

15 February 2016



Your PRN: Z2082346
Our ref:

Mr M D Flower
98 London Road
Cowplain
Waterlooville
Hampshire
PO8 8EW

Pension Services
HR People Services
PO Box 1390
Croydon
CR9 1YB

Email: RBSpensionplans@rbs.co.uk

THE ROYAL BANK OF SCOTLAND GROUP PENSION FUND PROJECTED PENSION STATEMENT

Thank you for your recent request for a projection of your pension benefits at 31 July 2022.

Date joined scheme:	22 July 1980
Date left scheme:	24 January 2001
Deferred pension at leaving:	£9,330.16
Normal Pension Date (NPD):	31 July 2022

Projected pension and options at 31 July 2022:

Option 1 – Pension only

A scheme pension of £ 18,609.74 a year

Option 2 – Pension commencement lump sum and a reduced pension

Lump sum from the scheme of £ 89,117.06

plus

A scheme pension of £ 13,367.56 a year

Option 3 – Lower pension commencement lump sum and a reduced pension

The lump sum quoted is the most you can have. You can choose to have a lower lump sum, in which case your reduced pension would be higher to that shown in option two.

Increases to your deferred pension

Your deferred pension is increased from your date of leaving to your actual retirement date, and is based on increase in the Retail Prices Index (RPI) capped at 5%.

- We've increased your pension at leaving to 15 February 2016 using known increases in RPI.
- We've then assumed future RPI increases of 2.75% a year to your chosen retirement date. If the actual RPI increases are different, then your pension will be different.

Additional notes

Pension increases

The following information is a summary of your benefits provided by the scheme.

Your pension will receive annual increases. Different increases apply to that part of your pension which is Guaranteed Minimum Pension (GMP) (the part of your pension payable because you were contracted out of the State Earnings Related Pension Scheme) and the rest of your pension.

- Any excess pension is increased in line with RPI to 5%.
- From GMP age (60 for women, 65 for men) any GMP accrued before 6 April 1988 will not be *increased* by the scheme. Any GMP accrued from 6 April 1988 will be increased by the lower of 3% or CPI.
- The scheme Trustee has a discretion to award additional increases. Bank agreement is needed to any increases for members who joined the scheme after 31 December 2001.

Dependant's benefits

Following your death, your dependants may receive:

- A pension for a spouse, civil partner or partner.
- A tax free lump sum, equal to the balance of the first five years' pension payments if you die in the first five years of retirement. The Trustee decides who should receive the payment.
- A pension for dependant children up to age 18 (or 23 if full time education).

You can find out further details of the benefits payable on your death in your Member Guide. A copy of this is available here <http://www.rbselect.rbspeople.com/uk/4.2.final-salary-pension-plan.php>

Transferring your benefits

You can transfer the full value of your benefits to a different pension provider such as a personal pension scheme or new employer's scheme. If you are interested in this, please let us know and we will send you a transfer pack.

You can get more information to help you decide if a transfer is right for you from:

- The Financial Conduct Authority (fca.gov.uk)
- The Pensions Regulator (thepensionregulator.gov.uk)
- The Pensions Advisory Service (pensionadvisoryservice.org.uk).

If the scheme to which you wish to transfer your DB benefits to is a DC arrangement, you must get appropriate independent advice from an FCA authorised adviser. A list of advisers is available at unbiased.co.uk. We cannot guarantee that all of the advisers available are FCA registered. Advice received from an independent financial adviser will be tailored to your specific circumstances and that advice should compare your current benefits with future options.

Pension scams

With the introduction of new flexibilities about how DC funds can be used, there is expected to be an increase in the promotion of fraudulent and high risk investments. Please read the enclosed leaflet produced by the Pensions Advisory Service which is designed to help individuals such as yourself to avoid being scammed. It is important that you consider any investment carefully and we recommend you obtain independent financial advice from an authorised advisor to help you decide what investment is appropriate for you.

Delaying your benefits

You do not have to take your pension at your Normal Pension Date. You can decide to wait until a later date. If you decide to do this, the value of your pension will be increased for late payment. If this is something you are interested in, we can provide you with details of the current rate of increase which would be applied to your pension.

Income tax

Your pension will be taxed under PAYE. The tax reference is 083/W2 and the tax office for your pension will be: Sefton Area Office, The Triad, Stanley Road, Bootle, Merseyside, L75 2YY Tel 0845 300 0627.

No NI contributions are deducted from your pension.

Keeping us up to date

Please keep us advised of your current home address so that we can send you further information about the scheme and your benefits.

You should also keep us up to date with details of:

- Who you would like to receive any lump sum payable on your death
- If you are unmarried or not in a civil partnership, anyone with whom you are living and who is financially dependant on you who should be considered for a partner's pension.

A death benefits nomination form is available at:

Important notes

We have taken care to make sure this statement is correct. Your entitlement arises under the scheme's governing Trust Deed and Rules. If there are any differences between the information in this statement and the correct application of the Trust Deed and Rules, the latter will prevail. If you believe there are any inaccuracies in the summary of benefits above, please contact us.

The benefits and options in this statement are based on current legislation. Future changes to legislation could affect the benefits and options available to you. In addition a number of actuarial factors are used in the calculation of your benefits. These factors are reviewed periodically by the Trustee and any change may affect your benefits.

The Trustee holds and uses data about your plan membership for pension benefits purposes in accordance with the Data Protection Act.

You should note that the scheme and the insurance industry are regulated differently. This means that if either, in the future, becomes unable to pay your pension in full, the amount of benefits you receive or the compensation you may receive for the loss of your pension will differ. For example, if the scheme winds up without sufficient funds to pay benefits in full, your benefits may be reduced to the level of compensation payable by the Pension Protection Fund. The insurance industry is subject to the Financial Services Compensation Scheme, the compensation payable by which will differ from that payable by the PPF. Further information on the PPF and the Financial Services Compensation Scheme is available on their websites. The scheme is currently eligible for protection by the Pension Protection Fund.