

13 January 2015

Dear Policyholder

We are writing to let you know about some important developments regarding your policy.

April 2015 Pension Changes

From April, you will have much greater flexibility in choosing what to do with your retirement savings. In particular, if you are over 55, you will be able to take all of your retirement savings as cash, with 25% normally being tax free.

We include some questions and answers overleaf which we hope you find helpful.

Capital Distribution

The Board next reviews capital distribution in respect of your policy in March, taking into account the state of financial markets and the views of our Regulators. It is our hope that the next time we adjust the 25% capital distribution, it will be up rather than down. The capital distribution amount will be shown in your Annual Statement to be sent at the end of April.

Government Compensation Scheme

You may have seen that EMAG (Equitable Members Action Group) is campaigning for additional Government compensation in the run up to the May General Election. If EMAG are successful, the vast majority of the Society's with-profits policyholders would benefit. If you wish to add your voice to EMAG's laudable campaign, you can learn more from their website at www.emag.org.uk and they can be contacted by email on info@emag.org.uk

Yours sincerely



Dave Pearce
Head of Customer Service

Helpful questions and answers overleaf

YOUR QUESTIONS ANSWERED

2015 PENSION CHANGES

What's changing?	For many years, most policyholders have been required to use their retirement savings to buy a pension, often referred to as an annuity. From April 2015, you will no longer have to buy an annuity. If you are over 55, you will be able to take all your savings as cash. In most cases, 25% will be tax free and the remainder taxed at your marginal rate.
Do I have to take all the cash in one go?	No, you can take out lower amounts depending on the minimum withdrawal levels that apply from time to time.
What if I still want to buy an annuity?	You can certainly do that, and it is important that you shop around on the open market to find the best one for you.
Do I need to take any action now?	If you are thinking of retiring in the next few months, do call us on 0845 6036771. We can then provide information to help you. In any event, we will write to you a few months before your retirement date held in our records.
Are there any other changes I should know about?	There are other detailed changes, particularly around how death benefits are taxed. You can find out more on our website www.equitable.co.uk
Where can I find more information?	You can find a helpful retirement planning tool on our website.

Where can I go for help?	What do they do?	Contact details
The Pensions Advisory Service	Provide free pensions guidance over the phone	www.pensionsadvisoryservice.org.uk Tel: 0300 123 1047
Citizens Advice Bureau	Provide free face-to-face pensions guidance	www.citizensadvice.org.uk
Money Advice Service	Provide free online financial information	www.moneyadviceservice.org.uk Tel: 0300 500 5000
Independent Financial Advisers in your area	Provide personal financial advice and may charge for this service	You can find an adviser in your area at www.unbiased.co.uk

CAPITAL DISTRIBUTION

How does the 25% capital distribution work?	We look at the value of your with-profits policy as at 31/12/2013 and, for every £1000, we allocate an extra capital distribution of £250 to that value. At the point a policyholder leaves the Society, we take the policy value plus the capital distribution, compare it with the policy's guaranteed value, where applicable, and pay out the larger amount.
What do you mean by "guaranteed value"?	Most policies have a guaranteed value and this is clearly shown on your Annual Statement.
Where can I find more about capital distribution?	On our website www.equitable.co.uk