

**THE S.M.B. GROUP PENSION SCHEME**  
C/O Alpha Court, Windmill Lane Ind. Estate,  
Denton, Manchester, M34 3RB.

**Strictly Private & Confidential**

G. Levene, Esq.,  
155 Chester Road  
Hazel Grove  
Cheshire,  
SK7 6HD.

29<sup>th</sup> November 2013

Dear Mr. Levene,

**THE S.M.B. GROUP PENSION SCHEME**

We have calculated the benefits requested, based on the information which your accountant provided as at the 5<sup>th</sup> April 2013. This letter sets out some of the terms that apply. Any expression appearing in italics shall have the same meaning as specified in Part 4 of the Finance Act 2004.

**Benefits from the SSAS Fund**

The effective date of designation of your Contribution Credit as a *Drawdown Pension Fund* (DPF) will be the date after which your fund is valued.

The maximum *pension commencement lump sum* and maximum level of *drawdown pension* in this letter is based on the value of your share of the S.M.B. Pension Scheme, otherwise known as your Contribution Credit, which as at the 5<sup>th</sup> April 2013 was £1,004,560.

You are permitted to take maximum *pension commencement lump sum* of £251,140, which, in your case is 25% of the value of your Contribution Credit. This is on the assumption that you have sufficient Lifetime Allowance available to you.

**Drawdown Pension**

You do not have to take *drawdown pension* (hereinafter referred to simply as pension) from the remaining balance of your DPF but if you do the maximum level of pension (before deduction of income tax) is calculated in accordance with guidelines published by the Government Actuary's Department (GAD). The guidelines incorporate rates based on your age and the underlying gilt yield.

The pension range available is £0 to £41,588.78 p.a. during each *pension year* starting from 6<sup>th</sup> April 2013 until formally reviewed.

You have not requested payment of pension. Please contact us when you would like to start drawing a pension.

### **Percentage of lifetime allowance used up**

The above designation of your Contribution Credit Fund has used up 66.97% of the *lifetime allowance*. We have assumed that you have not crystallised any other pension arrangement. If you have, please inform the administrators of the pension scheme immediately.

### **Age 75**

A test against the *lifetime allowance* will apply on your 75<sup>th</sup> birthday to any part of your Contribution Credit Fund that has not been used to buy a *lifetime* annuity, unless you have valid *enhanced protection* covering your benefits in registered pension schemes.

After age 75, there must be annual reviews of the maximum *pension*, with the first review falling due at the end of the *pension year* in which age 75 is reached.

### **Contributions**

Any new contributions to your Contribution Credit, which, together with any growth thereon, will constitute *un-crystallised funds* until you designate those funds to the drawdown fund at a later date as and when you decide.

### **Lifetime annuity**

At any time, you may choose to use all or part of your drawdown fund and/or your *un-crystallised funds* (if any) to buy a *lifetime annuity* from an insurance company. Unless you have valid *enhanced protection* covering your benefits in registered pension schemes, there will be a test against the *lifetime allowance*.

### **Benefits in the event of your death**

In the event of your death, the Trustees have absolute discretion as to how to apply your Contribution Credit to provide benefits.

The Trustees will normally have regard to any Expression of Wish that you have made. Therefore please let them know if your wishes have changed in any way and you would now like to complete a new Expression of Wish Form.

If you die after designating your Contribution Credit as *DPF*, the Trustees may apply your *DPF* in one of the following ways:

- Payment of the *DPF* as one or more *drawdown pension fund lump sum death benefits*, subject to a stand alone tax of 55%.
- Designation for a surviving spouse and/or one or more financial dependants as *dependant's DPF*, from which the spouse/dependant can take *pension* subject to the rules governing *DPF*, such withdrawals being subject to income tax.

- Purchase of one or more *lifetime annuities* for a surviving spouse and/or dependants.

## Warnings

This letter is from the Trustees of the S.M.B. Pension Scheme, who are *scheme administrator* as defined under s270 Finance Act 2004 to give you information only, in response to your request to withdraw benefits from your SSAS Fund. It is not to be taken as personal advice of any kind.

Whether or not you claim any benefits now, the amount and form of those benefits (e.g. *pension* or *lifetime annuity*) and how funds are invested should all be decided based on your personal circumstances and attitude to risk.

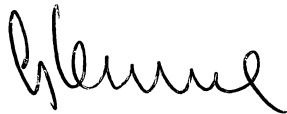
If you are unsure about the suitability of your choices, we recommend that you contact your Financial Adviser.

Please note that whenever you withdraw money in the form of benefits from your SSAS Fund, it can only be paid if there is sufficient credit in your SSAS Fund bank account. Therefore, failure to switch investments into cash, where necessary, may also delay payment of *pension commencement lump sum* and/or pension.

Annuity rates, like investments, can go down as well as up. There is no guarantee that rates will increase in future, even though you will be older. In other words, there is no guarantee of the level of pension that you will be able to take from your SSAS in future. The only way to guarantee a particular level of pension income is to secure it by way of purchase of a *lifetime annuity* with an insurance company.

Consequently, you ought to be aware of the investment yield required by your SSAS if it is to provide and maintain pension equal to the amount of pension income obtainable by the purchase of an equivalent *lifetime annuity* and to maintain your selected level of pension.

Yours sincerely

A handwritten signature in black ink, appearing to be 'P. B. M. S.', written in a cursive style.

For and on behalf of the  
Trustees of the S.M.B. Pension Scheme

## BENEFIT REQUEST

To: The Scheme Trustees

### S.M.B. PENSION SCHEME

I have read and understood your letter of 02 December 2013

I request payment of the following benefits from my Contribution Credit:

- *Pension commencement lump sum* £251,140.00
- *Drawdown pension (gross):* N/A
- *Frequency of drawdown pension:* N/A
- *Timing of drawdown pension:* N/A

I agree that the Scheme Trustees shall not be liable for any shortfall if my Contribution Credit is insufficient at any time to provide and maintain an income:-

- a) equal to that obtainable under an equivalent immediate annuity or
- b) at the selected level of *drawdown pension*.

I would like to make a new Expression of Wish telling the Trustees which beneficiary/ies, I would like to receive any benefits payable on my death:

Yes / No<sup>1</sup>

Signed  .....  
Graham Levene

Date 29-11-13

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<sup>1</sup> Delete as applicable.