

Joining your company stakeholder pension

A guide to help prepare for
the retirement you want

Civil Service partnership
pension account



What's on this CD?

Supporting tools and information to help you make decisions about your company pension

Key Features & Example Illustrations

The key features and example illustration provide important information about your company pension. Please read these documents before joining.

Booklets

Pension Investment Approach Guide

Pension Funds Investor's Guide

Policy Provisions

Important notes for applications

Indulge-o-meter

Find out if spending a bit less on treats could give you spare cash for your company pension.

Pension Planner

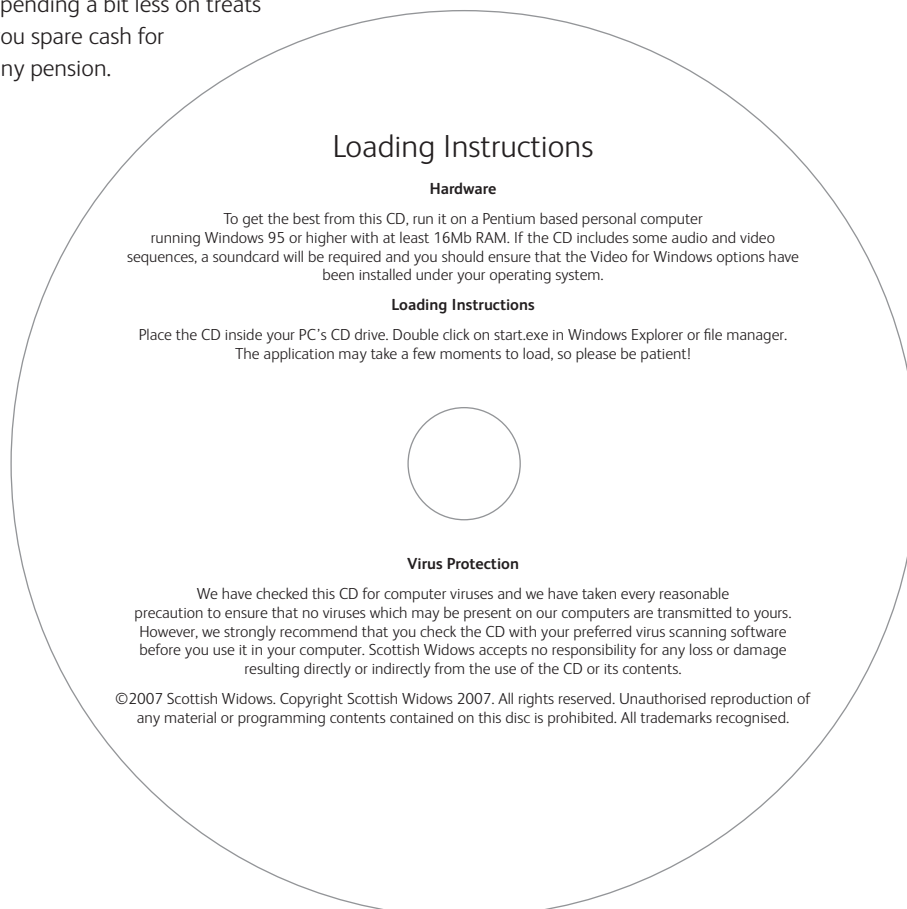
Use this to show how much you might get when you retire.

Investment Decision Tool

Use this to automatically match yourself to the most suitable investment option for you.

Literature & Tools

To access the literature and tools on this CD you will require internet access. After reading this literature, we recommend that you either save or print a copy and keep this safe for future reference.



If you are unable to access this CD or would prefer a paper copy of the contents, please call 08457 556 557. We may record and monitor calls to help us improve our service.

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We hope this guide answers all your questions, but if not, please speak to the financial adviser for this company pension or your own financial adviser.

What we mean when we say:

Company pension

This Civil Service Partnership Pension Account – a Scottish Widows Group Stakeholder Pension Plan.

Pension fund

The company pension fund held in your name. When you retire, this fund will be used to pay a taxable income for life together with a tax-free cash sum if chosen.

Tax-efficient investment

Our pension investment funds are generally free of UK income and capital gains tax. However, we can't reclaim tax deducted at source from the dividends of UK company shares. Tax rules can change.

Taxman

HM Revenue and Customs.

Tax relief

The payments you make to this plan can be eligible for UK tax relief. We will claim basic rate tax relief on your behalf, and invest it in your plan. If you are a higher or additional rate taxpayer, you may be able to claim additional tax relief via your self-assessment tax return. There is no tax relief on any employer contributions or transfer payments. The value of the tax benefits of a personal pension depend on your personal circumstances. Both your circumstances and tax rules may change in the future.

We/us

Scottish Widows.

Income for life

The money your pension fund will pay out once you retire, which is taxed in payment. If you decide to take a cash sum when you retire, it's normally tax-free.

Retirement date

Your selected retirement date.

Total Annual Fund Charge

The charge made for managing and investing your plan.

Currently, our normal annual fund charge for Stakeholder Pensions is 1% of the value of the funds you accumulate. However, this charge has been specifically reduced for the Civil Service Partnership Pension Account with Scottish Widows. The current annual fund charge is only 0.6% per annum. As well as making regular monthly payments and one off single payments, you can also make transfer payments from another pension arrangement. The Total Annual Fund Charge may be different in the future for each payment type. For more information please contact Scottish Widows.

What's in it for me?

Here are some reasons why you should consider starting contributing to your company pension

- When you start paying in, your employer will start paying in too
- For UK taxpayers, currently every 80p you pay in is topped up to £1 by the taxman, and you may be able to reclaim further tax relief if you're a higher or additional rate tax payer
- Your pension fund is a highly tax-efficient investment
- The sooner you start paying in, the longer your pension fund has the opportunity to grow
- If you leave the Civil Service, you can take your pension fund with you, even including the payments your employer has made
- When you retire, you can normally take a tax-free cash lump sum, plus a taxable income for life
- To help make your investment decision easier, we have designed some simple investment tools
- It's easy for you to join

It's very easy to join, just complete the application form plus the Pension Choices form and return it to the address given in your letter of employment, or joining letter sent to you by your employer.



“ I can't believe that my employer gives me free payments towards my pension fund. ”

Nick, 41, Horsham

See page 12 for more details.

What's best for me?

A step-by-step look at making your pension decisions

Your invitation to join

With both your employer and the taxman helping you to save, it literally pays you to join

Scottish Widows is working in conjunction with your employer and their pension advisers, to provide this company pension. We hope you will decide to join.

If you do, it could be of life-long benefit to you. By giving you this opportunity, your employer is showing how much they value:

- your contribution to their business, and
- helping you with your financial security in retirement.

Avoid having to work 'til you drop

Whatever your personal ambitions, you'll need money to enjoy life to the full. That's where this company pension could help.

UK state retirement ages are going up. Depending on your age now, you may have to wait until 68 before getting your Basic State Pension.

But, by joining this company pension you may be in a position to retire earlier or have a better lifestyle when you eventually stop work.

Whatever you want your retirement to be, having a pension could help you enjoy it more

Giving up work doesn't mean giving up living. When you retire, what do you think you'll be looking forward to most?

Enjoying the simple pleasures in life?

your choice

- No longer having to work
- Spending more time at home and with your family
- Taking up new activities that you haven't had time for to date

Or something more exotic?

- Seeing more of the world
- Buying a place in the sun
- Moving abroad

It's very easy to join, just complete the application form plus the Pension Choices form and return it to the address given in your letter of employment, or joining letter sent to you by your employer.

Why join?

A company pension is a highly tax-efficient way to help get the retirement income you need

Unless your retirement is already on the horizon, you may struggle to picture exactly what you'll be doing in 20–40 years' time. But, whatever you want your retirement to be, a company pension should help give you a financial cushion to enjoy it that bit more.

- When you join, there's the feel-good factor of knowing your company pension is there in the background, quietly doing its job.
- Because it's earmarked for your retirement, you can't dip into your company pension or fritter it away. So, although it's tied up until you retire, you should be able to rely on it being there when the time comes.
- You don't have to retire or stop work before taking your company pension. You normally can start taking your pension from 55. But remember, the earlier you take your pension, the less time your pension fund has the opportunity to grow.

You can get free employer contributions

Your employer has agreed to make pension payments on your behalf if you start a Stakeholder Partnership Pension Account. They will make contributions to your account even if you decide not to make any payments.

Exactly how much your employer will contribute will depend on your age, but it will not be less than 3% of your pensionable earnings and may be as much as 12.5%.

There's more...

On top of this, your employer will match any regular payments that you choose to make, up to a maximum of 3% of your pensionable earnings.

(See page 12 for more details).

Employer contributions will stop on leaving service. Your employer may change its level of contributions.

The sooner you start contributing, the longer your contributions have the potential to grow

Your retirement may seem a long way off, but don't fall into the trap of putting off joining because you've got plenty of time. Take it from people retiring today, it will come round much faster than you think.

The flip side, of course, is that the longer you delay the more you'd need to pay in to try and get the same size of pension income. But don't just take our word for it. Look at the example opposite, it shows the different monthly costs for men and women aiming to retire on £20,000 a year at age 65.

The longer you live, the more money you're likely to need

Most people retiring at 65 now will live to their early-80's (based on current figures from the Office for National Statistics):

- Even by the time you've read this guide, the average life expectancy will have increased by about 5–10 minutes.

With new medical advances helping to cure life threatening diseases, your life expectancy could continue to rise.

It's never too late

Don't assume it's too late for you to join. The chances are you could still have a lot to gain. In most cases, even a small pension is better than none at all – especially when your employer and the taxman are helping to pay for it.

Example

Want a pension of £20,000 a year?
Here's what it might cost

Monthly payments	Age when payments start			
	25	35	45	55
Growth rate*	7%	7%	7%	6.4%
Men	£172	£332	£700	£1969
Women	£183	£355	£750	£2125

* Average investment growth up to retirement age (65)

- These figures are only examples and aren't guaranteed – they're not minimum or maximum amounts. What you will get back depends on how your investment grows, on interest rates at the time you retire, and on the tax treatment of the investment. These are for illustrative purposes only.
- The investment growth rates we use can vary between the funds you choose. The actual growth rates we achieve may be more or less than shown.
- Other firms may use different growth rates for their illustrations and charges may vary. Firms generally use the same rates as each other to show how retirement funds may be converted into pension income.
- Women pay more for their pension income than men of the same age. This is because women are currently expected to live longer, so their pensions will have to pay out more in the long run.
- Don't forget that inflation will reduce what you could buy in the future with the pension shown.

To provide a pension income of £20,000 a year before tax, we've made the following assumptions:

- This example is based on a plan that invests in our Balanced Pension Investment Approach and uses our assumed growth rates for the appropriate fund(s) when payments start at the beginning of each term shown. The figures do not take into account the effect of future fund switching which will happen using the Balanced Pension Investment Approach 15 years from your chosen retirement age. At this time, your plan will gradually move to lower risk funds which will have a lower assumed growth rate than those we've used; this will have the effect of reducing the amount shown. Please read our Pension Investment Approach Guide (45770IG) for details of all our Approaches and how Lifestyle Switching works.
- The monthly payments shown are based on the middle investment growth rates we use for our Balanced Pension Investment Approach, for the appropriate fund(s) when payments start.
- The monthly payments are all paid, do not increase and are paid gross.
- A retirement age of 65.
- A Total Annual Fund Charge of 1% each year
- Current UK tax rules apply.
- The yearly pension income is paid monthly in advance, will remain at the same level from the time of retirement, has a five year minimum payment term, and no tax-free cash is taken.

What about relying on the State or using other investments?

A pension is one of the best ways to save for your retirement, but it's not your only option.

What will I get from the State?

Like most people, you'll probably get something from the Basic State Pension.

The age at which you first receive the State Pension will depend on your date of birth, but is expected to increase gradually to 68 by 2046. So many of us may have to work longer than we thought.

Here are the amounts for the tax year 2012/13.

Basic State Pension	Single person	Married couple
Weekly amount	£107.45	£171.85
Monthly total	£465.62	£744.68
Yearly total	£5587.40	£8936.20

Will I get a full State Pension?

You'll need to find out. According to the Department for Work and Pensions, 15% of those reaching State Pension Age are entitled to less than the full amount of Basic State Pension.

How much you get will depend on how much you have paid in National Insurance Contributions during your working life. People reaching their State Pensionable Age (SPA) will need to have paid them for a full 30 years.

How do I get a State Pension forecast?

You can find out exactly how much money to expect by contacting The Pension Service. You can ask for a forecast by ringing them on 0845 3000 168 or applying for one online at www.thepensionsservice.gov.uk

Will I get the State Second Pension?

How much State Second Pension (this is sometimes paid in addition to the Basic State Pension) you receive will be based on a combination of factors, including:

- Your average earnings
- How long you've been employed
- Your National Insurance contribution history

If you're resident overseas or a non UK national, the State benefit you're entitled to (if any) may differ from those described above. Please speak to your financial adviser for further details.

What else could you be relying on in your old age?

Some people enjoy planning their finances and being in control. Others avoid thinking about it for as long as possible, and some do nothing at all.

There are a wide range of investments out there and some or all of them may play a part in your thinking, alongside this company pension. Take a look below at some other options available to UK residents, and see how well they compare.

See how your company pension compares to some other investment options

	Investment options			
	Your company pension	Buy-to-let property	Inheriting money	ISAs
Your employer can pay in [#]	✓	✗	✗	✗
You get tax relief on your payments	✓	✗	✗	✗
Other individuals can pay money in on your behalf (and you benefit from tax relief)	✓	✗	✗	✗
You can't spend the investment before you retire	✓	✗	✗	✗
You can take some of the proceeds or benefits tax-free	✓	✗	✓	✓
All of the income or proceeds are tax-free	✗ ^{**}	✗	✓ [*]	✓ ^{**}
You don't have to give up your time to manage things	✓	✗	✓	✓

[#] Your employer may change their level of contributions. Any employer contributions would stop if you leave the company.

^{*} If under the inheritance tax nil rate limit, this can be tax free.

^{**} Please note it's not possible to reclaim the 10% tax credit on UK dividends.

Tax treatment depends on your personal circumstances and may be subject to change in the future.

For more information on any of these investment options or their tax implications, please speak to a financial adviser.

How much income will I need to live on when I stop work?

About two thirds of your earnings may be a good yardstick

Everyone's lifestyle, expectations and spending habits are different. But most people could live on about two thirds of their earnings.

Would two thirds of your current income be enough to live on? Have a think about your expenses now and what they'll be like when you stop working. Below we've tried to give you some ideas on ongoing, reducing, increasing and one-off expenses. Think about your own circumstances...

Expenses

Ongoing	Reducing	Increasing	One-off
food	mortgage paid off	leisure activity costs	buying a car
drink	travel to work	medical or care costs	holidays
clothing	work clothes		replace the washing machine
bills			

The income needed to cover these various expenses can come from a number of sources e.g.:

- buy-to-let property
- income from savings
- freelance work

But a pension plan could be key to helping you put a bit more away to help make sure you have enough money in retirement to do all the things you plan.

The next section will help you think about how much to pay in.



“ If I didn't put the money into my pension, I'd only spend it on things I don't really need. ”

Sarah, 30, London

How much should I pay into my pension fund?

Very few pensioners complain about having too much money. So it's probably best to pay in as much as you can comfortably afford.

But remember, your employer and the taxman are also paying into your pension fund, so that helps to spread the cost.

Based on pensionable earnings of £20,000 a year, here is an example of how your pension account could benefit if you choose to contribute 3% of your salary:

Example of overall contributions

Age at the last 6 April	Employer payments % of salary	% of salary Additional Payments		Total paid into your account %	Annual Value of payments
		Paid by you	Paid by your employer		
Under 21	3	3	3	9	£1,800
21 to 25	4.5	3	3	10.5	£2,100
26 to 30	6.5	3	3	12.5	£2,500
31 to 35	8	3	3	14	£2,800
36 to 40	10	3	3	16	£3,200
41 to 45	11.5	3	3	17.5	£3,500
46 or over	12.5	3	3	18.5	£3,700

The above example is based on the assumption that all contributions are paid gross and that, for the employee contribution, we have reclaimed the tax relief. Tax treatment depends on your personal circumstances and may be subject to change in the future. Tax rules can change.



How much could I get when I retire?

The box below shows you that, based on regular total gross monthly payments of £100 for 30 years, a pension fund could grow to £96,700 at age 65. How much you get will depend on a number of factors which are listed below.

What a pension fund of £96,700 could provide...		
Your choices	Man	Woman
<i>either</i>		
A taxable pension each year of	£6,060	£5,660
<i>or</i>		
Tax-free cash sum of	£24,100	£24,100
plus a smaller taxable pension each year of	£4,540	£4,240

- These figures are only examples and aren't guaranteed – they're not minimum or maximum amounts. What you will get back depends on how your investment grows, on interest rates at the time you retire, and on the tax treatment of the investment. These figures are for illustration purposes only and assume that current UK tax rules apply.
- Your retirement fund could be more or less than this, so could your pension.
- The investment growth rates we use can vary between the funds you choose. The actual growth rates we achieve may be more or less than shown
- Other firms may use different rates of growth for their illustrations and charges may vary. Firms generally use the same rates as each other to show how retirement funds may be converted into pension income.
- Don't forget that inflation will reduce what you could buy in the future with the amounts shown.
- Women get less income from their pension fund than men of the same age. This is because women are currently expected to live longer, so their pensions will have to pay out more in the long run.

What the figures are based on:

- These figures are based on a plan that invests in our Balanced Pension Investment Approach and uses our assumed growth rate for the appropriate fund(s) when payments start. Where more than one fund is used at that time, the combined growth rate has been shown. In this example, the figures are based on a combined growth rate of 7%.
- The figures do not take into account the effect of future fund switching which will happen using the Balanced Pension Investment Approach 15 years from your chosen retirement age. At this time, your plan will gradually move to lower risk funds which will have a lower assumed growth rate than those we've used; this will have the effect of reducing the amount shown. Please read our Pension Investment Approach Guide (45770IG) for details of all our Approaches and how Lifestyle Switching works.
- A Total Annual Fund Charge of 1% each year.
- Pension income paid monthly in advance with no yearly increases, no dependant's pension and a five year guaranteed minimum payment term. In practice, other options will be available.

What payments could be if you delayed starting

The same £96,700 target pension fund might cost:
 £214 each month over 20 years based on an investment growth rate of 7%.
 or £611 each month over 10 years based on an investment growth rate of 6.4%.
 using the same assumptions as the previous example.

Want to see other examples?

If you would like some personal illustrations you can use our simple pension planner to do as many versions as you like.

You'll find it on the enclosed CD (if you're reading this on paper) and if you're online at www.scottishwidows.co.uk/corporate It is on the right hand side of the page under Guides and tools.

Alternatively, call 08457 556 557 and we will do them for you. We may record and monitor calls to help us improve our service. (Also, we'll automatically send one after you join, based on the choices you make.)

Finding enough spare cash for your company pension

With all the pressures on your bank account – mortgage, credit cards, bills, car, kids, leisure activities etc – you may wonder where you'll find enough money to pay into your company pension each month.

If so, it might be worthwhile taking a closer look at your spending. You may be surprised by how quickly little items of non-essential expenditure add up. This may encourage you to pay some of this money into your company pension instead – without spoiling your fun!

Little cutbacks could give you some spare cash to pay into your company pension.

	Approximate monthly saving
Walk to work once a month instead of taking a bus	£1.20
Eat one less chocolate bar a week	£2.30
Buy one less magazine a week	£13.00
Catch one less taxi a month	£8.50
Smoke one less cigarette a day (30p each)	£9.00
Have one less take away for two, a month	£20.00
Buy one less DVD a month	£10.00
Have one less glass of wine at the pub each week	£16.00
Money you could pay into your company pension instead	£80.00
Taxman would add*	£20.00
Total going into your company pension	£100.00

*for a UK basic rate tax payer in tax year 2012/13

How much extra could you find in your budget?

If you kept a close eye on your shopping this month, how much extra do you think you could find to pay into your pension?

Try using the Indulge-o-meter on the enclosed CD (if you're reading this on paper) to find out how much you're spending on life's little luxuries.

I could find about

£ a month

Topping up your company pension with extra payments

If you want to give your company pension a boost, you can increase your payments or add lump sums to it at any time. For example, using money from:

- Bonuses
- Windfalls or winnings
- An inheritance or gift
- Other savings from your bank or building society.

Plus, you'll normally get UK tax relief on these payments too. You can read more about tax relief in the Key Features.

Increasing your payments as the years go by

A lot could happen to the value of today's money by the time you actually retire. So you'll need to think about how inflation could affect you.

To help you judge how quickly the rising cost of living can affect the buying power of money, here's an example.

	What £1,000 is worth based on 3% a year inflation
today	£1,000
after 10 years	£744
after 20 years	£553

Increasing your payments to your pension each year can help protect against the effects of inflation, and may help maintain the purchasing power of your pension.



“ I’m leaving the investment side of things to Scottish Widows. ”

Iain, 53, Edinburgh

How will my pension fund be invested?

You might expect your employer to say how your company pension will be invested. But that's not the case – instead, you are free to choose what happens with your pension fund.

You have two options:

- Simply choose one of our Pension Investment Approaches based on your feelings about risk, and let us manage this through to your retirement, or
- Be very 'hands-on' – selecting from our wide range of investment funds.

This section of the guide explains what's involved with both options.

If you don't make an investment choice, we'll automatically invest your pension fund for you, using our default investment approach, the Balanced Pension Approach. For more details on this approach, please see page 17 of this guide.



About our three risk-based Pension Investment Approaches

Not everyone wants to be actively involved with picking investments and keeping a close eye on what's happening in the market. If this sounds like you, one of our three specially designed Pension Investment Approaches may be just what you need. Simply tell us which one suits you best.

They all work in a similar way. The difference between them is how much investment risk they take in trying to help your pension fund grow. With all three approaches, we gradually reduce the risk the closer you get to retirement, to help protect the final value of your pension fund.

Need help choosing?

If you're unsure which approach may suit you best, use our Investment Decision Tool to find your match. It asks you 10 simple questions to help you decide your risk approach.

- You'll find an interactive version on the enclosed CD (if you're reading this on paper) and if you're online at www.scottishwidows.co.uk/idt
- Or, use the paper version on pages 19 and 20 of this guide.

<h2>Adventurous</h2>	<h3>Adventurous Pension Approach</h3> <p>A plan using this Pension Investment Approach is expected to have the most frequent and noticeable ups and downs in value. It has the potential to provide the highest growth over the longer term, but it could also make the biggest losses.</p>
<h2>Balanced</h2>	<h3>Balanced Pension Approach</h3> <p>This Pension Investment Approach should have moderate ups and downs compared with the other two approaches.</p>
<h2>Cautious</h2>	<h3>Cautious Pension Approach</h3> <p>A plan invested in this Pension Investment Approach should experience smaller and less-frequent ups and downs in value than the other two approaches. But its growth potential is lower as a result.</p>

What's special about these approaches?

They take into account the fact that investments need to do different jobs for your company pension at different times:

- For the main part they aim to grow your pension fund as much as possible – whilst matching the level of investment risk you've chosen
- The closer you get to retirement, they gradually switch from an aim of 'going for growth' to helping protect what you've built up.

How do we decide which investments to use?

That's easy. Everything is decided in advance, based on rigorous investment testing. Instead of switching investments in reaction to what's happening day to day in the stockmarket, we invest according to the approach you've selected and how close you are to retiring.

When originally designing our Pension Investment Approaches, we put a huge range of investments under the microscope. This enabled us to:

- Rule out unsuitable ones – too risky or not enough potential growing power
- Select types we felt were right for Scottish Widows company pensions
- Identify what we believe are the best investment combinations for people with different ideas about risk and different terms to retirement.

How do we monitor your investments?

We constantly monitor your company pension, to ensure it is invested according to your chosen approach:

- Up to 15 years before you retire – we check every three months to see if any investment ups and downs have caused the investment mix to go adrift. If it has, we adjust it. The new mix will be based on how much closer you are to retirement at that time.
- From 15 years before you retire – we gradually start replacing some of the higher risk investment funds with lower risk ones.
- In the last five years before you retire – we gradually start switching to lower risk investment funds, to help protect the value of your pension fund during the run-up to your retirement.
- At your retirement date – your pension fund will be split approximately:
 - 25% in our Cash Fund
 - 75% in our Pension Protector Fundready to provide your tax-free cash and taxable income for life.

Want more information?

Please see our Pension Investment Approach Guide. For more information on our fund aims and risks, please refer to our Pension Funds Investor's Guide. You'll find these on the CD (if you're reading this on paper) or on the literature page if you're online.

Use our Investment Decision Tool

Our Investment Decision Tool is a quick questionnaire to show you which of our three Pension Investment Approaches may suit you best

An interactive version is also available on the CD (if you're reading this on paper) or online at www.scottishwidows.co.uk/idt

What to do

Using the tool, which you can do in just a few minutes:

1. First answer the questions in the panels starting opposite, using the tick boxes as you go. There aren't any right or wrong answers, so go with your instinct!
2. At the end, add up your scores (these are shown within the tick boxes).
3. Then mark your total score on the investment scale overleaf.

Doing this will match you to one of our three Pension Investment Approaches – Adventurous, Balanced or Cautious.

That's all there is to it

But the final decision is yours. If you don't agree with the result, you're free to choose a different approach. You'll be responsible for deciding which investment approach suits you best.

If you need any more help deciding please speak to a financial adviser.

1. Your employer offers you a bonus, which you can take as cash, shares or a mixture of both. The shares have a 50/50 chance of doubling in value, or becoming worthless over the next year. What would you do?

✓ your choice

- 0 Take it all in cash
- 1 Take half cash and half shares
- 2 Take it all in shares

2. When it comes to investing, how would you describe yourself?

✓ your choice

- 0 Inexperienced
- 1 Reasonably experienced
- 2 Experienced

3. When it comes to investing, what are you most concerned about?

✓ your choice

- 0 Limiting loss is more important than getting above-average returns
- 1 Limiting loss and achieving above-average returns are equally important
- 2 Achieving above-average returns is more important than limiting loss

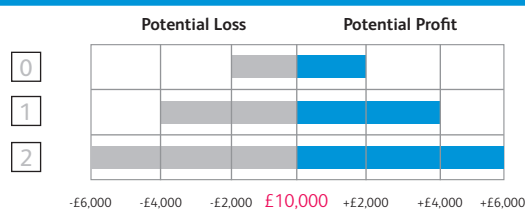
4. If you were investing in the UK stockmarket and it suddenly fell by 40%, what would you do?

✓ your choice

- 0 Get out quickly
- 1 Sell some of my investment
- 2 Stay put

5. This chart shows how much you could make or lose in a year, with three imaginary investments of £10,000. But you won't know in advance what the result will be. Which one would you invest in?

✓ your choice



6. You are appearing on the hit game show 'Win a Million!' But you don't know the answer to the next question. What would you do?

✓ your choice

- 0 Not answer and take the £5,000
- 1 Eliminate 2 wrong answers, leaving a choice of 2. If you guess right you'll have £7,500. If not, you'll get only £2,500
- 2 Guess the answer. If you're right, you'll have £10,000. If not, you'll get nothing

7. You're offered a new sales job with a choice of three pay options. Which one would you take?

✓ your choice

- 0 £15,000 a year
- 1 £10,000 a year, plus a performance bonus of £0 to £10,000
- 2 £5,000 a year, plus a 'sky's the limit' performance bonus

8. How would you end this statement?
"With a long time to go before I retire it's important to invest my pension..."

✓ your choice

- 2 All in shares
- 1 Mostly in shares, but also other investments
- 0 Mostly in lower risk investments but also some in shares

9. When making a big investment decision, what is more important to you?

✓ your choice

- 0 Avoiding losses
- 2 Wanting to make money
- 1 Both are equally important

10. Two years ago you invested £10,000 in a stockmarket fund. But the value recently fell to £8,500. What would you do?

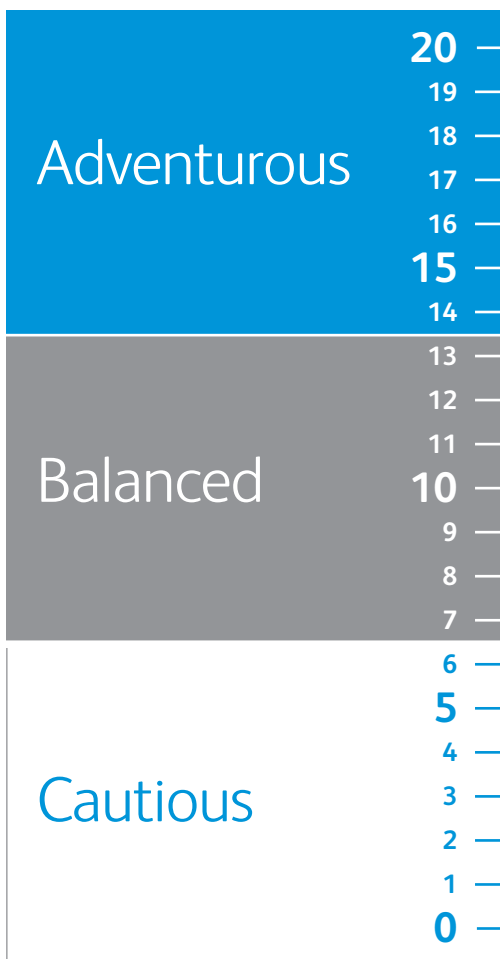
✓ your choice

- 0 Switch what's left into something safer that's less likely to fall, but offers lower returns
- 1 Stay where you are, in the hope of recouping your losses when the market picks up again
- 2 Stay where you are and invest more money while share prices are low, in the hope of making more money when the market picks up again

My total score is

Your result

Mark your total score on this investment scale, to see which of our three investment approaches might suit you best. If you'd like to know more about each approach, please see the **Pension Investment Approach Guide**. You'll find it on the CD (if you're reading this on paper) or on the literature page if you're online.



Using your result

How you invest your company pension is entirely up to you.

If you're happy with your result, all you need to do is select that approach on your joining form.

If you were on the border of two approaches, you will need to decide which one you prefer. Taking your retirement date into account may help you do this. For example, if it is:

- Quite a way off, you might go for the approach that has the higher growth potential of the two, or
- Just round the corner, you may want to opt for the one that should have fewer ups and downs.

Of course, you may decide you want to be a 'hands-on' investor instead. In which case, you can link your company pension to a selection of pension funds from our range. Please see page 22.

Want to take a more hands-on approach to investing your company pension?

Your other option

If you decide to invest in our investment funds instead of using our Pension Investment Approaches, you will be responsible for choosing funds that suit your attitude to risk. You can invest in up to 10 of them at one time (but there may be restrictions on the amount you can invest in some funds) and switch between them free of charge, whenever you wish. Please refer to Notes on Investment Funds on page 25.

These investment funds have been placed into our different investment approach risk ratings to help make your investment choice easier. You can find out more about them in our Pension Funds Investor's Guide on the enclosed CD.

Please remember, if you go down this route:

- You should regularly review your investment choice to decide whether it is still appropriate for you. If you decide it isn't, you can ask us to switch to another fund (or funds) as we won't automatically do this for you.
- We may change the selection of funds we make available at any time.

Is being 'hands-on' right for you?

Have you done something like this before? If you're not confident about making the right moves at the right time, you may want a financial adviser to help you. As mentioned these investment funds have been placed into our different investment approach risk ratings to help you choose – but you'll be responsible for deciding when and where to invest and if/when to switch.

Our Self Investment Option

Additional investment choices may be available through our Self Investment Option. This allows members to set up a personal pension plan through our Retirement Account product alongside their group personal pension plan and to invest directly in a wider range of funds or in stocks and shares.

This option is designed for experienced investors and you should speak to a financial adviser whether it is suitable for you.

Please contact your adviser or employer for more details.



Scottish Widows Investment Funds at a glance

There are a number of different ways to evaluate risk, Scottish Widows use the following definitions to help you decide on the appropriate investment approach for you. You can find further details about these in our Pension Funds Investor's Guide on the CD.



The following table categorises our funds in accordance with these investment approach risk categories. This section lists each fund within its ABI sector. These sectors are designed by the Association of British Insurers and aim to group funds with similar characteristics and can help investors compare funds.

Information regarding the fund aim and any associated risks can be found within our Pension Funds Investor's Guide on the CD.

Scottish Widows Investment Approach Rating	Fund Name	ABI Sector
CAUTIOUS	Scottish Widows Cash Fund	Money Market
	Scottish Widows Corporate Bond Fund	Sterling Corporate Bond
	Scottish Widows Fixed Interest Fund	UK Gilts
	Scottish Widows Pension Protector Fund *	Sterling Long Bond
	Scottish Widows UK Fixed Interest Tracker Fund	UK Gilts
	SW SSgA Sterling Corporate Bond All Stocks Index Fund	Sterling Corporate Bond
	SW SSgA Sterling Liquidity Fund	Money Market

* This fund has a cautious approach when used for investment approaching retirement.

BALANCED	Scottish Widows Indexed Stock Fund	UK Index-Linked Gilts
	Scottish Widows SafetyPlus® Fund	Protected/Guaranteed
	Scottish Widows Strategic Income Bond Fund	Sterling Strategic Bond
	SW SSgA Index Linked Gilts All Stocks Index Fund	UK Index-Linked Gilts
	SW SSgA Index Linked Gilts Over 5 Years Index Fund	UK Index-Linked Gilts
	SW SSgA UK Conventional Gilts Over 15 Years Index Fund	UK Gilts

Scottish Widows Investment Approach Rating	Fund Name	ABI Sector
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PROGRESSIVE	Scottish Widows Consensus Fund	Mixed Investment 40% - 85% Shares
	Scottish Widows Mixed Fund	Mixed Investment 40% - 85% Shares
	Scottish Widows Property Fund	UK Direct Property

ADVENTUROUS	Scottish Widows Environmental Fund	UK All Companies
	Scottish Widows Ethical Fund	UK All Companies
	Scottish Widows European Fund	Europe excluding UK Equities
	Scottish Widows Global Equity Fund	Global Equities
	Scottish Widows International Fund	Global Equities
	Scottish Widows North American Fund	North America Equities
	Scottish Widows UK All Share Tracker Fund	UK All Companies
	Scottish Widows UK Equity Fund	UK All Companies
	SW SSgA Europe ex UK Equity Index Fund	Europe ex UK Equities
	SW SSgA International Equity Index Fund	Global Equities
	SW SSgA North America Equity Index Fund	North America Equities
	SW SSgA UK Equity Index Fund	UK All Companies
	SW SSgA 50:50 Global Equity Index Fund	Global Equities

SPECIALIST	SW Japanese Fund	Japan Equities
	SW SSgA Asia Pacific ex Japan Equity Index Fund	Asia Pacific ex Japan Equities
	SW SSgA Japan Equity Index Fund	Japan Equities

Notes on Investment Funds

1. The value of an investment is not guaranteed and can go up and down depending on investment performance (and currency exchange rates where a fund invests overseas).
2. Full terms and conditions are available on request from Scottish Widows. Charges, terms and limits may change (but only to the extent, if any, allowed for Stakeholder Pension Plans).
3. We may change the selection of funds that we make available. There may be restrictions on the amount that can be invested in certain funds. Please contact us for details of any restrictions that apply.
4. The Investment Approach Ratings shown are those current at the time of going to print. Please be aware that we review the investment approach definitions and the investment approach for the funds regularly, so these may change. You can find information on current investment approaches and notification of any changes at www.scottishwidows.co.uk/investmentapproaches
5. SafetyPlus® is a registered trademark of Scottish Widows plc.
6. We reserve the right to delay a request to sell your units in certain circumstances. The period of delay will not be more than six months if the units to be cancelled include units which relate to a fund which holds directly or indirectly assets in the form of real or heritable property. It will not be more than one month in all other cases. This may happen in exceptional circumstances where, for example, there is an unusually high demand for units to be cashed in. For more details please see the relevant Policy Provisions for your investment with us.

Changing your investment choice later on

Whatever investment choice you make at the start, you're free to change your mind and switch to something else later on

Switching is currently free and you can:

- Ask to do it at any time
- Move from investment funds into one of our Pension Investment Approaches, or from an approach into one or more investment funds
- Spread your company pension in up to 10 investment funds at once.

But you can't invest:

- In more than one Pension Investment Approach at a time, or
- In both investment funds and a Pension Investment Approach at the same time.

Please Note: We reserve the right to delay the date of exchange for a switch. The period of the delay will be not more than six months if the units to be cancelled include units which relate to a fund which holds directly or indirectly assets in the form of real or heritable property. It will not be more than one month in all other cases.

Time to decide

What investments will you choose for your company pension?

- Are you going to be a 'hands-on' investor and self-select investment funds from our wide range of funds, or
- Choose one of our Pension Investment Approaches, and let us do the work?

If you don't make an investment choice, we'll automatically invest your pension fund for you, using our default investment approach, the Balanced Pension Approach. For more details on this approach, please see page 17 of this guide.

You may want to make a note of your investment choices below.

Your investment choice

choice

Adventurous Pension Approach

Balanced Pension Approach

Cautious Pension Approach

Hands-on

Number of years until you retire

Will my pension fund go up and down in value?

Yes, ups and downs are part and parcel of investing. But over the longer term the aim of our investment funds and the three Pension Investment Approaches is to achieve long-term growth.

Whatever you decide, remember that the value of the investment is not guaranteed and may go up and down depending on investment performance (and currency exchange rates where a fund invests overseas).



“ I can take my company pension with me if I change jobs or become self-employed. ”

Dean, 38, Edinburgh

Why your company has chosen Scottish Widows

A name you can trust

After researching the market, your employer has chosen us to provide your company pension. Here are some reasons why they felt we came out top:

- In the IPSOS Brand tracker December 2011, consumers rated us as one of the top financial organisation they most want to deal with. Ipsos run these surveys across the financial services sector. Ipsos is an independent company whose sole focus is survey-based market research.
- We're part of the Lloyds Banking Group, one of the top 100 companies listed on the London Stock Exchange.
- We're experts in group pensions, we currently look after over 40,000 schemes.

- Giving you an excellent and thoughtful service is very important to us.
- We've been around for nearly 200 years, and that's important. We've been helping people save for a long time, and we want to see if we can help you do the same.

All these success factors help to make Scottish Widows one of the UK's leading financial institutions and a company you can rely on.



How to join

What next?

Deciding to join will help increase your chances of a financially secure retirement.

Please read the Key Features and Example Illustrations. These give you important details about how your company pension works.

Need financial advice?

Scottish Widows has not provided you with advice. If you're not sure if this product is suitable for you, or if you're not confident about deciding how to invest, a financial adviser may be able to help you. You can:

- Use your own adviser, if you have one
- Speak to your employer's company pension adviser if they have one
- Find a UK adviser in your local area, at **www.unbiased.co.uk**. The website is run by the body responsible for promoting independent financial advice in the UK, so you can be sure everyone listed is fully qualified and authorised by the Financial Services Authority (FSA), the industry watchdog
- Visit the Money Advice Service website **www.moneyadviceservice.org.uk**. This contains free, clear, unbiased advice to help you manage your money.

Overseas applicants

The tax benefits referred to above and elsewhere in this booklet are based on Scottish Widows' understanding of HM Revenue and Customs practices and UK law at the date of publication.

If your country of residence is not the UK, the laws and rules of the country in which you reside could affect the policy, including the benefits you can receive. You should speak with legal and/or tax professionals in your country of residence for full details.

How to join

Please complete the application form plus the Pension Choices form and return it to the address in your letter of employment, or joining letter sent to you by your employer.

If you have any questions at all, you can contact us using the following details.

Tel: 0800 838 312

Email: **partnership.pensions@scottishwidows.co.uk**

Post Corporate Pensions (DSF)
Scottish Widows
15 Dalkeith Road
Edinburgh
EH15 6BU

After you join

After you join, we will send you a welcome pack which includes:

- Your policy documents, including the terms and conditions (known as policy provisions) that apply to your company pension. The law of England and Wales will apply to the policy.
- A personal illustration
- Cancellation details, in case you've changed your mind about joining.

Regular updates

Every year we'll also send you a statement showing how much has been paid into your pension fund and what it's currently worth.

Online access

By joining your employer's company pension, you have online access to your policy. This includes:

- Current and historic fund values
- Access to unit purchase history
- Change address/contact details
- Request copies of previous annual benefit statements.

Our range of online services provides you with a quick and simple way to keep track of your pension plan.

You can access these facilities online at **www.scottishwidows.co.uk/civilservicepartnership**. There is an 'Access your pension plan online' link on the 'Online Access' page. You can go direct to this page using the links on the left-hand side.



“
Joining my
company
pension was
actually a relief.
Now I don't have
to worry about
not having
one any more!”

Paula, 53, Kent



SCOTTISH WIDOWS

official pensions and investment provider



As part of the Lloyds Banking Group, Scottish Widows is proud to be an Official Provider of the London 2012 Olympic and Paralympic Games.

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