

KEY FEATURES OF THE TUTMAN B&CE CONTRACTED-OUT PENSION SCHEME

IMPORTANT

This document sets out the main points of the TUTMAN B&CE Contracted-out Pension Scheme, please read it carefully. Please contact us if there is anything you do not understand, or if you would like more information. You can find our contact details at the foot of each page.

ITS AIMS

The TUTMAN B&CE Contracted-out Pension Scheme was designed to:

- offer employed people an alternative to the State Second Pension (S2P)
- allow you to build a fund so that you can buy an income at retirement.

YOUR COMMITMENT

Whilst you were contracted-out of S2P, HM Revenue & Customs (HMRC) paid earnings related contributions into your plan for each year you were contracted-out.

- Whilst you were contracted-out of S2P, you gave up the right to any benefits from S2P in respect of each year you were contracted-out.
- You cannot take money out of your plan. However you can transfer its value to another suitable pension scheme at any time.

RISK FACTORS

- The value of your fund depends on the number and value of the contributions and the investment performance of the TUTMAN B&CE Contracted-out Pension Scheme fund.
- The investment performance cannot be guaranteed. If it is worse than expected, the benefits will be lower than expected.
- There is no guarantee that the benefits from the plan will be as high as the S2P benefits you gave up.
- The amount of income you will receive at retirement depends on interest and annuity rates at that time, which could be higher or lower than shown in any illustrations.
- Future charges may be higher than those shown in this document.

QUESTIONS AND ANSWERS

WHAT IS THE TUTMAN B&CE CONTRACTED-OUT PENSION SCHEME?

The Scheme is an authorised unit trust and a Non-UCITS (Undertakings for the Collective Investment in Transferable Securities) Retails Scheme (NURS), which is classified as an alternative investment fund. The Scheme helped you build up your unit-linked fund to provide an income in retirement by contracting-out of the State Second Pension (S2P). These benefits were known as Protected Rights.

The Government ended contracting-out of the S2P on a defined contribution basis on 6 April 2012. Scheme members contracted-out at 6 April 2012 were automatically brought back into the S2P and Protected Rights become ordinary pension scheme rights from that date.

WHAT WERE MY CONTRIBUTIONS?

- You did not pay any contributions - these were paid by HMRC once a year, after the end of each tax year. These contributions are made up from part of the National Insurance contributions that you paid and part of the National Insurance contributions paid by your employer on your behalf.
- There was also a basic rate tax credit based on your National Insurance contributions.
- You may have also received an age-related rebate.
- HMRC will not pay any contributions into the scheme in respect of earnings paid in tax years from 6 April 2012 onwards.

WHAT HAPPENED TO THE CONTRIBUTIONS?

- Contributions were used to purchase accumulation units in an authorised unit trust.
- The trust invests in a range of securities (shares, property, fixed interest securities and deposits) both in the United Kingdom and globally. The aim is to provide long-term capital growth on a medium risk, balanced basis.
- Any income made by the fund will be re-invested, which will increase the value of your fund.
- The Scheme Manager operates client money accounts with Approved Banks which are used to hold "client money". Contributions paid into the scheme become "client money" until they are used to buy units in the trust at the next available valuation (monies from the scheme is also "client money" until it is paid to you, your beneficiaries or any other party nominated by you). No interest is payable on this "client money".

WHAT ARE THE TAX PRIVILEGES OF THE SCHEME?

- Your fund grows free of many UK taxes, so much of the investment growth stays in the fund.

CAN I TRANSFER MY FUND?

- You can transfer the full value of your fund to another suitable pension scheme at any time.

WHEN CAN I TAKE MY BENEFITS?

- For males, the State Pension Age is currently age 65. For females, the State Pension Age depends on their date of birth. Since 2010, the State Pension Age has been gradually increasing from age 60 and will reach age 65 in November 2018.
- Under current legislation, the State Pension Age for both males and females will then increase to age 66 by October 2020, age 67 by 2028 and age 68 by 2046.
- You are not restricted to these ages. Under our scheme, legislation permits you to take your benefits at any date from your 55th birthday (age 57 from 2028).
- You can access your benefits earlier if on medical grounds you are unable to continue your occupation, and as a result you have stopped working. If you are suffering from serious ill health (a life expectancy of less than 12 months), it may be possible for you to receive your entire pension pot as a serious ill health lump sum.

HOW CAN I TAKE MY SAVINGS?

- The fund that you have built up will be used to provide you with an income, there are a number of options available to you. You can find out more by visiting www.bandce.co.uk/your-retirement
- Income received from your pension when you retire is liable for UK income tax.

WHAT HAPPENS IF I DIE BEFORE I TAKE MY INCOME?

- For members that die post 6 April 2012, the value of your plan is paid to whomever you choose, or to your estate. If you are over 75 at the time of your death, this payment would be taxed under HMRC rules.

WHAT CHARGES ARE CURRENTLY MADE?

- No initial charge.
- A management charge of 1% and a trustee's charge of 0.025% + VAT per annum is deducted from the fund and this is reflected in the price of the units.
- Expenses incurred in the day-to-day management of the fund's activities may also be deducted from the fund.

For more information on the charges please see the Ongoing Charging Figure (OCF, which is the new term for the Total Expense Ratio) contained within the Annual report and accounts.

THE RIGHT TO CHANGE YOUR MIND

After your TUTMAN B&CE Contracted-out Pension plan has been issued, you will receive a notice of your right to cancel, giving you 14 days to change your mind.

B & C E Financial Services Limited

Manor Royal, Crawley, West Sussex, RH10 9QP.
Registered in England and Wales No. 2207140. To help us improve our service, we may record your call.
B&CE Financial Services Limited is Authorised and regulated by the Financial Conduct Authority.
Ref: 122787. The Company is a distributor of, and an administrator for, The People's Pension and the Employee Life Cover Scheme which are occupational pension schemes to which different law and regulation applies. Further details, can be found on our website
www.bandce.co.uk/legal

VALUATION

- The assets of the Scheme are valued on the 16th day (or if this is not a business day, on the next business day) and on the first business day of each month at 10am (the valuation point).
- The Scheme uses a dual pricing method, and all deals will be on a forward pricing basis. There are two unit prices, the buying price and the selling price. The difference between the buying and selling price is known as the spread.

UNITS

- The Scheme issues accumulation units only. At present, units are allocated at the buying price calculated by reference to the next valuation point after receipt of contributions on a forward pricing basis. (The basis may be changed by the Fund Manager on notification to the Trustee of the Scheme).
- So that you can keep track of the units allocated to your plan, we will send you a statement every six months, or a confirmation note on the business day following allocation of your units, giving details of the allocation. Unit certificates are not issued.
- Income accruing to the Scheme will not be distributed but will be used to purchase further investments, potentially increasing the value of the property of the Scheme, which will be reflected in the price of your units.

REDEMPTION

- Units may be redeemed only in accordance with the Rules. Requests to redeem units in the event of a unit-holder retiring or wishing to transfer to another scheme should be made by the unit-holder or, in the event of the unit-holder having died, by the appropriate person in writing. A statement will be issued by the Fund Manager, giving details of the units to be cancelled on redemption and the selling price. Payment in satisfaction of the redemption request will be made to the selected insurance company which will provide the relevant annuity, or to the transferee scheme, or to the appropriate person, in accordance with the Rules of the Scheme.

LAW

In legal disputes, the law of England and Wales will apply.

QUERIES OR COMPLAINTS

- If you have any questions, please do not hesitate to call us or write to our Customer Services at the address at the foot of this page.
- If you have a complaint, we will do all we can to resolve it. If your complaint is not dealt with to your satisfaction, you can contact the following:

Financial Ombudsman Service,
Exchange Tower, London E14 9SR.
Telephone: 0800 023 4567 (from your landline) or 0300 123 9123 (from your mobile)

Making a complaint will not prejudice your right to take legal proceedings. If you would like a copy of our complaints procedures please let us know.

Neither the Company nor the staff are authorised to give financial advice and prospective policyholders should consider seeking independent financial advice.

COMPENSATION

Information on compensation arrangements is available from B&CE Financial Services Limited on request.

The information contained in this leaflet is based on the Company's understanding of current legislation and tax law and is subject to change.

HOW TO FIND OUT MORE

- A copy of the 'Full Prospectus' and the latest annual and half-yearly reports can be obtained from B&CE Financial Services Limited at the address below.
- Copies of the half-yearly and the annual reports and accounts are issued to all unit-holders.
- Buying and selling prices are published daily on the Fund Listings website, www.fundlistings.com - click on the link for Fund Listings, then click on the letter T at the top and find "B&CE Contracted-out Pn Schme" prices listed under Thesis Unit Trust Mgmt Ltd. For reasons beyond the control of the Fund Manager, these may not necessarily be the current dealing prices. The latest price may also be obtained by calling us on 0300 2000 555 or by writing to our registered office at the address below.
- The Trustee of the Scheme is HSBC Bank plc, Mariner House, Pepys Street, London EC3N 4DA.