

- Higher scheme benefits payable can be introduced at employer's discretion.
- Pension accrual can be 1.5%, 1.75% or 2% of Earnings (standard rate is 1.25% of Earnings).
- Bonus additions will be granted on all rates of contribution.
- Death-in-Service benefits will be increased proportionately.

Helpline

**08457 656565**

Email [info@plumbingpensions.co.uk](mailto:info@plumbingpensions.co.uk)

Tel 0131 556 0600

Plumbing Pensions (UK) Ltd,  
Bellevue House, 22 Hopetoun Street,  
Edinburgh EH7 4GH.

[www.plumbingpensions.co.uk](http://www.plumbingpensions.co.uk)



**Plumbing Pensions**

Plumbing & Mechanical Services  
(UK) Industry Pension Scheme



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**Higher Benefits  
For Key Employees**

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## Introduction

This leaflet should be read in conjunction with the “Guide to the Plumbing Industry Pension Scheme”.

While most members of the Plumbing Industry Pension Scheme will contribute at either the Basic or 2017 contribution and benefits levels, three Higher Benefit scales are available, at an employer’s discretion, to allow key employees to accrue higher benefits in return for increased contributions. The benefits available under the Higher Benefits scales are up to double those provided under the Basic Scale.

Membership at one of the Higher Benefit scales is intended for Directors of limited companies, managers and other senior employees of a business participating in the Scheme. Manual labour, whose terms and conditions of service are governed by the Working Rule Agreements of the two Plumbing Joint Industry Boards, would not normally be enrolled in one of the Higher Benefit scales although this is possible if an employer wishes.

## Contributions

The following tables illustrate; the gross contribution rates for all the benefit scales. In all cases contributions are payable on earnings and the rates shown are a percentage of earnings. The application of tax relief has the effect of reducing the gross cost of contributing.

### Before April 2017

Scale	Employee Contribution	Employer Contribution
2017	3.75%	7.5%
Basic	3.75%	7.5%
H2	5.25%	10.5%
H3	6.25%	12.5%
H4	7.25%	14.5%

### April 2017 to March 2018

Scale	Employee Contribution	Employer Contribution
2017	3.75%	7.5%
Basic	4.6%	9.2%
H2	5.9%	11.8%
H3	7.3%	14.6%
H4	8.5%	17.0%

### From April 2018

Scale	Employee Contribution	Employer Contribution
2017	3.75%	7.5%
Basic	5.3%	10.6%
H2	6.5%	13.0%
H3	8.3%	16.6%
H4	9.7%	19.4%

## Pension Accrual

At the end of each tax year members are allocated a pension credit equal to the relevant percentage of earnings in that year. The percentage level accrued is dependant upon the the member’s contribution and benefit scale. The following table illustrates the set pension accrual rates and for guidance, the fraction of annual earnings accrued in a scheme year is also shown.

Scale	Pension Accrual	Fraction
2017	1.25%	1/80th
Basic	1.25%	1/80th
H2	1.5%	1/66th
H3	1.75%	1/57th
H4	2.0%	1/50th

## Bonus Additions

All pension credits will continue to receive bonus additions as detailed in the scheme guide.

## Death-in-Service

Should you die in service while contributing at a higher level this will also entitle your dependants to receive benefits due at a rate in proportion to the higher level applicable. The following table shows the increased rate of lump sum benefit payable.

Scale	Lump Sum Benefit
2017	3 x pensionable earnings / rate of wages
Basic	2 x pensionable earnings / rate of wages
H2	3 x pensionable earnings / rate of wages
H3	3.5 x pensionable earnings / rate of wages
H4	4 x pensionable earnings / rate of wages

## Annuities Payable to Children

Although not directly related to the member’s pension these will also be increased in proportion to the higher benefit rate.

## Individual Illustration

Employers wishing to consider using one of the Higher Benefit Scales for certain selected employees may obtain an illustration of projected benefits on request from the Benefits Team, Plumbing Pensions (UK) Ltd, Bellevue House, 22 Hopetoun Street, Edinburgh EH7 4GH or by email to [info@plumbingpensions.co.uk](mailto:info@plumbingpensions.co.uk).