

IBM Pension Plan

2023 Chair’s Statement Illustrations - Main Plan Deferred Members

These illustrations should be read in conjunction with the assumptions set out in section 4 of the 2023 Chair’s Statement.

Younger Deferred (Age 31)

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
32	£92,203	£92,063	£92,203	£92,063	£92,203	£92,063	£92,203	£92,063
35	£99,473	£98,869	£99,473	£98,869	£99,473	£98,869	£99,473	£98,869
40	£112,886	£111,348	£112,886	£111,348	£112,886	£111,348	£112,886	£111,348
45	£120,852	£117,976	£120,852	£117,976	£120,852	£117,976	£120,852	£117,976
50	£124,416	£119,983	£124,416	£119,983	£124,416	£119,983	£124,416	£119,983
55	£128,086	£122,025	£128,086	£122,025	£128,086	£122,025	£128,086	£122,025
60	£132,835	£125,080	£133,822	£126,047	£130,910	£123,282	£131,853	£124,117
65	£139,720	£130,377	£145,330	£135,833	£126,329	£118,198	£134,295	£125,110

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 £89,900.
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 2019 to 31 December 2023. 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.

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
53	£97,616	£97,378	£101,558	£101,070	£95,594	£95,537
56	£99,333	£98,369	£116,377	£114,156	£91,357	£91,138
59	£101,453	£99,761	£133,359	£128,937	£87,307	£86,941
62	£104,763	£102,370	£152,819	£145,631	£83,437	£82,938
65	£107,728	£104,748	£175,119	£164,487	£79,738	£79,118

* Also a technical default arrangement.

Legacy Default Arrangements

Age	Lifecycle 2012		Lifestyle 2002	
	Pot Size with no Charges Incurred	Pot Size with Charges Incurred	Pot Size with no Charges Incurred	Pot Size with Charges Incurred
53	£97,608	£97,391	£99,488	£99,369
56	£99,294	£98,433	£107,176	£106,663
59	£101,009	£99,486	£115,459	£114,493
62	£104,865	£102,723	£124,432	£122,947
65	£109,686	£107,024	£131,610	£129,612

Technical Default Arrangements

Age	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
53	£97,616	£97,378	£97,616	£97,378	£97,616	£97,378
56	£99,333	£98,369	£99,333	£98,369	£99,333	£98,369
59	£101,829	£100,146	£100,767	£99,088	£101,077	£99,376
62	£106,715	£104,357	£100,640	£98,405	£102,839	£100,413
65	£112,053	£109,131	£97,403	£94,963	£103,545	£100,517

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 £97,050.
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 2019 to 31 December 2023. Where funds have a negative transaction cost, a zero cost has been assumed.

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