

# Funding Statement and Illustration of Benefits – Explanatory Notes

Dalriada.  
A better way

**As at 31 March 2023**

The purpose of your Fund Statement & Illustration is to give you an indication of your benefits under the Royal & SunAlliance UK Pension Scheme 2002 (the "Scheme"). It does not confer a right to benefits. Rights to benefits are only conferred in accordance with the Trust Deed and Rules governing the Scheme. In producing a large number of statements errors may occur. The statement is not binding on the Trustee of the Scheme if there is an error. Please bear this in mind when acting on information contained in the statement. It is your responsibility to check the details and inform Isio ('RSApensions@isio.com') if you think any of the information is incorrect.

## **TERMS USED IN THE STATEMENT**

The terms used in your statement are outlined in the Scheme handbook called the 'Royal & SunAlliance UK Pension Scheme 2002 Handbook'. If you have lost your copy you can obtain another copy from Isio ('RSApensions@isio.com').

## **INVESTMENT BALANCE**

The balance shown in your fund statement is not guaranteed and may fluctuate in line with the value of the underlying investments and is subject to adjustment for the costs of converting the investments held into cash.

## **ON RETIREMENT**

At retirement, the value of your Retirement Account is used to buy a pension for you and your spouse or, if you elect, to provide a lump sum and less pension. The amount of the pension will depend on your age at retirement, the value of your Retirement Account and the type of annuity used to secure your pension and the cost of that annuity. Where applicable your pension will be at least the 'Reference Scheme Test' benefit and this is described in the Scheme Handbook. The 'Reference Scheme Test' benefit will be calculated in line with the Trust Deed and Rules and applicable overriding legislation.

## **ON DEATH IN DEFERMENT**

In the event of your death before retirement, the value of any regular contributions or AVCs that you have paid into your personal account and are held in the Scheme will be paid as a tax-free lump sum. The value of the employer contributions will be used to secure a spouse's pension at least equal to the 'Reference Scheme Test' benefit which is described in the Scheme Handbook. The value of the employer contributions in excess of that needed to secure the 'Reference Scheme Test' benefit will be paid as a tax-free lump sum.

## **EXPRESSION OF WISH FORM**

Lump sum death benefits are paid at the Trustee's discretion. This means that the lump sum benefit is normally tax-free. The Trustee when making a decision will take into account your wishes as set out in any Expression of Wish form you may have completed. It is therefore important that you keep your Expression of Wish form up to date. If you have not completed a form, or wish to change it, you can obtain a new form from Isio ('RSApensions@isio.com').

## **STATE BENEFITS**

The benefits shown in your fund statement are in addition to any State benefits to which you may be entitled.

# Funding Statement and Illustration of Benefits – Explanatory Notes

## LIFETIME ALLOWANCE

The Lifetime Allowance is a limit on the value of retirement benefits that you can draw from all registered pension schemes before tax penalties apply. For pensioners who retire on or after 6 April 2023, the Lifetime Allowance no longer applies, and therefore no tax penalties are applicable. For further information, see [www.gov.uk/government/publications/abolition-of-lifetime-allowance-and-increases-to-pension-tax-limits](https://www.gov.uk/government/publications/abolition-of-lifetime-allowance-and-increases-to-pension-tax-limits)

## ALLOCATION OF YOUR INVESTMENTS

You are encouraged to regularly review your investment choices to ensure they remain suitable for your circumstances particularly in light of the “Freedom and Choice in Pensions” legislation that has come into force. It is particularly important that you ensure your investment choices are appropriate if you are approaching your selected retirement date. You can confirm your selected retirement date with Isio ('RSApensions@isio.com'). A current list and details of the fund options available to you is available to you online or on request.

In line with the Trust Deed and Rules, the Trustee controls the allocation of the proportion of your investments held in your Company Core Account.

As part of their ongoing monitoring of the investment strategy of the Scheme, the Trustee may from time-to-time make changes to the funds in which the assets in your Company Core Account are invested. These changes do not impact on your benefit entitlement in the Scheme and will be reflected in your annual fund statement enclosed.

## ASSUMPTIONS

In calculating your Illustration, we have assumed that:

- The Scheme Rules will continue as they are.
- Your pension, shown in these estimates, will increase in line with inflation (as measured by the change in the Retail Price Index) in payment. Inflation is assumed to be 2.5% a year.
- For pension calculated assuming a spouse's pension will be payable, a spouse or dependant's pension of 50% of your pension will be paid after you die.
- When you retire you will be married to someone three years younger than you (if you are male) or three years older than you (if you are female).
- You do not take any tax-free cash at your retirement. You may be able to take a tax-free cash sum at retirement and leave a reduced pension.
- Obviously, these assumptions cannot be, and are not, guaranteed.

## FREEDOM AND CHOICE IN PENSIONS

- Your final pension will depend upon how you choose to access your pension savings at retirement:
- From 6 April 2015, you may be able to access your defined contribution pension savings how you wish at retirement.
- The illustration assumes you will purchase an annuity at retirement, but you could choose to access your pension benefits in a different way.
- For example, you could choose to take your pension benefits as a cash lump sum, or through an “income drawdown policy” from an appropriate arrangement.

# Funding Statement and Illustration of Benefits – Explanatory Notes

- Please note that to access these new flexibilities, you may need to transfer the value of your pension benefits out of the Scheme into a suitable pension arrangement.
- You can find out more information on the new pension flexibilities by visiting: <https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise>
- We recommend you speak to an independent financial adviser (IFA) if you are considering transferring your pension savings. You can find an IFA local to you by visiting [www.unbiased.co.uk/](http://www.unbiased.co.uk/)

## **CASH EQUIVALENT TRANSFER VALUE (CETV)**

The CETV figure quoted is illustrative only and is not guaranteed. If you are interested in understanding your transfer options further and would like a formal CETV quote then please contact Isio.

The CETV figure is calculated using a set of assumptions agreed by the Trustee to value your benefit entitlement in the Scheme, allowing for the minimum benefits from the Reference Scheme Test. These assumptions will likely differ to the assumptions used for the other illustrations set out in this letter.

If you wish to investigate this option you will be responsible for reviewing the market to identify a suitable provider and product. If you chose to take this option, we strongly encourage you to take appropriate independent financial advice from an Independent Financial Adviser ("IFA") registered with the Financial Conduct Authority. You will have to find your own IFA and you will be responsible for paying their charges. If you do not have an IFA you can find an IFA local to you by visiting [www.unbiased.co.uk/](http://www.unbiased.co.uk/)

## **PENSION SCAMS**

If you are considering transferring your benefits out of the Scheme please note that the Pensions Regulator has issued warnings about pension 'scammers' operating in these markets.

Pension liberation, also known as pension loans and pension scams, involves the transfer of a member's pension savings to an arrangement that will allow them to access their funds before they are entitled to receive them. This activity can be fraudulent where members are not informed, or are misled, about the consequences of making a transfer to these arrangements. In particular, people targeted by these scams are often not informed of the potentially punitive tax consequences of trying to access their benefits before they are properly entitled to them. Only in rare cases, such as serious illness, can members take a pension before age 55.

# Funding Statement and Illustration of Benefits – Explanatory Notes

Dalriada.  
A better way

## Where can I get more information?

Further information can be found in the "Pension Scams" booklet by visiting their website at:

<https://www.thepensionsregulator.gov.uk/en/pension-scams>.

### Contacts Details

If you believe that any of the information in your statement is incorrect, or you would like more information about the estimate, or a printed version of the information online, you should contact Isio using the contact details below:

Isio  
C/o SPS  
PO Box 4916  
Interface Business Park  
SN4 4RX

**By phone:** +44 3330 150837

**By email** [RSApensions@isio.com](mailto:RSApensions@isio.com)



Dalriada.  
A better way

**Belfast**  
T: +44 (0)28 9041 2018  
**Birmingham**  
T: +44 (0)121 389 2320

**Bristol**  
T: +44 (0)117 959 5000  
**Glasgow**  
T: +44 (0)141 331 1053

**Leeds**  
T: +44 (0)113 426 4489  
**London**  
T: +44 (0)20 7495 5515

**Manchester**  
T: +44 (0)161 641 6313  
[dalriadatrustees.co.uk](http://dalriadatrustees.co.uk)



Signatory of:

