



# THE CHEVIOT PENSION

# BENEFIT STATEMENT FACTSHEET

**This factsheet provides more information about your savings with Cheviot and your Benefit Statement.**

## Changes to your 2023 statement

As usual, your statements show how your fund may grow in the future to help you plan for your retirement. The way the projections have been calculated this year has changed to ensure consistency across all money purchase pension schemes. This change was introduced by the Financial Reporting Council whose purpose is to serve the public interest by setting high standards of governance and reporting. The numbers in your statements will therefore be different from previous year's statements but will be consistent with statements from other pension schemes you may have. These changes, together with the impact of inflation, may mean your projected benefits look lower. Please see the 'Technical Information' section on page 4 for more details.

## I am in the Cheviot Lifeplan, where are my savings invested?

Most members are invested in the Cheviot Lifeplan which means the Trustee takes investment decisions for you, depending on when you plan to retire. The estimated fund and income reflect how the Lifeplan will move your savings between funds as you approach retirement.

You can see where your savings are invested on the member portal, the Cheviot Dashboard. If you haven't registered for the Dashboard, please visit [www.cheviotdashboard.com](http://www.cheviotdashboard.com). It is important you log in and check the details we hold for you are correct. If you need help registering, please read our [Registration Guide](#) for a walkthrough of the process.

## What investment options are available?

You can make your own investment choices rather than relying on the Trustee. It is then your responsibility to review those choices, particularly when approaching retirement. A list of the available funds can be found [here](#).

## What is my Target Retirement Date?

You choose your own Target Retirement Date. It is then used to move your assets through the Cheviot Lifeplan. If you do not choose your own Target Retirement Date, we will use your State Pension Age as the default. For further information, please view [Investment Factsheet 1](#). It is important that you review this date regularly. You can access your savings from age 55 (age 57 from 2028).

If you have chosen your own Target Retirement Date and you are invested in a Self Select investment option, the projections are based on your Normal Retirement Date. You need to review your choices regularly to ensure they are suitable for your retirement plans.

## What happens if I stop paying contributions?

If you and your employer are currently paying contributions, your statement will assume that those contributions will continue until you retire and will increase by inflation. If you stop paying contributions your benefits will be lower than those shown.

## What type of income will I get?

The income shown on your statement is based upon a statutory illustration if you were to purchase an annuity when you retire. An annuity is a one off purchase of a guaranteed pension from an external provider. This is just an estimate and your income may be higher or lower than the number shown. It assumes your pension will not increase in payment, that you are single when you retire and is guaranteed for five years.

Consider any pension savings you have with other providers, along with all other retirement options, before making any decisions. If you are over the age of 50, talk to Pension Wise. When you reach retirement, you will be able to choose an option which suits your personal circumstances. [Follow this link](#) for more information about all of the Retirement options available within Cheviot.

See the technical information on page 4 to find out how the numbers are calculated.

## My estimated fund amount at retirement is lower than today - why is that?

Your fund amounts at retirement will be based on your current money purchase funds together with any future contributions and investment returns earned less expenses. Future contributions, investment returns and expenses cannot be known with certainty and so assumptions are made to predict your estimated fund amount at retirement. This amount at retirement is expressed in today's prices and so an adjustment for future inflation is made.

In these statements, all the Scheme's funds are assumed to have positive future investment returns, after expenses, and are therefore expected to grow over time. However, some of the funds have returns lower than the estimated inflation and where this occurs, your estimated fund value at retirement in today's prices may be lower than today's value.

## I want to transfer my savings?

You can transfer your benefits out at any time before retirement without charge. The transfer value is the value of your savings when they are disinvested and so can go down as well as up.

## News Slot

### Abolition of the Lifetime Allowance from 6 April 2024

The Lifetime Allowance (LTA) is the limit on the amount of pension benefits that you can currently take from all your UK registered pension arrangements. The value of your benefits is assessed at the point you bring your benefits into payment.

From 6 April 2024, the LTA will be abolished and replaced by two new allowances. Please see the factsheet '[Abolition of the Lifetime Allowance](#)' for further details.

## Net pay anomaly

In the 2021 Autumn Budget the government announced that it will address the anomaly affecting low earners enrolled into net pay schemes. This affects people whose taxable earnings are less than the personal allowance (currently £12,570). The government will arrange compensation for the low earners affected. You can find out more information [here](#).



## What are the costs and charges?

All charges are deducted from the unit prices which are calculated daily and include governance, investment strategy, communications and administration. The charges are shown as a percentage of your fund value. See the [Summary of charges factsheet](#) for further details. Please visit your Cheviot Dashboard for details of how your savings are currently invested.

Investment Option	Annual Charge	Investment Option	Annual Charge
Growth, Moderate and Cautious	0.65%	HSBC Shariah	0.65%
Retirement Planning	0.65%	L&G Ethical	0.65%
Cash	0.25%	L&G UK Equity Index	0.45%
Annuity Planning	0.50%	L&G World Equity	0.45%
Low Cost	0.45%	Blackrock Aquila Emerging Markets	0.45%
Global ESG Fund	0.45%		

## How can I estimate my charges?

To estimate the current charges on your fund, multiply the value of each fund by the relevant percentage. The chart shows the average annual charge for a fund of £15,000 in Cautious option and £5,000 in Cash.

<b>Cautious fund - £15,000</b>	<b>£15,000 x 0.65%</b>	<b>£97.50</b>
<b>Cash fund - £5,000</b>	<b>£5,000 x 0.25%</b>	<b>£12.50</b>
<b>Total estimated annual charge</b>		<b>£110.00</b>

## How much will my savings grow?

The numbers shown on your benefit statement are based on assumptions about how much your savings will grow depending on which fund you are invested in and the assumed future investment returns set by the Trustee for each fund. In general, the funds which take more investment risk are expected to grow faster. All the returns are shown after charges and before deducting inflation of 2.5%.

Investment Option	Return per year	Investment Option	Return per year
Growth	4.35%	HSBC Shariah	4.35%
Moderate	4.35%	L & G Ethical	4.35%
Low Cost	4.55%	L & G UK Equity Index	4.55%
Cautious	2.35%	L & G World Equity	4.55%
Retirement Planning	2.35%	Blackrock Aquila Emerging	6.55%
Cash	0.75%	Annuity Planning	4.50%
Global ESG Fund	4.55%		

All investments can go down as well as up. Past performance is no guarantee of performance in the future.

1. All references to inflation refer to Consumer Price Inflation over the long term, assumed to be 2.5% per year.

## How can I find out more?

There is lots of information on our member website: [www.mycheviotpension.com](http://www.mycheviotpension.com) and you can register for the member portal, [the Cheviot Dashboard](#), to see more information about your own savings.

You can contact us using the following details: **Email:** [members@cheviottrust.com](mailto:members@cheviottrust.com) **Telephone:** 01702 354 024

### Technical information

1. The illustration has been prepared on various assumptions specified in legislation and set out in Technical Memorandum I (v 5.0) issued by the Financial Reporting Council (FRC). 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.frc.org.uk](http://www.frc.org.uk) (search Statutory Money Purchase Illustration).
2. The interest rate used for conversion to monthly pension on the projection is 3.8%.
3. The illustration takes account of the charges of the Cheviot pension.
4. The illustration is expressed in current monetary terms by taking into account Consumer Price Inflation.
5. No future contributions are included in the illustration for members who left the Cheviot pension before 31 December 2023.
6. If you are over 50, you can talk to Pension Wise via [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

