

BOC Retirement Savings Plan



Assumptions used for the Annual Pension Benefit Statement 2020



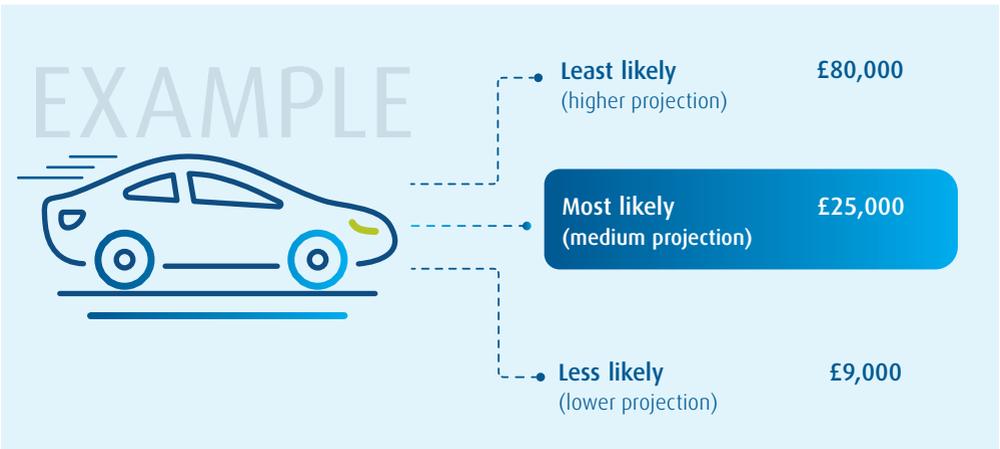


Your pension benefit statement assumptions

Your pension benefit statement includes three benefit projections calculated using Statutory Money Purchase Illustrations (SMPIs). SMPIs are a calculation method provided by the Government which we must supply by law.

The pension figures highlighted in your benefit statement are what we consider to be your most likely pension amounts. As there are a number of variables that affect your projected pension, it's very difficult to predict exactly how much pension you will receive (particularly if you are a number of years away from retirement).

The image, like the one in the example shown below, will show your SMPI pension figure as the 'most likely' projection based on a medium return on your investments. As future investment returns are uncertain, we have also included SMPI figures which assume a 1% higher and lower investment return.



You should only treat these figures as a guide as there are other factors that could affect your pension (e.g. any pay increases if you are promoted), which cannot be built into the projection. While the higher projection might occur or might even be exceeded, you shouldn't count on this in your retirement planning. On the other hand, you may want to think about how you would manage financially if your pension was less than the lower projection – perhaps by increasing your rate of RS section contributions.



Your pension benefit statement assumptions

The table below outlines key assumptions behind the SMPI retirement projections shown in your statement. Please note that the investment returns are before investment management expenses.

Element	Assumption
Price inflation (RPI):	2.5% a year
Salary increases:	2.5% a year
Investment growth pre-retirement:	
Bonds:	1.5% a year
Cash:	0.5% a year
Diversified Growth:	3.0% a year
Equities:	4.0% a year
Gilts:	0.5% a year

The investment growth assumptions shown above are used for your 'most likely' SMPI pension figure and are based on a medium return on your investments. As future investment returns are uncertain, we have also included SMPI figures in your statement but assuming a 1% higher and lower investment return.

Pension cost at retirement is based on an investment yield of:	-2.6% a year
Future contributions:	At same rate to retirement
Cash lump sum taken:	None
Pension increase in payment:	In line with RPI
Dependant's benefit payable:	50% of your pension



Please note: All pension figures shown in the statement are expressed in today's prices (as at 30 June 2020). General assumptions have been made about your investments and their likely performance. We also assume that your future contributions will be at the rate paid in the 12 months to the date of this statement and will include extra contributions/lump sum payments if applicable. The actual amount of any pension payable will depend on factors, such as the actual performance of investments and the cost of buying an annuity when you retire. These may be different from the assumptions used in your statement. All benefits and projections shown in your benefit statement are for illustrative purposes only. They do not represent any promise or guarantee as to the amount of benefit you may receive.

Contact us

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Legal note

Every effort has been made to ensure the accuracy of your statement, but it is not binding on the Retirement Savings Plan (RS Plan) Trustee if there is an error or omission. The benefits and projections shown in your statement are for illustration purposes only. They do not represent any promise or guarantee as to the amount of benefit you may receive. All benefits payable are subject to the Rules (as amended from time to time) as at the date you leave the RS Plan. You can request a copy of the Rules from BOC Pension Services. Further information and explanation of the technical terms used can be found in *Your guide to the RS Plan*, or by visiting www.bocpensions.co.uk

General Data Protection Regulation (GDPR)

As a member of the RS Plan, you consent to your personal information (including any sensitive personal information) being held and processed by the RS Plan Trustee, BOC Pension Services and any third party appointed for the effective running of the RS Plan. You understand that the Trustee and BOC Pension Services, and any third parties to whom they make the data available, will comply with the underlying principles of the GDPR. If you want to know more about the data held which relates to you or the purposes for which it may be used, please contact BOC Pension Services.