

# Group Plan from Standard Life

A little saving now can give  
you greater freedom later



getting started  
... step by step

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# reward yourself with a better income when you retire

Saving with a pension is all about aiming to give yourself a decent income when you retire; about having enough money to enjoy all the things you'll have time for when you're no longer working.

A company pension offers you a tax efficient way to save for your retirement. You make payments while you're working, then when you retire the funds that have built up provide you with an income for the rest of your life.

# comfort

# having more to fall back on when you retire

## YOUR EMPLOYER'S PAYMENTS

One of the greatest benefits of your company pension is your employer's payments. By making payments into your pension along with you, your employer can help you achieve a better income at retirement.

Your employer will decide how much they want to pay. You should contact them directly to find out how much this is.

## IMPRESSIVE TAX BENEFITS

You'll get tax relief on the payments you make to all your pension plans, up to 100% of your relevant UK earnings for that tax year. Relevant earnings are your taxable annual income and any bonuses, commission or benefits in kind that you receive from employment or self employment. This relief is normally at your highest Income Tax rate. Your employer will deduct the payments from your gross salary before tax has been calculated.

HM Revenue & Customs has an Annual Allowance for the total payments that you, your employer and any third party can make to all your pension arrangements. This allowance is £235,000 for the 2008/09 tax year. You will pay a 40% tax charge on any payments that exceed this limit. If you think the Annual Allowance will affect you, you may wish to seek financial advice.

HM Revenue & Customs has a Lifetime Allowance on the total funds in pension arrangements that can be used to provide benefits to you. This allowance is £1.65 million for the tax year 2008/09. Any funds over this allowance will be liable to a tax charge of 55% for a lump sum, or 25% if taken as a pension. There are circumstances where you can apply for a personal Lifetime Allowance that's higher, speak to your financial adviser for more details.

Plus:

- Your investment grows free of any UK Capital Gains Tax.
- When you retire you can usually take up to 25% as a tax-free lump sum.
- Your dependents do not normally have to pay tax on any lump sum they receive if you die before retiring. However if any part of the lump sum exceeds your Lifetime Allowance, that part will be taxed at 55%.

Once you begin to draw your pension it is taxed as earned income.

Tax and legislation are likely to change. The information given here is based on Standard Life's current understanding of law and HM Revenue & Customs practice at the date of publication. Tax relief may be altered and its value depends on your financial circumstances.

# taking your future into your own hands

## THE STATE PENSION

If you're expecting the State Pension to take care of you in later life, bear in mind that the maximum Basic State Pension for the tax year 2008/09 is:

£90.70 a week for a single person

£145.05 a week for a pensioner couple

Although these are currently the maximum Basic State Pension payments, Pension Credit may also be payable. This guarantees an income of £124.05 a week for a single person or £189.35 a week for a pensioner couple. Further details can be found on The Pension Service website at [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

Will that really cover much more than your basic needs? And if the cost of living continues to rise, can you rely on the Basic State Pension getting better in the future?

## STEP ONE WHY JOIN?

### THE COST OF THINGS TO COME

There's no knowing exactly how much things will cost in the future, but one thing that seems certain is that the cost of living is on the increase.

	Today's prices	10 yrs	20 yrs	30 yrs
Typical Newspaper	£0.50	£0.64	£0.82	£1.05
TV licence	£135.50	£173.45	£222.03	£284.22
Typical Family car	£12,000	£15,361	£19,663	£25,171

The above table gives an indication of what costs may be in the future based on inflation of 2.5% a year. The average rate of inflation over the past 10 years (up to 30 September 2007) has been 2.76%.

### THE LONGER YOU LIVE...

With modern healthcare and improved diets, you may spend many years in retirement. This is time which you could be enjoying with family and friends, going on holiday, taking up new hobbies and eating out.

Take your financial future into your own hands so you can aim to have enough money to enjoy your leisure time as you wish.

# security

# saving with a pension provider you can trust

Standard Life has been looking after its customers for over 180 years, and currently over 7 million people worldwide rely on us for their financial needs. Standard Life places a great deal of importance on getting your money to work hard for you; that's why we believe you can have confidence in us. Like most people, you want to know that your financial future is in good hands.

# what, where and how:

With a company pension, you and your employer agree how much you will each pay. You will usually have to make a minimum regular payment, but you can pay more if you want to.

Should your circumstances change you can normally agree with your employer to reduce or increase the amount of your payments.

Please see page 13 for information about where your money is invested, and how you receive your income at retirement.

Before deciding how much to pay, you should always seek financial advice.

# how much you should save

## AFFORDABLE PAYMENTS

For most people, this is the biggest question raised when they start a pension.

We encourage you to put aside as much as you can reasonably afford without overstretching yourself: the long-term rewards can be well worth it.

Please note you should always seek financial advice before deciding how much to pay.

THE SOONER THE BETTER

Many people would rather not think about starting a pension – after all, retirement seems such a long way off. But every day you put it off makes a difference to your income when you do eventually retire. And by then it will be too late to do anything about it.

In the simplest terms, the sooner you start the better.

# what happens to your money?

## WHERE YOUR MONEY IS INVESTED

Your money is invested in one or more of a wide range of professionally managed funds. Your employer or the trustees can provide more details of the fund(s) they have chosen for you. Your plan may invest in a range of investments, including investments based on stocks and shares, which carry different levels of risk. The value of your investment can fall as well as rise and you may get back less than you pay in.

## HOW YOU RECEIVE YOUR INCOME WHEN YOU RETIRE

You can start taking a pension at any time between the ages of 55 (50 up to 6 April 2010) and 75, including while you're still working.

- You must normally start taking it by age 75.
- You can take the pension in stages if you want to.
- You can normally start taking a pension before age 55 (50 up to 6 April 2010) only if you're in severe ill health.

There are usually two ways to receive your benefits:

- Buying a pension which gives you a regular income for the rest of your life.
- Taking a tax-free lump sum, of up to 25% of the fund, then using the remaining balance to buy a pension.

# what to do next

This guide provides general information only. For more detailed information to help you make a balanced and informed decision, please read the Key Features Document along with any Terms and Conditions/Declarations contained in this pack. If these were not issued with this guide, these documents can be obtained from your financial adviser or Standard Life.

If you have any further questions after reading these documents, please speak to your employer or financial adviser. If you are unsure whether your company pension is suitable for you, please seek advice. There may be a cost associated with doing this.

### HOW DO I JOIN?

Once you've spoken to a financial adviser and read everything through, you can decide whether you want to join. If you decide to join, your employer will give you details of how to do this.

### WHAT DOCUMENTS WILL I RECEIVE?

If you join the pension plan, after your application has been accepted, we will send you a number of important documents. These documents should be read carefully and kept in a safe place for future reference.

You will receive:

- your plan documents and confirmation of all the information supplied, and
- a yearly statement advising you of the value of your pension.

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*Calls may be recorded/monitored.* [www.standardlife.co.uk](http://www.standardlife.co.uk)

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