

# Guided Outcomes (GO) Statements

The GO initiative has been designed by our administrator and advisors, Hymans Robertson, to provide members with more clarity on the pension they are likely to receive at retirement. It is more accurate and personalised than that shown on the statutory money purchase illustration (SMPI) statements that all pension schemes are obliged by law to issue to their members each year. The GO statements contain key elements as detailed below.

## **'About You'**

The statements show key data that we hold about you, such as your chosen retirement date, your contribution rate and the value of your pension pot at the time of production of the statements. Due to the timing of the statements, the salary stated will not reflect any increase that may have been applied in April as part of any company-wide agreement.

## **'Target Retirement Income'**

This estimates the overall pension income that you are likely to require to maintain an adequate standard of living. This is based on your current income and estimated income suggested through research by the Pensions Commission and the Department of Work and Pensions. Estimated required income is based simply on your current salary and is not specific to your own personal requirements. Each person may have greater or lesser needs based on individual circumstances.

## **'Reaching your Total Target Retirement Income'**

Here, the GO statement provides an estimate of your income from sources other than your Affinity Water Plan. These could come from:

- **State Pension:** An estimate of State Pension is presented on your GO statement but again, this is not based on your individual circumstances. Your entitlement to, and value of, State Pension depends on your National Insurance contribution history and you can get a forecast of your State Pension from [www.yourpension.gov.uk](http://www.yourpension.gov.uk).
- **Pensions that you may have from other schemes:** As GO knows your age and when you joined Affinity Water, the model will assume that in your previous employment you will have built up some form of pension from previous employers. For example, if you only joined Affinity Water at age 21 it is unlikely that you will have significant pensions in other schemes compared to someone who joined Affinity at age 50. Of course, you can check your annual pension statements from other plans to check how accurate this is as you may need to adjust how you are saving (such as change contributions or retirement age) to reach your chosen income at retirement.

## **'This Plan'**

GO calculates the income that you would need from the Affinity Water Pension Plan to plug the gap between your other pensions and the target retirement income. Next to this, GO shows your current estimated income from the Plan and the likelihood of you plugging this gap. The estimated income from your Affinity Water Pension Plan is based on calculations from over 5000 computer simulations of various economic scenarios and assumes you decide to purchase an annuity on retirement.

## **'Options'**

Should the statement show that you are unlikely to meet your target income, the first step is to check the details of your State Pension and pensions from other providers. If a shortfall still remains, then it is vital to consider increasing your monthly contributions to the Affinity Water Pension Plan or to consider retiring at a later date.

