How are Xerox pensions increased?

Xerox Final Salary Pension Scheme pensions in payment are increased each year to help offset increases in the cost of living.

The annual pension increases apply not only to pensions which start to be paid at Normal Benefit Age, but also to early retirement pensions and widows’, widowers’, civil partners’ and other dependants’ pensions from the Xerox Final Salary Pension Scheme.

Xerox pension increases are calculated as follows:

- The part of the pension earned for Pensionable Service before 1st April 2006 is guaranteed to be increased each year in line with the increase in the Retail Prices Index (RPI) over the previous year (to 31st December), up to a maximum of 5% a year.

- The part of the pension earned for Pensionable Service on or after 1st April 2006 is guaranteed to be increased each year in line with the increase in the RPI over the previous year (to 31st December), up to a maximum of 2.5% a year.

How much is this year’s pension increase?

The increase payable on Xerox pensions in payment from 1st April 2018 for those who retired on or before 1st April 2017 will be:

- 4.1% for the part of the pension earned for Pensionable Service before 1st April 2006. This figure matches the increase in the RPI over the previous year.

- 2.5% for the part of the pension earned for Pensionable Service on or after 1st April 2006.

If you retired from active employment with Xerox after 1st April 2017, you will receive a proportion of the full annual increase.

continued overleaf
How is my pension increase worked out?

If on 1st April 2018 you are below the age for starting to receive the Guaranteed Minimum Pension (GMP) (GMP Age – 60 for women, 65 for men), this year’s Xerox pension increase will apply to your full pension, including any GMP to which you are entitled.

However, if you are above GMP Age on 1st April 2018, the increase will apply only to that part of your pension above the GMP. In other words, you will find that the pension increase announced by Xerox does not apply to the full amount of your Xerox pension.

Guaranteed Minimum Pension (GMP)

The Guaranteed Minimum Pension is the minimum amount of pension which the Xerox Final Salary Pension Scheme undertakes to pay you for any Pensionable Service which you completed in the Scheme between April 1978 and April 1997.

I gave up part of my pension when I retired for a tax-free cash sum – do I still get increases on that part of my pension?

If you retired after April 2006

If you retired after April 2006, the increases awarded by the Xerox Final Salary Pension Scheme will apply to the actual amount of Xerox pension you receive, excluding any pension exchanged for a cash sum at retirement.

If you retired before April 2006

If you retired before April 2006, it all depends on which set of tax rules you are covered by. There were three different sets of rules applied by what was then the Inland Revenue (now re-named HM Revenue & Customs). Which set of rules you are covered by normally depends on when you joined the Scheme:

• The “old rules” – these apply to members who joined a Xerox Pension Scheme before 17th March 1987.
• The “87-89” rules – these apply to those who joined between 17th March 1987 and 31st May 1989.

  For members in both of these categories, the annual Xerox pension increase applies to the total amount of your Xerox pension, including any pension which you exchanged for a cash sum at retirement.

• The “new rules” – these apply to those who joined on or after 1st June 1989†.

  For members in this third category, the annual Xerox pension increase applies to the actual amount of Xerox pension you are receiving, excluding any pension you exchanged for a cash sum.

† If you first joined a Xerox Pension Scheme before 1st June 1989, you may have elected, when you retired from Xerox, to switch to the “new rules” – i.e. as though you had first joined a Scheme on or after 1st June 1989.

If you have any questions about this Factsheet please contact the administrator, Conduent HR Services, on 0330 123 9576 or email xeroxpensions@conduent.com

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