

2017 Benefit Statement

Assumptions

The projections shown in your benefit statement have been prepared using certain general assumptions about the nature of investments and their likely performance. These assumptions may not correspond with the investments actually made, or their actual performance.

The actual amount of any pension payable will depend on circumstances, including the performance of investments over the period to, and the cost of buying a pension at retirement, which may be different from the assumptions used in the projection. To see the impact on your projected pension of different salary growth, investment performance and annuity rates, you can input your details from your statement into the online modeller. By inputting a return and salary growth assumption above inflation in the online modeller, the figures in the online modeller will be in today's prices and consistent with your statement.

The projections use information about your benefits in the Scheme as at 6 April 2017, as set out in the 'assumptions used' section of your benefit statement.

A summary of the assumptions used and some additional notes are set out below.

- 1 You are assumed to retire at age 65.
- 2 Your contributions will continue to be paid at the rate stated under the "assumptions used" section of your Benefit Statement.
- 3 Inflation is assumed to be 2.5% p.a.
- 4 Existing funds and any future contributions to the investment related section of the Scheme will earn a constant return of 3.5% p.a. above inflation or 6% p.a. including inflation. Actual returns will depend on the performance of your investments and could be significantly higher or lower than assumed.
- 5 The "Current Annual Salary" shown under the "assumptions used" section of your Benefit Statement is used for calculating contributions to the investment related section and pension from the pay related section.
- 6 Salary will increase in line with inflation until age 65 (i.e. zero increases in real terms).
- 7 If relevant, you will continue to work the same part time hours until age 65.
- 8 The unit price for buying units in the pay related section of the Scheme will remain at the level for the current scheme year until age 65.
- 9 The investment related fund can be converted to a pension at retirement. The rate which is applicable at retirement will depend on individual circumstances and can fluctuate over short time periods, and so could be higher or lower than this rate. Please note that the annuity rate includes an allowance for increases in line with those provided in the pay related section, but does not include any benefits for a spouse on your death. The annuity rate we have used is based on market conditions in January 2017.
- 10 Pay related pension will increase in payment as set out in the Scheme rules.
- 11 The Scheme rules and relevant legislation will remain unchanged.
- 12 Calculations are carried out on a monthly basis, so the day of birth does not affect the calculations (but the month and year do).

- 13 Maximum cash is illustrative only, and assumes that you will take your Investment Related Section fund as cash before commuting any pension in the Pay Related Section. The conversion rate at age 65 will be updated annually in line with the rates in use at that time.
- 14 The benefits shown are in addition to any State benefits you may be entitled to. Further details concerning your potential State retirement benefits can be obtained by contacting the Retirement Pension Forecasting Team on 0845 300 0168 or by completing a request online at the government's pension information website: www.thepensionservice.gov.uk.
- 15 The Scheme is a registered pension scheme under Chapter 2 Part 4 of the Finance Act 2004. This means that it must be operated in line with the rules and conditions specified by HMRC, which may affect the amount of the benefits and the form in which they are paid. The benefits illustrated will always be subject to the overriding HMRC regulations and limitations.
- 16 Your benefits will be tested against the Lifetime Allowance that will apply at the time of your retirement. The projections do not apply this test

Notes about this illustration

- 1 This illustration is only an example and is not guaranteed. You could get back more or less than the amount shown. For example, it could be a lot less if you retire early.
- 2 This statement is based on the information currently held by the administrator of the Scheme and is produced for information only. It is not proof of entitlement and confers no rights to benefits. All benefits, including transfer values, must be calculated and paid only in accordance with the trust deed and rules of the Scheme and the law, and must comply with any rules and limits set by HMRC.
- 3 The information in this statement is not individual financial advice and must not be used as the only basis on which you take any decision regarding your future pension arrangements or any other financial commitment. Because of this, it is recommended that you take advice when reviewing your pension arrangements or making any other financial commitment.
- 4 The illustrative pension on this statement is not suitable for comparison with the projected benefit from another investment product.
- 5 If you would like more information about the illustration or about the Scheme in general, please contact the Pensions Office.