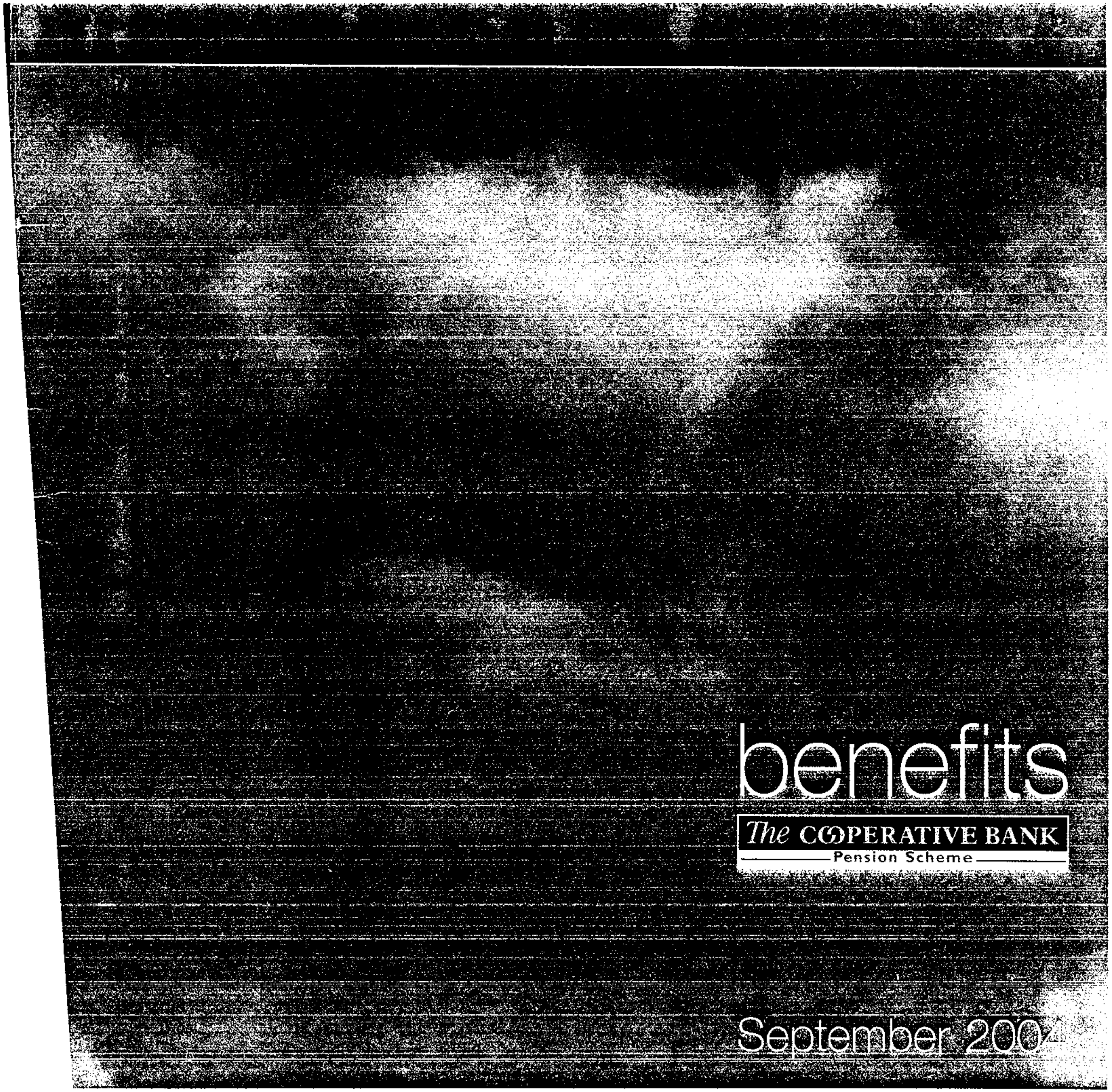

benefits

The CO-OPERATIVE BANK
Pension Scheme

September 2004

Bank means The Co-operative Bank p.l.c.

Child means a child who is your lawful, adopted, legitimated child, or, if the Trustees so choose, any other child who is dependent on you. To qualify for a pension the child must be aged under 18, or under 25 if undergoing full-time education or training.

If your Employer ceases contributions to the Scheme, a child born after the date contributions ceased will not qualify for benefits under the Scheme, unless the Trustees decide otherwise.

The Trustees have power to decide that a child who was not financially dependent on you at the date of your death shall not qualify as a 'Child' for the purpose of receiving benefits under the Scheme.

Deferred Member means someone who has left Pensionable Service with an entitlement to a deferred pension, which has not yet come into payment.

Dependant means any individual who, in the opinion of the Trustees, is or was at the time of a Member's, Deferred Member's or Pensioner Member's death wholly or partly financially dependent upon such deceased Member, Deferred Member or Pensioner Member.

Employer means your employer, whether that is the Bank or another employer who participates in the Scheme and abides by the Rules.

Final Pensionable Salary is your Salary in whichever of the following periods gives the best result:

- the year to the date you leave Pensionable Service,
- the best complete tax year out of the last five tax years up to the date you leave Pensionable Service (or such lesser number of tax years as you have been a Member).

Incapacity means physical or mental impairment which the Bank determines is sufficiently serious to prevent a Member from following their normal occupation and is likely to involve permanent inability to earn anything more than modest amounts from employment provided for remedial activity.

Lower Earnings Limit (LEL) is used for National Insurance purposes. This is determined by the Department for Work and Pensions (DWP) and is roughly equal to the basic rate of state pension for a single person. See also the definition of Relevant Lower Earnings Limit below.

Lower Earnings Threshold (LET) means the threshold for National Insurance purposes over which an employee pays National Insurance contributions. This is determined by the DWP.

Member means an employee of one of the Employers who is currently continuing to build up Pensionable Service.

Normal Retirement Date means your 60th birthday.

Pensionable Service is your continuous Scheme membership. It is counted in years and completed months and is limited to a maximum of 40 years. It includes service which the Trustees have agreed to treat as continuous Scheme membership for any purpose of the Rules.

Pensionable Service ends on the earliest date of the following events:

- you leave the service of an Employer (and you do not transfer immediately to the service of another Employer who participates in the Scheme),
- you opt out of Scheme membership,
- you retire from the service of an Employer,
- your Employer leaves the Scheme (and you do not transfer immediately to the service of another Employer who participates in the Scheme),
- you die before any of the above events.

Pensioner Member means a person who is for the time being receiving a pension from the Scheme and who was a Member or Deferred Member immediately before the pension began.

Qualifying Service means the length of your Scheme membership including any other service that has been taken into account in the Scheme (such as a transfer of benefits from another scheme).

Relevant Lower Earnings Limit means the average LEL in force in the 12 months up to the date you leave Pensionable Service.

Rules means the trust deed and rules of the Scheme, a copy of which can be obtained from Group Pensions Department at the address on page 2.

Salary means your basic pay together with such payments in respect of overtime and other earnings as may be determined by your Employer from time to time. Your Human Resources manager will be able to tell you which elements of your pay have been agreed as being pensionable for the purposes of the Scheme.

Salary Sacrifice means the arrangement between a Member and his Employer whereby a Member is not required to make any contributions to the Scheme but his earnings will be reduced by an amount equal to the contributions he would otherwise have been required to make to the Scheme.

Scheme means The Co-operative Bank Pension Scheme.

Service means continuous employment with an Employer.

Trustees means The Co-operative Bank Pension Trust Limited which is a corporate trustee. The board of the trustee company comprises twelve directors of whom six are appointed by the Bank, four are elected by Members, one is elected by the Pensioner Members and one Independent Director. The Trustees are the legal owners of the Scheme's assets.

summary of benefits

Your benefits

- A pension at 60 based on the length of your membership and earnings when you leave the Scheme.
- Early retirement options.
- Ill-health protection.
- Options to exchange some of your pension for a lump sum or a pension for a dependant.
- Pension increases guaranteed.
- 5 year pension payment guarantee.

Death benefits for your dependants

- A lump sum death benefit if you die in Pensionable Service.
- A spouse's pension.
- Pensions for qualifying children.

Benefits if you leave before you retire, when you have been a member for 2 years or more

- A deferred pension.
- Option to transfer to another scheme.

contents

introduction

The Scheme was established in 1988 to provide benefits for employees (and their dependants) of the Bank and any associated Employers. This booklet has been produced as a guide to the Scheme for Members. It explains briefly how the Scheme works and the main benefits currently being provided to Members.

The booklet is not intended to be a legal promise to Members as it is only a summary of the terms and conditions of the Scheme. If there is any conflict between the booklet and the Rules, the Rules (as amended from time to time) will be overriding. If you have any questions about the information in this booklet or how it would apply to you, please write to Group Pensions Department at the address below. This booklet replaces all previous Scheme booklets.

If you are not a Member you will not be able to benefit from the Scheme. You will have to make your own plans to provide your own pension and life cover. Please consider this carefully so that you make the best decision for you and your family.

Group Pensions Department
Co-operative Group
PO Box 53
New Century House
Manchester
M60 4ES

Issue Date September 2004

membership

Joining the Scheme

Membership of the Scheme is entirely voluntary. All full-time and part-time permanent employees of the Bank or the Employers who are under age 60 may join the Scheme. The Bank has the discretion to exclude any employee or groups of employees from membership if it decides to do so.

To join the Scheme you must complete the appropriate form which can be obtained from your Human Resources Department.

When you become a Member, you automatically agree to abide by the Rules. This means, amongst other things, you agree to provide the Trustees with the information that they may need from you, from time to time. A copy of the Rules is available from Group Pensions Department.

Personal / Stakeholder pensions

If you are currently contributing to either a personal pension or stakeholder pension, you should consult your financial adviser before joining the Scheme, as you may not be able to contribute to another pension arrangement at the same time. In certain circumstances Members of the Scheme may be able to contribute to a stakeholder or personal pension, subject to certain conditions. You should consult your financial adviser for further details.

Opting out

If you join the Scheme you may withdraw at any time. To leave the Scheme, you simply need to send a letter to Group Pensions Department at least 60 days before you want your membership to cease.

If you opt out of the Scheme but then decide you want to rejoin later, or if you do not join when first eligible and decide to join at a later date, you may be accepted as a Member provided that the Bank agrees and you are still eligible to join under the Rules. The Bank and Trustees may ask for proof that you are in normal health for your age and may decide that your membership will be subject to different terms.

contributions

The cost of providing benefits under the Scheme is currently met by contributions from Members, the Bank and other Employers, together with the money the Scheme makes from investments.

New Members from 1 July 2004

If you joined the Scheme on or after 1 July 2004, you will be required, currently, to pay 6% of your Salary.

Members before 1 July 2004

If you joined the Scheme before 1 July 2004, you will be required, currently, to pay contributions at the following rates:

2% of Salary from 9 January 2005, increasing to
4% of Salary from 15 January 2006, increasing to
6% of Salary from 14 January 2007.

Members in part-time service pay the same rates.

Salary Sacrifice (Note: not all Employers may offer Salary Sacrifice to Members)

Instead of having your Member contributions deducted from your earnings through payroll, you may agree to have your earnings reduced by the amount which would otherwise have been deducted through payroll. This is known as Salary Sacrifice.

Under Salary Sacrifice you will pay the same amount of income tax as you would if you had paid contributions through payroll, however, because your earnings have reduced, you may pay less in National Insurance making your take-home pay higher.

Salary Sacrifice may not be suitable for every Member. Generally, those Members on low incomes, currently £100 per week or less (relevant in the tax year 2004/2005) may not benefit from Salary Sacrifice. Similarly, those Members who are nearing retirement with long service and/or have substantial pensions from previous employments may have their benefits restricted by electing for Salary Sacrifice and may be better suited to paying contributions by payroll deduction.

contributions

Salary Sacrifice and your Scheme benefits

If you choose Salary Sacrifice, your Scheme benefits will be calculated on your Salary before the Salary Sacrifice reduction but will be subject to Inland Revenue limits which may restrict the benefits that would have been payable under the Scheme had you not elected for Salary Sacrifice.

Additional Voluntary Contributions (AVCs)

You can pay AVCs to get extra benefits. AVCs are paid to the Trustees who invest them separately from the main Scheme. Currently, the Trustees invest AVCs with an arrangement provided by Co-operative Insurance Society Ltd, which offers a choice of investment alternatives.

You can choose when to start and stop your AVCs. Currently, the tax rules will let you pay up to 15% of your taxable pay into an approved pension scheme in a tax year. You can increase or decrease the amount of your AVCs at any time up to that limit after taking account of any Free Standing Additional Voluntary Contributions (FSAVCs) that you may already be paying.

If you are a Member paying your ordinary contributions by payroll deduction, these will be taken into account when determining whether the 15% limit has been reached. If, on the other hand, you have chosen Salary Sacrifice, you will be able to pay up to the maximum 15% of taxable pay in AVCs.

The Trustees can refuse to accept AVCs if your AVC fund and/or FSAVCs could take your total Scheme benefits over the limits in the tax rules (see section on 'Tax Rules' page 17).

If you would like to consider paying AVCs and want to know more, a separate leaflet is available from Group Pensions Department.

Absence from work

If you are absent from work, your membership will continue as long as you are receiving pay. If your pay stops, your Pensionable Service stops building up and you will stop earning benefits in the Scheme until your Employer starts paying you again. It may be possible for you to buy back any lost benefits by paying additional pension contributions on your return to work. You should contact your Human Resources manager to arrange this when you return. In certain circumstances, provided you are treated by your Employer as remaining in Service, you will still be covered for death-in-service benefits even if your Pensionable Service has temporarily ceased. If death benefits become payable, they may be adjusted to take account of your absence.

Maternity/adoption/paternity/parental leave

While you are on statutory maternity/adoption/paternity/parental leave, your Scheme membership will continue unaffected. If you extend your leave beyond your statutory leave, your benefits will temporarily stop building up until you return to work again. If, before the date you are due to return to work, you notify your Employer that you no longer wish to return to your employment or if you do not return to work at the end of your agreed period of leave (unless your leave is extended by a formal career break) your Scheme membership will cease. Pensionable Service will stop building up during a career break.

benefits

Part-time employment

If you work part-time at any time while you are a Member, your pension will reflect the actual hours you have worked.

For example, if as a Member you work 20 hours a week for 10 years in a job where the full-time hours are 35, your Pensionable Service over this time would count as:

20/35 x **10 years**

Your pension will be calculated on the full-time equivalent Pensionable Service, your Final Pensionable Salary and Relevant Lower Earnings Limit.

By adjusting actual service, Final Pensionable Salary and Relevant Lower Earnings Limit to a full-time equivalent, we are able to provide you with correct benefits whether you were employed on a full-time or part-time basis throughout your period of membership.

At Normal Retirement Date

Your pension is due to be paid when you reach Normal Retirement Date, however, you may decide to work longer and, with the consent of the Bank, continue to build up further benefits in the Scheme leaving your pension until your actual retirement date. If you finish working for your Employer before then, you may be able to collect your benefits sooner (See pages 8 and 9).

While you are in service as a Member of the Scheme, you will be building up pension. Your pension will be based on your Final Pensionable Salary and your Pensionable Service at the date you leave. Pensions are calculated in the following way if you retire from Pensionable Service at your Normal Retirement Date:

1/60 x **Final Pensionable Salary** x **Pensionable Service**

Your retirement pension includes a temporary pension, which is intended to bridge the gap between your actual retirement date and your state pension age, which is normally 65 (please note that earlier ages apply to women born before 5 April 1955). At state pension age, your pension from the Scheme will reduce as your basic state pension will then become due.The reduction will be calculated as follows:

1/60 x Relevant Lower Earnings Limit x Pensionable Service

The pension will reduce at your state pension age whether or not you qualify for a full basic state pension in your own right.

Pension before Normal Retirement Date

Ill-health retirement

If your employment is terminated because of ill-health, the Bank may at its discretion award a pension regardless of your age if you cannot work because of Incapacity. The pension is based on Pensionable Service you could have built up had you continued to work your normal hours up to your Normal Retirement Date, your Final Pensionable Salary at the date your Service ended and treated as if you had reached state pension age.

The Bank (who has sole power to decide) will ask for medical evidence in making its decision on your Incapacity. This could come from (amongst others) your own doctor, a specialist or the Employer's medical adviser. The Trustees can require you to provide medical evidence of continuing Incapacity during any period in which an ill-health retirement benefit is paid, up to Normal Retirement Date.

Deferred Members may apply for their deferred pension to be paid early as an ill-health retirement benefit if, for medical reasons, they are likely to be permanently unable to work for any employer. The ill-health pension payable to a Deferred Member is the amount of the deferred pension at the date the Trustees agree to pay a pension with no reduction for early payment. The ill-health pension will reduce on reaching state pension age. (See retirement at Normal Retirement Date).

The Rules allow the Trustees to review ill-health pensions in payment before Normal Retirement Date. The Trustees may reduce, suspend or withdraw payments if any one or more of the following apply:

- you were awarded a pension for a condition which is found to be a result of your own misconduct,
- you were awarded a pension for a medical condition that you knew about at the time of becoming a Member and did not disclose when you joined the Scheme. If you have more than one period of Pensionable Service, it is the latest period which counts for deciding when you joined the Scheme,
- your health improves and the Trustees, after considering medical evidence, consider that you are capable of taking up some form of paid employment,
- you refuse to provide the Trustees with satisfactory evidence of continued Incapacity or earnings.

Early retirement (other than ill-health)

It may be possible for you to take your pension before your Normal Retirement Date if:

- you have completed 2 years' Pensionable Service and are aged 50 or over and you are retiring from employment with the consent of the Bank, or
- you are a Deferred Member aged 50 or over and the Trustees agree.

If you ask for your pension to be paid early it will be reduced. This is because the pension is likely to be paid for a longer period.

The reduction in pension is currently 1/3% for each complete month in the period between the date you retire and age 60. This reduction is applied after your pension has been calculated in the same way as a normal retirement pension, but based on your Final Pensionable Salary and Pensionable Service at the date you leave. The pension will be reduced by the temporary pension described on page 8, when you reach state pension age.

benefits

Pension options

When you retire you will have a number of options on how your benefits can be taken.

You may be able to exchange part of your pension for:

- a lump sum,
- a pension for a dependant to start after your death.

Lump sum

At present, the tax rules allow part of your pension to be given up for a lump sum. Currently, this can be taken free of tax.

There is a limit on how much you can take as a lump sum. Usually, you will be able to take an amount based on this formula:

3/80 x Final Pensionable Salary x Pensionable Service

You may be able to take more than this, up to the limit permitted by the tax rules (see section on 'Tax Rules' page 17).

Pension for a dependant - allocation

If you support someone financially whether or not they would normally receive a Scheme pension after you die, you can still use your own pension to help to plan for their future. Before you start to draw your pension, you can arrange to give up some of your own pension to provide a pension for that person, which would begin after your death.

The amount of pension you can provide in this way cannot be more than the amount of pension that you keep for yourself before any lump sum is taken.

Pension increases

Your Scheme pension will increase each year from the date of the first payment made in each tax year. Different parts of the pension increase at different rates.

- If you were a Member before 6 April 1997, part of your pension, known as the Guaranteed Minimum Pension (GMP), will increase by the annual rise in the Retail Prices Index (RPI) up to a maximum of 3% per annum when you have reached age 60 (female) or 65 (male).
- If you have used some or all of your AVCs to buy extra pension, this will not increase unless you bought increases when you retired.
- The balance of your Scheme pension is increased by the annual rise in the RPI as at 31 December in each previous year, up to a maximum of 5% per annum.

Any pension which has been in payment for less than a year will receive a proportionate increase.

The Bank can increase pensions by more than the guaranteed amounts if the Trustees also agree. In some cases, pension increases over the guaranteed level may be restricted if total benefits would otherwise exceed the amounts allowed by the tax rules (see section on 'Tax Rules' page 17).

Death benefits

The Scheme pays out death benefits on the death of a Member, a Deferred Member or a Pensioner Member.

Lump sum death benefit for Members

If you die as a Member, there is a lump sum death benefit payable to one or more of your beneficiaries at the Trustees' discretion. The amount of lump sum depends on your completed Pensionable Service at the date of death as shown in the table on page 12.

benefits

Completed Pensionable Service Years	Multiple of Final Pensionable Salary
Up to 10	2.0
11	2.2
12	2.4
13	2.6
14	2.8
15	3.0
16	3.2
17	3.4
18	3.6
19	3.8
20 or more	4.0

Pension guarantee

The Scheme guarantees that you will be paid at least five years' pension. If you die before your pension has been paid for five years, the balance of the guaranteed pension is paid as a lump sum.

Trustees' discretion

Lump sum payments can be paid to one or more of your dependants or beneficiaries, at the Trustees' discretion. Under current tax law, it can be paid without deduction of income tax and without any liability for inheritance tax. You can let the Trustees know, on a nomination form (available from Group Pensions Department) or a letter, who you would like to receive some or all of the lump sum benefit. You may nominate anyone you like – even a body such as a charity. The benefit can be shared. If you nominate more than one person, you should say what share of the lump sum you would like each of them to have.

Please keep your nomination form up to date as your circumstances change. The Trustees will take note of your wishes but they are not bound by them.

Currently, the Inland Revenue limits the amount of lump sum benefits that can be paid on death. This limit may reduce slightly if you have chosen Salary Sacrifice. If the lump sum benefit is limited under the Scheme due to Salary Sacrifice and Inland Revenue limits, your Employer will pay the shortfall to your beneficiaries.

Spouse's pension for Members, Deferred Members or Pensioner Members

If you leave a spouse when you die, the Scheme will generally pay a pension to them for the rest of their life. To qualify for a spouse's pension, your legal spouse at the date of your death must have been married to you on or before the date your Pensionable Service ended.

If your spouse is more than fifteen years younger than you, the pension will be reduced to take account of the fact that it is likely to be paid for longer.

The pension will cease if your spouse remarries.

	A Member	A Deferred Member	A Pensioner Member
The spouse's pension is 50% of:	The pension you would have received if you had stayed in the Scheme until age 60, based on your Final Pensionable Salary at the date you died.	Your deferred pension increased to the date of your death. The increase is the lesser of 5% compound for each complete year, or the increase in the Retail Prices Index over the period.	The pension you were getting at the date you died but worked out as if you had not taken any of the pension options available to you when you retired.

Note: In each case, the amount of your pension will be reduced by the reduction as described on page 8 which would normally apply at state pension age.

Survivor's pension

If you do not leave a spouse, the Trustees can pay a pension up to the amount of the spouse's pension to another individual who was financially dependent on you at the time of your death.

benefits

Children's pensions for Members or Pensioner Members

If you have dependent children, they may qualify for a pension under the Scheme Rules (see the definition of 'Child'). Up to four children's pensions can be paid at one time.

	A Member	A Pensioner Member
Each Child's pension is 25% of:	The pension that would be paid to your spouse if you had stayed in the Scheme until age 60, based on your Final Pensionable Salary at the date you died.	The pension which would be paid to your spouse.

If there is no pension payable to a spouse, each eligible Child's pension will be doubled. No children's pensions are paid on the death of a Deferred Member if death occurs prior to retirement.

Leaving the Scheme

If you leave the Scheme with less than two years' Qualifying Service

You will be entitled to a refund of your own contributions less certain statutory deductions. One of the deductions will be to reinstate you in the State Second Pension (S2P) – (see section on 'State Pension' page 18) as if you had not been contracted out. Alternatively, you may wish to request a transfer of your own contributions to another approved pension arrangement.

If you leave the Scheme after completing two years' Qualifying Service

You will be entitled to a deferred pension. When you leave the Scheme, your deferred pension is worked out based on your completed Pensionable Service and Final Pensionable Salary at the date you leave. Your pension is due to be paid at Normal Retirement Date but may be paid earlier if you retire early and the Trustees agree.

The deferred pension will be increased over the period between the date you leave and the date it is paid to help protect it against inflation. The increase is the lesser of 5% per annum compound or the increase in the Retail Prices Index for each complete year in the period of deferment. If you were a member before 6 April 1997, part of your pension, known as the Guaranteed Minimum Pension (GMP), will be increased up to state pension age at a rate notified by the Government.

There are some differences between the Rules for Deferred Members and those for Members and Pensioner Members. We have tried to mention most of the important differences in this booklet. When your pension starts to be paid, the Rules for Pensioner Members will apply.

Transfer options

Transferring benefits to the Scheme

If you have benefits in another employer's scheme or in a personal or stakeholder pension, you may be able to transfer them into the Scheme. You will usually be asked to wait until you have completed twelve months' Pensionable Service before a transfer into the Scheme can proceed.

Transferring benefits out of the Scheme

If you have a deferred pension in the Scheme you can transfer the value of your benefits to another approved pension arrangement. You keep this option up to one year before your Normal Retirement Date (or for up to six months after leaving Pensionable Service, if later). The option will be surrendered if you receive any part of your benefits from the Scheme in the meantime.

Your transfer value is a quotation of the amount the Scheme would need to set aside at the date of the transfer calculation, to produce the benefits due to you at retirement and will never be less than the value of your Member contributions (including AVCs). It is calculated on the advice of the Scheme's Actuary using methods and assumptions about future investment returns which are set out in professional guidelines and comply with Government requirements.

You must write to the Trustees to let them know if you want a transfer quotation.
The Trustees will send you a statement of entitlement within 90 days of receipt of your request. The statement will set out your guaranteed cash equivalent (transfer value).
The guarantee lasts for three months. If you want to make the transfer, you must write to the Trustees within the guarantee period. The Trustees then have to pay the cash equivalent to the receiving scheme/provider within the next three months.

You can ask for details about your cash equivalent at any time, but the Trustees can make a charge if you ask for more than one quotation in a twelve month period.

tax rules

The Scheme is fully approved under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. This gives useful tax advantages, but in return the Scheme must obey a set of tax rules (also referred to as Inland Revenue Limits).

Under the current tax rules, being in an approved pension scheme means that:

- you are not charged tax on contributions to the Scheme,
- the Scheme's investments build up mostly free from tax,
- lump sums payable on retirement and death are currently tax-free,

In exchange for all this, the Trustees have to agree with the Inland Revenue that:

- pensions in payment are treated as earned income and taxed under the Pay As You Earn (PAYE) system,
- they will not collect contributions or pay out benefits above the limits allowed in the tax rules. In some cases, this could mean that the Trustees may have to limit benefits from the Scheme,
- your total contributions, AVCs (or FSAVCs) are limited to 15% of your taxable earnings (including the value of any taxable benefits in kind) in each tax year,
- any contributions paid by your Employer on your behalf under Salary Sacrifice shall not count towards the 15% limit,
- if you pay AVCs (or FSAVCs), your contributions may be restricted if they would be likely to produce benefits over the maximum limits.

For Members who joined the Scheme on or after 1 June 1989, the Inland Revenue sets a permitted maximum level of pay (called the "earnings cap") for scheme benefits and contributions. This earnings cap generally changes each year in line with price inflation. For the tax year from 6 April 2004, it was £102,000. So, for a Member in this category earning over the earnings cap, Salary (for the purpose of calculating benefits and contributions) cannot exceed the earnings cap.

The Government may change the policy on tax and pension schemes from time to time. The information in this booklet is based on tax rules at April 2004.

state pension

There are currently two parts to the state pension arrangements: a basic Retirement Pension and the State Second Pension (S2P) which replaced the State Earnings-Related Pension Scheme (SERPS) in April 2002.

Pension schemes are allowed to contract-out of part of S2P. The Scheme has contracted-out. Contracting-out of S2P means that Members and their Employer pay reduced National Insurance contributions. If you were in the Scheme when it was contracted-out of SERPS, you did not earn any SERPS pension. However, any pension that was built up under SERPS before you joined the Scheme will be protected and paid in full with your basic state pension.

S2P has replaced and reformed SERPS and will accrue at 3 different levels, depending upon the level of an employee's earnings. It will also provide a top up for low earners by treating those earning the Lower Earnings Limit but below the Lower Earnings Threshold (LET) as if they had been earning at least the LET.

The Scheme has to pass certain tests to prove that, on the whole, it will be better value for money for Members than the previous SERPS benefits. The Scheme's Actuary has to confirm, at least every three years, that the Scheme continues to meet the tests. As a further condition of contracting-out, the Employers regularly have to confirm to the DWP that the Scheme continues to meet the funding, financial and investment requirements of the Pensions Act 1995.

NOTE: Guernsey employees are not covered by the provisions of SERPS/S2P and so contracting-out does not apply to those members.

benefits on divorce

If, whilst a Member, Deferred Member or Pensioner Member of the Scheme, you obtain a divorce, you can decide to account for your pension benefits in your divorce settlement in one of the following ways:

- to offset your pension against other assets,
- to attach an order for future payment against future pension rights,
- to share pension rights at the time of divorce.

You should ask Group Pensions Department for information on the value of your pension benefits at the time divorce proceedings begin.

How an attachment order works

If you agree to an attachment order:

- a court order will direct the Trustees of the Scheme to pay part of your pension, lump sum and/or death benefit to your ex-spouse when you enter into receipt of your pension or if you die whilst a Member of the Scheme,
- you will be taxed as if you were receiving the whole amount of the pension,
- your ex-spouse will continue to receive the pension provided under any attachment order whilst pension is being paid to you. This pension will cease upon your death.

How a pension share is calculated

If you agree to a pension share, then:

- a court order will direct the Trustees of the Scheme to allocate pension rights to your ex-spouse at the time of the divorce,
- your pension rights will be reduced immediately by the amount of the 'share',
- your ex-spouse will receive a 'pension credit' equal in value to the 'share'.

benefits on divorce

Administering a pension share

Once the Trustees have established a 'pension credit' for your ex-spouse, they must comply with one of the two options available:

- if you are a Member or a Deferred Member, your ex-spouse will have to transfer their 'share' to another approved pension arrangement, unless they are already a Member, Deferred Member or Pensioner Member of the Scheme in their own right,
- if you are a Pensioner Member, or your ex-spouse is a Member, Deferred Member or Pensioner Member of the Scheme in their own right, a 'pension credit' will be established in the Scheme equal to the amount of the pension share.

Please note that an administration charge will be payable at the time of receiving an implementation order from the court.

A separate factsheet is available from Group Pensions Department which gives more information about pensions and divorce.

information

Scheme information

This booklet is designed to give you the basic facts about the Scheme. It does not give you any legal rights. Your rights are set out in the Rules. If there is any disagreement between this booklet and the Rules, the Rules apply.

The booklet can give you only a general idea of what the Scheme provides. You can get more information about the Scheme or about your own benefits from Group Pensions Department at the address on the reverse of this booklet.

While you are a Member, you will normally be sent a benefit statement each year. This tells you what benefits you can expect if you remain a Member up to Normal Retirement Date.

You can also request:

- one copy of the Trustees' annual report and accounts in any twelve month period,
- one copy of the latest actuarial valuation report which is normally prepared every three years,
- a copy of the Rules at any time.

Information you must give to the Trustees

All benefits are subject to the conditions set out in the Rules.

The Trustees have the right to check from time to time that the conditions are met. To do this, they can ask for reasonable information. Any benefit may be adjusted or stopped if the qualifying conditions are no longer met.

You must keep the Trustees informed of important changes which might affect your Scheme benefits. For example:

- change of address,
- change of marital status,
- change in the conditions that led to you receiving a pension.

The Trustees are allowed to pay benefits only to those persons who are entitled under the Rules. If a pension is overpaid because the Trustees were not told to stop paying when they should have been, they may ask for anything overpaid to be paid back to the Scheme.

Benefit payment conditions

The Trustees will deduct tax from any benefit before it is paid, if they have to account for that tax to the Inland Revenue.

The Trustees do not have to make or continue any payment from the Scheme unless they are sure that the person claiming the benefit is entitled to it. They can ask for any evidence they need to help them. So they might ask for proof of the birth, marriage or death of a person, or for proof of identity, or that they are still alive.

The Rules allow the Trustees to decide when and how pensions should be paid. At the moment, the Trustees pay pensions every four weeks, in advance, usually directly into the pensioner's bank account.

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Scheme benefits are non-assignable and cannot be used as security for loans. If any attempt is made to assign a benefit to someone other than the rightful payee, the benefit may become forfeit at the Trustees' discretion.

Any payment of benefit which is not claimed within six years of the due date may become forfeit at the Trustees' discretion.

Rule changes

The Rules may be altered at any time by the Bank with the consent of the Trustees.

Employment contract

Membership of the Scheme does not in any way restrict the right of any Employer to terminate a contract of employment.

Winding up

The Bank has the right to wind up the Scheme at any time. If, in the unlikely event, the Scheme were to be wound up, your benefits would be secured in accordance with the Rules and the general law relating to pensions.

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Disputes

Any problems with the Scheme can usually be sorted out by asking Group Pensions Department for more information. But if you find that there is something with which you disagree, there is a formal disputes procedure that can be used by anyone who has rights in the Scheme. For details and relevant forms you should write to the Scheme Secretary, Group Pensions Department.

The Office of the Pensions Advisory Service (OPAS)

OPAS is an independent organisation whose services are free. Pension advisers will liaise with a scheme on behalf of a member or beneficiary in connection with difficulties which they have failed to resolve with the trustees of their scheme.

OPAS can be contacted at 11 Belgrave Road, London, SW1V 1RB. OPAS also has a helpline number where calls are charged at the local rate – 0845 6012923.

The Pensions Ombudsman

The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in connection with occupational pension schemes.

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

Occupational Pensions Regulatory Authority (OPRA)

OPRA helps to make sure that schemes are run properly and can take steps to correct matters if trustees, employers or professional advisers have failed in their legal duties.

OPRA may be contacted at Invicta House, Trafalgar Place, Brighton, BN1 4DW.

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Pensions Tracing Service

You can now trace old pension rights held in former employers' schemes. The Registrar of Occupational and Personal Pension Schemes exists to help people trace benefits where they have lost contact with a scheme. The Trustees have registered information about the Scheme with the Registrar.

If you need to contact the Registrar, the address is:

Occupational Pensions Regulatory Authority, Pension Schemes Registry,
P.O. Box 1NN, Newcastle-upon-Tyne, NE99 1NN.

Data Protection

Under the Data Protection Act 1998, the Trustees must notify you, as a Member, Deferred Member or Pensioner Member that they hold information about you. The Trustees need to hold personal information about you to enable them to administer the Scheme and may disclose this information to professional advisers, insurers and others who assist them in the administration of your Scheme benefits.

You have the right to check that information held about you is correct. You can get further information about your records by writing to:

CFS Data Protection Manager, The Co-operative Bank, Delf House, Southway, Skelmersdale, Lancashire, WN8 6NY.

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While you are a Member

When you join the Scheme, you agree to keep to the Rules. The Rules are the legal documents which set out how the Scheme operates. You can ask to see a copy at any time. The Rules set out your Scheme benefits and also what you must do to remain a Member and to qualify for those benefits.

As a Member, you will have to:

- provide the Trustees with information which they may need from you from time to time,

- keep your benefits to yourself! Your benefits are personal - they belong to you. You must not promise to have them paid to anyone else, or try to use them as security for a loan.

THE CO-OPERATIVE BANK PENSION SCHEME

Group Pensions Department
Co-operative Group
P.O Box 53
New Century House
Manchester
M60 4ES

email: cgpensions@co-op.co.uk