

# Frequently asked questions and answers about your statement



## 1. Why have I received this statement?

If you did not set this EasyBuild Stakeholder Pension policy up, it has been arranged for you by your employer (current or previous) and they have made contributions on your behalf. If you want to make or increase your own contributions, then your employer may make additional contributions. So talk to your employer without delay to see what they offer.

## 2. When can I take the benefits from this pension policy?

You can take your benefits at any time **after** you reach 50 (55 from 6 April 2010).

## 3. Why does this statement not show my other pension plans?

- If you paid contributions before 2001 into an Additional Voluntary Contribution (AVC) arrangement you will receive your AVC statement in July.
- If you decided to contract out of the State Second pension scheme using the B&CE Contracted out Scheme, you will receive a statement in May and November each year.
- If you have our Lump Sum Retirement Benefit Scheme you can request a statement at anytime.

Please let us know if you change address, so that we can ensure you receive future statements. If you have any further questions please call us on local rates on **08457 414142** or **01293 586790**.

## 4. Why are there so many assumptions in the statement that do not relate to me? (e.g. single, not retiring at 65, my wife is more/less than 3 years older/younger)

The illustration is not fully tailored to each individual circumstance, it is based on your current pension valuation and future contributions along with a number of general assumptions that are set down by the Department for Work & Pensions. If you would like a tailored illustration, please call us on local rates on **08457 414142** or **01293 586790**. Please note that these illustrations are a projection of what you might receive and therefore not guaranteed.

## 5. The (SMPI) illustration only shows the pension - can I have a lump sum?

At retirement, you can normally take up to 25% of your fund (built up by contributions from you and/or your employer) as a lump sum. The remaining 75% will then be used to buy a pension (an annuity). Current legislation allows those retiring between the ages of 60 and 75 with pension arrangements that total 1% or less of the Lifetime Allowance to take the full amount as a Trivial Lump Sum. For 2008/9 1% of the Lifetime Allowance is £16,500. Legislation is subject to change, therefore the above information is based on our current understanding and is for example purposes only.

## **6. I am contracted out of S2P/SERPS are my National Insurance Rebate payments included?**

Yes, and we assume that we will continue to receive the contributions from HM Revenue & Customs until you reach 65.

## **7. Where can I get information about my State Pension entitlement?**

You can get a forecast of your state pension from The Pension Service. Tel: 0845 3000 168 or web: [www.pensionservice.gov.uk](http://www.pensionservice.gov.uk). You can also write to them - State Pension Forecast Team, Future Pension Service, The Pension Service, Tyneview Park, Whitley Road, Newcastle upon Tyne, NE98 1BA.

## **8. I want some advice where do I go?**

- You can contact The Pension Advisory Service (TPAS) on 020 7630 2250 or you can visit their website at <http://www.pensionadvisoryservice.org.uk>. (This is normally a free service).
- If you already have a financial adviser you may wish to speak to them about your retirement needs.
- Should you require advice, <http://www.unbiased.co.uk> helps you locate an Independent Financial Adviser in your area. Please note, an IFA may charge you for this service.

## **9. What do the terms 'contracted out' and 'Protected Rights' mean?**

When you are 'contracted out', part of yours and your employer's National Insurance (NI) payments (known as the rebate of contributions) are paid into your contracted out arrangement and invested on your behalf. This NI rebate comes from HM Revenue & Customs and is paid directly into your policy.

The fund you build up from the S2P/SERPS rebate or minimum contribution is known as 'protected rights'. These funds must be used to buy a pension for you and your wife/partner on your death. Alternatively 25% can be taken as a tax free lump sum and the remainder used to buy a pension for you and your wife/partner on your death.

## **10. How are my numbers of units calculated?**

- All contributions made to EasyBuild from either your employer and/or you will buy units in one of the B&CE EasyBuild pension funds.
- The units are bought at the first valuation after we receive your contribution and then the units bought are added to your EasyBuild policy.
- The number of **units we buy** with the money will **depend** on how much the **price of each unit** is at that 'Valuation'. For example:
  - If the price of each unit is £2.50 and you pay in £30 then you will buy 12 units.
  - If the price of each unit is £3 then you will buy 10 units.

### 11. How do I work out the fund value?

Unit price x unit holding = value of investment (rounded up to the second decimal place). For example:

If the unit price is £2.50 and you have 500 units then the fund value is  $500 \times £2.50 = £1250$ .

### 12. Where is the money invested?

We currently offer **2 investment funds**:

1. **The Managed Fund** is a medium risk fund and aims to provide investment growth over the medium to long term. It invests in a mix of company shares, loans to the government and companies, and cash deposits.
2. **The Cash Fund** is a low risk fund and aims to keep the value of the fund at a consistent level. It invests in cash deposited with banks and the short term money market. The Cash Fund is normally used in lifestyling to protect the fund from a sudden fall in the market as an individual approaches their chosen retirement date.

It is important to remember that paying into a pension is a long term investment and funds are not guaranteed. If you do not tell us your choice of funds, we will invest all of your contributions in the Managed Fund. You can check the unit prices of these funds on our website at [www.bandce.co.uk](http://www.bandce.co.uk).

### 13. What is automatic lifestyling?

Under automatic lifestyling, we will move units from the medium-risk Managed Fund to the low-risk Cash Fund in roughly equal amounts in each of the last 5 years before your chosen retirement date.

- If you joined EasyBuild after 5 April 2005, and have not requested otherwise, lifestyling will start 5 years before your retirement date. For example if you retired at age 65, lifestyling will start at age 60. This means a year before your retirement date 100% of your fund is invested in the Cash Fund.
- If you joined EasyBuild before 6 April 2005, and have not requested otherwise, lifestyling will start 4 years before your retirement date. For example if you retired at age 65, lifestyling will start at age 61. This means on your retirement date, 100% of your fund is invested in the Cash Fund.

Although the rates of return on the Cash Fund may be lower, the fund aims to provide a more stable investment as you approach retirement.

If you have made changes to your funds, we will not automatically lifestyle them, and you will be responsible for managing them as you near retirement.