

SCOTTISH WIDOWS

official pensions and investment provider



Important Notes

To be read in conjunction
with your Civil Service Additional
Voluntary Contribution (CSAVC)
2010 Yearly Benefit Statement

Please check the details on your statement carefully.

If you feel that any contributions you have made have not been allocated to your account, please contact your employer in the first instance. If you have more than one AVC account with us, you should receive a statement for each one. If any details need to be changed or you have any other questions about the information shown on your statement please write to us or telephone using our direct telephone number. We will be pleased to help. The notes on the statement will also help clarify the information provided.

We would like to draw your attention to the following:

1. Wide choice of funds

We offer three Pension Investment Approaches which allow you to select a combination of potential risk and reward that takes your retirement date into account.

If you do not choose one of these approaches, we offer a broad range of investment funds for you to choose from.

You may wish to take this opportunity to review your current investment strategy with regard to your AVCs – particularly if you are approaching retirement. You can (if you wish) change your investment strategy or the amount you pay.

For more information please refer to our Pension Investment Approach guide or our Investment Options and Charges booklet.

If you wish to make any changes to your existing investment selections please contact Scottish Widows.

2. You should review the level of your contributions at regular intervals to help to achieve your retirement aims

The cost of delay of any increase in contributions can be significant and there are a number of factors to consider including:

- Investment returns – actual returns may be very different from any assumptions on which you have based your level of contributions.
- Cost of buying a pension – today's pension costs may be much higher than they were when you first started paying AVCs; and that's mainly due to the effects of improved mortality and lower interest rates. It is possible that they could be higher still by the time you reach retirement.

- Maintaining the value of your AVC contributions – you may not have increased your AVC contributions in line with any increases in your earnings.

If you wish to make any changes to your current level of contributions you should contact your APAC in the first instance.

If you would like to order a copy of the latest AVC Booklet you can request a copy by:

- telephoning the dedicated helpline number **0845 712 5386**, or
- email on **civil.service@scottishwidows.co.uk**

Alternatively, visit the website **www.scottishwidows.co.uk/civilservice** for further information.

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

3. Online web access to your AVC account

You can now register online for access to your AVC account.

To register for the service, all you need to do is:

- Access the Scottish Widows website **www.scottishwidows.co.uk**
- Click on ‘Log-in or register’ for individuals.
- Click on the ‘Register’ option. You will be asked for the following:
 - Policy number: (type in your plan number).
 - Date of Birth: (enter your date of birth in the format DD/MM/YYYY).
 - Email address (this is not compulsory).

A Customer ID and PIN will be posted to you (in two separate letters). Once you have your Customer ID and PIN, you can access your details online by following the first three steps above.

Questions and Answers

Q1 What is the transfer value of my plan?

The transfer value of your plan reflects the cash equivalent value of your plan at the date specified, had you decided to transfer its value to another pension company at that date.

For units in the With-Profits Fund

The transfer value may include a Market Value Reduction (MVR). For further details of MVRs, and when and how they may be applied, please refer to the documents you received when your plan was set up or call us on **0845 712 5386**.

Q2 I will not be married when I retire. Why do you insist on quoting a spouse's pension? What would I get if you didn't assume this?

It is a legal requirement to provide you with a statutory money purchase illustration, which is prepared in accordance with the governing legislation and relevant guidance. The guidance requires us to assume that all plan holders are married at the date they take their benefits.

If you are not married when you retire then the full value of your AVC benefits could be used to provide you with a pension.

Q3 What do you mean by 'Single Premiums' paid at regular intervals?

In accordance with law this illustration includes an assumption that any 'single premiums' that we can identify as being 'recurring' i.e. they are paid in a consistent manner, and are of a similar amount, will continue to be made until your Normal Pension Age (NPA).

Where the values of 'recurring single premiums' have fluctuated, we will assume an average figure is paid going forward.

Q4 I don't want to take the transfer value now so why is one quoted?

We are required by law to provide you with certain details regarding your plan at certain prescribed intervals, i.e. annually. This includes a requirement to supply you with a transfer value of the benefits held under your plan.

Q5 If I should ever alter the level of my AVCs or stop them altogether – what difference would this make?

This would affect the value of your pension and would be reflected in future illustrations that we include with your Yearly Benefit Statement.

Q6 Why is no pension figure shown at Normal Pension Age (NPA)?

The NPA (Normal Pension Age as it is referred to in the Civil Service Pensions Scheme) is 60th birthday for most members.

If your Yearly Benefit Statement is prepared at a date within 2 years of your NPA, then no pension figure will be illustrated. We will provide a quotation of benefits automatically shortly before your NPA.

Q7 Why is the same information repeated in different places (e.g. the Transfer Value and Pension at NPA)?

There is a summary of the information at the start of the statement. This information is repeated later on and is explained in more detail.

Q8 Why is the pension at NPA different from statements issued in previous years?

The pension figure is quoted in today's money so as to give you a more realistic idea of what the pension will be worth. As it is on a prescribed basis, it should be easier to see the overall projected pensions available if you have pensions from more than one provider.

Also, to comply with legal requirements, all pension providers have had to change some of the assumptions used in preparing these types of illustrations. This change is to reflect longer life expectancy and lower interest rates than assumed previously. As a result, although your pension fund may have grown, the pension shown may be less than that shown in previous years.

Q9 Can Market Value Reductions (MVRs) apply?

Yes, for Investments in the With-Profits Fund. If you transfer to another provider, switch to another investment fund, or take your benefits at any time other than Normal Pension Age (currently age 60 in the Civil Service for most members) then we may apply an MVR at that time. MVRs reduce what you get from with-profits.

For more information on where MVRs may apply and also where they are guaranteed not to apply (additional guarantees may apply for those who joined the Civil Service AVC scheme before 1 July 1994), you can read the information you received when you joined the CSAVC scheme or contact us – our helpline is **0845 712 5386**.

Q10 What should I do if I change address?

To ensure that you continue to receive your Yearly Benefit Statement please notify Scottish Widows immediately of any change of address. You can do this by contacting us by the following means:

Tel 0845 712 5386

Email cs.avc@scottishwidows.co.uk

**Write Scottish Widows plc
CST Direct
15 Dalkeith Road
Edinburgh
EH16 5BU**



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