

Your EasyBuild Guide



We've put together this simple guide on contributing into your EasyBuild pension.

How much can I contribute?

- You can contribute up to the greater of £3600 or 100% of your annual earnings in order to benefit from income tax relief. This is subject to an overall 'Annual Allowance' limit which is £235,000 for the 2008/9 tax year.
- To encourage saving into a pension, HM Revenue & Customs (HMRC) allows your contributions to currently receive basic income tax relief at 20%. This means that **for every £1 you invest you will receive an additional 25p** which we claim directly from HMRC and invest it automatically into EasyBuild for you.
- If you're a higher rate taxpayer (currently 40% tax rate) you can claim the additional 20% tax relief through your self assessment return.
- The 'Annual Allowance' includes your contributions, tax relief on your contributions and your employer's contributions.
- If you have no earnings the maximum that can be paid in is £3,600, including tax relief.
- You can make contributions by regular payments or by one-off payments at any time.

Where are my contributions 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 life-styling (see below) to protect the fund from a sudden fall in the market as an individual approach's their chosen retirement date.

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

Can I transfer other pension funds to EasyBuild?

Yes - you can make transfers from any other pension funds to EasyBuild at any time. At retirement you can also transfer funds into B&CE using the Open Market Option to buy your pension. Your existing provider will make the payment directly to us and we'll handle the rest. We do not charge you to make a transfer.

Transfers are not suitable for everyone though, and you should take financial advice before making a decision. Further information is available on our website.

What happens when I near retirement?

We will begin the gradual lifestyling process of switching (moving the units in) your Managed Fund to the Cash Fund in roughly equal amounts in each of the last 4/5 years (depending on when your policy started) before your chosen retirement date. This is designed to protect your pension fund against short-term fluctuations in value before you retire.