Explanatory notes for your DC Section Annual Statement

This note should be read in conjunction with your DC Section Annual Statement as at 31 December 2022.
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 DC Section Annual Statement, we had to make some assumptions about what your DC Section 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. For the purpose of the illustration the following assumptions are made about your choices at retirement:

- You will use the entire value of your DC Section Account to purchase an annuity at retirement, so no cash lump sum is taken
- The pension you receive from the annuity is assumed to increase in line with the Retail Prices Index (RPI) once in payment
- A pension of 50% will be payable to your Spouse in the event of your death; and
- Your DC Section Account continues to be invested in the same funds as at 31 December 2022, but allows for any planned automatic lifestyle switches

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

Price Inflation	2.5% p.a.
Salary Inflation	2.5% p.a.
Interest rate on which annuity will be based	-2.6%p.a.

The investment returns assumed to calculate your projection are:

Equity Funds 7.0% p.a.
Gilt Funds 4.25% p.a.
Cash Funds 3.55% p.a.

Please note that the value of your DC Section 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 level of your contributions, 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.

What you need to know about your Statutory Money Purchase Illustration

- Due to statutory regulations it is assumed that your annuity includes a pension for your spouse of 50% of your pension
- Your illustration has been calculated using certain general assumptions that have been made about the nature of your investments and their likely performance. These may not correspond with the investments actually made, or their actual performance; and

- The actual amount of any pension payable will depend on circumstances, including the actual performance of investments and the cost of buying an annuity at your retirement, which may be different from the assumptions in your illustration.

Your benefits on leaving service

You can transfer your pension to another approved Scheme or leave your funds in the Scheme where they 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 DC Section Account. Please contact your Scheme Administrator for details of any options using the contact details provided below.

In early 2019 the Money and Pensions Service was launched by the UK government. This service combines the Money Advice Service, The Pensions Advisory Service and Pension Wise into a single organisation. The service aims to provide guidance relating to your pension and retirement options. For more information, 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. If you're not on track, you may wish to consider topping up your savings, changing investment options or deferring your retirement date.

2 Check your Target Retirement Date. If you are invested in a Lifestyle option, this is the age we think you might retire. The Trustee will use this age to switch your investments as you approach retirement. To change your target retirement date contact the Scheme Administrator. A lifestyle option works in two stages. During the first stage your money is invested in funds to help it grow (such as equity funds). Then it is moved to be invested in funds to help protect your money as you get closer to retirement (for example, bonds and cash). Further information on the Lifestyle option contact the Scheme administrator.

3 Review your investment strategy. You should consider whether your current investment strategy is still appropriate.

Contact

More information on the Scheme and your benefits, please visit the Scheme website at https://www.atos2019scheme.co.uk/ . If you have any queries about the information provided above please contact the Scheme Administrators, Hymans Robertson, T: 0121 212 8151 or E: atos@hymans.co.uk . You can write to the Scheme Administrators at Hymans Robertson LLP, PO Box 27169, Glasgow, G2 9NE.