

PENSIONERS' UPDATE 2004

ISSUED TO PENSIONERS & DEPENDANTS OF THE BRITISH STEEL PENSION SCHEME



Welcome to Pensioners' Update 2004, which includes a range of matters which I believe will be of general interest to you.

The Pensions Office often receives enquiries about the Rule 11(4) pension option, sometimes referred to as the high/low option. I have therefore arranged for a further article to be included on page 2 of this Update, giving an insight into Rule 11(4), which I hope you find helpful.

I thought it important to keep you informed of the various pieces of legislation concerning occupational pension schemes - the "legislation round up" on pages 2 and 3 provides information on the Government's current direction. The Trustee will continue to keep a watchful eye on the proposals and subsequent legislation.

The Pensions Office sets out to provide an efficient, helpful and professional service at all times and this commitment to customer service is particularly relevant when it comes to the vital task of paying pensions each month. The Assistant Payroll Manager talks about this responsibility on page 3 and gives details of the number of pensions in payment, along with an age analysis of the Scheme's pensioners. To help you put "faces to names", there is a photograph of the administration teams who deal with your enquiries. A reminder of the various ways you can contact these teams is also provided on page 5.

I have also once again included contact details of our local pensioner organisations. However, I am very saddened to have to tell you that Ted Lancaster died in April this year. Ted was the Secretary of the Cumbria Retired Colleagues

Association and a staunch attender of our annual Consultative Meeting. He will be sadly missed by his family, friends and colleagues and it is appropriate that this Update should include an article about Ted and his background and interests.

Pensioners support the work of charitable organisations in many different ways. This Update includes an example of one particular charity that is very close to the hearts of many of our pensioners in the Scunthorpe area. The work of the Lindsey Lodge Hospice has been brought to my attention by Derek Stones. Many of you will know Derek from his past Human Resources roles at Scunthorpe. Derek retired in 1992 and remains a keen supporter of the good work of the Hospice. He tells us about it on page 7.

Finally, I know that many of you are interested to hear first hand how the Company is faring. Following contact with Corus, I am pleased to be able to enclose an information sheet from Philippe Varin, Chief Executive which I trust you find of interest.

My best wishes

Bob Avis
Trustee Chairman

Pensioners' Update
is also available,
on request, in
Braille, large print
and audio tape.

Telephone:

0845 274 0900/01

Rule 11(4) Pension

The Pensions Office receives many questions about the Rule 11(4) option, also known as the high/low pension option. The option is generally available to active Members who retire before age 65 and have their pension paid immediately. It reflects the fact that State pensions should be payable by age 65. When an active Member retires, he or she can choose to receive an extra amount of Scheme pension under the high/low option. This amount depends on the Member's age and is added to the Scheme pension at early retirement. It is payable with normal annual increases, until the Member reaches age 65. When the Member reaches age 65, the amount of the Scheme Lower Earnings Limit at that time is deducted from the pension in payment. The Scheme Lower Earnings Limit is currently £3,796 and increases each year. The option does not apply to deferred pensions, incapacity pensions or if you take your pension at or after Normal Pension Age.

Why this deduction? The purpose of the high/low option is to pay the Scheme pensioner a steady level of income in retirement, taking into account the basic State retirement pension for a single person. In short, the British Steel pension is increased until Normal Pension Age and then reduced for the remainder of retirement. The high/low pension option may reduce any tax-free lump sum and will affect any 5 year guarantee of pension payable on death. However, it does not affect any widow/ widower's pension. It is not possible to predict whether a person will gain a financial benefit from choosing this option, as it depends on individual circumstances and lifespans. For this reason, choosing the high/low option is purely a matter for each qualifying member.

If you have chosen the high/low option and have more questions about it, please contact the Pensions Office.

Legislation Round Up

After a lengthy consultation process, the UK Government is developing wide-ranging legislation over the next few years that will significantly affect the national framework for pension schemes. A Pensions Bill was published on 12 February 2004 and is making its way through Parliament before receiving Royal Assent later in the year. The Bill continues to be subject to change, and much of the detail will be published in regulations some time later.

One of the Bill's main features is a Pensions Protection Fund. It is intended that this Fund, supported by levies from defined benefit pension schemes, will be in place by 6 April 2005. It aims to protect members of defined benefit schemes where the employer goes out of business, leaving an underfunded pension scheme that cannot meet its liabilities. The Pensions Protection Fund will take over a scheme's assets in these circumstances and pay out compensation in line with a prescribed set of rules.

Although the Pensions Protection Fund will not be retrospective, the Government has been under severe pressure to compensate those workers who have already lost a large part of their occupational pensions when their employers went out of business. In May, the Government announced a £400 million aid package, with instalments being paid over 20 years, for these scheme members. The Government is consulting on the details of the package and will review the position in three years time.

In these adverse circumstances, pensioners' benefits receive a top priority for security, leaving other members' benefits under threat. As a result, the Government has also brought in regulations to seek a fairer distribution of pension assets in these circumstances with less discrimination against non-pensioner members. Pensioners will continue to be a top priority but pension increases will have a lower priority than basic benefits for active and deferred members.

Legislation Round Up *(continued)*

The Government has also added to member security by bringing in regulations which mean that solvent employers with defined benefit schemes cannot walk away from their responsibilities and must ensure that schemes which are terminated are sufficiently funded to provide the benefits.

A Finance Bill was published on 8 April 2004 which includes a new simplified tax regime providing increased flexibility for employee pensions from 6 April 2006. In line with an EC Directive, the Government has also to address age discrimination issues in the workplace by October 2006.

At your service...

Pension Payroll



Anne Bill, Assistant Payroll Manager, has worked in the Pensions Office since 1987 and her prime task is to ensure that Scheme pensions can be paid accurately and on time each month. Anne said "At 31 March 2004, there were 102,922 pensions and allowances in payment.

I always find it interesting to see the breakdown between Pensioners and Dependants each month". The numbers at 31 March 2004 are shown (on page 4), together with an age analysis. "The Scheme paid out pensions totalling over £395 million last year. To ensure that pensions are paid on time, the payroll is run on our computer system about 2 weeks before each payment date, even earlier in December. During that time, we cannot update changes to pensioners' details and these amendments have to wait until the following month's payroll. During a typical month, the teams process many amendments, transactions and tax code changes against the payroll file so the contents are continually subject to change. So, if you change your bank account or your address, please let the Pensions Office know as soon as possible, so that we can keep our records up-to-date".

Points to Note

Pension payment dates

Although the monthly pensions are due to be paid in advance on the first working day of each month, pensions are usually paid into your bank on the last working day of each preceding month, to allow for the unlikely event of a delay occurring in the banking system. For example, it may, on occasion, take longer for payments into building societies. The payment dates for 2004/2005 are:

<i>Friday</i>	<i>30 July 2004</i>
<i>Tuesday</i>	<i>31 August 2004</i>
<i>Thursday</i>	<i>30 September 2004</i>
<i>Friday</i>	<i>29 October 2004</i>
<i>Tuesday</i>	<i>30 November 2004</i>
<i>Friday</i>	<i>17 December 2004</i>
<i>Monday</i>	<i>31 January 2005</i>
<i>Monday</i>	<i>28 February 2005</i>
<i>Thursday</i>	<i>31 March 2005</i>

Tax queries

The Pensions Office acts on tax code information received from the Inland Revenue. If you have a query about your tax code, or any other tax matter, please get in touch with the Revenue direct, at:

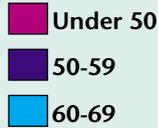
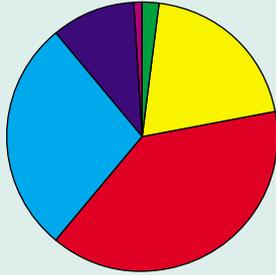
HM Inspector of Taxes
Centre 1, East Kilbride
Glasgow G79 1AA

Telephone: 0845 070 3703
(your call will be charged at local rates)

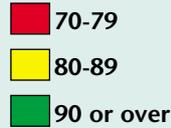
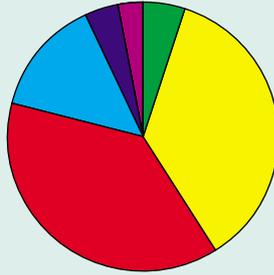
Please quote the Scheme reference 961/084181X along with your National Insurance number, as this should enable them to process your enquiry quicker.

At your service... *(continued)*

Pensioners



Dependants



Pensioners - total 67,021

Under 50	385	(1%)
50-59	6,705	(10%)
60-69	18,998	(28%)
70-79	25,867	(39%)
80-89	13,706	(20%)
90 or over	1,360	(2%)

Dependants - total 35,901

Under 50	1,200	(3%)
50-59	1,479	(4%)
60-69	4,933	(14%)
70-79	13,626	(38%)
80-89	12,804	(36%)
90 or over	1,859	(5%)

Administration Teams



The Pensions Office has two administration teams who assist with your enquiries. Team A-K works with those pensioners whose surnames begin A through to K and Team L-Z deals with those pensioners whose surnames begin L through to Z. The teams will be happy to answer any questions you have about your British Steel pension.

From left to right:

(Back row) Mattie Parker, Russell Gilchrist, Lorraine Russell, Graeme Cunningham, Lynn McLintock, Lindsay Briceland, Claire Fisher, Angela McBrearty, Helen MacKinnon

(Front row) Iain Millar, Allison Milton, Ewen MacDonald, Russell McGhee, Janette Walker

Contacting the Pensions Office

We aim to make it as easy as possible for you to contact the Pensions Office and there are several ways you can do this:



By telephone:

If you live in the UK and your surname begins **A through to K**, you can telephone us for the cost of a local call on **0845 274 0900**.

If your surname begins **L through to Z**, please call us on **0845 274 0901**.

If you are dialling from outside the UK, and your surname begins

A through to K; please call: **+44 141 274 2222**

or if your surname begins

L through to Z; please call: **+44 141 274 2266**

Standard office hours are 8.45am to 4.45 pm Monday to Friday. If you telephone outside these times, or during statutory holidays, you will hear a recorded message giving details of when we can be contacted. You also have the option of leaving a message, which we will reply to as soon as possible.



By writing:

If you live in the UK, you can write to the Pensions Office using our Freepost facility, so there is no need for a stamp. You should state the following address on your envelope:

British Steel Pension Scheme
Freepost (MOO 188)
Glasgow G2 7BR

For pensioners living outside the UK, you can write to the Pensions Office at:

British Steel Pension Scheme
3rd Floor, Douglas House
116 Waterloo Street
Glasgow G2 7NL
Scotland
United Kingdom



By fax:

You can fax your enquiry to us on 0141 248 5299

@ By email:

You can email your enquiries to pension.enquiries@corusgroup.com



Website:

Why not browse our website for general information on the Scheme? You can also inform us of a change in your address and/or bank/building society details by using the forms available.

The website address is:

www.bspensions.com



Ted Lancaster

Photograph: Ted Lancaster, who died in April 2004

Article contributed by Bill Jenkinson, a friend and colleague

Ted was born in Cleator Moor, Cumbria, on 24 August 1925.

He was 16 when employed by the Distington Hematite Iron Co at Chapel Bank (Workington) which was part of the United Steel Companies. Within two years, he joined the war effort, serving as a wireless operator in the Royal Air Force between 1943 and 1947. On demob, he returned to the renamed Distington Engineering Company at Workington.

In 1972, Ted moved into the personnel department, where he was employed until he retired at the age of 55, shortly before the Foundry and Iron Works' closures at Workington. The job suited his "people caring" outlook. While he was working there, he was asked to become Secretary of the Cumbria Retired Colleagues Association. He excelled in this role and remained in it for 25 years until he died at the beginning of April this year, aged 78.

Ted had a passion for helping his fellow man, a fabulous memory for people's names and faces, endless energy to help support anyone who needed it and was a real fun-loving family man. He was involved with the Royal Air Forces Association, of

which he was Chairman for a time. For 10 years, he organised their Wings Appeal in Cumbria. Ted was also a member of the West Cumbria branch of the Catenian Association (an international brotherhood for Catholic businessmen and professional men) for 40 years, again helping to improve the quality of life for others. During his time with the branch, he served as both Secretary and Treasurer.

Ted was also an active sportsman. He played rugby union for Egremont, cricket for Cleator, and also enjoyed table tennis and golf. He played golf mainly at Workington, but anywhere the Cumbria Retired Colleagues Association went for an outing, then so did Ted's golf clubs. If there was a snooker table in the club house, he enjoyed the 19th every bit as much as the first 18 holes.

Ted was upbeat and helpful at all times. Even during his own illness, visitors received his usual greeting "How are you keeping?" He has left his mark in Cumbria and a gap for the Cumbria Retired Colleagues Association to fill. Ted will be missed by his wife Kath, his family and all who knew him.

Pensioner Organisations

There are a number of pensioner groups around the country for former employees. Here are their details if you want to find out more about their activities:

Cumbria Retired Colleagues Association
01946 834755 - Arnold Berry

London Retirement Association
020 8658 6617 - Pat Robertson

NABSP*
01642 315797 - Norman Bielby

Llanwern Retired Employees Association
01495 785279 - Keith Hopkins

Port Talbot Retired Employees Association
01639 773371 - Bob Leonard

**On 1 May 2004, the National Association of British Steel Pensioners merged with the National Federation of Royal Mail and BT Pensioners. The name of the merged organisation is "Unite". John Batstone, Chairman of the NABSP suggests that "All British Steel pensioners can join and receive a professional service including "Unite" benefits and the "Veteran" magazine 8 times a year."*

Going for Gold: Lindsey Lodge Hospice

Lindsey Lodge Hospice is an independent charity providing a range of specialist services for people with illnesses such as cancer, multiple sclerosis and motor neurone disease.

Corus management, trade unions and former employees have teamed up with Scunthorpe's Lindsey Lodge Hospice to launch the "Pot of Gold" fundraising campaign. The Company has a long-standing relationship with the Hospice, which has, over the years, treated former employees.

And there is an army of pensioners who help with the day-to-day activities of this highly valued facility.

The "Pot of Gold" campaign aims to raise £50,000 and organisers hope that employees, former employees and others with an interest will throw their support behind it.



There are several ways to help:

- **make a donation**
- **organise a fund raising event**
- **sponsor a nurse**
- **leave a gift in a Will**
- **make a regular Standing Order contribution**
- **become a volunteer at the Hospice or in one of the charity shops**
- **start a Hospice Supporters' Group**

Retired Scunthorpe Works personnel director Mike Lahive, who overcame cancer, said "All help would be appreciated, particularly gestures that guarantee regular income. The Hospice running costs equate to £1.2 million every year and over £700,000 has to be met from fundraising activities".

More information about the fundraising options described above is available from the Hospice by telephoning its Fundraising Office on 01724 843731.

April 2004 budget changes

Basic State pension

In April 2004, the basic State pension increased by 2.8%. The changes are:

	2003/04 (£ per week)	2004/05 (£ per week)
Single pensioner	77.45	79.60
Married couple	123.80	127.25

Pensioners who receive free NHS in-patient treatment for more than 52 weeks will have their basic State pension reduced.

State Pension Credit

	2003/04 (£ per week)	2004/05 (£ per week)
Single pensioner	102.10	105.45
Married pensioner	155.80	160.95

All enquiries about these benefits should be made to your local Department for Work and Pensions (DWP) office.

Winter Fuel Payment

The winter fuel allowance is £200 per eligible household for those age 60 and over at 26 September 2004. For those over age 80 at that date, it is £300 in total per eligible household. If you have retired, the Department for Work and Pensions (DWP) will automatically send you a claim form in June 2004. If you do not receive this, please telephone the DWP Helpline shown below.

DWP Winter Fuel Payment
Helpline – 08459 15 15 15

One-Off Payment

The Government will make a one-off payment of £100 this year to each eligible household with someone aged 70 and over at 26 September 2004. The one-off payment is to help with living expenses. The Government aims to pay this additional money automatically with this year's Winter Fuel Payment and expects payment to be made by the end of 2004. The one-off payment is a tax-free lump sum that will not affect any State pension or benefits you may receive.

DWP Department for
Work and Pensions

Making It Clear



To make the Update easier to read, we have taken account of guidelines given by the Royal National Institute for the Blind (RNIB) and the Plain Language Commission.

Visual requirements

We also provide the Pensioners' Update in Braille, large print, and on audio tape. If you have used this service already, we will automatically send you a copy in your preferred format shortly after you receive the printed version. If you would like to register for this service, please telephone us on 0845 274 0900/01 and let us know which version you require.

If you have a relative or friend who is a British Steel pensioner and has a visual impairment, ask them if they would like to

receive Pensioners' Update in one of these formats. If so, you can telephone us on their behalf.

Plain language

The Plain Language Commission provides advice on many of the Pensions Office's publications to help ensure they are jargon free and easy to read. The Commission has awarded this Update its "Clear English Standard" mark.



Checking pensions are paid to the right people

The Trustee makes regular checks to ensure that pensions are paid to the correct people. In previous years, the Trustee has done this by sending out forms for completion by Scheme pensioners and dependants. Recently it has sent forms to pensioners who live overseas. The Pensions Office also looks at information from the General Register Office, recording details of deaths in the United Kingdom going back many years. These can be checked against the pension payroll to ensure that deaths have been reported.

If there is clear evidence of fraud, it will be rigorously pursued and referred to the police or the Scheme's Solicitor for criminal or civil court action.

Your feedback

We would welcome and value your comments on this edition of Update, and your suggestions for future editions.

Please write to
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