

Mr David Kenneth Skilling
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Name: Mr David Kenneth Skilling
Date of Birth: 15 March 1952
National Insurance Number: BT081093B
Chosen Retirement Age: 75
Retirement Account: 40121934
Statement Period: 20 June 2020 to
19 June 2021
Statement Date: 21 June 2021

How to contact us

If you have any questions, you can phone, fax, e-mail, or write to us:

Phone us on 03457 166 733 during the following times:

8.00am to 6.00pm Monday to Friday and 9.00am to 12.30pm on Saturday.

We'll record and monitor calls to help us to improve our service.

Fax number: 0131 655 7004

Website: www.scottishwidows.co.uk

Address: Scottish Widows
Retirement Account Team 4
PO Box 28090
15 Dalkeith Road
Edinburgh
EH16 5UG

Alternatively, please contact your Financial Adviser Direct Business.

Your Yearly Scottish Widows Retirement Account - Retirement Income Statement

This statement relates to the Retirement Income part of your Scottish Widows Retirement Account. It shows the amount of pension income taken during the statement period, the value at the end of the statement period, and details of the charges deducted.

It also includes an illustration of the pension income that your Account might provide up until your chosen retirement age, and how much annuity income you might receive if you were to buy an annuity now, or at your chosen retirement age. An annuity is a plan bought from part or all of the value of your Account, which can provide a secure pension income for life.

Please note, we have allowed for price inflation of 2% each year to give you an indication of how much the future income payments and future annuity would be worth in today's terms.

If your circumstances or retirement objectives have changed it's important to review whether your current pension plan and investment choices still meet your needs. We recommend that you get advice or guidance to understand your retirement options. You can:

- Contact your financial adviser. If you don't have one you can find one at www.unbiased.co.uk. They may charge for any advice they give.
- Visit the government's website for free and impartial guidance at www.pensionwise.co.uk or book an appointment on 0800 138 3944.

We work hard to keep your personal data secure, which includes regularly reviewing our privacy notice. When there's an important change we'll remind you to take a look, so you're aware how we use your data and what your options are. Please review the latest privacy notice at www.scottishwidows.co.uk/legalprivacy/, or ask for a copy on 0345 300 2244.

IMPORTANT CHANGES THAT MAY AFFECT YOU

It is expected that, with effect from 6th April 2028, the minimum age from which you can normally take your pension benefits will increase from 55 to 57. Thereafter it is expected that the minimum age will be no more than 10 years before your state pension age.

Value of the Retirement Income part on 19 June 2021

Retirement Income	Value
Total	£178,482.86

- The value shows what the Retirement Income part of your Account might have been worth if you had transferred to another pension plan on the date shown. The value is not guaranteed.
- For certain types of investments, we have used the latest estimated value available to us in calculating the transfer value.
- The value of investments can fall as well as rise. Exchange rate fluctuations can cause the value of investments held in foreign currencies to fall or rise.
- Further details of the funds that you are invested in via Scottish Widows Pension Funds and Fund Supermarket Funds, can be found online by registering at **ScottishWidows.co.uk** and following the links, or by going directly to **www.scottishwidows.co.uk/register/**

The actual value of the Retirement Income part of your Account will depend on the prices at which assets are sold and any costs incurred. This may be less or more than the amount shown.

Your Retirement Account is at risk of losing value to inflation

You currently have more than half of the Retirement Income part of your Retirement Account invested in cash or cash-like investments. You might be happy with this, but we need to ensure that you're aware that inflation could reduce the real value of your Account.

You need to consider whether or not your current investments are likely to meet your retirement goals. Further details of the funds that you are invested in via Scottish Widows Pension Funds and Fund Supermarket Funds, can be found online by registering at ScottishWidows.co.uk and following the links, or by going directly to www.scottishwidows.co.uk/register/

A cash fund may hold different types of 'cash-like' assets that have similar characteristics to bank deposits. They fluctuate in value and investors may get back less than they invest. There is also the risk that this type of fund will not keep pace with inflation, which would mean prices rise quicker than the value of your investment, so its spending power is reduced. In real terms, it will be worth less if inflation is higher than the return you receive.

To show you what this might mean, say you had £10,000 in a cash fund over the last 5 years, assuming no charges or interest were paid, you would now still have £10,000. However, its relative worth after inflation (in other words what you could buy with it) would have reduced by £860 to £9,140*.

*based on the rise in the Consumer price index (CPI) over the 5 years between January 2016 and January 2021. Future changes in inflation may be different.

If your goal is to increase the value of your retirement savings over the longer-term you should consider whether your current investments meet these needs allowing for inflation. We offer a range of investment options that may be suitable, including Pathway Solutions.

Higher risk investments are likely to fluctuate more in value over time - they may swing from being higher in value, to lower in value, more often but have greater potential for growth. Choosing a low risk investment means your retirement savings are likely to fluctuate by smaller degrees but you are less likely to see higher growth.

Please remember that the value of an investment and any income from it is not guaranteed and can go down as well as up. Past performance is not a guide to the future and you may get back less than you invested.

If you wish to move investments out of cash or cash-like funds, then please contact us.

We are not giving any guidance as to whether or not an investment option is suitable for your personal circumstances, nor should the above be seen in any way as advice or a substitute for it. If you are unsure then we'd recommend that you speak to your financial adviser. If you don't have an adviser you can find one in your local area by visiting www.unbiased.co.uk. Advisers will normally charge for advice. Alternatively, you could find further information on the Money and Pensions Service website:

<https://www.moneyadvice.service.org.uk/en/tools/drawdown-investment-pathways>

Income limit and your chosen pension income

The figures below show your fund value at the statement date and the yearly pension income amounts before tax is deducted.

	Retirement Income
Fund value	£178,482.86
Your chosen pension income	£0.00

- To help to ensure income payments can be paid from your Account you must:
- have sufficient funds available in Retirement Income, and
 - arrange for sufficient funds to be made available in the Control Account.

If the value of the Control Account is not large enough to meet future income payments, we will contact you.

High levels of income payments may not be sustainable as they will exhaust your available funds.

If your chosen pension income is based on a percentage of fund, your income will be recalculated annually.

The upper income limit for the Account will change:

- each time an amount is added or moved to the Retirement Income part(s) of your Account
- when an amount is used to buy an annuity
- when income is taken
- as the value of investments rise and fall
- when charges are deducted

You can log into your Account to check your current value.

Total pension income taken from your Account

The figures below show the pension income taken before the deduction of tax.

	Retirement Income
During this statement period	£0.00
Since your Account started	£61,000.00

Charges

During the period 1 May 2020 – 30 April 2021 charges reduced the value of the Retirement Income part of your Retirement Account as in the table below. Please note the charge period detailed in your statement is not the same as the statement period as some charges particularly relating to investments are not known until after your statement period has ended.

Charge Type	Amount
Administration Charges	
Service Charge	£765.86
Investment Charges	
Scottish Widows Pension Funds	£880.73
Total for Retirement Income	£1,646.59

A service charge for managing your Retirement Account is taken on a monthly basis by us.

Scottish Widows Pension Funds

As our investment charges are built into the fund price of each fund it's not possible to precisely calculate the investment charge. But the figures above are a reasonable estimate. The estimate is based on an average of the fund amounts of each fund that you had at the start and end of each month. Changes in the number of units held in a fund and changes in unit prices in between these dates can affect the accuracy of the estimate. Such changes may result in an under or over estimate. An estimate of the transaction costs for buying and selling fund investments is also included.

Pension you might get at your chosen retirement age

The figures below show the annuity income you might get if you use the Retirement Income part(s) of your Account to buy an annuity at your chosen retirement age. The amount of income you can receive will depend on how investments grow, and the annuity rates available when you retire.

In this illustration, we use 'Lower Rates', 'Middle Rates' and 'Higher Rates' of investment growth to work out what you might get back. For details on what these rates are please see the section 'What are the growth rates used in this illustration?'.

The figures assume that:

- You continue to take the same level of pension income from your Account as at present, until your chosen retirement age.
- Your annuity income stays the same from the time you start taking it.
- It is payable at the start of each month.

Retirement Income

We've also assumed that:

- your annuity will be paid for a minimum period of 5 years.
- if you die during the minimum period, the full amount of your annuity income will continue to be paid until the end of the minimum period.

At age 75

If investments grow each year at	Lower Rates	Middle Rates	Higher Rates
your Retirement Income value could be	£158,000	£182,000	£208,000
which could give you :			
a taxable yearly income of	£9,070	£12,400	£16,700

The table above shows the income you could get based on the assumptions we have made. If you have taken high levels of income payments these may have exhausted your available funds.

The illustration shows, in today's prices, the final Retirement Income value and annuity income that might be payable.

Note:

Other firms may use different rates of growth for their illustrations and charges may vary.

Firms generally use the same rates as each other to show how retirement funds may be converted into a yearly income. In practice you could get a higher or lower income than that shown.

- Price inflation reduces the worth of all savings and investments over time.
- These figures are only examples and aren't guaranteed – they're not minimum or maximum amounts and could be less than the amount(s) paid into Retirement Income. What you will get back will depend on a number of factors such as:
 - how your investments grow;
 - the tax treatment of the investments;
 - the retirement income you take;
 - the actual age you choose to take your benefits; and
 - how much it costs to convert your retirement fund into pension income.
- To help keep track of your Account, we'll send you a statement each year.
- The amount of this pension income should be compared to the pension income that you could have bought at 19 June 2021, shown below.

Annuity that you could have bought at 19 June 2021

Rather than continuing to take pension income from your Retirement Account, you could choose to buy an annuity now. If you had chosen this option at 19 June 2021, your taxable yearly annuity income could have been:

	Retirement Income
Your Annuity	£8,906.40
Spouse's Annuity	£0.00

The annuity figures detailed in the table above have been calculated using example annuity rates and are before tax.

*In practice, the annuity that can be bought from us depends on your personal circumstances at the time of buying such as the amount available to buy it, where you live and possibly your health or lifestyle. It will also depend on the annuity rates we use then as we may change our rates at any time. All of this means you could get a higher or lower annuity than that shown.

If you would like a quotation of the annuity that you can buy from us now, please ask us. Alternatively, you may be able to buy a higher annuity from another annuity provider.

We only offer annuities up to your 75th birthday, after then you would have to buy from another annuity provider.

The figures shown above have been calculated using the assumptions detailed in the section '**Pension you might get at your chosen retirement age**'.

What might the future benefits be?

The figures below are shown in today's terms. This means that we have allowed for price inflation of 2% each year. They show what the remaining value of the Retirement Income part of your Retirement Account might be if investments grow each year at the rates shown, and if you continue to take your chosen level of pension income. Your chosen pension income each year will be limited to the upper income.

We have assumed no investment growth will apply to any amount(s) held in the Control Account and/or Fixed Term Cash Deposits and that after twelve months amount(s) held there will then be invested in the Scottish Widows Consensus Fund.

Retirement Income

Year starting	If investments grow each year at:					
	Lower Rates		Middle Rates		Higher Rates	
	Income in year before tax	Value at end of year	Income in year before tax	Value at end of year	Income in year before tax	Value at end of year
20 Jun 2021	£0	£174,000	£0	£174,000	£0	£174,000
20 Jun 2022	£0	£170,000	£0	£175,000	£0	£180,000
20 Jun 2023	£0	£167,000	£0	£177,000	£0	£187,000
20 Jun 2024	£0	£163,000	£0	£179,000	£0	£195,000
20 Jun 2025	£0	£160,000	£0	£180,000	£0	£202,000

	If investments grow each year at:					
	Lower Rates		Middle Rates		Higher Rates	
	Income in year before tax	Value at end of year	Income in year before tax	Value at end of year	Income in year before tax	Value at end of year
20 Jun 2026	£0	£158,000	£0	£182,000	£0	£208,000

The table above shows the income you could get based on the assumptions we have made. If you have taken high levels of income payments these may have exhausted your available funds.

What are the growth rates used in this illustration?

The investment growth rates we use can vary between the funds you choose. All these rates take into account price inflation of 2% each year. In this illustration, the growth rates each year we've used are:-

Investment	Lower Rate	Middle Rate	Higher Rate
Scottish Widows Consensus Fund*	-1.5%	1.5%	4.4%

The maximum FCA growth rates, taking into account price inflation of 2% each year, are a lower rate of 0%, a middle rate of 2.9% and a higher rate of 5.9% each year. The rates we've used may be less where we believe the maximum rates overstate the investment potential of a fund.

For each fund, where maximum FCA growth rates are not used, the rates shown are our current range of assumptions for long term future investment growth. We may change any growth rate assumption for future illustrations.

The actual investment growth achieved may be more or less than shown.

*For the purposes of this illustration, no investment growth will apply to any amount held in the Control Account and/or Fixed Term Cash Deposit. After twelve months, any amount held there will then be assumed to be invested in the Scottish Widows Consensus Fund. The growth rates used for the Scottish Widows Consensus Fund are shown in the table above.

What investment growth will you need to maintain your pension income?

You should compare the pension income available from the Retirement Income part of your Account with the annuity income you could receive from an annuity bought now.

In particular you should decide whether the rate of investment growth you require is realistic. The information below can help you decide.

The following calculations have been performed using guidelines from the Financial Conduct Authority (FCA).

Investment growth required to provide the same income as an annuity

The following table shows the investment growth required to provide income payments equal to the annuity income you may be able to buy now from the Retirement Income part of your Account. This is commonly referred to as a 'type A' projection. When calculating the investment growth required, we have used example current annuity rates see the *note earlier in this document. We have assumed that the overall cost of annuities is unchanged. But these rates may change at any time and the rates you could get now may be higher or lower than we have assumed. You may also be able to get a higher annuity income from another annuity provider. If you are able to get a higher annuity income than we have assumed, the yearly investment growth required to provide income payments equal to that higher annuity income would need to be higher than we show below.

Retirement Income

When you buy an annuity	Yearly investment growth required (taking into account price inflation of 2% each year)
At age 75	1.68%

- Taking into account price inflation of 2% to buy your annuity when you are 75, the Retirement Income part(s) of your Account must achieve an investment growth of 1.68% between now and then.

Remember that the value of your Account can go down as well as up. For example, the value could drop substantially shortly after the statement date. In this case you will need investment growth to be significantly higher than the rates shown above over the remaining period of your Account.