

Company Pensions

Trustees Guide to Completing the Yearly Review

About the Review

The yearly review is an important part of each member's financial planning. This review gives an indication of the benefits which may be available in the future. It will help you assess the progress and current status of each member's plan – to check that the pension provision is on course to meet his/her retirement needs. It will also help you streamline notification of new earnings and increases in contribution rates and death benefits.

There may already be provision for automatic increases in contributions (through indexation or earnings-related provisions, depending on the terms of the scheme). Members may also be eligible to pay additional regular or single contributions.

The terms for all additional contributions may not be the same as applied for earlier contributions. We will make you aware if this is the case with your scheme where we receive the completed documentation.

If you would like more information about additional contributions, please speak to your scheme financial adviser.

About the Review	2
The review contains the following:	3
Review Checklist	4
Completing the contributions update schedule	5

The review contains the following:

1. Scheme Summary

This gives an overview of the scheme structure, including:

- payment method
- scheme earnings definition
- membership summary
- retirement breakdown (membership numbers in terms of years to retirement)

2. Yearly Summary

This contains details you need to carry out the review and summarises the information on the yearly statements for members:

- projected retirement benefits, in today's terms and as a percentage of current earnings
- the number of years to Normal Retirement Date
- contributions paid
- latest pensionable earnings
- current values

The value of an investment may go down as well as up and the fund value in future may be less than the payments made. For investments in With-Profits Funds, the value of the Policy depends on how much profit the Funds make and how we decide to distribute that profit.

Policyholders receive a distribution of profits by means of bonuses, or other methods as specified in the relevant policy documentation. Further details of our pension plans are available on request. Our contact address is shown on page 6.

3. Contributions Update Schedule

For each member this shows:

- current scheme earnings or current pensionable earnings
- current contributions
- death benefit details

The Contributions Update Schedule must be completed and signed by the Trustees before returning it to Prudential. Please make sure the Schedule is returned even if there are no changes, so that we do not issue reminders.

4. Yearly Statements

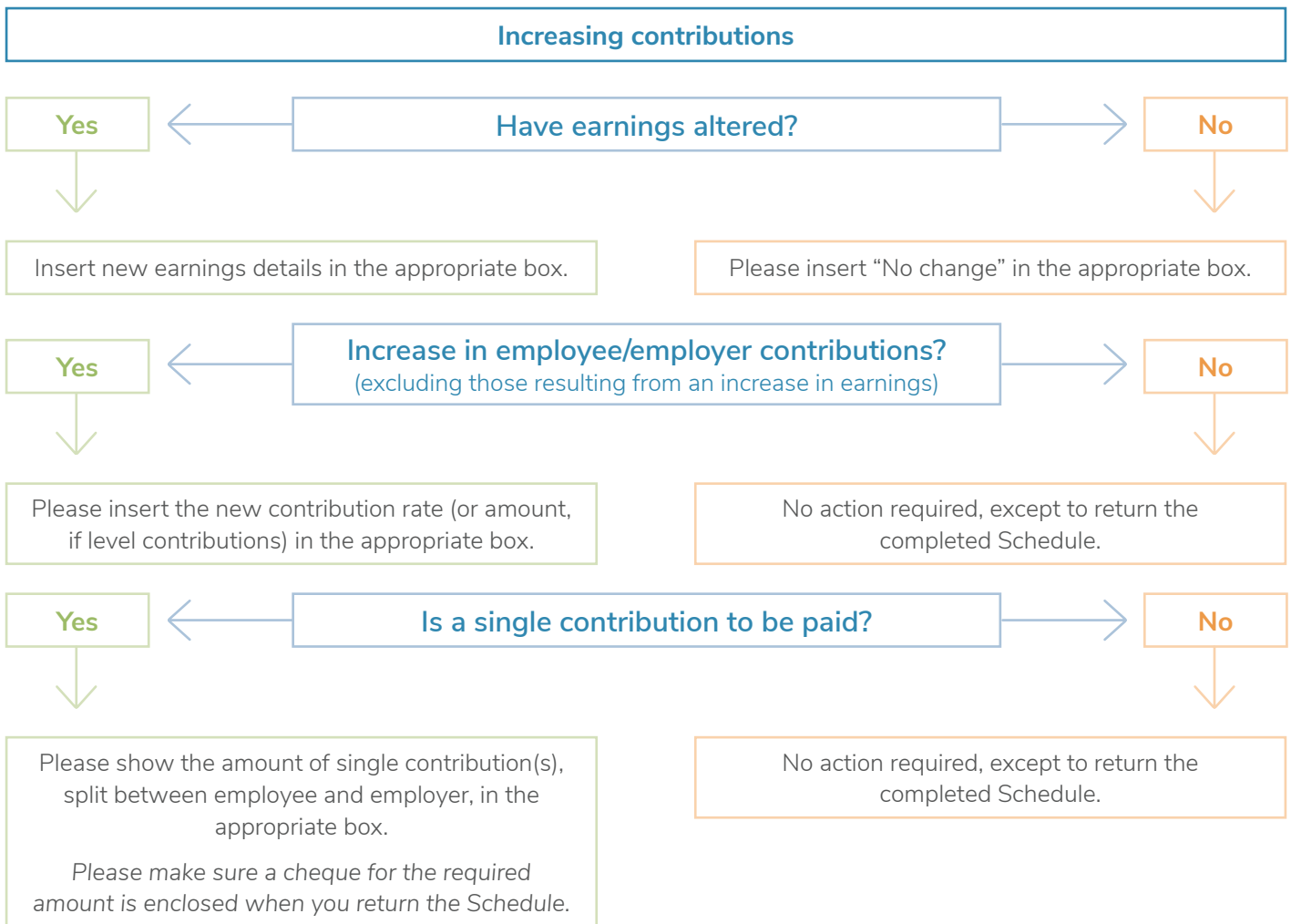
These are provided for each member of the Scheme. This gives up-to-date information on their benefits. It also includes a Statutory Money Purchase illustration showing a yearly pension in today's terms.

Review Checklist

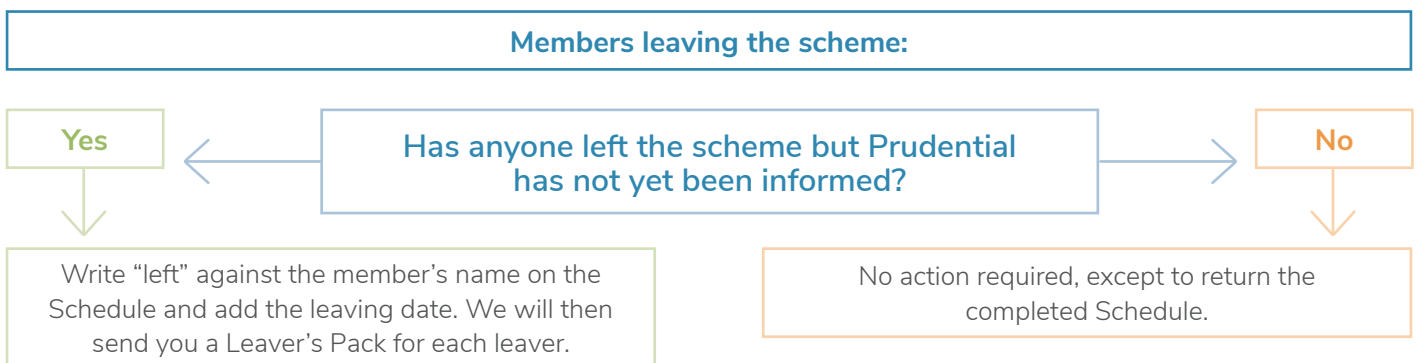
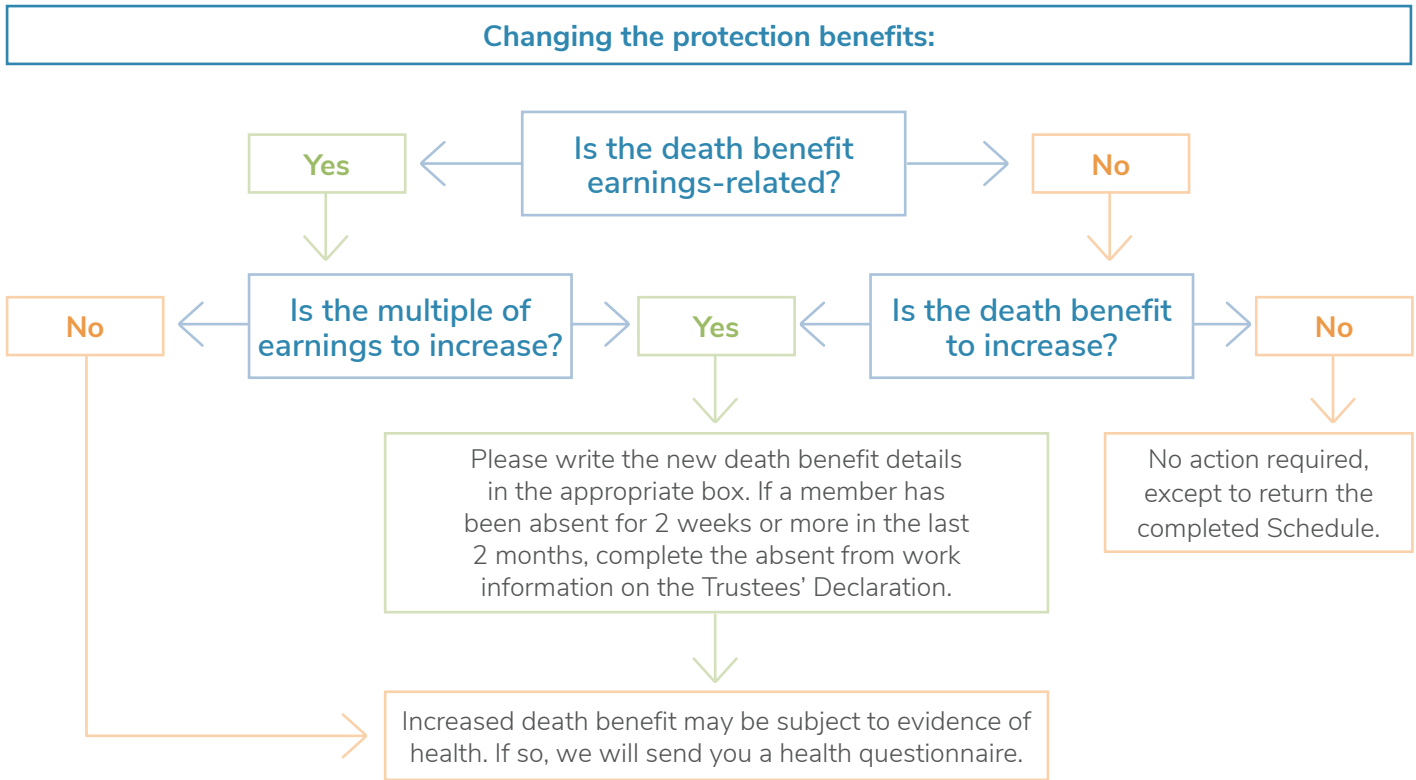
You may want to consider the following:

- Have the member's earnings increased? If so, are the contributions already automatically salary-related?
- Has any member received any cash or bonus payments? If so, would he/she like to make a single contribution? These payments will need to be in line with the HMRC guidelines on the Annual Allowance/Money Purchase Annual Allowance. Speak to your financial adviser for further information.
- Do you want to make special contributions to reward particular employees?
- Are the projected benefits shown in the Yearly Summary in line with the member's current standard of living and expectations?
- Are the benefits likely to be enough if early retirement or a tax free lump sum are taken?
- Is the death benefit sufficient?
- Have any member's family circumstances changed? If so, the nomination of beneficiary forms you hold may need to be updated.
- Are there leavers who need further advice?
- Does the investment strategy need to be revised?
- Should the Lifetime Investment Profile be added for some or all members?
- Have you taken on any new staff who are to be included in the scheme?
- Are the payments within the Annual Allowance/ Money Purchase Annual Allowance/Lifetime Allowance rules? The rules regarding these limits have changed and you should speak to your financial adviser for further information.

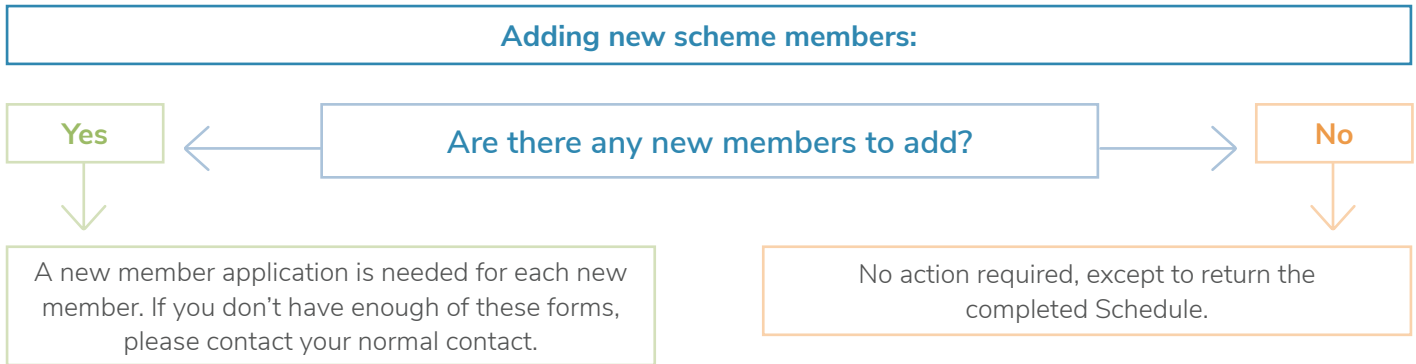
Completing the contributions update schedule



Completing the contributions update schedule – continued



Completing the contributions update schedule – continued



Completing the review process

Now you have completed your yearly review, please make sure that the Declaration has been signed by the Trustees to confirm, for example, that the scheme earnings details are correct. Please now return the completed Contributions Update Schedule, Declaration and cheques, if necessary, to:

Customer Service, Prudential, Lancing BN15 8GB

Contribution collection deadline

Where regular contributions are payable by direct debit, completed Schedules should, if possible, be returned to us **at least three weeks before** the review date, to allow for contribution/benefit changes to be processed before the regular contribution collection date. If Schedules are returned later than this, banking collection systems mean the new contributions (allowing for adjustments effective from the review date) may be collected from the next contribution payment date.

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