

Mr B Davis
Pension Practitioner
Daws House
3.-35 Daws Lane
LONDON
NW7 4SD

Your ref
Our ref NS900643B/183401
Date 4 August 2010

Dear Mr Davis

Ms Maxine Elaine Turner - NI Number NS900643B

I refer to your letter dated 29 July 2010 and am writing to provide a quotation of the current value of the member's benefits as follows:

a deferred pension of £1,064.61 gross per annum

plus

a tax-free lump sum of £3,193.83

The cash equivalent transfer value amounts to £10,564.34 (**this figure is not guaranteed**) and includes pre-1997 transfer value of £809.63, post-1997 transfer value of £9,754.71, GMP liability of £249.65 and post-1997 protected rights of £8,639.31

The member can transfer her benefits any time up to twelve months before her 65th birthday. A transfer value can be paid to any scheme or arrangement approved as a transfer arrangement by Her Majesty's Revenue and Customs (HMRC). Should you require a transfer quotation which will be guaranteed for three months and include relevant option forms, please provide details of the member's new scheme. Further information about transferring USS benefits is available on our website.

Unfortunately, we are unable to provide a projection of the member's benefits as they are reviewed annually and we cannot predict future fluctuations in the Retail Price Index.

The benefits are payable from the member's contractual pension date of 22 April 2035 however, payment can be made earlier in accordance with the rules of the scheme, although an actuarial reduction may apply. Further information about the payment of benefits can be found in the following USS factsheets which are available on our website:-



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Email: postbox@uss.co.uk Website: www.uss.co.uk

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- Factsheet 8 - Options on leaving a USS institution.
- Factsheet 17 - How to apply for early payment of USS deferred benefits on the grounds of permanent incapacity.
- Factsheet 24 - Tax free cash.

The pension and lump sum figures quoted do not incorporate a reduction which may apply in the event that the benefits are paid early. The reduction varies depending on the age of the member at the time that the benefits are drawn but for illustration a sample of the reductions that would apply is shown below.

| Number of years of early retirement | Male % | Female % |
|-------------------------------------|--------|----------|
| 3 | 13.3 | 12.5 |
| 4 | 17.1 | 16.1 |
| 5 | 20.7 | 19.5 |

These factors will be interpolated for complete years and months of early retirement to one decimal place (0.5 rounded up).

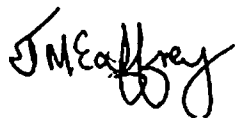
If trustee company agreement is given to the early payment of benefits, the reduction will apply as shown :-

- Benefits will be payable without reduction if retirement is on or after age 63½.

I should stress that the figures provided are for illustrative purposes and represent the current scheme rules, legislation and actuarial advice which may change from time to time. Therefore, you should not rely on this information for accurate future financial planning. Final figures will be provided nearer to the member's actual date of retirement.

Attached is a copy of *Main features of Universities Superannuation Scheme (MFUSS)* for your assistance. Additional information about the scheme can be found on our website, alternatively, please do not hesitate to contact me should you require any further details.

Yours sincerely



Jackie McCaffrey
Pensions Administrator
0151-478-7080

enc.

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| <p style="text-align: center;">Main features of</p> <p style="text-align: center;">Universities Superannuation Scheme</p> |
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| Eligibility to join | <ul style="list-style-type: none"> • Under age 60, unless Universities Superannuation Scheme Ltd agrees to make an exception; • Full-time and part-time staff; • Employer participates in USS; • Post is pensionable according to contract of employment; • Employees on variable time contracts. |
| Retirement ages | <ul style="list-style-type: none"> • Normal retirement age is 65; • Minimum retirement age from 6 April 2010 is 55, USS is not phasing this change; • The date from which retirement ages for men and women were equalised was 1 April 1995; • The earliest age(s) at which a member can retire on an unreduced pension without employer consent, for benefits in respect of service before 17 May 1990, since equalisation and in the interim period are: - <p>Active members</p> <p>Active members may only retire without the consent of the employer at age 65, unless, having attained age 60, it is within the terms of their contract.</p> <p>Deferred members</p> <ul style="list-style-type: none"> • <u>Service before 17 May 1990</u> Men: 65 Women: 60 • <u>Interim period</u> Men: 60 Women: 60 • <u>Since equalisation</u> Men: 63 ½ Women: 63 ½ • Any reduction in benefits may be waived if a member's contract of employment from their last period of USS membership states they are able to retire on pension at the age of 60 or more, but less than 65. |

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| Pensionable salary | <p>Pensionable salary is calculated at the date of ceasing employment as follows:-</p> <ul style="list-style-type: none"> • We note the salary a member has earned whilst a member of USS for each of the 13 years previous to the date on which pensionable salaries to be calculated. • We index up each year's amount to the date of ceasing employment in accordance with movements in the Index of Retail Prices over the period. <p>Pensionable salary is then the higher of:-</p> <ul style="list-style-type: none"> • The highest yearly indexed amount received in any one year out of the last three years; • The highest yearly indexed amount averaged over any three consecutive years out of the last 13 years; • For members who joined the scheme on or after 1 June 1989, the Finance Act 1989 imposes a limit on the amount of salary that may be taken into account in this calculation; this value increases each year in line with the Retail Price Index; • The earnings cap is removed with effect from 6 April 2006 but the USS rules will allow employers the option of retaining a scheme specific cap with the consent of the employee. The scheme specific cap will be calculated in accordance with the mechanism used to calculate the statutory earnings cap as per ICTA 1988 590c. |
| Members' contributions | <ul style="list-style-type: none"> • Members pay 6.35% of salary until age 65 or 40 years' pensionable service is completed, whichever is earlier. At that point the member and the employer can choose whether to continue making contributions to the scheme. Employee contributions can be paid without the employer's contributions, however the employer's contributions can only be paid if the employee's also continue; • Employee only contributions provide a 25% service credit; • A member can pay up to an additional 15% of salary as AVCs to purchase additional service in USS; • A member can pay 100% of the balance of earnings to the Prudential money purchase AVC scheme, or other suitable pension arrangement. |
| Contracting-out | <ul style="list-style-type: none"> • All USS members are contracted-out of the State Second Pension (SSP). |
| GMP | <ul style="list-style-type: none"> • USS allows for GMPs to be revalued at the full rate in accordance with Section 148 orders. |

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| Pension on normal retirement | <ul style="list-style-type: none"> • 1/80th of pensionable salary for each year of pensionable service. |
| Cash lump sum on retirement | <ul style="list-style-type: none"> • 3/80ths of pensionable salary for each year of pensionable service; • The tax-free cash at retirement is in addition to pension. |
| Lifetime allowance (LTA) | <ul style="list-style-type: none"> • The LTA was introduced with effect from 6 April 2006. A member's excess benefits from all sources over the LTA will be subject to a recovery charge at 55% on lump sums and 25% on pensions. • The LTA is calculated as follows: - <p>USS benefits Pension x 20 plus lump sum Pensions already in payment Pension x 25</p> |
| Annual allowance limit (AAL) | <ul style="list-style-type: none"> • This is a maximum limit for the tax approved benefits which an individual may accrue in any one year. Any growth in benefits in excess of the AAL will be subject to a recovery charge on the excess; • The AA input period will be set by the scheme rules. In its first year it will run from 6 April 2006 to 31 March 2007, thereafter it will run from 1 April to the following 31 March; • The AAL does not apply for the year of retirement or death. |
| Commutation options on retirement | <ul style="list-style-type: none"> • Reduce tax-free cash sum to increase pension; • Reduce pension to maximise tax-free cash sum. <p>NB Maximum tax-free cash from 6 April 2006 cannot exceed 25% of LTA</p> |
| Benefits payable on death-in-service | <p>Lump Sum:</p> <ul style="list-style-type: none"> • Three times annual salary; • No refund of contributions; • Lump sum is paid in addition to spouse's/civil partner's pension. <p>Spouse's/Civil Partner's/Dependant's Pension:</p> <ul style="list-style-type: none"> • 1/160th of pensionable salary for each year of pensionable service up to age 65 (subject to a maximum of 40 years). • If member is over age 65, 1/160th of pensionable salary for each year of pensionable service up to date of death. |

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| Benefits payable on death-in-deferment | <p>Lump Sum:</p> <ul style="list-style-type: none"> • Three times value of annual pension at date of death; • No refund of contributions. <p>Spouse's/Civil Partner's/Dependant's Pension:</p> <ul style="list-style-type: none"> • 1/160th of pensionable salary for each year of pensionable service up to date member left the scheme, plus indexation from date of leaving to date of death. |
| Benefits payable on death-in-retirement | <p>Lump Sum:</p> <ul style="list-style-type: none"> • Possible lump sum benefit (in addition to the lump sum paid to the member upon retirement) should death occur within five years of retirement. If the member retired on total incapacity grounds and is under age 65 at date of death a lump sum may be payable even if retirement was more than five years prior to death. <p>Spouse's/Civil Partner's Pension:</p> <ul style="list-style-type: none"> • 1/160th of pensionable salary for each year of pensionable service up to date of member's retirement, plus indexation from date of retirement to date of death. |
| Eligible child annuities | <ul style="list-style-type: none"> • Payable as of right if the child is under the age of 18 or until the child attains the age of 23 years if undergoing full-time education approved by the trustee company; • Payable beyond the age of 23 years if the child is physically or mentally incapable of being self-supporting; • Annuities can be paid to any number of eligible children up to a maximum equivalent in total of : <ul style="list-style-type: none"> three-quarters of the pension the member would have received, based on service to age 65 (<i>death-in-service</i>); or three-quarters of the pension the member was in receipt of at date of death (<i>death after retirement/death-in-deferment</i>). • If only one child is eligible the amount payable is equivalent to three eighths of pension; |
| Dependants' benefits | <ul style="list-style-type: none"> • May be payable if a member is not married or has not entered into a civil partnership at date of death, whether in service, during deferment or after retirement; • The total amount of pension payable to a dependant cannot exceed the amount which would have been payable to a spouse. The amount payable to a dependant can be divided amongst more than one dependant; • A dependant is someone who, in the opinion of the trustee company, was either financially dependent on the member at the |

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| | time of death or dependent because of any physical or mental disability. |
| Readmission & Reinstatement | <p>The scheme agrees in principle to admit/readmit current eligible employees for future service.</p> <ul style="list-style-type: none"> • USS agrees in principle to reinstate past service in the case of current active members of the scheme. Reinstatement may be for the whole or part of the missing service; • USS does not agree in principle to reinstate past service in the case of: <ul style="list-style-type: none"> -Current employees who are opt-outs or non-joiners; -Ex-employees who opted-out before leaving service; -Ex-employees who transferred out deferred benefits. |
| Pension increases | <ul style="list-style-type: none"> • USS rules provide for all pensions to be increased in the same manner and subject to the same conditions as are official pensions under the Pensions (Increase) Act 1971 and subsequent amendments. The increases are currently in line with changes in the Retail Price Index. <p>Please refer to the attached supplementary sheet for details of increases applied to USS pensions during the last ten years.</p> |

Earnings cap

Limitation introduced by FA89 on pensionable remuneration in an occupational pension scheme for both benefit and contribution purposes. Applies in particular to final remuneration. Relevant only for post-89 members, and pre-87 and 87-89 members who have taken the post-89 option.

| Tax year | Earnings cap |
|-----------------|---------------------|
| 1989-90 | £60,000.00 |
| 1990-91 | £64,800.00 |
| 1991-92 | £71,400.00 |
| 1992-93 | £75,000.00 |
| 1993-94 | £75,000.00 |
| 1994-95 | £76,800.00 |
| 1995-96 | £78,600.00 |
| 1996-97 | £82,200.00 |
| 1997-98 | £84,000.00 |
| 1998-99 | £87,600.00 |
| 1999-00 | £90,600.00 |
| 2000-01 | £91,800.00 |
| 2001-02 | £95,400.00 |
| 2002-03 | £97,200.00 |
| 2003-04 | £99,000.00 |
| 2004-05 | £102,000.00 |
| 2005-06 | £105,600.00 |
| 2006-07 | £108,600.00 |
| 2007-08 | £112,800.00 |
| 2008-09 | £117,600.00 |
| 2009-10 | £123,600.00 |
| 2010-11 | £123,600.00 |

The earnings cap is removed with effect from 6 April 2006 but the USS rules will allow employers the option of retaining a scheme specific cap with the consent of the employee. The scheme specific cap will be calculated in accordance with the mechanism used to calculate the statutory earnings cap as per ICTA 1988 590c.

Lifetime allowance (LTA), annual allowance limit (AAL) and scheme specific cap

| Tax year | LTA | AAL * | Scheme cap |
|-----------------|------------|--------------|-------------------|
| 2006-07 | £1.5m | £215,000.00 | £108,600.00 |
| 2007-08 | £1.6m | £225,000.00 | £112,800.00 |
| 2008-09 | £1.65m | £235,000.00 | £117,600.00 |
| 2009-10 | £1.75m | £245,000.00 | £123,600.00 |
| 2010-11 | £1.8m | £255,000.00 | £123,600.00 |

**** Effective date is 1 April with effect from 1 April 2007***

Pensions increase factors

| Year | % Increase |
|-------------|-------------------|
| 1997 | 2.10* |
| 1998 | 3.60 |
| 1999 | 3.20 |
| 2000 | 1.10** |
| 2001 | 3.30 |
| 2002 | 1.70 |
| 2003 | 1.70 |
| 2004 | 2.80 |
| 2005 | 3.10 |
| 2006 | 2.70 |
| 2007 | 3.60 |
| 2008 | 3.90 |
| 2009 | 5.00 |
| 2010 | 0.00 |

* Pensions increase awarded by USS = 3.00% (discretionary increase of 0.90%)

** Pensions increase awarded by USS = 2.10% (discretionary increase of 1.00%)

NB - Please note that this document reflects the current rules of USS at the date of issue. The scale of benefits may differ from those shown for members who have left the scheme prior to the date of issue.