PENSION CHANGES

from 1 January 2012

for members of the

Baptist Ministers' Pension Fund

Baptist Union of Great Britain
Encouraging Missionary Disciples

This bulletin has been prepared by the Baptist Union of Great Britain to provide you with information and ask for your comments regarding major changes proposed to the Fund.

As explained in earlier communications, over the last two years the Union has been undertaking a major review of future pension arrangements for ministers and for members of the Staff Scheme. This has been a difficult and complex process, but the Union is now able to put forward firm proposals for new pension arrangements to become effective from 1 January 2012.

The Union wishes to receive the views of pension scheme members, churches and other organisations employing pension scheme members about these proposals. It also has a statutory duty to consult over a 60 day period with members of the Fund and the Staff Scheme on these proposals because they affect pension benefits. The distribution of this bulletin begins that consultation process, which formally runs from 1 April to 30 May 2011.

See page 2 for a summary of the key changes proposed for the Fund

You can hear more about the pension review and these proposals at these roadshows:

Friday 1 April	Broadmead Baptist Church, Bristol
Monday 4 April	Bloomsbury Central Baptist Church, London
Wednesday 13 April	Blackley Baptist Church, Elland, West Yorkshire
Thursday 14 April	Sutton Coldfield Baptist Church, West Midlands
Monday 9 May	Stirling Baptist Church, Scotland

Each roadshow runs from 1.30 - 4.00 pm and is open to members of the Fund and of the Staff Scheme, and to representatives from churches. To book, please contact Helen Pratt (hpratt@baptist.org.uk or 01235 517735). In addition, there will be a seminar at the Assembly, from 4.00 - 5.00 pm on Saturday 30 April, covering pensions issues.

It is hoped in due course to provide more material on the Union's website, picking up on issues arising from the roadshows and consultation.

You can choose whether to respond to the consultation, but **any responses must be received by 30 May 2011**. Responses may be entered onto the Survey section of the Union's website at www.baptist.org.uk/bmpfmembersurvey (by members) or www.baptist.org.uk/bmpfemployersurvey (by churches and other employers). Responses via the website are preferred since they can be collated more easily, but they can alternatively be sent by post to:

The Fund Administrator
Baptist Union of Great Britain
Baptist House, 129 Broadway, Didcot
Oxfordshire OX11 8RT

You need to be aware that this process is a consultation and not a referendum. The views expressed will be reported fully to the Union Trustees, who have been authorised by the Baptist Union Council to make the necessary decisions at the close of the consultation, unless issues are raised which should be considered by Council. Although the Union Trustees will note expressions of regret that the existing Fund cannot continue unchanged, they will need cogent reasons to amend the proposals materially or to delay the process. However, the ultimate decision rests with Council.

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The **key changes** proposed from 1 January 2012 are summarised below, but more information is shown in the later sections of the bulletin as indicated here

	See section
You will not build up a defined benefit pension for service after 31 December 2011	7
The service-related benefits which you have built up by 31 December 2011 will continue to be linked to your Final Minimum Pensionable Income when you eventually leave ministerial service. **These benefits are not affected by the changes for the future** and will be paid as required under the current rules of the Fund	7
Any Supplementary Benefits which you have built up in the Fund by 31 December 2011 are **not affected** by the changes	7
From 1 January 2012, you will build up a defined contribution pension account within the Scheme, which will be used to provide your benefits when you retire	10
You will continue to contribute 8% of your Pensionable Income. These contributions will go into your pension account	8
Your church (or other employer) will contribute 10% of your Pensionable Income to cover your benefits, with 6% going into your pension account and the other 4% paying for death and ill-health benefits and for running the Scheme	8
Your church (or other employer) will also need to pay additional contributions to help meet the shortfall in the Fund in respect of benefits built up so far (initially these might be 10 - 12% of Pensionable Income, as compared to current contributions of 5.8% of Minimum Pensionable Income towards the shortfall)	4, 8
The new Scheme will provide a significant level of benefits on death in service	11
In parallel with the new Scheme, there will be an insured income continuation scheme to protect members unable to work due to long-term ill-health	12

Key words

Defined Benefit (DB) - a pension or lump sum calculated using a pre-determined formula, so that members know in advance how much benefit they can expect (eg a proportion of Final Minimum Pensionable Income). The contributions payable to finance those promised benefits vary, so the employer normally bears the risk

Defined Contribution (DC) - the level of contributions is fixed and the eventual benefit depends on the investment returns achieved on the member's pension account, and the terms on which the member's pension account can be converted to pension. The member bears the risk of poor returns or terms, but also benefits from good returns or terms

Final Minimum Pensionable Income - average over 12 months of Minimum Pensionable Income

Fund - the Baptist Ministers' Pension Fund

Manse value - £6,000 per year from 1 January 2012, but reviewed at least once every three years

Minimum Pensionable Income - Standard Stipend + Manse value

Pension Account - holds units in investment funds, bought with contributions by and on behalf of the member

Pensionable Income - annual stipend + manse value

Scheme - the Baptist Pension Scheme (the new name for the Fund)

Staff Scheme - the Baptist Union Staff Pension Scheme

Union - the Baptist Union of Great Britain

Please note that, for the purposes of pensions law, ministers are regarded as employees and churches as their employers.

Under these proposals, the Fund will be re-named The Baptist Pension Scheme and will be used in future to provide benefits for:

- Baptist ministers and church workers and for ministerial students who are remunerated while training in pastorate
- the staff of the Unions, Associations and Colleges
- the staff of churches and their associated organisations

Following the consultation, decisions on future pension arrangements will be reported on the Union's website, and through the Baptist Times, as soon as they have been finalised. Decisions on the level of contributions required from 1 January 2012 to meet the shortfall in the Fund will be made as the current actuarial valuation of the Fund progresses and will be reported in the same way. More detailed communications to members, churches and other employers will follow in due course.

The remaining sections of this bulletin explain why the Union is proposing these changes and provide more information on how the proposed new arrangements would operate.

1 The process of change

It is primarily the responsibility of the employers sponsoring an occupational pension scheme to decide on changes to future benefits. In the Fund, the Baptist Union Council is designated to represent the employers and accordingly, the Union has been undertaking a pension review for the reasons explained in section 2.

Changes in benefits involve amendments to scheme rules and in both the Fund and the Staff Scheme, it is the respective pension trustees that have the power to change the rules. However, rule changes need the consent of Council (in respect of the Fund) and the Union Trustees (in respect of the Staff Scheme).

The Trustees of both the Fund and the Staff Scheme have been fully consulted by the Union throughout the review process and they accept that the proposed changes are necessary to protect benefits earned to date and to put future pensions provision on a viable footing. If the proposed changes go ahead after the consultation, the pension trustees will be responsible for important decisions about the operation of the new arrangements.

Pensions already in payment and the benefits prospectively payable to those who have left ministerial service are not affected by these changes. Benefits built up by current contributing members for service to the end of 2011 are also unaffected (see section 7 below)

2 Reasons for the review

The Union decided towards the end of 2008 to undertake a major review of future pension arrangements for ministers and for members of the Staff Scheme. The initial reason for this was the increase in both member and employer contributions from 1 January 2009, which arose from the results of the actuarial valuations of both schemes at the end of 2007.

However, once the review began, it soon became clear that there were other pressing reasons to consider change. These included:

- the continuing trend towards people living longer, which increases the cost of pensions
- disappointing recent and prospective returns from investment markets
- changes in government regulations which have significantly increased the risk to employers from sponsoring defined benefit pension schemes

All of these factors suggested that contributions would need to rise further in future and could pose a threat to the financial viability of churches and other employers involved in the schemes.

3 The review's aims and constraints

The Pension Review Group began with the aim of providing a pension scheme for ministers and staff that:

- can be owned by the Baptist family
- shares the risks between employers and members
- produces an appropriate level of benefits
- is affordable for churches and other employers
- is affordable for ministers and staff
- is sustainable long term

Implicit in this aim are three objectives which conflict with each other, in that moving towards any one of them produces adverse movement in one or both of the others. These objectives are:

- to minimise the adverse impact of change on members
- to reduce risk to the employers
- to avoid cost increases

The conflict between these objectives makes compromise between them inevitable.

The Pension Review Group's task was complicated by the government's "employer debt regulations", which have a uniquely adverse impact on the Fund. The resulting need to liaise with the Department for Work and Pensions, the Pensions Regulator and the Pension Protection Fund has delayed the review process. More information on this is to be found in the parallel bulletin for churches and other employers.

4 Developments during the review process

In trying to balance the interests of members and employers, the Pension Review Group looked at the level of benefits produced by the Fund's current structure. They made comparisons between net stipend immediately before retirement and total net pension from Fund and State. This showed that, for an hypothetical minister with 40 years service on the Standard Stipend, the total net pension would be significantly higher than net stipend, even after allowing for the additional cost of housing in retirement. This suggested that there was scope for some reduction in the level of benefits for future service, but with the broad aim that this hypothetical minister should have a total net pension equal to net stipend plus an allowance for housing costs.

The development of the Fund's financial position over recent years has been a source of concern, as explained in the item on the Fund's health check on page 5. At present, members and employers are together paying contributions to the Fund of 24% of Pensionable Income. However, if the Fund were to continue in its present form, the total contributions required would probably increase to more than 35% of Pensionable Income in 2012 (and could increase further still in future). This reflects not only the need to meet the shortfall, but also the increased cost of benefits currently being built up.

Developments during the review process have thus confirmed that continuing with the Fund in its current form would be very costly and pose unacceptable risks to churches and other employers. Similar conclusions apply to the Staff Scheme.

The Pension Review Group therefore gave detailed consideration to various alternative forms of future pension arrangement before concluding that it was necessary to move to a defined contribution (DC) scheme.

The Fund's health check

Once every three years, a full actuarial valuation of the Fund takes place, providing a check on the Fund's financial health. Interim check-ups are carried out each year between those full valuations.

In these health checks, the actuaries compare the value of the Fund's assets with the value of its liabilities (the payments it is due to make over time for benefits already built up). The results can be summarised through two key statistics:

Funding level - the value of the Fund's assets expressed as a percentage of the value of its liabilities for benefits already built up - the target is a funding level of 100% or more

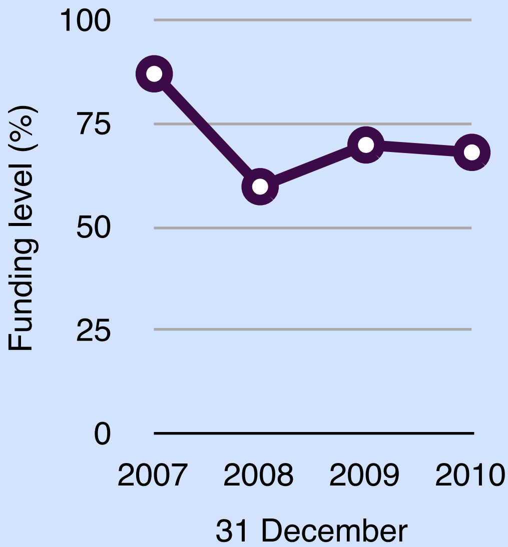
Shortfall - the monetary value of any gap between the value of the Fund's assets and the value of its liabilities for benefits already built up

Note: The value of the liabilities can be calculated in different ways. For the charts on this page, the Fund is assumed to be ongoing. Other measures generally result in higher liabilities.

In addition, the actuaries calculate the contributions likely to be required to pay for benefits currently being built up, and the additional amount needed to make up any shortfall.

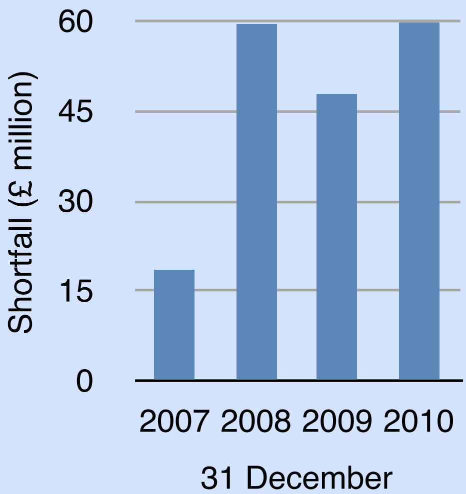
A full valuation of the Fund was carried out as at 31 December 2007 and the next full valuation is currently in progress, although some preliminary figures from that are already available. The first chart shows the funding level at the last valuation and at the end of each year since then.

Note: Figures shown as at 31 December 2010 are only preliminary and are subject to change



This shows how the financial turmoil of 2008 seriously damaged the financial strength of the Fund. Although equity markets had recovered to some extent by the end of 2010, low long-term interest rates had pushed up the value of the Fund's liabilities, so the funding level is still much lower than it was at the end of 2007.

The second chart shows the resulting shortfalls in the Fund.



The contributions needed to pay for this shortfall in the Fund might be 10 - 12% of Pensionable Income, payable for 20 years or more. In comparison, contributions of 5.8% of Minimum Pensionable Income are currently being paid towards the shortfall.

5 Choice of DC provision

The financial position outlined above reinforces the main reasons for moving to DC provision, which are:

- to ensure that future pension arrangements are financially viable and sustainable over the long-term
- to avoid building up further risk to the employers

It also has the benefit of:

- focussing available resources on meeting the shortfall
- avoiding problems about fixed retirement ages
- greater flexibility to meet differing patterns of ministry
- putting ministers and staff on the same form of pension provision as the majority of private sector employees

However, it has the major disadvantage of transferring to members the risks arising from uncertainty in both investment returns and the terms for buying pension. This is thought to be fair because the employers are already bearing so much risk in respect of benefits built up so far, and will continue to do so for a very long time into the future.

The Union wishes to overcome negative perceptions about DC schemes, created by some employers using a change to DC provision as an excuse to cut contributions. Instead, the Union is keen to "do DC well", which involves

- good design
- good operation
- good communication

through an effective partnership between employers and pension trustees.

6 Sections of the Baptist Pension Scheme

It is proposed that the Scheme will have three sections for future DC provision, as follows:

Section	Eligibility for membership
Ministers	Baptist ministers (plus ministerial students who are remunerated while training in pastorate)
Staff	Nationally accredited church workers, staff of the Union, Associations and Colleges, staff of churches and their associated organisations
Basic	Any of the above, although this section is primarily aimed at individuals who have not, to date, been eligible to join either the Fund or the Staff Scheme

The only difference between the Ministers and Staff sections is in the definition of Pensionable Income, which includes the Manse value for ministers.

The Basic section is at the minimum level necessary to satisfy the new statutory "auto-enrolment" requirements which are being phased in over the next few years. It is intended to provide churches with an easy way of meeting these new requirements, which apply to all employees earning more than £7,475 per year (in 2011/12 terms), with employees earning less than this still having options to join the pension arrangement. It has not yet been decided when the Basic section will become available.

In addition to the new sections outlined above, there will still be the DB section, covering benefits built up to the end of 2011, as explained in the next section.

7 Benefits built up to 31 December 2011

Under these proposals, you will not build up any further defined benefits (linked to service and Final Minimum Pensionable Income) or Supplementary Benefits within the Fund after the end of 2011.

However, the benefits you have built up by 31 December 2011 are unaffected by these changes. In particular, please note that:

- The current link to Final Minimum Pensionable Income will continue to apply to your defined benefits. As a result, these benefits will be based on your Final Minimum Pensionable Income when you eventually leave ministerial service
- The pensions payable following death in service and in some cases of ill-health will still be based on the full service that you would have completed up to age 65
- Supplementary Benefits will continue to be eligible for bonuses declared by the Trustee acting on the advice of the Actuary

The provisions of the DB section are summarised in Appendix 1 on page 11 of this bulletin.

8 Contributions to the Ministers section

The proposed initial contribution structure from 1 January 2012 for the Ministers section is shown in the table below.

The members' contribution rate is unchanged at 8% of Pensionable Income, as the Pension Review Group did not think it fair to increase this rate while also transferring risk to members.

The increase in the total contribution rate payable by churches and other employers from 16% to perhaps 20 - 22% is due to the need to pay for the shortfall in the DB section. In the interim consultation, a significant proportion of churches responding expressed a willingness to have total contributions of up to 30%, but the Review Group recognise that this will be a major challenge for many churches.

Payable by	Destination	% of Pensionable Income
Member	Member's pension account	8
Employer	Member's pension account	6
Employer	To pay for benefits on death or ill-health and for administration	4
Employer	To pay for 2010 shortfall	10 - 12 *
Total Employer		20 - 22 *
Total		28 - 30 *

* Illustrative figure, subject to the outcome of the 2010 actuarial valuation

Part of the employer's contribution will be paid to insurers to cover the premiums for:

- the lump sum benefit on death in service
- income continuation in the event of serious ill-health (see section 12)

The total contribution of 28 - 30% of Pensionable Income will be collected by a single direct debit payment as now. There are very strict time limits on when contributions should reach the member's pension account, and these can only be achieved if the contributions continue to be received by direct debit.

As at present, members and/or their employers can choose to pay additional contributions. These currently buy Supplementary Benefits, but in future they will be added to the member's pension account.

9 Investment of your pension account

Contributions paid into your pension account will be used to buy units in investment funds on your behalf. A range of investment options will be made available, including an ethical fund.

If you wish, you will be able to select the investment strategy for your pension account from within that range of funds. However, it is appreciated that many members will not wish to be actively involved in investment decisions and so there will also be a default option. It is expected that the investment strategy within this default option will change automatically for each member as they approach retirement in order to reduce their vulnerability to fluctuations in investment markets.

The selection of the range of investment funds will be made by the Scheme Trustees, with help from their advisers. They will seek to ensure that the level of charges borne by the investment funds is competitively low. It is expected that you will be able to access details of the funds in which your account is invested, together with a wide range of supporting information, through the internet.

The Scheme Trustees will also monitor the performance of the funds offered to members and make changes to the range of funds if necessary.

10 Benefits from the Ministers section

In due course, the value of the investments built up in your pension account will be used to provide your DC benefits from the Ministers section of the Scheme. The level of your DC benefits will depend on:

- the level of contributions paid into your pension account
- the investment returns achieved within your pension account
- your age when you start to draw your benefits
- financial conditions when you start to draw your benefits and the cost of purchasing a pension at that time
- the form of benefits you choose

As a result, there can be considerable variation in the benefits emerging from a DC pension scheme. DC benefits may be lower or higher than those from the current Fund. No one can predict the outcome from a DC pension scheme, but the Pension Review Group has considered the results of financial modelling carried out by the actuaries and regard the projected range of benefit outcomes as reasonable.

Within limits set by government, you will have considerable flexibility in the way you take your benefits, as follows:

- You can choose when after age 55 to take your DC benefits - this may be when you retire from ministerial service, but it can be before or after that date. It may be at the same time that your benefits from the DB section come into payment, but you may choose a different time
- You will be able to take part of your DC account as a lump sum (which under current legislation will be tax free), although this will reduce the amount available to buy your pension
- The amount left in your pension account after taking any lump sum will be used to buy a pension from an insurance company. You will have to choose which insurance company to use, so that you can seek the best terms, and you will also have to make choices about whether your pension will increase in payment and whether to make provision for pension to continue to be paid to a dependant following your death

The benefits from the Ministers section are summarised in Appendix 2 on page 12 of this bulletin.

11 Benefits on death in service

The tax free lump sum payable on death in service under the Ministers section of the Scheme will be 4 x Pensionable Income, plus the value of the member's pension account. At present, this lump sum is 4 x Minimum Pensionable Income, so the payment under the new arrangement will generally be higher than at present.

In addition, as noted in section 7, dependants' benefits will be payable from the DB section, based upon the full period of service you would have completed by age 65.

Ministers joining the Ministers section from 1 January 2012 onwards will not have these dependants' benefits from the DB section. Therefore, the tax free lump sum payable on their death in service will instead be 8 x Pensionable Income (or, if greater, 4 x Pensionable Income + the value of their pension account). This higher lump sum is intended to provide dependants with the option to purchase a pension if that is appropriate to their circumstances, since the Scheme will not provide any dependants' pensions.

12 Income continuation on ill-health

Taken in isolation, DC pension schemes often do not make adequate provision for members who are unable to continue working due to ill-health. The Union is concerned to make suitable financial provision for ministers and staff in this situation. Its advisers are therefore in negotiations with insurers about providing an income continuation scheme.

It is intended that this would work along the following lines:

- eligibility for payments would begin after six months absence from work due to ill-health
- payments would be at the rate of 50% of Pensionable Income
- the insurer would also pay both member and employer contributions to the Ministers section of the Scheme, based upon full Pensionable Income, for the period of ill-health
- payments would increase in line with price inflation, up to a limit of 5% per year
- payments continue while the member's ill-health persists, but if the individual continues to be in ill-health over the long-term, payments would cease at State Pension Age. Pension can then be taken in the normal way

Receiving income continuation payments does not count as ill-health retirement. Individuals receiving these payments would be treated as active members of the Ministers section, building up their member's account and remaining eligible for death in service benefits based on their full Pensionable Income. It will not be possible to receive at the same time both the income continuation payments and an ill-health retirement pension from the DB section.

The operation of the income continuation scheme will be subject to the insurers' terms and conditions and decisions about whether individuals qualify for benefit will be made by the insurers, rather than by the Union or by the Scheme Trustees.

13 Special situations

Please note that:

- Unless and until a defect in the statutory employer debt regulations is corrected, it will unfortunately continue to be necessary to retain the recently-introduced category of "interim minister" members

- Under the proposals, from 1 January 2012, contributions paid in respect of interim minister members will build up a pension account on a DC basis, as with other members
- Members on leave of absence or out of pastorate may not qualify for the benefits on death in service, or for income continuation. Restrictions may also apply to any members deemed to be "not at work" at the start of the new arrangements, unless legal requirements relating to maternity and other types of statutory family leave apply.

14 Communication and education

The Union and the pension trustees recognise that moving to DC pension arrangements for the future will require you to make decisions on issues you have not previously faced as a member of the Fund, such as investment policy and retirement options. Both the Union and the pension trustees are therefore committed to providing you with:

- clear communications on the choices open to you
- opportunities for education on the issues to be considered when making these choices

Once the consultation process has been completed and final decisions taken about future pension arrangements, more details will be provided about the communication and education process.

15 State pensions and auto-enrolment

The Fund is not currently contracted out of the State Second Pension and there is no intention of changing this position, so the proposed changes would not affect your entitlement to benefits from the State Pension Scheme.

All three sections of the Scheme are intended to satisfy the new statutory "auto-enrolment" requirements which are being phased in over the next few years. More details about this will provided in due course.

16 Important notes

This bulletin contains a summary of proposed changes to the Fund. Any further material changes to the proposals will be communicated to members.

Whilst every care has been taken in its production, this bulletin is intended only as a broad summary of the various matters it contains and is based on our understanding of the present effect of relevant pensions, tax and other legislation. Your legal rights will be governed by the formal documentation of the Fund and the new Scheme, which will be available to you on request, and the relevant pensions, tax and other legislation from time to time.

In the event of any inconsistency between this bulletin and the final arrangements, the provisions of the final arrangements shall prevail.

As explained on page 1, this bulletin has been issued as part of a statutory consultation process and you are invited to respond to that consultation by 30 May 2011. The process for responding is set out on page 1.

However, if you have any queries about the process or the content of this bulletin, please submit them to bmpfqueries@baptist.org.uk. However, if you do not have access to e-mail, please contact Philip Putman, Head of Finance & Administration, at Baptist House.

Appendix 1 Benefits from the DB section

item	Definition
Eligibility	Members of the Fund on 31 December 2011
Normal Pension Date	Age 65, subject to any rights to draw part of benefits earlier without reduction
Pensionable Service	As current definition, but only counted to 31 December 2011
Normal retirement pension	Calculated as at present, based on Pensionable Service and Final Minimum Pensionable Income
Leaving service pension	Pension based on Pensionable Service to 31 December 2011, calculated at the date of leaving service and revalued from then until Normal Pension Date in accordance with the Rules
Early retirement pension (from minimum age 55)	Pension based on Pensionable Service to 31 December 2011, calculated at the date of retirement and reduced for early payment
Ill-health retirement pension	Pension based on Pensionable Service to 31 December 2011, calculated at the date of retirement and payable without reduction For pre-April 2006 entrants who are incapable of any work, pension will be based on Pensionable Service + Notional service from 1 January 2012 to Normal Pension Date
Lump sum on death in service	None (provided instead in new section)

item	Definition
Dependant's pension on death in service	½ of the member's pension, based on Pensionable Service + Notional service from 1 January 2012 to Normal Pension Date
Children's allowances on death in service	⅓ of dependant's pension per qualifying child, up to a maximum of 3
Lump sum on death in deferment	Lump sum equal to the transfer payment available immediately prior to the member's death
Lump sum on death after retirement	On death within 5 years of retirement, balance of 5 years payments Following ill-health retirement: Lump sum of 2 x MPI payable on death between retirement and Normal Pension Date
Dependant's pension on death after retirement	½ of member's pension, ignoring any reduction due to taking a lump sum at retirement
Children's allowances on death after retirement	⅓ of dependant's pension per qualifying child, up to a maximum of 3
Lump sum at retirement	Available, subject to HMRC limits
Increases to pensions in payment	Unchanged from current definition (ie in line with price inflation, subject to the limits set out in the Fund Rules)

Note: This Appendix is a summary and does not convey any entitlement to benefits other than those specified in the Fund Rules

Appendix 2 Benefits from the Ministers section of the new Scheme

item	Definition
Eligibility	Baptist ministers (plus ministerial students who are remunerated while training in pastorate)
Retirement pension	DC Pension (= Pension purchased by member's pension account in open market, allowing for member's choices on increases and dependants' benefits) applicable when member chooses to bring it into payment
Leaving service pension	Member's DC account remains invested until member decides to convert it into pension
Ill-health income continuation	Insured arrangement, separate from the Scheme, providing 50% of Pensionable Income + Member and employer DC pension contributions (based on full income). Eligibility for payment starts after 6 months sickness. Payment of benefits is subject to the insurer's terms and conditions. Payments will cease if the member is no longer in ill-health and will not continue beyond State Pension Age.
Lump sum on death in service	(DB section members) 4 x Pensionable Income + the value of the member's DC account (New members) 8 x Pensionable Income
Lump sum on death in deferment	The value of the member's DC account
Lump sum on death after retirement	Depends on terms of DC pension purchased
Dependant's pension on death after retirement	Depends on terms of DC pension purchased
Lump sum at retirement	Available, subject to HMRC limits
Increases to pensions in payment	Depends on terms of DC pension purchased

Note: This Appendix is a summary and does not convey any entitlement to benefits other than those which will be specified in the Scheme Rules or in the insurer's terms and conditions