

Mr AB Cee  
1 Aday Road  
Pensions  
PE45 1ON

March 2011

Dear Mr Cee

**THE MONEY PURCHASE SCHEME OF THE CHEVIOT TRUST (the "Scheme")  
MEMBERSHIP NUMBER Q01245**

Please find enclosed your benefit statement as at 31 December 2010 which must be read in conjunction with the enclosed notes.

This letter contains important information about the Scheme so please read it carefully.

**1. ELECTRONIC PROVISION OF INFORMATION IN THE FUTURE**

Recent changes to legislation regarding the disclosure of information has meant that pension plans such as the Scheme are now able to supply information such as annual benefit statements, annual report and accounts and scheme documentation by placing this on either a secure website (for personal data) or electronically (by email or the Cheviot website).

To remove our obligation to send this information to you in hard copy (ie by post), members will need to agree to having this information sent to them via the Cheviot Online Account service or electronically.

We are keen to keep our costs low and reduce our carbon footprint, therefore if you are in agreement to receiving the annual benefit statements, annual report to members and any other information which falls under the disclosure regulations electronically, please tick the relevant boxes on the enclosed form and return it to us.

It is important that if you do not wish to receive documents electronically you notify us of this in writing. Therefore, if you do not want us to send you documents electronically, please tick the relevant box on the enclosed form and return it to us.

Please note, when such updates are made to either the Online Account service or the website, an automatic email will be sent to advise you of this. You will be able to view, save and print any documents made available in this way.

Documents will be made available in the Member Information section of the website. Further details of how to find relevant information will be provided in the emails informing members of the addition of new documents to the website. Documents can be accessed by double clicking on the relevant document.



**THE CHEVIOT TRUST**

**2. ONLINE ACCOUNT SERVICE**

Whether you are in agreement to the above or not, please remember that the Online Account Service is available to you and enables you to view up to date account balance and transfer value information and previous benefit statements. Amongst other options, you will be able to change your basic details, switch your funds and increase/decrease your contributions. The access is via a secure website and will require you to enter certain personal information and passwords before gaining access.

If you would like to access your account online, please complete and return the enclosed form with your email address, preferably a personal email address, and confirmation of your National Insurance number. It is very important that we have your correct National Insurance number, so please check this carefully and advise us of any changes.

Upon receipt of this form, your account will be created and you should receive your Password and Unique Account Number by email within 5 working days. When you first log in, you will be asked to verify your details. You will only need to do this once. If you change your email address, please let us know, you will then be re-issued with a new Password and Unique Account Number.

If you have any queries or problems accessing your account, please visit the Frequently Asked Questions on the log in page.

**3. ELECTION OF MEMBER NOMINATED DIRECTORS**

I invite you to consider putting yourself forward for election to the Trustee Board. An explanatory pack and nomination form can be found on the website at [www.cheviottrust.com](http://www.cheviottrust.com), please click on the 'News' menu option. If you do not have access to the website or have problems downloading the information, please contact us and we will send you a pack via the post. Closing date for all nominations is 3 May 2011.

**4. INVESTMENT CHANGES**

You may recall we are working towards changing the underlying investments in the Cautious, Moderate and Growth Options. The risk profile of each option will remain the same so these changes do not require you to reconsider your investment choices. We are looking at introducing some diversification away from equities with the objective of reducing fluctuations in returns without reducing the overall level of return. There will still be some fluctuations in returns but we are aiming to avoid the severe drops in values, for example, as experienced in 2008. Details of the changes will be available on the website. If you do not have access to the website or have problems downloading the information, please contact us and we will send you a pack via the post when it is available.

**5. FURTHER INFORMATION**

If you would like further information about your benefit statement or the Scheme, please complete and return the enclosed form. You can also email us at [penadmin@cheviottrust.com](mailto:penadmin@cheviottrust.com) or visit our website [www.cheviottrust.com](http://www.cheviottrust.com) for all the latest news.

If you require financial advice you should contact an Independent Financial Adviser. If you want to take advantage of the service offered by Price Bailey Private Client LLP, you can contact them on 01279 755888. Price Bailey Private Client LLP is authorised and regulated by the Financial Services Authority.

Yours sincerely

**Samantha Chandler**

Pensions Administration Manager

Encs

**COMMENTS FORM MR A B CEE Q01245**

Pensions Administration Department  
 The Cheviot Trust  
 Cheviot House  
 70 Baxter Avenue  
 Southend-on-Sea SS2 6JA

**Please confirm that the following personal detail is correct by ticking the box or amending where necessary**

		Correct	Amend to												
National Insurance number	PE124578N	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Personal Email address	
If incorrect, amend to ( <i>please write clearly</i> )	
Any other comments:	

**Please tick appropriate boxes**

- Please create an Online Account for me using the above information.
  
- I agree and consent to receive communications sent by The Cheviot Trust electronically rather than through the post. 'Communications' is defined to include Annual Benefit Statements, performance reports, Reports to Members, notices, regulatory communications and other information. I note that when the system is updated, I will receive an email notifying me of this. I understand that should I wish to revoke this consent I will do so in writing to The Cheviot Trust.
  
- I do not consent to receive communications sent by The Cheviot Trust electronically. I prefer to receive such communications through the post. I understand that, should I change my mind and prefer to receive communications electronically, I should notify The Cheviot Trust in writing, who will send future communications to me electronically from that point onwards.

By signing this form you agree to the Terms and Conditions as set out on the website (which may vary from time to time). By using the website and Online Account System, you signify your assent to our Terms and Conditions and that you agree to abide by them. If you do not agree to this policy, please do not use our site.

.....  
 Signed

.....  
 Date

**THE MONEY PURCHASE SCHEME OF THE CHEVIOT TRUST  
MEMBER DETAILS**

**STATEMENT FOR MR A B CEE Q01245**

Employer	The Cheviot Trust
Membership number	Q01245
National Insurance number	PE124578N
Date of birth	20 November 1950
Normal Retirement Date	20 November 2015
Target Retirement Date	20 November 2015
Pensionable Salary	£ 55,000
Contributions By you	5.00 %
By your employer	5.00 %
Additional Life Assurance	Y
Contracted-out of State Second Pension through the Scheme	N
Expression of Wish Form	Y
Investment Choice as at 31 December 2010	
Cautious Option	60.00 %
Moderate Option	20.00 %
Growth Option	20.00 %
Retirement Protection Option	0.00 %

This statement is based on your personal details shown above as at 31 December 2010. Please let us know if any of the details are incorrect using the enclosed comments form. This is an important part of our data verification process so please take the time to check the details carefully. Your benefits will be affected if any of these details are incorrect.

1. Your Pensionable Salary may not include overtime or bonus payments.
2. The contributions are shown either as a percentage of your Pensionable Salary or as an annual figure based on the level of fixed contribution. The Notes explain the effect of this on the estimated pensions shown. Your contributions include any regular Additional Voluntary Contributions (AVCs).
3. It is important that you keep your Expression of Wishes/Nomination Form up to date with regards to any benefits payable in the event of your death. Forms can be downloaded from the website [www.cheviottrust.com](http://www.cheviottrust.com) or requested from The Cheviot Trust.
4. The investment choice applies to your contributions paid from 31 December 2010. Changes in investment markets and any change in your investment choice in the past mean that the relative size of each part of your account may differ from the percentages shown.

**THE MONEY PURCHASE SCHEME OF THE CHEVIOT TRUST**  
**SUMMARY STATEMENT FOR MR AB CEE AS AT 31 DECEMBER 2010**

**Account value**

	<b>With Profits Section</b>	<b>Cautious</b>	<b>Moderate</b>	<b>Growth</b>	<b>Retirement Protection</b>	<b>Total</b>
Main Fund	£ 241,425.26	£ 41,021.49	£ 43,055.92	£ 50,377.13	£ 0.00	£375,879.80
Protected Rights	£ 28,798.66	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£28,798.66
Total Account	£ 270,223.92	£ 41,021.49	£ 43,055.92	£ 50,377.13	£ 0.00	£ 404,678.46

**Estimated Lifetime Allowance**

22.48%

**Estimated benefits at Normal Retirement Date**

<b>Main Fund</b>			<b>Plus Protected Rights (if applicable)</b>		
<b>Assumed return above price inflation (net of expenses)</b>	<b>Lower rate</b>	<b>Higher rate</b>	<b>Assumed return above price inflation (net of expenses)</b>	<b>Lower rate</b>	<b>Higher rate</b>
<b>Assumed interest rates at retirement</b>	<b>0% per year</b>	<b>2.5% per year</b>	<b>Assumed interest rates at retirement</b>	<b>0% per year</b>	<b>2.5% per year</b>
<b>Estimated value of account</b>	<b>£ 415,071</b>	<b>£ 438,298</b>	<b>Estimated value of account</b>	<b>£ 29,208</b>	<b>£ 30,883</b>
<b>Estimated annual pension</b>	<b>£ 19,111</b>	<b>£ 26,831</b>	<b>Estimated annual pension</b>	<b>£ 1,108</b>	<b>£ 1,628</b>
<b>Estimated annual pension assuming current interest rate (-0.9%)</b>	<b>£ 17,040</b>	<b>£ 17,993</b>	<b>Estimated annual pension assuming current interest rate (-0.9%)</b>	<b>£ 969</b>	<b>£ 1,025</b>

**Transfer value**

	<b>With Profits Section</b>	<b>Cautious</b>	<b>Moderate</b>	<b>Growth</b>	<b>Retirement Protection</b>	<b>Total</b>
Main Fund	£ 255,373.58	£ 41,021.49	£ 43,055.92	£ 50,377.13	£ 0.00	£389,828.12
Protected Rights	£ 28,792.15	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£28,792.15
Total transfer value	£ 284,165.73	£ 41,021.49	£ 43,055.92	£ 50,377.13	£ 0.00	£ 418,620.27

**Assumed returns above price inflation are (net of expenses):**

<b>Investment Option</b>	<b>Lower rate</b>	<b>Higher rate</b>
With Profits Section, Cautious, Moderate and Growth Options	0.5% per year	2.5% per year
Retirement Protection Option	0.25% per year	1% per year

**THIS STATEMENT MUST BE READ IN CONJUNCTION WITH THE ENCLOSED NOTES AND THE MEMBERS' EXPLANATORY BOOKLET**

**STATUTORY MONEY PURCHASE ILLUSTRATION AS AT 31 DECEMBER 2010**  
**TOTAL FUND STATEMENT FOR MR AB CEE Q01245**

	<b>With Profits Section</b>	<b>Cautious</b>	<b>Moderate</b>	<b>Growth</b>	<b>Retirement Protection</b>	<b>Total</b>
<b>Account at 31 December 2009</b>						
<b>Main Fund</b>	£ 231,384.56	£ 33,581.73	£ 35,684.40	£ 41,429.78	£ 0.00	£ 342,080.47
<b>Protected Rights</b>	£ 27,506.59	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 27,506.59
Contributions paid by you						
Main Fund <i>note 7</i>	£ 0.00	£ 1,978.36	£ 1,695.84	£ 1,978.52	£ 0.00	£ 5,652.72
Protected Rights <i>note 7</i>	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Contributions paid by your employer						
Main Fund <i>note 7</i>	£ 0.00	£ 2,225.72	£ 1,907.80	£ 2,225.64	£ 0.00	£ 6,359.16
Protected Rights <i>note 7</i>	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Transfer payments and HMRC rebates/ incentives received	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Change in value of account						
Main Fund	£ 10,040.70	£ 3,235.68	£ 3,767.88	£ 4,743.19	£ 0.00	£ 21,787.45
Protected Rights	£ 1,292.07	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 1,292.07
<b>Account at 31 December 2010</b>						
<b>Main Fund</b>	£ 241,425.26	£ 41,021.49	£ 43,055.92	£ 50,377.13	£ 0.00	£ 375,879.80
<b>Protected Rights</b>	£ 28,798.66	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 28,798.66

**Estimated total benefits at Normal Retirement Date *note 8***

<b>Assumed return ABOVE INFLATION <i>note 5</i></b>	<b>With Profits Section 3.25% per year</b>	<b>Cautious, Moderate and Growth 3.5% per year</b>
<b>Assumed interest rate at retirement</b>		<b>0.4% per year</b>
<b>Estimated pension per year <i>notes 6, 8 &amp; 9</i></b>		<b>£ 17,800</b>

**THIS STATEMENT SHOULD BE READ IN CONJUNCTION WITH THE STATUTORY MONEY PURCHASE ILLUSTRATION NOTES  
ON THE FOLLOWING PAGE**

**THE MONEY PURCHASE SCHEME OF THE CHEVIOT TRUST**  
**NOTES ON THE STATUTORY MONEY PURCHASE ILLUSTRATION**

1. The information provided is for the purposes of illustration only and does not represent any promise or guarantee as to the amount of benefit which you may actually receive.
2. The actual amount of any pension payable in respect of your benefits from the Scheme will depend on various factors including the actual performance of investments and the cost of buying an annuity at the time the pension becomes payable. These are likely to be different from the assumptions made for the purpose of this illustration.
3. The illustration should not be considered in isolation when making any decisions about your pension arrangements.
4. The illustration has been prepared on various assumptions specified in legislation and set out in Technical Memorandum 1 issued by the Board of Actuarial Standards (BAS). These make general assumptions about the nature of investments and their likely performance, which may not correspond with the investments actually made or their actual performance. Further details can be found at [www.actuaries.org.uk](http://www.actuaries.org.uk) or by contacting Samantha Chandler at The Cheviot Trust (tel 01702 354024).
5. The investment returns shown are before deductions for expenses but the illustration takes account of the expenses under the Scheme. The Retirement Protection option has an assumed return above inflation of 1.5% per year before deductions for expenses.
6. The illustration is expressed in current monetary terms (i.e. at current prices).
7. The illustration assumes that your, and your employer's, rates of contributions at 31 December 2010 will continue up to retirement (see also note 10d below). Where these are linked to your salary it is assumed your salary will increase by 2.5% per year.
8. The illustration assumes that you will retire at the Normal Retirement Date shown on the member details page.
9. No future contributions are included in the illustration for members who left the Scheme before 31 December 2010.
10. The illustration differs from your normal Cheviot benefit statement in several ways, the main ones being:
  - a. It provides only one projection.
  - b. It assumes pensions in payment will increase in line with price inflation with no 5% per year upper limit. The assumed interest rate at retirement shown on the illustration is the assumed return above inflation, again with no limit.
  - c. It assumes you will be married when you retire and that wives will be three years younger than their husbands, except for Protected Rights benefits, where it assumes your spouse is three years older. If your circumstances are different than this, then your pension could be different than shown.
  - d. It assumes that if you are currently contracted-out of the earnings related part of the State Second Pension through the Money Purchase Scheme, you will continue to contract-out until Normal Retirement Date. Future contracted-out rebates are included in this illustration but are not included in the normal Cheviot statement.

**THESE NOTES SHOULD BE READ IN CONJUNCTION WITH YOUR STATUTORY MONEY PURCHASE ILLUSTRATION ONLY.**

**THEY DO NOT RELATE TO YOUR NORMAL SCHEME BENEFIT STATEMENTS**