the consent of the Company, retire early with an immediate pension. However, your pension will be reduced because it is being paid early.

### Retirement benefits

The Plan is a 'final salary' (or 'defined benefit') arrangement. This means at retirement your benefits will be calculated by reference to your Final Pensionable Pay and Pensionable Service (subject to HM Revenue and Customs limits). The following benefits will be payable from the Plan:

- a pension payable for the rest of your life, which increases each year once in payment.
- or you can exchange some of your pension for a tax-free cash sum upfront and receive a smaller pension.
- a pension payable to your spouse, registered civil partner or other dependant in the event of your death whilst in retirement, which also increases each year once in payment.

There are further details in Section 7 on page 11.

### Life assurance cover

A very important benefit provided by the Plan is life assurance cover. In the event of your death before retirement, but whilst still in service, the Plan provides the following benefits:

- a lump sum of four times basic pay
- a spouse's, civil partner's or dependant's pension.

Please note that if you do not join the Plan, no retirement or spouse's/civil partner's/ dependant's death benefits will be payable. The only benefit payable is the lump sum death benefit.

If you opt out, having previously joined, you will still be covered for the lump sum death benefit but a spouse's/civil partner's/dependant's pension will only be payable in relation to your service as a Plan member.

## Leaving the Plan

If you leave the Plan before completing three months' Pensionable Service, you will not receive any benefits from the Plan, although any contributions you have made will be refunded – less tax.

If you leave the Plan having completed at least three months' but less than two years' Pensionable Service, you may:

- request a refund of your Plan contributions (if any), or
- transfer your benefits to a new employer's pension plan or a personal pension or
- leave the benefits in the Plan and wait until retirement to receive your benefits.

If you have two or more years' Qualifying Service when you leave the Plan, you can either leave your benefits in the Plan until you retire, or transfer their value to another registered pension arrangement.

## 4

# Joining the Plan

## Who can join?

You can join the Plan if you are a full or part-time employee of the Company aged 16 or over, but under age 64. You must also be employed under an open-ended contract or if your contract is for a fixed term, that term must be for at least three months.

If your contract is initially for less than three months, you will be eligible to join the Plan once you complete three months' Company service, provided you complete an application form and continue in service beyond that date.

## How can I join?

To join the Plan, you must complete and return an Application Form and Expression of Wish Form. These are available from and should be returned to the Human Resources Department. The Expression of Wish Form lets the Trustees know to whom you would like any benefits paid in the event of your death.

## What happens if I do not join or opt out?

Plan membership is voluntary. If you do not join at your first opportunity you may still be allowed to join later, but only if the Company agrees. However, it is important to note that some of your

benefits may well be less than they would have been if you had joined at your first opportunity, and different terms of membership may apply to you.

If you wish to opt out of the Plan, you must give one month's written notice to the Trustees.

If you do not join, you will not receive any retirement benefits from the Plan. However, lump sum life assurance cover will be provided.

If you opt out, having been a Plan member, you will only receive retirement benefits for your period of membership. Lump sum life assurance cover will continue to be provided.

## When does the life assurance cover start?

You will automatically be covered for lump sum death benefits from the start of your employment with the Company, provided your contract of employment says so. You should therefore still complete an Expression of Wish Form and send it to the Human Resources Department.

## Can I also be a member of a Personal Pension or Stakeholder arrangement?

Yes. It is possible to contribute to a personal pension or Stakeholder pension arrangement while contributing to the Plan, subject to certain conditions (see 'Can I join other pension plans?' on page 9).

If you are contributing to one of these types of arrangements you should consult your Independent Financial Adviser to confirm that you can continue making these payments as well as being a member of the Genome Research Limited Pension Plan.



▶ You may also be entitled to a pension from the State.

The State Scheme is made up of two parts:

- the Basic State Pension and
- the State Second Pension – which replaced the State Earnings Related Pension Scheme (SERPS) in April 2002.

Whilst a member of the Plan, you will not earn State Second Pension benefits – see opposite.

### The Basic State Pension

Everyone who works will receive a Basic State Pension, provided they have paid, or been credited with, enough National Insurance contributions throughout their working life. The Basic State Pension is a fixed amount set by the Government and normally increases each year in line with the rise in the Retail Prices Index. The Basic State Pension is payable from your State Pension Age (which is 65 if you are male and between 60 and 65,

depending on your date of birth, if you are female).

### Not being in the State Second Pension

This is known as being contracted out.

The State Second Pension provides an additional pension when individuals reach State Pension Age, calculated as a proportion of earnings.

State Second Pension benefits are paid for by extra National Insurance contributions from your monthly pay, plus extra National Insurance contributions from the Company.

As a Plan member, you do not take part in the State Second Pension. You are contracted out on a 'defined benefit' basis through your membership of the Plan. This means that the Plan will provide a pension at least comparable to that which you would have earned under the State Second Pension for the period of your Plan membership. In fact the Plan provides significantly more than you would receive from the State Second Pension.

As a result of being contracted-out, you pay National Insurance contributions at a reduced level on a proportion of your earnings.



## 6

## Contributions to the Plan

### ▶ How much do I pay?

Joining the Plan will not cost you anything unless you choose to contribute towards a higher level of benefit.

The level of benefits you build up as a Plan member depend on whether or not you choose to contribute to the Plan.

You have two choices:

- i) Contributory member : Contribute at a rate of 5% of Pensionable Pay and build up benefits at 1/60ths a year (see page 11).
- ii) Non-Contributory member : Do not contribute to the Plan and build up benefits at a lower rate of 1/80ths a year (see page 11).

You will have the option to switch between the contributory and non-contributory levels during your Plan membership. However, you can only switch on 1 April each year and you must complete and return the appropriate forms no later than 1 March.

If you choose to be a contributory member, your contributions will be deducted direct from your salary and, being allowable expenses for Income Tax, will accordingly reduce your salary on which your tax is calculated under PAYE.

### Who pays the rest?

The Company meets the balance of the cost of the Plan benefits for you and your dependants. The rate at which the Company contributes is reviewed regularly by the Plan's advisers. The long-term cost of providing the benefits described in this guide is in the region of 15% of members' pensionable salaries. The Company also pays all the running costs of the Plan.

The Trustees' aim is to maximise investment returns within an acceptable level of risk. The Trustees' written Statement of Investment Principles is available on request from the Human Resources Department if you are interested in the investment policies in place.

### Can I make extra contributions?

Regardless of whether or not you decide to contribute for higher benefits, you may also make Additional Voluntary Contributions (AVCs) in order to increase your retirement benefits. You can pay and receive full tax relief on pension contributions of up to 100% of your taxable earnings each tax year (or up to

EXAMPLE		1	2
<b>Based on a salary of</b>		<b>£15,000</b>	<b>£30,000</b>
Your annual contribution would be: 5%	=	£750	£1,500
But the net cost to you is:	Gross contribution =	£750	£1,500
Less:	Tax relief* (at 22%) =	£165	£330
	<b>Net cost to you</b> =	<b>£585</b>	<b>£1,170</b>
		(or £48.75 per month)	(or £97.50 per month)

Remember, you may also pay reduced National Insurance contributions as you are contracted-out of the State Second Pension.

\* Tax relief is provided automatically at the highest rate you pay.



£3,600 if that is greater). Contributions made by the Company do not count towards this total.

A summary of the Plan's AVC arrangements is given below. For more details please read the insert at the back of this guide.

### Can I join other pension plans?

As well as contributing towards your Plan benefits (and AVCs if you wish), you can choose to join or continue paying contributions to any other pension arrangement (such as a Personal or Stakeholder pension) registered for tax purposes with HM Revenue and Customs (HMRC).

HMRC allows everyone an Annual Allowance (£215,000 on 6 April 2006 and increasing by £10,000 in each of the following four years); this is the maximum pension contribution that can be paid by you (and your employer) or the maximum increase in your pension savings each year, without triggering tax liabilities.

For most people, the only practical limit on pension contributions is how much you earn, allowing you to contribute up to 100% of your taxable earnings towards a pension as mentioned above.

It is your responsibility to monitor the growth in your pension savings against the Annual Allowance. If the increase in the value of your total pension benefits plus AVC contributions (and contributions to any other 'registered' pension) is greater than the Annual Allowance in any year, the excess will be subject to tax. You can compare your Plan benefits against the Annual Allowance by multiplying the increase in your annual pension by 10. You will then need to add any AVCs or other extra pension contributions you might be making.

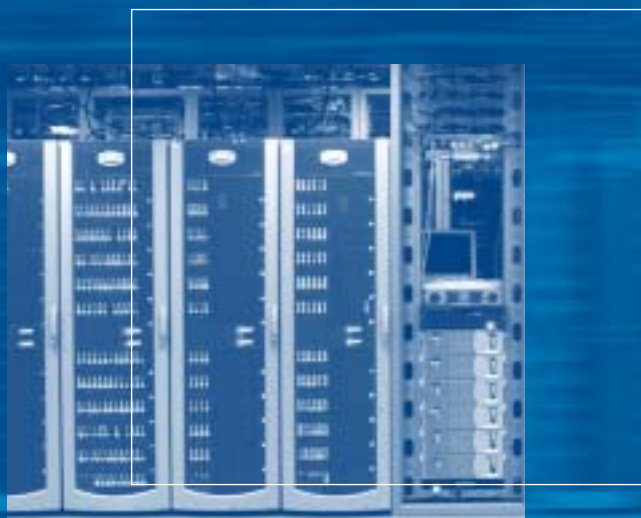
### AVCs – A little extra to boost your benefits


AVCs are a tax-efficient way of saving for retirement, as the value of your investment builds up largely free of tax. In addition, any AVCs you make benefit from tax relief as they are deducted from your pay before tax in the same way as Plan contributions.

AVCs are often appropriate for those who wish to aim for early retirement or, perhaps, join the Plan later in their careers.

You may use AVCs to provide:

- Extra pension for you or
- Additional financial protection for your dependants and/or.
- Tax-free cash.



 You can choose to pay AVCs as a regular monthly amount, or an occasional lump sum.

Any AVCs you make will be invested separately from your main Plan benefits – a detailed leaflet is included in the pocket at the end of this guide.

Additional Voluntary Contributions will cease at Normal Retirement Date.

Before making Additional Voluntary Contribution payments, you may wish to take independent financial advice or attend one of the regular pension “surgeries” .

If you are interested in paying AVCs or attending one of the surgeries, please contact the Human Resources Department for further details.

### **Can I transfer in benefits from previous pension arrangements?**

The Trustees are able to accept cash transfer values from your previous pension arrangements, although they reserve the right not to accept a transfer value in any particular case. The transfer value will be used to provide you with additional benefits under the Plan and full information will be provided on request.

Benefits from a transfer-in are calculated assuming retirement at age 65. If retirement for any reason occurs earlier than age 65, the benefit will be reduced, reflecting the longer than anticipated payment period.

### What is my Normal Retirement Date?

Your Normal Retirement Date is your 65th birthday. Your pension is payable monthly in advance for the rest of your life. Pensions are treated as earned income for tax purposes and are liable to Income Tax.

### How much pension will I actually receive?

The amount of pension you receive at retirement will be calculated based on your length of Plan membership and the level at which your benefits have grown during that time.

#### Contributory member

$$\begin{aligned} & 1/60\text{th} \\ & \times \\ & \text{Final Pensionable Pay} \\ & \times \\ & \text{Pensionable Service} \\ & \text{(years and complete months)} \end{aligned}$$

or

#### Non-Contributory member

$$\begin{aligned} & 1/80\text{th} \\ & \times \\ & \text{Final Pensionable Pay} \\ & \times \\ & \text{Pensionable Service} \\ & \text{(years and complete months)} \end{aligned}$$

#### EXAMPLE – Pension at Normal Retirement Date

Let us assume that when you reach Normal Retirement Date, you have completed 30 years' Pensionable Service and your Final Pensionable Pay has reached £25,000.

Your annual pension will be:

**Contributory member:** Pension  $1/60\text{th} \times £25,000 \times 30 = £12,500 \text{ a year}$

or

**Non-Contributory member:** Pension  $1/80\text{th} \times £25,000 \times 30 = £9,375 \text{ a year}$

Any pension you are entitled to as a result of a transfer-in will be added to the pension arising from your Pensionable Service. If this benefit is paid before age 65, it may be reduced to reflect the longer than anticipated payment period.

### Are there any limits on the pension I can receive?

The government has set a limit, called the 'Lifetime Allowance', on the value of your total lifetime pension savings that count for favourable tax treatment. The Lifetime Allowance is £1.5 million from 6 April 2006 and will increase over time. It is your responsibility to check the total capital value of your pension savings, from all pension arrangements. If you have benefits that exceed the Lifetime

Allowance, you may have to pay higher tax. As a rough guide, if you were to draw your pension in 2006, it would need to be more than £75,000 to go over the Lifetime Allowance.

If you have benefits from many sources, you must add them all together to compare their value with the Lifetime Allowance. You may have to get in touch with the pension schemes of previous employers and other pension providers to find all the information you need.

- For final salary pension arrangements like the Plan, the value of the benefit is calculated as 20 times the annual amount of the pension when it comes into payment, plus the amount of any tax-free cash that is taken. These figures will be shown on the annual benefit statement issued to current Plan members.
- For pension benefits on a money purchase basis, (eg, personal or Stakeholder pension plans) the value is the total fund amount at the time the benefits come into payment.
- Pensions already in payment are valued at 25 times the annual amount of pension being paid.

### Can I take a tax-free cash sum?

When you retire, you may choose to give up part of your pension in return for a one-off cash lump sum, which is tax free under current legislation. The maximum amount of cash you can take is calculated under HM Revenue and Customs rules, and will be advised to you prior to your retirement date. In

most circumstances, up to 25% of the total value of a member's pension benefits (from all pension arrangements) can be taken as a tax-free cash sum.

If you decide to take a cash sum, your pension will be reduced. The amount of reduction will depend upon the size of your tax-free cash sum and the age at which you retire.

#### EXAMPLE – Tax-free cash sum

Using the example on page 11 of a contributory member with a pension at Normal Retirement Date of £12,500, this example shows the approximate amount of tax-free cash he or she could take. The calculation assumes the member has no other pension or AVC benefits.

$$\text{Cash sum} = 4.35 \times \text{Pension} = \text{£54,375} \quad \text{Maximum tax-free cash sum}$$

The member's Plan pension is reduced to take account of the cash sum, by an amount based on the rate at which pension can be exchanged for cash.

The calculation of the maximum tax-free cash sum varies according to the age at which you retire and the Plan commutation factors specified by the Actuary. Members are strongly advised to obtain actual quotations before making financial decisions.

### Does my pension and any dependant's pension increase in payment?

Pensions will increase in payment each April, in line with the rise in the Retail

Prices Index (RPI) up to a maximum of 5% a year.

Further pension increases may be granted, at the discretion of the Trustees and with the consent of the Company.

## ▶ Can I retire early?

If you are aged 50 or over and have the consent of the Company, you may be able to retire early with an immediate pension. From April 2010, in line with government regulations, the minimum age at which you can start receiving your Plan benefits will rise to 55.

Your pension will be based on your Final Pensionable Pay and Pensionable Service at your early retirement date. It will be

calculated as shown on page 11, but will be reduced because it is being paid early, and for a longer period.

The reduction of 4% a year is shown for illustration purposes only. If you wish to consider early retirement, you should request an individual quotation.

If you choose to retire before Normal Retirement Date you will also have the option to receive a tax-free lump sum plus a reduced pension, as described on pages 11 and 12.

### EXAMPLE – Pension on early retirement

Assuming you retire at age 60 after completing ten years' service on a Final Pensionable Pay of £30,000. Your pension will be calculated as follows:

**Contributory member:** Pension  $\frac{1}{60\text{th}} \times £30,000 \times 10 = £5,000 \text{ a year}$

or

**Non-Contributory member:** Pension  $\frac{1}{80\text{th}} \times £30,000 \times 10 = £3,750 \text{ a year}$

BUT your pension will then be reduced for early payment by an amount decided by the Trustees, after taking advice from the Plan Actuary. If we assume the pension is reduced by 4% per year for each year by which you retire early before age 65, the following estimated pension could be provided.

Retiring 5 years before age 65, the pension will be reduced by:

**4% a year x 5 years = 20% (i.e. you will receive 80% of the full pension)**

**Reduced pension:** **Contributory member:**  $£5,000 \times 80\% = £4,000 \text{ a year}$

or

**Non-Contributory member:**  $£3,750 \times 80\% = £3,000 \text{ a year}$

With the agreement of the Company, you may be able to start receiving your benefits for completed Plan service earlier than Normal Retirement Date, and continue to work for the Company, earning future Plan benefits. If you feel this option may be of interest, please contact the Human Resources Department.

You may retire earlier than your 50th birthday (55 from April 2010) if you are in serious ill health, provided the Company consents and subject to satisfactory medical evidence. Special terms apply to ill-health retirement and further details can be obtained on request from the Human Resources Department.

**Can I retire late?**

You may delay taking your pension at Normal Retirement Date with the Company's agreement and subject to your contract of employment continuing.

Your pension will be calculated using your Pensionable Service and Final Pensionable Pay at your Normal Retirement Date, and will then be increased to allow for the late payment. The rate of increase is determined by the Trustees after taking advice from the Plan Actuary.

You may not delay taking your benefits beyond your 70th birthday, without further agreement with the Company and in any event, you must take your benefits by your 75th birthday.

**What happens when I die after retirement?**

On your death after your retirement date, an immediate pension or pensions will become payable to a dependant (including a registered civil partner), equal in total to two-thirds of the pension you were entitled to receive at the date of your death. If, when you retire, you exchange part of your pension for a cash lump sum, your dependants pension will be two-thirds of the pension you would have received had you not done so.

If you leave a widow, widower or registered civil partner, she or he will receive a pension, which will be at least equal to the spouse's pension that would have been payable had you not been contracted out of the State Second

Pension. The Trustees have discretion as to how they pay the remainder, except in the case of registered civil partners who will be treated in the same way as married members. They may pay this (or part of it) to an adult partner, or to an adult whom they consider to be your dependant or to your children, in whatever proportion they may decide. A child's pension will be paid until the child is 18 (or, if he or she is still in full-time education, 23).

If an adult dependant receiving a Plan pension dies while there are still dependant children, that adult's pension will be divided among the children, and paid until they are 18 (or 23 if still in full-time education).

**What is a five-year guarantee?**

If you die within five years after retiring with a Plan pension, your dependant, as recognised by the Trustees, will also receive a cash lump sum equal to the outstanding balance of pension due in those first five years (up to 60 monthly instalments).

In some circumstances this benefit may be taxable and your beneficiaries would be notified as necessary.

**How are pensions paid?**

Pensions are usually paid monthly in advance, on the first day of each month. Pensions are treated as earned income for tax purposes.

### What if I die before retirement whilst employed by the Company

If you die in Pensionable Service on or before age 65, the following benefits are payable:

- a lump sum equal to four times your basic pay at the date of death.
- the value of any Additional Voluntary Contributions you may have paid.
- the amount of any member contributions you may have paid into the Plan.
- an immediate pension payable to your spouse/registered civil partner and/or dependants equal in total to two-thirds of the pension you would have received on retirement at age 65, based on your Pensionable Pay at your date of death and the Pensionable Service you would have completed if you had continued as a Plan member until age 65. On your spouse's/registered civil partner's death,

a pension will continue to dependent children until they are aged 18 (or 23 if in full-time education).

**Note:** Lump sum benefits paid on the death of a member are usually tax free up to the Lifetime Allowance (see page 11). If benefits exceed the Lifetime Allowance, part of the benefit will be taxable.

If you die in service after age 65, the benefits payable will be calculated as if you had retired on the day before you died.

The Lump Sum Life Assurance and Death in Service spouse's/registered civil partner's and/or dependant's benefits are insured and any benefits paid by the Plan may have to be restricted to the level of cover provided by the insurance company. You may be required to have part of your benefits underwritten, which usually requires you to complete a form and possibly attend an independent medical examination. You will be advised if this affects you.

#### EXAMPLE – Death in service benefits

A member has completed 15 years' Pensionable Service at age 50 and then unfortunately dies.

His or her basic pay at the date of death (which is the same as Pensionable Pay) is £25,000 and potential service to age 65 would have been 30 years. The benefits payable would be calculated as follows:

**Lump Sum Life Assurance benefit**      4    x    £25,000    =    £100,000

Plus

Spouse's/registered civil partner's/dependant's pension of 2/3rds of the member's pension at 65:

**Contributory member**      1/60th    x    £25,000    x    30    =    £12,500    x    2/3rds

**Spouse's/registered civil partner's/ dependant's pension**      =    £8,333.33 a year

**Non contributory member**      1/80th    x    £25,000    x    30    =    £9,375    x    2/3rds

**Spouse's/registered civil partner's/dependant's pension**      =    £6,250 a year

Please note that if you do not join the Plan, a death benefit will not be paid to your spouse, registered civil partner or dependant. The only benefit payable will be the lump sum death benefit.

### ▶ Is tax payable on the lump sum?

The Lump Sum Life Assurance benefit is payable under a discretionary trust. This means that the Trustees of the Plan will use their discretion when deciding to whom the benefit is paid.

As a result, the benefit will not form part of your Estate and will be paid free from Income and Inheritance Tax, under current legislation. However, to help the Trustees, you should complete an Expression of Wish Form, indicating who is to benefit from the lump sum.

You should note that your Expression of Wish Form will not be binding on the Trustees. However, the Trustees will take your wishes into account when making their decision. Please ensure that you complete a new form if your personal circumstances change.



### **Do I receive any benefits if I have less than three months' Qualifying Service?**

If you leave Pensionable Service and you have less than three months' Qualifying Service, you will not be entitled to any benefits from the Plan. A payment will be made to the State to reinstate your benefits in the State Second Pension for your period of Plan membership. If you joined the Plan as a contributory member and/or have paid Additional Voluntary Contributions you will be entitled to a refund of contributions, less tax, currently at the rate of 20%.

### **What benefits do I receive if I have between three months' and two years' Qualifying Service?**

If you leave Pensionable Service with between three months' and two years' Qualifying Service, you may either:

- have any contributions returned to you as explained above, or
- choose to have the cash value of the benefits you have earned under the Plan transferred to another HM Revenue and Customs 'registered' pension arrangement (for further details on this option, see note below 'Can I transfer my benefits?')

You will have three months from notification of your options to make your decision, otherwise you will automatically be refunded your contributions (if any), and be reinstated into the State scheme. You will not then be entitled to a deferred pension.

### **If you leave Pensionable Service with two or more years' Qualifying Service\***

If you leave Pensionable Service after completing two or more years' Qualifying Service, you will be entitled to keep the right to a pension from the Plan (a 'deferred pension'), based on your Final Pensionable Salary and completed Pensionable Service at the date you leave. You can either leave the pension in the Plan until you retire or transfer the cash value of your benefits to another HM Revenue and Customs 'registered' pension arrangement.

Your deferred pension will be increased each year between your date of leaving and your Normal Retirement Date (or the date you transfer the cash value of your benefits elsewhere) in line with the rise in the Retail Prices Index up to a maximum of 5% a year compound.

At retirement, you may choose to give up part of your deferred pension in return for a tax-free cash sum, as described in Section 7 on page 11.

On leaving the Plan, you will receive a statement detailing your benefits.

### **Death after leaving, but before retirement**

If you leave your benefits in the Plan and die before retiring, a pension will be payable to your spouse, registered civil partner and /or dependant which is equal to two-thirds of the deferred pension, increased to date of death.

The value of any Additional Voluntary Contributions you have made will also be returned. In addition, if you are a contributory member, your own contributions to the Plan will also be returned.

### ▶ Can I transfer my benefits?

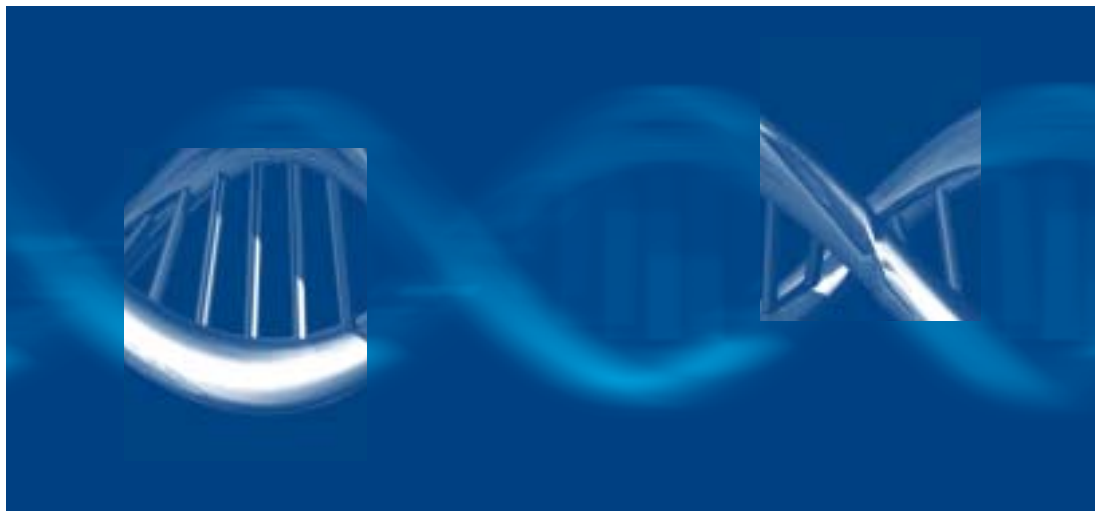
If you are entitled to a deferred pension, you will have the option to transfer the value of your pension rights to:

- your new employer's pension plan, if a suitable one exists and they agree to accept the transfer;
- an approved buy-out policy of your own choosing; or
- a personal pension plan or a Stakeholder pension scheme.

The transfer value (referred to as the 'cash equivalent') is calculated in

accordance with legal requirements and actuarial guidance. It will be guaranteed for three months from the date of quotation. The Trustees have decided that transfer values will not be increased to take account of discretionary benefits that might be granted to members.

You may request, but no more than once a year, an estimate of your cash equivalent (this also applies to active members of the Plan). This information will normally be forwarded to you within three months of your request.





## General information

### Plan documents

The Plan is set up under a Trust and is administered by the Trustees in accordance with the Trust Deed and Rules of the Plan. You are entitled to see copies of the legal documents governing the Plan, free of charge, upon request from the Trustees. If you wish to have your own copy of these documents, a charge may be made to cover the cost of copying, postage and packing.

Active members will receive a benefit statement each year. If you leave the Plan you will automatically be given a statement of your rights and options.

### HM Revenue and Customs registration

The Plan is a Registered Pension Scheme under the terms of the Finance Act 2004 and qualifies for full tax relief on contributions. The majority of the investment funds themselves also benefit from exemption from tax, as long as the benefits and funding do not exceed limits set by HM Revenue and Customs. HM Revenue and Customs requires that benefits and/or contributions do not exceed certain limits. You will be notified if you are affected by this.

### Trustees' Annual Report & Accounts

The Plan is managed by Trustees. The Trustees are responsible for the Plan's administration and for the investment of the money in the fund. Details of the Trustees and their advisers, as well as the Plan's audited accounts and an investment statement are published annually in the Trustees' Report. A copy is available on request from the Human Resources Department.

### Staying in Touch

If for any reason you lose track of the Trustees' or the Trust's address, you will be able to contact them through The Pension Tracing Service. In common with other pension schemes in the UK, the Trustees provide information about the Plan, including a contact address for inclusion in a special pensions registry. The address to write to is: The Pension Tracing Service, Whitley Road, Newcastle-upon-Tyne NE99 1BA.

### Dispute resolution procedure

An internal dispute resolution procedure is in place for the Plan. This is designed to help resolve any dispute you may have over the interpretation of the Rules or the administration of the Plan. The complaint must be in writing and sent to David Davison, Director of Corporate Services, The Wellcome Trust Sanger Institute, Wellcome Trust Genome Campus, Hinxton, Cambridge CB10 1SA in the first instance. A formal decision will then be communicated to you and you will have the right to appeal against it. Any appeal will be considered by the full board of the Trustees. Details of the dispute resolution procedure may be obtained from the Human Resources Department.

### The Pensions Advisory Service

The Pensions Advisory Service is available to assist members and beneficiaries of the Plan at any time in connection with pension queries or difficulties they have failed to resolve with the Trustees or administrators of the Plan.

▶ The Pensions Advisory Service may be contacted at 11 Belgrave Road, London SW1V 1RB.

Telephone: 0845 601 2923

Website: [www.opas.org.uk](http://www.opas.org.uk)

### **Pensions Ombudsman**

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme. You should always try to resolve your difficulties with the Trustees of the Plan or seek the assistance of The Pensions Advisory Service before approaching the Pensions Ombudsman.

The Pensions Ombudsman may be contacted at 11 Belgrave Road, London SW1V 1RB.

Telephone: 020 7834 9144

Website:  
[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

### **The Pensions Regulator**

The Pensions Regulator is responsible for overseeing the running of occupational pension schemes in the UK. The Regulator has wide ranging powers and, amongst other things, is able to intervene in the running of pension schemes where Trustees, employers or professional advisers fail in their duties.

The Pensions Regulator can be contacted at Napier House, Trafalgar Place, Brighton, East Sussex BN1 4DW.

### **Amendment or termination**

The Company fully intends to keep the Plan in force indefinitely, but may at any time discontinue contributions. Should the Plan be wound up (terminated), the assets of the Plan would be used by the Trustees to provide benefits in accordance with the Rules.

The Plan is funded to ensure that the assets would at least be sufficient to provide members with the benefits they have built up to date.

The Company may alter or modify the Plan for future Pensionable Service. No alteration which would reduce the benefits you have already built up to the date of alteration or modification can be made without your prior consent.

### **Funding**

The Company contributes to the Plan whatever is necessary to ensure that your pension benefits are paid in full, in accordance with actuarial advice.

The Company is liable to make good any unpaid contributions if:

- the Company goes bankrupt or into liquidation, or
- the Plan is wound up.

### **Assignment of benefits**

Benefits under the Plan are personal and cannot be assigned or charged, e.g. they cannot be used as security for a loan.

### **Guide versus legal documents**

In the event of any ambiguity, this guide will always be overruled by the legal documents governing the Plan and any overriding legislation in force at the time.

### **Change of address**

It is very important that the Trustees are kept informed of your latest address, as they may not be able to trace you to issue your benefit statements or, indeed, pay benefits when you are due to retire.

**Change in marital status**

It is the responsibility of all members (including members who have left the Company) to notify the Trustees immediately of any change in their marital or civil partnership status.

**Pension from a previous employer**

You should notify the Trustees of benefits from any previous employer/arrangement.

**Discretionary increases**

From time to time, and depending on the financial resources of the Plan, additional increases may be awarded, at the discretion of the Company. Details of the award of such discretionary pension increases will be given in the annual Trustees' Report and Accounts, or can be confirmed by the Human Resources Department.

**Divorce**

The Trustees must comply with any order made by the Court following a divorce.

**Membership data**

In order to run the Plan properly, the Trustees hold certain personal information about each Plan member, including your name, address and date of birth, and other information needed to calculate Plan benefits for you and your dependants. This information is only available to the Trustees, the Trust and the Plan's professional advisers. It can only be used by them to calculate and provide benefits and for the efficient running of the Plan.

If any relevant information about you, such as your address or marital status, changes please could you let the Trustees know as it is important that our records stay accurate and up to date.

**HM Revenue and Customs Allowances**

From April 2006, changes to the way pension schemes are taxed means that some members could be subject to tax at 55% (April 2006 rate) on any of their benefits in excess of the Lifetime Allowance (see page 11). The Lifetime Allowance should only affect a very small number of members who have high levels of benefits (from the Plan or membership of other pension arrangements).

**Pension Protection Fund (PPF)**

The PPF is designed to protect members of final salary/defined benefit pension schemes (such as the Plan) in cases where an employer becomes insolvent and the pension scheme does not have enough money to pay all members' benefits.

The PPF will not pay full benefits to members in such circumstances, but is a safety net which provides a measure of protection to members of inadequately funded schemes. The cost of the PPF is met by a levy on all final salary/defined benefit schemes including the Plan.

