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# **GROUP PENSION SCHEME**

**AS FINALLY APPROVED BY  
THE TRUSTEES**

**1st JANUARY, 1931**

**NATIONAL JOINT INDUSTRIAL COUNCIL  
FOR THE FLOUR MILLING INDUSTRY**

**28 KING'S ROAD, CHELSEA, S.W.3**

## OUTLINE OF SCHEME

The Pension Scheme outlined below has, after careful consideration, received the support and recommendation of the National Joint Industrial Council of the Flour Milling Industry. The Scheme, which is to be effected by insurance, is designed to embrace the whole industry and is equally applicable to employees of both small and large firms. It safeguards the benefits of employees who transfer from one employer to another within the Scheme, and it makes provision for pension in respect of past service.

### ELIGIBILITY.

All male employees of a Contributing Firm over the age of 18 and under the age of 64 (other than clerical or administrative staff) are eligible to become members of the Scheme. Pension for past service is available for eligible employees who are in the service of a Contributing Firm on 1st January, 1931, but only if they become members before the 1st July, 1931.

For eligible employees who enter the service of a Contributing Firm after the first day of July, 1931, membership of the Scheme will be a condition of service.

### THE TRUSTEES.

The Trustees for this Pension Scheme will be appointed by the National Joint Industrial Council for the Flour Milling Industry, and will hold office during the pleasure of the Council. The Trustees will have power to alter the Scheme and the benefits from time to time. Any such alteration as may be made in the future will in no way affect the pension rights to which members are already

entitled for service between the date of joining the Scheme and the date of such alteration, nor will it affect the actual pensions of members who have already retired.

#### PENSION.

##### *(a) Present Service.*

The annual pension for service of employees rendered after the date of becoming members will be at the rate of £1 for each complete year during which they have been contributing members.

The pension will be payable monthly in advance, the first monthly payment being made on the retirement of a member on the normal retirement date. This date will, in the case of each member, be the anniversary of his joining the Scheme which falls nearest to his 65th birthday.

For example, *see* Appendix A.

##### *(b) Past Service.*

For each complete year of continuous service prior to the 1st January, 1931, in the employment of the firm by whom he is employed at the date of joining the Scheme, an employee who becomes a member before the 1st July, 1931, will (subject to the note below), if he continues in the service of a Contributing Firm until the normal retirement date, become entitled to a further pension of 10s. per annum.

In calculating the amount of pension payable for past service the following shall be taken into account:

- (i) If prior to 1st January, 1931, an employee transferred from the service of one Contributing Firm to that of another, service with

the former shall count as service with the latter.

- (ii) If an employee left the service of a Contributing Firm to join His Majesty's Forces during the War and upon his demobilization or discharge was re-engaged in the service of the same or any other Contributing Firm the period of his service with H.M. Forces will be counted as Service with a Contributing Firm.
- (iii) Employment with a firm which has been merged into an existing Contributing Firm shall count as service with the latter.

For example, *see* Appendix A.

*Note* : Pensions for Past Service will definitely be provided for all Members becoming entitled to the same during the first five years of the Scheme. For Members becoming entitled after that period, the provision of Past Service Pensions will depend on the continued support and maintenance of the Scheme by both Contributing Firms and their Employees.

#### THE COST.

The Scheme is a contributory one and the cost will be 2s. per week per member. Half of this, or 1s., will be deducted from the wages of each member, and half will be contributed by his firm.

These contributions will be applied in meeting the cost of Pension for Present Service and in creating a Fund to provide the Past Service Pensions. It is estimated that, given adequate support of the Scheme, the full provision for all Past Service

Pensions will have been made within a term of 25 years, in which case it should become possible either to increase the amount of pension for each future year of service or to reduce future contributions.

Each Contributing Firm will agree to subscribe for the minimum period of five years, and may renew the arrangement for successive periods of three years. Renewal will of course be subject to the Trustees' powers of altering the Scheme or the benefits, but given continuous and adequate support of the Scheme the possibility of any alteration adverse to members is remote.

If for any reason a firm does not renew its contributions the whole of the pension for service rendered while the employee has been a contributor will be fully secured, and any employees who have retired on pension will continue to have their pensions (including pension for past service) paid in full.

#### CHANGE OF SERVICE.

Should a member leave the service of a Contributing Firm for that of any other Contributing Firm the full pension rights secured to date will be transferred with the member, and both past and current service with his original firm will continue to rank for pension.

#### TEMPORARY UNEMPLOYMENT.

Membership of the Scheme may be suspended during temporary unemployment whether due to sickness or any other cause and resumed on re-employment provided that :—

- (i) No one period of temporary unemployment shall exceed 6 months.
- (ii) The options under heading "Withdrawal from the Scheme" are not exercised during any such period.
- (iii) No contributions shall be payable by the Member or the Firm during any such period and the Member's Pension will be adjusted accordingly.

A Member may, however, if he wishes, arrange for himself or through his Trade Union to continue payment of both his own and the Firm's contributions during any period of such temporary unemployment, and if he does so no adjustment of pension will be necessary. In the subsequent event of death or withdrawal from the Scheme, there will be no refund of those portions of any payments thus made by a Member which are in substitution for the Firm's contributions.

#### WITHDRAWAL FROM THE SCHEME.

Subject to the above provisions as to temporary unemployment, a member on ceasing to be in service of a Contributing Firm for any reason except transfer to another Contributing Firm, retirement on pension or death, shall, at the expiration of 2 months, have the following options :—

- (a) to receive a cash payment equal to his own past contributions and thereafter cease to be a member of the Scheme ; or
- (b) to take a fully secured pension commencing at the normal retirement date and equal to

£1 per annum for each complete year during which he has been a member.

*Note :* The Trustees may, on account of past service, allot to members who take option (b) a further sum of fully secured pension commencing at the normal retirement date, as shown in the table in Appendix B. The allotment of this additional pension is at the discretion of the Trustees, who will have regard to the circumstances of the case and the funds at their disposal. The latter will of necessity depend upon a substantial proportion of the Contributing Firms remaining within the Scheme.

#### RETIREMENT BEFORE OR AFTER AGE 65.

At the mutual request of a member and of the Contributing Firm a member may retire at any time within the ten years immediately preceding the normal retirement date with a reduced pension, commencing at once but subject, as regards any benefit in respect of past service, to the discretion of the Trustees. Similarly, at the mutual request of the Member and the Contributing Firm the member may remain in service for a period of not more than five years after the normal retirement date, during which all contributions in respect of the member will cease to be payable and the commencement of pension payments will be deferred until the actual date of retirement. No additional pension will accrue in respect of the extended period of service.

#### DEATH OF A MEMBER.

In the event of the death of a member before any pension payable to him under this Scheme (including any pension secured under Option (b)) shall

have been commenced the whole of his own contributions will be refunded to his legal representatives. Should death take place after his pension has been entered upon, any excess of the member's own contributions over the amount of pension which he has received will be refunded to his representatives.

#### INSURANCE COMPANY'S GUARANTEE.

The pension benefits secured by the joint contributions of the firm and the member will be a direct obligation from The Legal & General Assurance Society Ltd. to the member, and will be paid by that Society direct to the member as they become due.

#### NATIONAL INSURANCE PENSION.

The pensions under this Scheme are in addition to and will not in any way be interfered with by the pensions provided under the National Insurance Scheme or by any other benefit to which a member may be entitled.

## APPENDIX A.

### EXAMPLE (1).

An employee becomes a member at the age of 60 and has been in the employment of the Contributing Firm since he was 30. His pension at age 65 when he retires from the Contributing Firm will be £20 as follows :—

30 years' pension for past service at 10s. p.a... ..	£15
5 „ „ for future service at £1 p.a. ..	5
Total pension (payable by monthly instalments of £1 13s. 4d.) which will not be in any way interfered with by the pension under the National Scheme .. .. .	<u>£20</u>

### EXAMPLE (2).

An employee enters the service of a Contributing Firm and becomes a contributing member at the age of 35. He continues in the employment of a Contributing Firm till attainment of age 65. He will then be entitled to a pension of £30 in respect of the 30 years during which he has been a contributing member. The monthly instalment of £2 10s. od. will not in any way be interfered with by the pension provided under the National Scheme.

## APPENDIX B.

Pension from age 65 in respect of past service which may be granted by the Trustees at their discretion to a member taking Option (b) as set out on page 7 :—

Completed years during which a member has been a contributor.	Reduced pension for each year of service prior to 1st January, 1931.
1	6d.
2	1/-
3	1/6d.
4	2/-
5	2/6d.
6	3/-
7	3/6d.
8	4/-
9	4/6d.
10	5/-
11	5/6d.
12	6/-
13	6/6d.
14	7/-
15	7/6d.
16	8/-
17	8/6d.
18	9/-
19	9/6d.
20	10/-