

# IBM Pension Plan

## 2022 Chair’s Statement Illustrations - M Plan Deferred Members

These illustrations should be read in conjunction with the assumptions set out in section 4 of the 2022 Chair’s Statement.

### Younger Deferred (Age 30)

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

Age	Lifecycle Balanced 2020 - Default		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
31	£78,415	£78,296	£78,415	£78,296	£78,415	£78,296	£78,415	£78,296
33	£86,225	£85,832	£86,225	£85,832	£86,225	£85,832	£86,225	£85,832
35	£94,813	£94,094	£94,813	£94,094	£94,813	£94,094	£94,813	£94,094
40	£120,212	£118,396	£120,212	£118,396	£120,212	£118,396	£120,212	£118,396
45	£152,061	£148,346	£152,061	£148,346	£152,061	£148,346	£152,061	£148,346
50	£192,050	£185,349	£192,050	£185,349	£192,050	£185,349	£192,050	£185,349
55	£242,555	£231,581	£242,555	£231,581	£242,555	£231,581	£242,555	£231,581
60	£301,245	£284,690	£299,042	£282,703	£302,182	£285,573	£303,459	£286,684
65	£346,729	£325,191	£333,260	£313,125	£337,662	£317,207	£360,658	£337,644

#### 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 £74,780.
3. Total contributions of 0% are assumed.
4. Inflation is assumed to be 2.5% p.a..
5. Transaction costs are calculated as an average of transaction cost data for the period from 1 January 2018 to 31 December 2022. Where funds have a negative transaction cost, a zero cost has been assumed.
6. Illustrations have been developed for younger member strawmen using the current Lifecycle 2020 arrangements. Illustrations for the highest and lowest charging funds and for the other technical default arrangements (Growth Plus, Money Fund, Lifecycle to Lump Sum and Lifecycle to Annuity) are included within the average member illustrations. In particular, the Lifecycle to Lump Sum and Lifecycle to Annuity and the other legacy defaults are legacy arrangements and hence there are no ‘younger’ members invested.

#### 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 advisor. For help with choosing a financial advisor in your area, please contact the Money Helper (formerly the Money Advice Service) <https://www.moneyhelper.org.uk/en>. 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.pensionwise.gov.uk](http://www.pensionwise.gov.uk).

**Average Deferred (Age 52)****Default arrangement, the Highest Charging and the Lowest Charging Fund**

Age	Lifecycle Balanced 2020		Infrastructure Equity Fund (highest charging)		Money 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
<b>53</b>	£95,298	£95,092	£95,276	£94,808	£91,587	£91,532
<b>55</b>	£104,626	£103,951	£104,556	£103,023	£92,873	£92,707
<b>57</b>	£114,868	£113,636	£114,740	£111,950	£94,178	£93,896
<b>62</b>	£139,107	£136,328	£144,752	£137,798	£97,521	£96,938
<b>65</b>	£149,562	£145,971	£166,407	£156,090	£99,583	£98,810

**Legacy Default Arrangements**

Age	Lifecycle to Annuity*		Lifecycle 2012		Lifestyle 2002		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	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
	£94,578	£94,391	£94,338	£94,157	£94,779	£94,668	£94,779	£94,662
<b>55</b>	£101,498	£100,912	£100,983	£100,412	£102,926	£102,568	£102,927	£102,546
<b>57</b>	£108,647	£107,617	£108,096	£107,083	£111,774	£111,126	£110,665	£109,995
<b>62</b>	£127,568	£125,237	£125,071	£122,883	£134,666	£133,106	£125,078	£123,655
<b>65</b>	£135,462	£132,500	£131,003	£128,319	£140,612	£138,532	£129,205	£127,393

\* Also a technical default arrangement.

**Technical Default Arrangements**

Age	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
<b>53</b>	£91,587	£91,532	£94,338	£94,157	£95,298	£95,092	£95,298	£95,092	£95,298	£95,092
<b>55</b>	£92,873	£92,707	£101,112	£100,537	£104,626	£103,951	£104,626	£103,951	£104,626	£103,951
<b>57</b>	£94,178	£93,896	£108,234	£107,217	£114,868	£113,636	£114,868	£113,636	£114,868	£113,636
<b>62</b>	£97,521	£96,938	£128,311	£125,922	£136,565	£133,951	£139,231	£136,484	£141,683	£138,735
<b>65</b>	£99,583	£98,810	£136,483	£133,446	£143,752	£140,555	£145,650	£142,387	£155,570	£151,561

**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 £90,950.
3. Total contributions of 0% are assumed.
4. Inflation is assumed to be 2.5% p.a..
5. Transaction costs are calculated as an average of transaction cost data for the period from 1 January 2018 to 31 December 2022. Where funds have a negative transaction cost, a zero cost has been assumed.

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