



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 your pension plan might be worth, 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 2012. 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.

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Important information about the figures

These figures are only examples and aren't guaranteed – they are not minimum or maximum amounts. What your fund is worth depends on how your investment grows and on the tax treatment of the investment.

Fund performance could vary significantly, which means your investment might be worth more or less than the amount shown in the illustration.

Charges are not guaranteed and can be altered in the future.

All firms use the same rates to show how funds may be converted into pension income. Your pension income will depend on how your investment grows and on interest rates at the time you retire.

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

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

- ▶ Your monthly payments will increase in line with your salary at a rate of 4% each year.
- ▶ Your pension will alter in line with the Retail Price 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.

Important information about the growth rates and charges

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 your pension plan could be worth if your investment grows each year at the 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 or if you want to invest in a different Lifestyle Profile from that shown. If you wish to invest in one of these types of funds or in a different Lifestyle Profile, you should request a personal illustration.

The charges we've shown for the illustrations that follow may vary and will also depend on the actual investments you choose. There is a fund management charge and for some funds there are additional expenses. These charges are a percentage of the value of the funds you accumulate. The rates shown in the illustrations that follow are the yearly rates for the charges which are deducted daily. BT has arranged special terms so we add extra units to your fund each month. The value of the extra units varies depending on the funds you invest in. Our charges, and the final value of your plan, will depend on the actual investment funds you choose. Please refer to your Key Features Document for more information on charges, including additional expenses.

Payments assumed for the following illustrations.

The payments assumed for the following illustration 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 each year. These minimum payments will be reduced proportionately for part-time employees or people who leave during the year.

Payments will normally qualify for tax relief.

Standard Life Managed Pension Fund

To give an illustration of what your pension plan could be worth if you invest in this fund, 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 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 charges' and page 4 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	£9,390	£7,280	£5,570	£4,180	£3,060	£2,150	£1,430	£855	£393
	Retire at 60	£6,100	£4,660	£3,490	£2,550	£1,800	£1,190	£712	£327	
Salary £25,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£15,300	£11,900	£9,100	£6,820	£4,970	£3,490	£2,300	£1,350	£597
	Retire at 60	£9,980	£7,620	£5,700	£4,150	£2,910	£1,920	£1,120	£497	
Salary £35,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£21,500	£16,600	£12,700	£9,540	£6,960	£4,890	£3,220	£1,890	£836
	Retire at 60	£13,900	£10,600	£7,980	£5,820	£4,080	£2,680	£1,570	£696	

Important information about charges for Table 1a and 1b

A Fund Management Charge is applied to money invested in a fund. The charges taken into account when calculating this illustration are a fund management charge of 1.00% and additional expenses of 0.009% of the value of the funds you accumulate. These charges are built into the unit price for the fund and are the yearly rates of the charges which are calculated daily. Additional expenses are likely to vary. BT 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.

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 salary 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.

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	£85	£11,100
4	£13,801	£160	£15,600
5	£17,603	£264	£20,600
10	£39,020	£1,390	£53,300
15	£65,077	£4,140	£103,000
20	£96,779	£9,800	£178,000
25	£135,349	£20,300	£290,000
30	£182,276	£39,100	£451,000
35	£239,370	£71,000	£685,000
40	£308,833	£123,000	£1,010,000
45	£393,346	£209,000	£1,490,000

How could this affect the growth rate?

As the 'Effect of deductions to date' column in Table 1b shows, the deductions for charges, for sales costs and expenses, will reduce investment growth across all payments into your plan.

Charges will reduce the investment growth per year from 7.00% to 6.50%. Your reduction in growth will depend on the actual investment funds you choose.

Standard Life Managed Cash Pension Fund

To give an illustration of what your pension plan could be worth if you invest in this fund, 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 taxable pension income values in the illustration below assume that your investments grow at a mid growth rate of 3.5% each year. For more information please see page 5 for 'Important information about the growth rates and charges' and page 4 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	£4,450	£3,760	£3,130	£2,560	£2,030	£1,550	£1,120	£727	£363
	Retire at 60	£3,150	£2,620	£2,140	£1,700	£1,300	£937	£605	£302	
Salary £25,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£7,350	£6,200	£5,150	£4,200	£3,330	£2,530	£1,810	£1,150	£551
	Retire at 60	£5,190	£4,310	£3,510	£2,780	£2,120	£1,510	£962	£459	
Salary £35,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£10,200	£8,680	£7,220	£5,880	£4,660	£3,550	£2,540	£1,610	£772
	Retire at 60	£7,270	£6,040	£4,920	£3,890	£2,960	£2,110	£1,340	£642	

Important information about charges in Table 2a and 2b

The charges taken into account when calculating this illustration are a fund management charge of 1.00% and additional expenses of 0.007% of the value of the funds you accumulate. These charges are built into the unit price for the fund and are the yearly rates of the charges which are calculated daily. Additional expenses are likely to vary. BT 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 0.75% of your funds each year. Our charges, and the final value of your plan, will depend on the actual investment funds you choose.

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 salary will increase by 4% each year.

Table 2b on page 10 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 rate of 3.5% each year. 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.

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	£4	£3,300
2	£6,630	£18	£6,850
3	£10,145	£42	£10,600
4	£13,801	£77	£14,700
5	£17,603	£124	£19,000
10	£39,020	£588	£45,500
15	£65,077	£1,570	£81,600
20	£96,779	£3,330	£130,000
25	£135,349	£6,200	£194,000
30	£182,276	£10,600	£278,000
35	£239,370	£17,200	£388,000
40	£308,833	£26,900	£530,000
45	£393,346	£40,600	£713,000

How could this affect the growth rate?

As the 'Effect of deductions to date' column in Table 2b shows, the deductions for charges, for sales costs and expenses, will reduce investment growth across all payments into your plan.

Charges will reduce investment growth per year from 7.00% to 6.70%. Your reduction in growth will depend on the actual investments you choose.

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 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 3.5% each year as your pension savings are switched into less volatile funds. For more information please see page 5 for 'Important information about the growth rates and charges', page 12 for 'Important information about the growth rates and charges for the BTRSS Lifestyle Profile' and page 4 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	£9,190	£7,080	£5,390	£4,020	£2,930	£2,060	£1,360	£817	£381
	Retire at 60	£5,930	£4,510	£3,360	£2,450	£1,720	£1,140	£681	£317	
Salary £25,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£15,000	£11,500	£8,800	£6,560	£4,760	£3,330	£2,190	£1,290	£579
	Retire at 60	£9,710	£7,360	£5,490	£3,980	£2,780	£1,830	£1,070	£481	
Salary £35,000	Your age now	20	25	30	35	40	45	50	55	60
	Retire at 65	£21,000	£16,200	£12,300	£9,180	£6,670	£4,670	£3,070	£1,810	£810
	Retire at 60	£13,500	£10,300	£7,680	£5,580	£3,900	£2,560	£1,500	£674	

Important information about growth rates and charges for the BTRSS Lifestyle Profile

The mid growth rates used for this illustration are shown in the table below.

Also shown are the charges that have been taken into account and the rates of the extra units that apply under the special terms.

	Mid Growth Rate	Fund management charge per year	Additional expenses per year	Extra units (also known as a rebate) per year
SL BlackRock Aquila HP (50:50) Global Equity Pension Fund	7.00%	1.00%	0.016%	0.72%
Standard Life Annuity Purchase Fund	5.50%	1.00%	0.007%	0.72%
Standard Life Managed Cash Pension Fund	3.50%	1.00%	0.007%	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. For information on the funds and movement through the funds for the BTRSS Lifestyle Profile, please see the 'Guide for new BT employees (The BT Retirement Saving Scheme)'.

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 salary will increase by 4% each year.

Table 3b on pages 13 and 14 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.

Table 3b

Your age just now		20			25			30			35		
At the end of year	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	What the transfer value might be	Effect of deductions to date	What the transfer value might be
1	£3,250	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360
2	£6,630	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,090
3	£10,145	£52	£11,200	£52	£11,200	£52	£11,200	£52	£11,200	£52	£11,200	£52	£11,200
4	£13,801	£97	£15,700	£97	£15,700	£97	£15,700	£97	£15,700	£97	£15,700	£97	£15,700
5	£17,603	£160	£20,700	£160	£20,700	£160	£20,700	£160	£20,700	£160	£20,700	£160	£20,700
10	£39,020	£847	£53,800	£847	£53,800	£847	£53,800	£847	£53,800	£847	£53,800	£847	£53,800
15	£65,077	£2,530	£105,000	£2,530	£105,000	£2,530	£105,000	£2,530	£105,000	£2,530	£105,000	£2,530	£105,000
20	£96,779	£6,010	£182,000	£6,010	£182,000	£6,010	£182,000	£6,010	£182,000	£6,010	£182,000	£6,010	£182,000
25	£135,349	£12,500	£297,000	£12,500	£297,000	£12,500	£297,000	£12,500	£297,000	£12,500	£297,000	£12,500	£292,000
30	£182,276	£24,100	£466,000	£24,100	£466,000	£24,100	£466,000	£23,700	£459,000	£22,100	£434,000	£22,100	£434,000
35	£239,370	£44,000	£712,000	£43,200	£700,000	£40,400	£662,000	£40,400	£662,000	N/A	N/A	N/A	N/A
40	£308,833	£75,600	£1,040,000	£70,900	£991,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
45	£393,346	£120,000	£1,460,000	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%		

Table 3b (continued)

Your age just now		40			45			50			55			60		
At the end of year	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	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	£3,250	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,360	£5	£3,350	
2	£6,630	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,090	£22	£7,070	£21	£7,020	
3	£10,145	£52	£11,200	£52	£11,200	£52	£11,200	£52	£11,200	£52	£11,200	£51	£11,100	£49	£11,000	
4	£13,801	£97	£15,700	£97	£15,700	£97	£15,700	£97	£15,700	£97	£15,700	£95	£15,600	£91	£15,300	
5	£17,603	£160	£20,700	£160	£20,700	£160	£20,700	£160	£20,700	£160	£20,700	£156	£20,400	£147	£19,900	
10	£39,020	£847	£53,800	£847	£53,800	£828	£53,000	£828	£53,000	£772	£51,000	£772	£51,000	n/a	n/a	
15	£65,077	£2,530	£105,000	£2,480	£103,000	£2,310	£98,700	£2,310	£98,700	N/A	N/A	N/A	N/A	N/A	N/A	
20	£96,779	£5,890	£179,000	£5,490	£170,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
25	£135,349	£11,400	£277,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
30	£182,276	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
35	£239,370	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
40	£308,833	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
45	£393,346	N/A	N/A	N/A	N/A	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%		

How could this affect the growth rate?

The deductions for 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.

How much are the arrangement costs?

You did not seek advice from, and were not given advice by, an adviser about this plan.

For arranging this plan we (Standard Life Assurance Limited) expect to incur sales costs of:

Retire at 60			
Your age now	20	35	50
Year 1	£345.15	£345.15	£345.15
Year 2	£13.81	£13.81	£12.42
Final year	£6.16	£3.40	£1.91

Retire at 65			
Your age now	20	35	50
Year 1	£345.15	£345.15	£345.15
Year 2	£13.81	£13.81	£13.81
Final year	£7.55	£4.15	£2.33

The figures shown are based on someone currently earning £25,000, with you paying 5% and your employer paying 8% of your Pensionable Salary each month, and assume your salary will increase at 4.00% each year. If you pay more or less than the payment show then the costs will be adjusted proportionately based on the size of the payments.

Notes

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 as at April 2012. 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.

The Pensionable Salary on which matching employer payments are calculated is subject to an Earnings Cap. The Earnings Cap 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.

For further details of your illustrative retirement benefits, check out the Retirement Planner at www.btretirementsavingscheme.com.

Alternatively, please call us on **0800 066 5432** for a personalised illustration which will 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.