

# THE COST OF DELAY.

To produce a projected gross pension income of £10,000 each year, in today's terms, at the age of 65, a male currently aged 55 will have to start paying £1,138 gross a month. Whereas a male currently aged 20 will only have to start paying £133 gross a month.

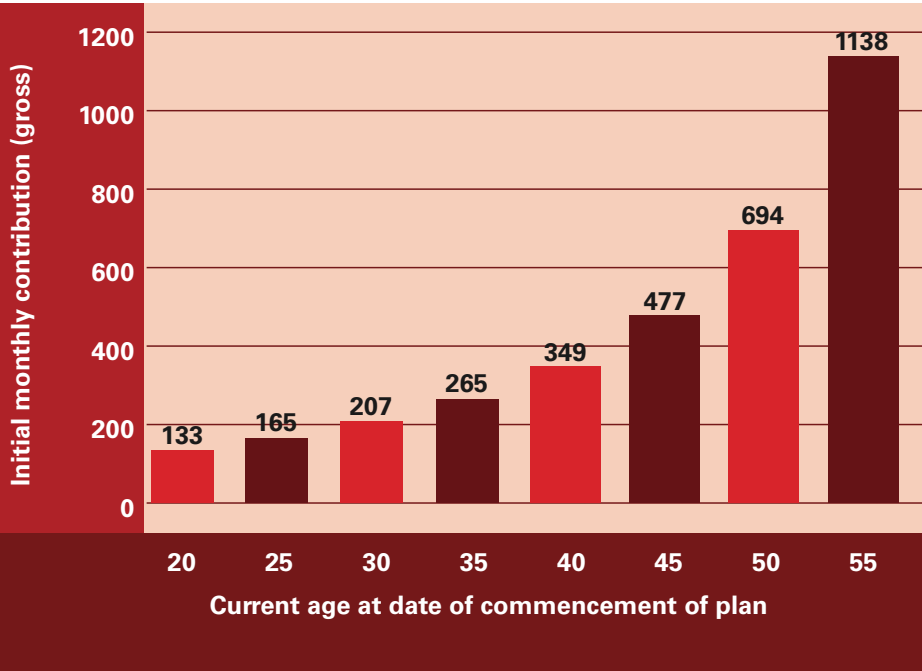
## IT'S NEVER TOO EARLY TO START SAVING

Starting a pension plan earlier rather than later could make a big difference to the size of your pension fund and the income you are able to get when you take your benefit. Putting off paying into a pension plan can have a long lasting effect, as the chart opposite shows.

## PLEASE NOTE

The chart shows what a male currently aged 20, 25, 30 etc would have to start paying now to achieve a target pension income of £10,000 each year, in today's terms, at their own 65th birthday.

They do not show what the increased contributions would be if a male currently aged 20 delayed starting pension contributions until they were 25, 30, 35 etc.



Figures based on Stakeholder charges of 1.5% a year in the first 10 years and 1% thereafter with an investment return of 7% a year to retirement. Contributions shown are gross of basic rate tax relief and increase each year by 2.5%. Inflation at 2.5% p.a. has been assumed. The rate used for converting the pension fund into a pension income assumes an annuity interest rate of 3.7%. The pension figures are based on a male, single life, level annuity payable monthly in advance, with a five year guarantee. A tax-free cash sum of up to 25% of the fund may be taken at retirement but will reduce your pension income.

These figures are only examples and are not guaranteed – they are not minimum or maximum amounts. You could get more or less than this. What you get back depends on how your investment grows and on the tax treatment of the investment. It also depends on the cost of buying a pension income when you take your pension benefits.

The value of your pension fund may fall as well as rise and is not guaranteed.



For further information please speak to your Financial Adviser.



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