

Your pension scheme

BA CityFlyer Pension Plan

Costs and charges illustration for a contributing member

What is this illustration for and how could it help you?

The information in this document is an 'illustration'. This is to show you the possible effect of costs and charges on your pension savings to help you plan for your retirement. The figures shown in it are not personal to you and do not show the actual pension benefits you could get from the pension scheme.

Your pension scheme benefits depend on many things such as contributions from you or your employer, how your investment funds have performed, and costs and charges. You may get back less than you put in.

How charges affect your pension scheme's investment funds

From page 2 there are tables which show how different costs and charges can impact the pension pot over certain periods of time, based on a selection of investment funds. Table 1 shows your scheme's default investment option. Tables 3 to 6 provide illustrations for the following funds which are additional default investment options within your section of the scheme:

- Aviva Pension MyM BlackRock Emerging Markets Equity (Aquila C)
- Aviva Pension MyM BlackRock Corporate Bond All Stocks Index (Aquila C)
- Aviva Pension MyM My Future Growth S0 fund
- Aviva Pension MyM My Future Consolidation S0 fund

Table 7 illustrates high and low growth rated funds associated to your section of the scheme as well as example funds with a high and low total cost and charge associated to your section of the scheme. It also provides an illustration for the Aviva Pension MyM BlackRock Sterling Liquidity Fund which is also an additional default investment option.

Under each default investment option or investment fund, there are two columns. The first shows the projected pension values assuming no costs and charges are taken. The second shows the projected pension values after costs and charges are taken. By comparing the two you can see how much the charges over the years will impact your pension pot. The figures are based on a monthly contribution of £350- see page 6 for the assumptions we use.

Table 3

Illustration of effect of costs and charges on the Additional Default Investment Option in your section of the scheme BA CityFlyer Pension Plan		
	Av MyM BlackRock Emerging Markets Equity (Aquila C)	
	Assumed growth rate 4.5% (p.a)	
	Assumed costs and charges 0.38% (p.a)	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£6,730	£6,700
2	£6,860	£6,810
3	£6,990	£6,910
4	£7,130	£7,020
5	£7,270	£7,130
10	£8,010	£7,710
15	£8,820	£8,330
20	£9,710	£9,000
25	£10,700	£9,730
30	£11,800	£10,500
35	£13,000	£11,400
40	£14,300	£12,300
45	£15,700	£13,300
50	£17,300	£14,300

Table 4

Illustration of effect of costs and charges on the Additional Default Investment Option in your scheme BA CityFlyer Pension Plan		
	Av MyM BlackRock Corporate Bond All Stocks Index Tracker	
	Assumed growth rate 2% (p.a)	
	Assumed costs and charges 0.25% (p.a)	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£6,570	£6,550
2	£6,540	£6,500
3	£6,500	£6,460
4	£6,470	£6,410
5	£6,440	£6,360
10	£6,290	£6,130
15	£6,130	£5,910
20	£5,990	£5,700
25	£5,840	£5,490
30	£5,700	£5,290
35	£5,560	£5,100
40	£5,430	£4,920
45	£5,300	£4,740
50	£5,170	£4,570

Table 5

Illustration of effect of costs and charges on the Additional Default Investment Option in your scheme BA CityFlyer Pension Plan.		
	Av MyM My Future Growth S0	
	Assumed growth rate 3.6% (p.a)	
	Assumed costs and charges 0.27% (p.a)	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£6,670	£6,650
2	£6,740	£6,710
3	£6,810	£6,760
4	£6,890	£6,810
5	£6,960	£6,870
10	£7,340	£7,150
15	£7,750	£7,440
20	£8,170	£7,750
25	£8,620	£8,060
30	£9,090	£8,390
35	£9,590	£8,740
40	£10,100	£9,090
45	£10,700	£9,470
50	£11,300	£9,850

Table 6

Illustration of effect of costs and charges on the Additional Default Investment Option in your scheme BA CityFlyer Pension Plan.		
	Av MyM My Future Consolidation S0	
	Assumed growth rate	
	Assumed costs and charges	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£4,150	£4,150
2	£8,300	£8,280
3	£12,400	£12,400
4	£16,600	£16,500
5	£20,700	£20,600
10	£40,300	£40,900
15	£61,800	£60,800
20	£82,200	£80,400
25	£103,00	£99,800
30	£123,000	£119,000
35	£143,000	£137,000
40	£163,000	£156,000
45	£183,000	£174,000
50	£203,000	£192,000

Table 7

Illustration of effect of costs and charges for a selection of funds with different growth rates and costs and charges within your section of the scheme – BA CityFlyer Pension Plan								
	Av MyM BlackRock Sterling Liquidity		Av MyM BlackRock All Stocks UK Gilt Index Tracker		Av MyM BlackRock UK Equity Index Tracker		Av MyM Multi Strategy Target Return	
	Assumed growth rate (p.a.) 0.5%		Assumed growth rate (p.a.) 1%		Assumed growth rate (p.a.) 4.5%		Assumed growth rate (p.a.) 3.6%	
	Assumed costs and charges (p.a.) 0.15%		Assumed costs and charges (p.a.) 0.15%		Assumed costs and charges (p.a.) 0.38%		Assumed costs and charges (p.a.) 1.49%	
At end of year	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken	Projected value assuming no costs and charges are taken	Projected value after costs and charges are taken
1	£4,110	£4,110	£4,120	£4,120	£4,200	£4,190	£4,180	£4,140
2	£8,140	£8,120	£8,180	£8,170	£8,480	£8,440	£8,400	£8,270
3	£12,100	£12,100	£12,200	£12,200	£12,800	£12,800	£12,700	£12,400
4	£16,000	£15,900	£16,100	£16,100	£17,300	£17,100	£17,000	£16,500
5	£19,800	£19,700	£20,000	£19,900	£21,800	£21,600	£21,300	£20,500
10	£37,700	£37,400	£38,600	£38,300	£45,900	£45,000	£43,800	£40,600
15	£53,900	£53,300	£55,800	£55,300	£72,300	£70,200	£67,600	£60,300
20	£68,600	£67,600	£71,900	£70,900	£101,000	£97,500	£92,600	£79,600
25	£81,900	£80,500	£86,800	£85,300	£134,000	£127,000	£119,000	£98,500
30	£94,000	£92,000	£101,000	£98,600	£169,000	£159,000	£147,000	£117,000
35	£105,000	£102,000	£113,000	£111,000	£208,000	£193,000	£176,000	£135,000
40	£115,000	£112,000	£125,000	£122,000	£251,000	£230,000	£207,000	£153,000
45	£124,000	£120,000	£137,000	£133,000	£298,000	£271,000	£240,000	£170,000
50	£132,000	£128,000	£147,000	£142,000	£350,000	£314,000	£275,000	£187,000

How we worked out the figures in the tables

It's important to understand how much or how little difference charges make to your pension pot, but we can't predict exactly what will happen in the future so we've had to make some assumptions. The values shown are estimates and are not guaranteed.

These assumptions are:

1. We've assumed someone doesn't have anything in their pension pot when they start saving. Contributions are assumed to be paid £350 monthly increasing in line with assumed earnings inflation of 2.5% each year.
2. The figures illustrate the pension pot value in 'today's money' which means they take inflation into account by this way shows you what they could be worth today. It's important to note that inflation reduces the worth of all savings and investments. The effect of this is shown in the illustration and could mean the fund may reduce as well as grow in 'today's money'.
3. Transaction costs may not have been included where data was not available from the fund managers.
4. As your scheme's default investment option moves your investments to lower risk funds when you're approaching retirement, the growth rate and charges within the investment option may change. We've modelled these expected changes within the projections. The growth rate and charges shown in the default investment programme illustration are weighted averages and are for information only. Full details of the individual funds that make up the default investment are shown in table 2.

Some important things to remember

Your scheme will offer other funds to those illustrated, with different growth potential and different charges, and may also offer another lifestyle investment option. If you have selected another lifestyle investment option your pension pot will automatically be moved into different funds as you approach your retirement date and your scheme literature will provide details of how this works. As the individual funds used in a lifestyle approach have different growth potential and different charges, the overall growth rate and overall charge will change over time.

For these reasons, we have shown a range of funds with a range of charges which are available to you and which could apply to your pension pot during the life of your plan. A personal projection of your pension pot is included in your annual benefit statement and you should read that to get an individual view of your projected pension benefits. You'll also find details of the actual charges applicable to you in your scheme literature.

The figures shown here:

- Shouldn't be used to make investment decisions, so if you need to do that, we recommend that you take financial advice.
- May not be relevant to your personal circumstances. Your money may be invested in different funds, for example.