

# IBM Pension Plan

## 2021 Chair Statement Illustrations - M Plan Active Members

These illustrations should be read in conjunction with the assumptions set out in section 4 of the 2021 Chair Statement.

### Younger Active (Age 29)

#### Current and Technical Default Arrangements (where applicable\*)

Years	Lifecycle Balanced 2020 - Current Default		Lifecycle to Annuity 2020 - Technical Default		Lifecycle to Lump Sum 2020 - Technical Default		Lifecycle to Drawdown 2020 - Technical Default	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£96,286	£96,159	£96,286	£96,159	£96,286	£96,159	£96,286	£96,159
3	£114,059	£113,635	£114,059	£113,635	£114,059	£113,635	£114,059	£113,635
5	£132,783	£131,997	£132,783	£131,997	£132,783	£131,997	£132,783	£131,997
10	£184,092	£182,080	£184,092	£182,080	£184,092	£182,080	£184,092	£182,080
15	£241,656	£237,512	£241,656	£237,512	£241,656	£237,512	£241,656	£237,512
20	£305,649	£298,045	£305,649	£298,045	£305,649	£298,045	£305,649	£298,045
25	£377,930	£365,724	£377,930	£365,724	£377,930	£365,724	£377,930	£365,724
30	£454,629	£436,810	£452,416	£434,790	£456,068	£438,154	£456,841	£438,829
36	£508,721	£486,268	£487,299	£466,801	£496,495	£475,124	£530,958	£506,424

\* The illustrations for the other technical default arrangements (Money Fund, Lifecycle to Lump Sum and Lifecycle to Annuity) are included within the average member illustrations overleaf. In particular, the Lifecycle to Lump Sum and Lifecycle to Annuity are legacy arrangements and hence there are no 'younger' members invested.

#### Notes:

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation
2. The starting pot size is assumed to be £87,740
3. Total contributions of 15% p.a. are assumed
4. Inflation is assumed to be 2.5% p.a. and increases to salary are assumed to be in line with inflation
5. Transaction costs are calculated as an average of transaction cost data for the three-year period from 1 January 2017 to 31 December 2021. Where funds have a negative transaction cost, a zero cost has been assumed.

#### Values are estimates only and are not guaranteed.

Members are reminded of the objective of the illustrations which is to demonstrate the compounding effect of charges and costs on projected DC pension savings. It is not intended to demonstrate the merits of different investment strategies or investment funds. Before making any changes to your investment choices, you should consider the financial risk associated with the different types of investment. Please refer to the "Be Aware of Risk" section on our client microsite

<https://www.legalandgeneral.com/workplace/i/ibm/mplan/investing/be-aware-of-risk/>. If you wish to review your investment decision, or are starting to plan your retirement, you should speak to a financial adviser. For help with choosing a financial adviser in your area, please contact the Money Helper Service [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk). If you are aged 50 or over you have the right to contact 'Pension Wise', a free and impartial Government service, that helps you understand your pension options. You can find more information at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk).

**Average Active (Age 51)****Default arrangement, the Highest Charging and the Lowest Charging Fund**

Years	Lifecycle Balanced 2020 – Current Default		Infrastructure Equity Fund (highest charging)		Over 15 years Gilts Index fund (lowest charging)	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£125,243	£124,988	£125,290	£124,612	£120,674	£120,605
3	£156,638	£155,759	£156,799	£154,472	£141,336	£141,112
5	£189,600	£187,935	£189,907	£185,508	£161,389	£160,993
10	£270,999	£266,988	£280,214	£268,555	£208,978	£208,078
14	£322,771	£317,199	£360,951	£341,018	£244,571	£243,203

**Legacy Default Arrangements**

Years	Lifecycle to Annuity*		Lifecycle 2012		Lifestyle 1997	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£124,557	£124,319	£124,557	£124,319	£124,821	£124,678
3	£153,156	£152,378	£153,156	£152,378	£155,175	£154,687
5	£181,522	£180,115	£181,522	£180,115	£185,881	£184,983
10	£254,064	£250,659	£253,766	£250,380	£253,131	£251,189
14	£300,689	£296,077	£297,031	£292,656	£290,948	£288,378

\* Also a technical default arrangement.

**Technical Default Arrangements**

Years	Money Fund		Lifecycle to Lump Sum		Lifecycle to Annuity 2020		Lifecycle to Lump Sum 2020		Lifecycle to Drawdown 2020	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
1	£120,654	£120,582	£124,138	£123,911	£125,243	£124,988	£125,243	£124,988	£125,243	£124,988
3	£141,270	£141,038	£152,279	£151,525	£156,638	£155,759	£156,638	£155,759	£156,638	£155,759
5	£161,273	£160,862	£180,625	£179,246	£189,600	£187,935	£189,600	£187,935	£189,600	£187,935
10	£208,712	£207,778	£254,384	£250,937	£267,294	£263,524	£271,893	£267,856	£274,737	£270,481
14	£244,165	£242,746	£303,445	£298,588	£310,344	£305,602	£315,131	£310,041	£335,648	£329,187

**Notes:**

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation
2. The starting pot size is assumed to be £110,110
3. Total contributions of 15% p.a. are assumed
4. Inflation is assumed to be 2.5% p.a. and increases to salary are assumed to be in line with inflation
5. Transaction costs are calculated as an average of transaction cost data for the three-year period from 1 January 2017 to 31 December 2021. Where funds have a negative transaction cost, a zero cost has been assumed.

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