

# About your 2020 Pension Statement

**You should read this document alongside your 2020 Pension Statement. It will help you to understand how your benefits have been calculated.**

## **Combined retirement options – applies only to members with benefits in the Defined Benefit (DB) and Defined Contribution (DC) Sections of the Lloyd's Register Superannuation Fund Association (LRSFA).**

The figures in this section have been calculated based on current actuarial and administrative factors. These may be reviewed from time to time and so may differ from those used when your benefits become payable.

The quotations in this section have been based on your personal information shown in 'Your details'. They have been calculated based on your current DB pension and your total DC/AVC fund values as at 31 March 2020.

### **Quotations explained**

Your DB pension quotation in 'step 2' of your statement shows your annual DB pension and how you can use your DC/AVC fund value to take a tax-free lump sum from the LRSFA (up to the maximum allowed under the LRSFA rules). This is an alternative to using your DC/AVC fund on the open market. Using your fund on the open market is when you use it to buy an annuity or enter into a drawdown arrangement with a pension provider outside of the LRSFA.

Please note, if there is any excess fund value above the lump sum quoted in your statement, you will need to use it on the open market.

## **Standard Life DC assumptions**

To illustrate your future DC pension, as shown in 'step 2' of your 2020 Pension Statement, we have used the following assumptions about the future:

- Future investment returns are assumed on an individual projection rate for each fund.
- You continue working and contributing to the DC Section until your Selected Retirement Age (or your Normal Retirement Age if you have not selected a retirement age).
- Your contributions and your employer's contributions continue until your Selected Retirement Age (or your Normal Retirement Age) at the same rate as at 31 March 2020.
- Your future earnings grow in line with price inflation, assumed to be 2.5% a year. Historically, earnings have usually risen faster than inflation, but of course this will vary according to your individual circumstances.
- You continue to invest in the same funds as you do today.
- We make allowance in the projection for customers who have opted for Lifetime/Lifestyle or a retirement strategy.
- The assumptions made about your future investment choices and the future investment returns may not correspond with the investments actually made or their actual performance.
- You will be married to or in a civil partnership with someone with three years' age difference from you, and your spouse or civil partner will receive a pension of 50% of the pension you were receiving at the date of your death if they live for longer than you. For men we assume that your spouse would be three years younger and for women we assume that your spouse will be three years older.
- There is no guaranteed pension payment period assumed in our calculations.
- Your Fund will be used at retirement to purchase a pension which will increase each year during your retirement.
- The actual cost of buying your pension could be significantly different from this, and will depend on interest rates at the time you retire, as well as your personal circumstances and the options you choose (such as whether you opt to provide a spouse's pension).

This illustration is based on assumptions set down by law and relevant guidance. For further information about it or about your Fund in general, please contact Standard Life. Your State Pension will be paid in addition to your DC Section benefits. You should not rely solely on this illustration for making decisions about your financial future. If you need retirement planning advice, you should speak to an independent financial adviser. You can find one in your area at [www.unbiased.co.uk](http://www.unbiased.co.uk)