Explanatory notes for your Money Purchase Annual Statement

This note should be read in conjunction with your Money Purchase Annual Statement as at 31 March 2023.

This is to provide you with further information relating to your Statement, including the details of the assumptions used to produce the Statutory Money Purchase Illustration included in the Statement.

Assumptions behind your Statutory Money Purchase Illustration

As explained in your Money Purchase Annual Statement, we had to make some assumptions about what your Money Purchase Account will be worth when you reach retirement, as well as what your money could buy you at that time. What actually happens may be different to what we've assumed, therefore these figures are not guaranteed.

For the purpose of the illustration the following assumptions are made about your choices at retirement:

- You will use the entire value of your Money Purchase Account to purchase an annuity at retirement, so no cash lump sum is taken
- The pension you receive from the annuity is assumed to increase in line with the Retail Prices Index (RPI) once in payment
- A pension of 50% will be payable to your Spouse in the event of your death; and
- Your Money Purchase Account continues to be invested in the same funds as at 31 March 2023, but allows for any planned automatic lifestyle switches

The key financial assumptions used to calculate your Statutory Money Purchase Illustration projections are:

• Price Inflation	2.5% p.a.
• Interest rate on which annuity will be based (net of pension increases)	-2.6% p.a.

The investment returns assumed to calculate your projection are:

• Equity Funds	2.50% p.a.
• Gilts Funds	-1.09% p.a.
• Cash Funds	-1.75% p.a.

The investment returns are before deduction of investment expenses, although these have been allowed for in the calculation of your projections.

Please note that the value of your Money Purchase Account is not guaranteed and may fluctuate up or down, depending on investment returns. The income you may receive from an annuity will depend on the investment returns received, the amount of your account you take as a lump sum and the cost of buying an annuity when you retire – all of which can differ from the assumptions we have made. Consequently, the actual amount of pension you receive is likely to be different from the projection, and as such the illustration is not guaranteed. Past performance is not a guide to future performance, and you may not get back the contributions originally invested.

What you need to know about your Statutory Money Purchase Illustration

- Due to statutory regulations it is assumed that your annuity includes a pension for your spouse of 50% of your pension
- Your illustration has been calculated using certain general assumptions that have been made about the nature of your investments and their likely performance. These may not correspond with the investments actually made, or their actual performance; and

- The actual amount of any pension payable will depend on circumstances, including the actual performance of investments and the cost of buying an annuity at your retirement, which may be different from the assumptions in your illustration.

Your Retirement Options

At retirement there are a number of options available to you for how you can use the value of your Money Purchase Account. These include:

- Taking the total amount as a lump sum, after any tax that is due;
- Taking part of the value as a lump sum and buying an annuity (a regular income paid to you for life, with the option of including an income to your spouse after your death, and indexation of the income to take account of inflation); and
- Transferring the value of your account to another pension provider to allow you to draw income as and when you need it, also known as income drawdown.

These options and the tax charges associated with them may change, you should therefore seek financial advice if you are planning for your retirement.

Further Information

His Majesty's Revenue and Customs (HMRC) Requirements

The Plan 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 quoted in this benefit statement will always be subject to the overriding HMRC regulations and limitations including the Lifetime Allowance that will apply at the time of your retirement.

Independent financial advice

You may wish to seek financial advice to consider matters in this statement further. If you do not have an independent financial adviser, you can find one local to you by going to www.unbiased.co.uk but please be aware that they may charge you for this advice. Please note that we are unable to provide you with financial advice on any matters in this statement.

You and the State Pension

You will also be entitled to a State Pension, payable from your State Pension Age. The amount you receive will depend on the number of qualifying years you have on your National Insurance record. The State Pension Age is currently 66 for both men and women. The Government is planning further increases, which will raise the State Pension Age from 66 to 67 between 2026 and 2028. There is a calculator to help you work out your personal State Pension age here: https://www.gov.uk/state-pension-age

Pension Scams

You can find information about pension scams and how to avoid them here:
https://www.fca.org.uk/scamsmart/how-avoid-pension-scams

Contact

For more information on the Scheme and your benefits, please visit the Scheme website at https://www.fsspensions.co.uk/ . If you have any queries about the information provided above please contact the Scheme Administrators, Hymans Robertson, T: 0121 212 8145 or E: ForensicScienceServices@hymans.co.uk

You can write to the Scheme Administrators at Hymans Robertson LLP, PO Box 27169, Glasgow, G2 9NE.