

Explanatory notes for your Money Purchase Annual Statement

This note should be read in conjunction with your Money Purchase Annual Statement as at 1 January 2025.

This is to provide you with further information relating to your Statement, including the details of the assumptions used to produce the Statutory Money Purchase Illustration included in the Statement.

Assumptions behind your Statutory Money Purchase Illustration

As explained in your Money Purchase Annual Statement, we had to make some assumptions about what your Money Purchase Account will be worth when you reach retirement, as well as what your money could buy you at that time. What actually happens may be different to what we've assumed, therefore these figures are not guaranteed.

The investment return assumptions are based on historic volatility (changes in investment prices over a certain period) of the fund your money is invested in. Whereas last year, the investment return assumptions were forward-looking, and we were able to use the best estimate of how we expected different funds to perform.

For the purpose of the illustration the following assumptions are made about your choices at retirement:

- You will use the entire value of your Money Purchase Account to purchase an annuity at retirement, so no cash lump sum is taken
- No further contributions are paid into the Fund
- The pension you receive from the annuity will not increase in payment
- You will purchase an annuity that is paid for your lifetime only i.e. won't be paid to a surviving spouse

Please note that these assumptions may not reflect how you choose to use your DC pension pot when you retire.

The key financial assumptions used to calculate your Statutory Money Purchase Illustration projections are:

Price Inflation	2.5% p.a.
Interest rate on which annuity will be based	4.8% p.a.
Investment Return	4.0% p.a.

Please note that the value of your Money Purchase Account is not guaranteed and may fluctuate up or down, depending on investment returns. The income you may receive from an annuity will depend on the investment returns received, the amount of your account you take as a lump sum and the cost of buying an annuity when you retire – all of which can differ from the assumptions we have made. Consequently, the actual amount of pension you receive is likely to be different from the projection, and as such the illustration is not guaranteed. Past performance is not a guide to future performance, and you may not get back the contributions originally invested.

Your benefits on leaving service

You can transfer your pension to another approved Plan or leave your Money Purchase Account in the Scheme where it will continue to be invested.

Your Retirement Options

At retirement there are a number of options available to you for how you can use the value of your Money Purchase Account. These include:

- Taking the total amount as a lump sum, after any tax that is due;
- Taking part of the value as a lump sum and buying an annuity (a regular income paid to you for life, with the option of including an income to your spouse after your death, and indexation of the income to take account of inflation); and
- Transferring the value of your account to another pension provider to allow you to draw income as and when you need it, also known as income drawdown.

These options and the tax charges associated with them may change, you should therefore seek financial advice if you are planning for your retirement.

For free, impartial guidance on these options, please visit www.moneyandpensionsservice.org.uk.

What do you need to do now?

- 1 See if you're on track for your retirement plans. To achieve an 'adequate standard of living' the Pensions Policy Institute suggest that you will need a retirement income that is between 50% and 80% of what you earned before you retired.
- 2 Nominate your beneficiaries and keep them up to date. If you die whilst you're a member of the Scheme, the beneficiaries you list on your Expression of Wishes form could receive valuable financial support.

Pension scams

You can find information about pension scams and how to avoid them at <https://www.fca.org.uk/scamsmart/how-avoid-pension-scams>

Contact

For more information on the Scheme and your benefits, please visit the Scheme website at www.smbcedbpensions.co.uk. If you have any queries about the information provided above please contact the Scheme Administrators, Hymans Robertson, T: 0141 566 7684 or E: SMBCEPensions@hymans.co.uk. You can write to the Scheme Administrators at Hymans Robertson LLP, PO Box 27170, Glasgow, G2 9NF.