

Group Flexible Retirement Plan

Key features illustration



The Financial Services Authority is the independent financial services regulator. It requires us, Standard Life, to give you this important information to help you to decide whether our Group Flexible Retirement Plan is right for you. Please read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

About this key features illustration

This is an illustration of what you might get back from your plan and must be read with the Key Features Document 'Key Features: Group Flexible Retirement Plan' which contains more information about charges and tax. The Key Features Document may refer to a personal illustration that you will have to request separately.

The rates used in these illustrations were correct at 6 April 2010. However, they are subject to change at any time.



What could my Group Flexible Retirement Plan be worth?

To give an illustration of what your pension plan could be worth, the tables on the following pages show what you could expect on retirement depending on your current age, how much you and your employer pay to your pension and your planned retirement age. We have illustrated the effect of different investment choices and charges on your retirement benefits. The three examples in this document reflect the broad range of investment options that are available to choose from, however you can request a personal illustration that is specific to your personal circumstances separately.

Investing in fund(s) with an effective annual management charge of 0.48%

Page 3

Table 1a shows what you could expect on retirement

Page 3

Table 1b shows what the effect of deductions would be

Page 4

Investing in fund(s) with an effective annual management charge of 1.03%

Page 6

Table 2a shows what you could expect on retirement

Page 6

Table 2b shows what the effect of deductions would be

Page 7

Investing in the BTRSS Lifestyle profile

Page 9

Table 3a shows what you could expect on retirement

Page 9

Table 3b shows what the effect of deductions would be

Page 11

Group Flexible Retirement Plan

Investing in fund(s) with an effective annual management charge of 0.48%

To give an illustration of what your pension plan could be worth if you invest in one or more funds with an effective annual management charge of 0.48%, simply:

1. Choose the salary closest to yours from the list on the left hand side, this will identify which table you should use.
2. Next, find the age closest to your age attained (your age now), and the age at which you want to retire.
3. This gives you an idea of what your taxable pension income each year could be in today's prices, allowing for the effect of future inflation.

The payments in Table 1a are based on you paying 5% of your Pensionable Salary, and BT paying 8%. The minimum employer payment for employees who pay at least 5% of their Pensionable Salary will be £1,500 and continuing in BT pensionable employment until your selected retirement age.

Payments will normally qualify for tax relief.

The taxable pension income values in the illustration below assume that your investments grow at 7% each year. For more information please see page 5 for 'Important information about the growth rates' and page 14 for 'Important information about the figures'.

Table 1a

Salary £15,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£10,900	£8,510	£6,510	£4,880	£3,570	£2,510	£1,670	£996	£458
Retire at 60	£7,300	£5,570	£4,180	£3,050	£2,150	£1,420	£850	£390		
Salary £25,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£18,000	£13,900	£10,600	£7,960	£5,800	£4,070	£2,670	£1,570	£696
Retire at 60	£11,900	£9,110	£6,820	£4,970	£3,480	£2,290	£1,340	£592		
Salary £35,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£25,200	£19,500	£14,800	£11,100	£8,130	£5,700	£3,760	£2,220	£974
Retire at 60	£16,700	£12,700	£9,540	£6,950	£4,870	£3,210	£1,880	£829		

Important information about charges

The charges taken into account when calculating this illustration are a fund management charge of 1.0% of the value of the funds you accumulate. Your employer’s adviser has arranged special terms so we add extra units to your fund each month. In this illustration we have assumed the value of the units is 0.52% of your funds each year. Our charges, and the final value of your plan, will depend on the actual investment funds you choose. The charges could also include any additional expenses that may apply in respect of the investment of your pension savings. Please refer to your Key Features Document for more information on charges, including additional expenses.

What effect will the deductions have?

The following example is based on someone currently earning £25,000, making an employee payment of 5% of their Pensionable Salary and receiving a BT payment of 8%. The example assumes that earnings will increase by 4% each year.

Table 1b below shows the transfer value you could get if you withdraw from your plan. The ‘Effect of deductions to date’ column shows how much any deductions could have been worth had they remained in your plan and grown at the mid growth rates. Deductions include sales costs and our expenses. **WARNING:** When you buy a pension or take a transfer value, the value of your plan could be less than you paid in.

Table 1b

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
1	£3,250	£9	£3,360
2	£6,630	£36	£7,070
3	£10,145	£84	£11,100
4	£13,801	£157	£15,600
5	£17,603	£259	£20,600
10	£39,020	£1,360	£53,300
15	£65,077	£4,070	£103,000
20	£96,779	£9,620	£179,000
25	£135,349	£20,000	£290,000
30	£182,276	£38,400	£452,000
35	£239,370	£69,800	£686,000
40	£308,833	£121,000	£1,020,000
45	£393,346	£206,000	£1,490,000

Group Flexible Retirement Plan

How could this affect the growth rate?

As the 'Effect of deductions to date' column in the previous section shows, charges and expenses will reduce investment growth across all payments into your plan.

If you transfer your plan, charges will reduce the investment growth per year from 7.0% to 6.5%. To allow you to compare the reduction in growth rate with other firms, we have used an intermediate (mid) growth rate of 7% per year. Your reduction in growth will depend on the actual investment funds you choose.

Important information about growth rates

The Financial Services Authority sets standard growth rates that can be used in illustrations. These rates are 5% (lower growth rate), 7% (mid growth rate) and 9% (higher growth rate) and all companies use these, except where they believe a reduced rate is more appropriate. This illustration shows what you might get back when you retire, if your investment grows each year at the 7% (mid growth rate), and if it was reduced by future inflation each year of 2.5%. This illustration is NOT suitable if you wish to invest in a fund that assumes lower growth rates than those shown. If you wish to invest in one of these types of funds, you should request a personal illustration.

Investing in fund(s) with an effective annual management charge of 1.03%

To give an illustration of what your pension plan could be worth if you invest in one or more funds with an effective annual management charge of 1.03%, simply:

1. Choose the salary closest to yours from the list on the left hand side, this will identify which table you should use.
2. Next, find the age closest to your age attained (your age now), and the age at which you want to retire.
3. This gives you an idea of what your taxable pension income each year could be in today's prices, allowing for the effect of future inflation.

The payments in Table 2a are based on you paying 5% of your Pensionable Salary, and BT paying 8%. The minimum employer payment for employees who pay at least 5% of their Pensionable Salary will £1,500 and continuing in BT pensionable employment until your selected retirement age.

Payments will normally qualify for tax relief.

The taxable pension income values in the illustration below assume that your investments grow at 7% each year. For more information please see page 8 for 'Important information about the growth rates' and page 14 for 'Important information about the figures'.

Table 2a

Salary £15,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£9,510	£7,500	£5,830	£4,450	£3,310	£2,370	£1,590	£967	£452
	Retire at 60	£6,430	£5,000	£3,810	£2,830	£2,020	£1,360	£825	£384	
Salary £25,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£15,600	£12,200	£9,540	£7,270	£5,390	£3,840	£2,570	£1,530	£686
	Retire at 60	£10,500	£8,180	£6,220	£4,610	£3,280	£2,190	£1,300	£584	
Salary £35,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£21,800	£17,200	£13,300	£10,100	£7,540	£5,370	£3,590	£2,145	£960
	Retire at 60	£14,700	£11,400	£8,710	£6,450	£4,590	£3,070	£1,820	£818	

Group Flexible Retirement Plan

Important information about charges

The charges taken into account when calculating this illustration are a fund management charge of 1.75% of the value of the funds you accumulate. Your employer's adviser has arranged special terms so we add extra units to your fund each month. In this illustration we have assumed the value of the units is 0.72% of your funds each year. Our charges, and the final value of your plan, will depend on the actual investment funds you choose. The charges could also include any additional expenses that may apply in respect of the investment of your pension savings. Please refer to your Key Features Document for more information on charges, including additional expenses.

What effect will the deductions have?

The following example is based on someone currently earning £25,000, making an employee payment of 5% of their Pensionable Salary and receiving a BT payment of 8%. The example assumes that earnings will increase by 4% each year.

Table 2b below shows the transfer value you could get if you withdraw from your plan. The 'Effect of deductions to date' column shows how much any deductions could have been worth had they remained in your plan and grown at the mid growth rates. Deductions include sales costs and our expenses. **WARNING:** When you buy a pension or take a transfer value, the value of your plan could be less than you paid in.

Table 2b

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
1	£3,250	£19	£3,353
2	£6,630	£77	£7,038
3	£10,145	£180	£11,000
4	£13,801	£335	£15,500
5	£17,603	£551	£20,300
10	£39,020	£2,870	£51,800
15	£65,077	£8,500	£99,100
20	£96,779	£19,800	£168,000
25	£135,349	£41,000	£269,000
30	£182,276	£77,900	£413,000
35	£239,370	£140,000	£616,000
40	£308,833	£242,000	£901,000
45	£393,346	£405,000	£1,290,000

How could this affect the growth rate?

As the 'Effect of deductions to date' column in the previous section shows, charges and expenses will reduce investment growth across all payments into your plan.

If you transfer your plan, charges will reduce investment growth per year from 7.0% to 5.9%. To allow you to compare the reduction in growth rate with other firms, we have used an intermediate (mid) growth rate of 7% per year. Your reduction in growth will depend on the actual investments you choose.

Important information about the growth rates

The Financial Services Authority sets standard growth rates that can be used in illustrations. These rates are 5% (lower growth rate), 7% (mid growth rate) and 9% (higher growth rate) and all companies use these, except where they believe a reduced rate is more appropriate. This illustration shows what you might get back when you retire, if your investment grows each year at the 7% (mid growth rate), and if it was reduced by future inflation each year of 2.5%. This illustration is NOT suitable if you wish to invest in a fund that assumes lower growth rates than those shown. If you wish to invest in one of these types of funds, you should request a personal illustration.

Group Flexible Retirement Plan

Investing in the BTRSS Lifestyle profile

To give an illustration of what your pension plan could be worth if you invest in the BTRSS Lifestyle profile, simply:

1. Choose the salary closest to yours from the list on the left hand side, this will identify which table you should use.
2. Next, find the age closest to your age attained (your age now), and the age at which you want to retire.
3. This gives you an idea of what your taxable pension income each year could be in today's prices, allowing for the effect of future inflation.

The payments in Table 3a are based on you paying 5% of your Pensionable Salary, and BT paying 8%. The minimum employer payment for employees who pay at least 5% of their Pensionable Salary will be £1,500 and continuing in BT pensionable employment until your selected retirement age.

Payments will normally qualify for tax relief.

The taxable pension income values in the illustration below assume that your investments grow at 7% each year when you are ten or more years from your Selected Retirement Age. Thereafter, the investment growth rate is assumed to tend towards 5% each year as your pension savings are switched into less volatile funds. For more information please see page 13 for 'Important information about the growth rates' and page 14 for 'Important information about the figures'.

Table 3a

Salary £15,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£10,600	£8,230	£6,260	£4,670	£3,400	£2,390	£1,580	£950	£444
	Retire at 60	£7,060	£5,360	£4,000	£2,910	£2,040	£1,350	£810	£378	
Salary £25,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£17,500	£13,400	£10,200	£7,620	£5,530	£3,870	£2,550	£1,500	£674
	Retire at 60	£11,500	£8,760	£6,520	£4,730	£3,310	£2,170	£1,280	£574	
Salary £35,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£24,500	£18,800	£14,300	£10,600	£7,750	£5,420	£3,570	£2,100	£944
	Retire at 60	£16,100	£12,200	£9,130	£6,630	£4,630	£3,050	£1,790	£804	

Lifestyle Profiling

	Fund management charge per year	Extra units (also known as a rebate) per year
BlackRock Aquila HP (50:50) Global Equity Pension Fund	1.00%	0.72%
Standard Life Pension Protection One Fund	1.00%	0.72%
Standard Life Pension Managed Cash One Fund	1.00%	0.75%

Lifestyling profiling means we'll automatically make changes between funds as you approach retirement. We'll do this gradually each month. The table above shows which funds the BTRSS Lifestyle profile invests in.

Important information about charges

The charges we've shown may vary and will also depend on the actual investments you choose. There is a fund management charge of 1.0% of the value of the funds you accumulate. Your employer's adviser has arranged special terms so we add extra units to your fund each month. In this illustration we have assumed the value of the extra units to be as shown in the table above. Our charges, and the final value of your plan, will depend on the actual investment funds you choose. The charges could also include any additional expenses that may apply in respect of the investment of your pension savings. Please refer to your Key Features Document for more information on charges, including additional expenses.

What effect will the deductions have?

The following example is based on someone currently earning £25,000, making an employee payment of 5% of their Pensionable Salary and receiving a BT payment of 8%. The example assumes that earnings will increase by 4% each year.

Table 3b on pages 11 and 12 show the transfer value you could get if you withdraw from your plan. The 'Effect of deductions to date' column shows how much any deductions could have been worth had they remained in your plan and grown at the mid growth rates. Deductions include sales costs and our expenses. **WARNING:** When you buy a pension or take a transfer value, the value of your plan could be less than you paid in.

Group Flexible Retirement Plan

Table 3b

At the end of year	Your age just now		Age 20		Age 25		Age 30		Age 35		
	Total paid in to date	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	
1	£3,250	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360	£5	
2	£6,630	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,090	£22	
3	£10,145	£51	£11,200	£51	£11,200	£51	£11,200	£51	£11,200	£51	
4	£13,801	£96	£15,700	£96	£15,700	£96	£15,700	£96	£15,700	£96	
5	£17,603	£158	£20,700	£158	£20,700	£158	£20,700	£158	£20,700	£158	
10	£39,020	£833	£53,800	£833	£53,800	£833	£53,800	£833	£53,800	£833	
15	£65,077	£2,490	£105,000	£2,490	£105,000	£2,490	£105,000	£2,490	£105,000	£2,490	
20	£96,779	£5,910	£182,000	£5,910	£182,000	£5,910	£182,000	£5,910	£182,000	£5,910	
25	£135,349	£12,300	£298,000	£12,300	£298,000	£12,300	£298,000	£12,300	£298,000	£12,300	
30	£182,276	£23,700	£467,000	£23,700	£467,000	£23,700	£467,000	£23,700	£467,000	£23,700	
35	£239,370	£43,300	£713,000	£43,300	£699,000	£42,300	£699,000	£39,500	£660,000	n/a	
40	£308,833	£74,200	£1,040,000	£69,200	£987,000	£69,200	n/a	n/a	n/a	n/a	
45	£393,346	£117,000	£1,450,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Reduction in growth		7.0% to 6.7%		7.0% to 6.7%		7.0% to 6.7%		7.0% to 6.7%		7.0% to 6.7%	

Table 3b continued

Your age just now	Age 40		Age 45		Age 50		Age 55		Age 60	
	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	What the transfer value might be	Effect of deductions to date	What the transfer value might be
1	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,340
2	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,070	£21	£7,010
3	£51	£11,200	£51	£11,200	£51	£11,200	£50	£11,100	£49	£11,000
4	£96	£15,700	£96	£15,700	£96	£15,700	£94	£15,600	£89	£15,300
5	£158	£20,700	£158	£20,700	£158	£20,700	£153	£20,400	£144	£20,000
10	£833	£53,800	£833	£53,800	£811	£52,900	£752	£50,900	n/a	n/a
15	£2,490	£105,000	£2,430	£103,000	£2,250	£98,400	n/a	n/a	n/a	n/a
20	£5,770	£179,000	£5,360	£170,000	n/a	n/a	n/a	n/a	n/a	n/a
25	£11,200	£276,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
30	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
35	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
45	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reduction in growth	7.0% to 6.7%		7.0% to 6.7%		7.0% to 6.7%		7.0% to 6.7%		7.0% to 6.7%	

Group Flexible Retirement Plan

How could this affect the growth rate?

The charges for sales costs and expenses, shown in the 'Effect of deductions to date' column in the previous section, will have the effect of reducing investment growth across all payments into your plan. The tables in the previous section show the total reduction in investment growth over the term of the plan. Your reduction in growth will depend on the actual investment funds you choose.

Important information about growth rates

The Financial Services Authority sets standard growth rates that can be used in illustrations. These rates are lower growth rate, mid growth rate and higher growth rate and all companies use these, except where they believe a reduced rate is more appropriate. This illustration shows what you might get back when you retire, if your investment grows each year at the mid growth rates shown in the table below, and if it was reduced by future inflation each year of 2.5%.

	Lower growth rate	Mid growth rate	Higher growth rate
BlackRock Aquila HP (50:50) Global Equity Pension Fund	5.00%	7.00%	9.00%
Standard Life Pension Protection One Fund	3.50%	5.25%	7.00%
Standard Life Pension Managed Cash One Fund	3.25%	5.00%	6.75%

This illustration is only suitable for someone who invests in the BTRSS Lifestyle Profile assuming the growth rates shown in the table above. It is NOT suitable if you wish to invest in these funds outwith the BTRSS Lifestyle Profile. If you wish to use a different investment choice, you should request a personal illustration.

Important information about the figures

These figures are only examples and aren't guaranteed – they are not minimum or maximum amounts. What you will get back depends on the income you take, how your investment grows and on the tax treatment of the investment.

Fund performance could vary significantly, which means you could get back more or less than this. Your pension income will depend on how your investment grows and on interest rates at the time you retire.

Please refer to www.btretirementsavingscheme.com for information on fund prices.

For the purpose of this key features illustration we've assumed:

- Your monthly payments will increase by 4% each year.
- Your pension will alter in line with the Retail Prices Index (RPI) each year from the time you start taking it.
- Your pension will be payable monthly starting on your retirement date.
- If you die within five years of getting your pension, we will continue to pay it until the end of that five year period.
- For males we have assumed you are married to someone who is three years younger than you who will receive half your pension on your death, and for females we have assumed you are married to someone who is three years older than you who will receive half your pension on your death.

Group Flexible Retirement Plan

Notes

All firms use the same rates to show how funds may be converted into pension income.

Where you can take a tax-free lump sum, your entitlement is normally 25%. You may be able to take a higher tax-free lump sum if you were allowed to do so on 5 April 2006, please see your Financial Adviser. This illustration does not take account of the Lifetime Allowance. This is a revenue limit on the total value of all pension benefits you can bring into payment without paying a tax penalty. The value of any benefits you take over this allowance may be subject to a tax charge.

Any reference to legislation and taxation is based on Standard Life's current understanding of law and HM Revenue & Customs practice at the date of publication. Legislation and taxation are liable to change in the future. Tax relief may be altered and the value to you depends on your financial circumstances.

Charges are not guaranteed. They are regularly reviewed and may be altered to take account of changes in costs and/or assumptions.

The Pensionable Salary on which matching employer payments are calculated is subject to an Earnings Cap. The Earnings Cap for the 2010/11 tax year is £123,600 and is reviewed each year. The effect of this cap is to reduce your final pension benefits. The actual reduction will vary depending upon a number of factors, including your salary, the number of years to your retirement and how your salary increases in future relative to the Earnings Cap. However, for someone currently earning £150,000 and with 5 or more years to retirement, we estimate that your final pension benefits may typically be between 10% and 20% lower as a result of the application of the Earnings Cap to your matching employer payments.

Group Flexible Retirement Plan

For further details on how the Earnings Cap will affect your illustrative retirement benefits, please check out the Retirement Planner at www.btretirementsavingscheme.com. Alternatively, please call us on **0800 066 5432** for a personalised illustration which will show the effect of the earnings cap and will also reflect the charges and assumed growth rates applying to the investment profile that you have selected.

For more information on how much you should save for retirement, please speak to a Financial Adviser.

Standard Life Assurance Limited*, registered in Scotland (SC286833), Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH is the Provider and Scheme Administrator of the Standard Life Self Invested Personal Pension Scheme. Standard Life Trustee Company Limited, registered in Scotland (SCO76046), also Standard Life House, is the Trustee. Telephone (0131) 225 2552. *Calls may be recorded/monitored.*

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