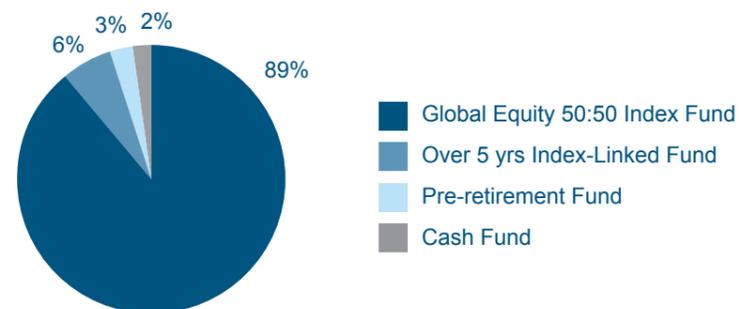




Facts and Figures continued

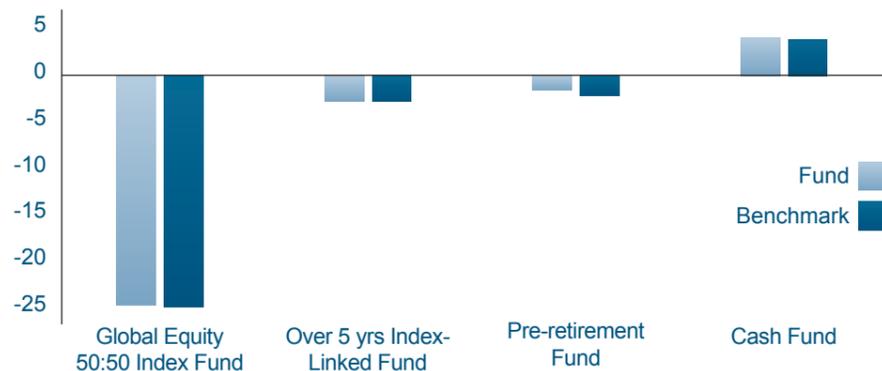
Investments

The DC Section's assets are invested with Legal & General Assurance across the range of funds available to members and in accordance with each member's chosen investment strategy. Overall, the spread of the Section's assets, as invested at 31 March 2009, is shown below.



Investment Performance

To ensure that the funds on offer to members continue to provide good investment returns, the Trustees review the performance of the investment managers on a regular basis and set benchmarks and targets to measure performance. The graph below shows how each of the funds performed over the year to 31 March 2009 compared with the benchmarks.



Contacting Us

If you have any queries about the Scheme, or your benefits in it, please contact us via e-mail (fdr@capita.co.uk), or call the pensions helpline **0845 604 5316**.

Don't forget to let us know if your circumstances change, for example, if you move house. You should also update your Expression of Wish form if your personal circumstances change, so that if any lump sum death benefits become payable the Trustees will be able to take your wishes into account. Lump sum death benefits are paid at the discretion of the Trustees and so are free from Inheritance Tax. When deciding who should receive these benefits, the Trustees will consider those who you nominate on your Expression of Wish form, so it's important to keep it up-to-date!

In future, the Trustees will ask all members to complete a new Expression of Wish form every two years. Once received, the forms will be scanned onto your membership record, and any previously held Expression of Wish form destroyed. A form is enclosed with this newsletter and should be completed and sent to Andrew Smith, Capita Hartshead Consultancy Services Limited, 2nd Floor, Ludgate House, 245 Blackfriars Road, London, SE1 9UF.

KNOW

your pension

DC Edition

For members of the Defined Contribution (DC) Section of the FDR Limited Pension Scheme



In this edition:

| | |
|------------------------------|---|
| From the Trustees | 1 |
| The Notice Board | 2 |
| Focus on Retirement Planning | 4 |
| Changes to the Scheme Rules | 5 |
| Trustee News | 6 |
| Facts and Figures | 7 |
| Contacting Us | 8 |

From the Trustees

Welcome to Know Your Pension, the newsletter for members of the FDR Limited Pension Scheme ('the Scheme').

This edition of Know Your Pension is specifically for members of the DC Section of the Scheme and provides all the information you need on how the Section is managed, how the contributions are invested, and more general news about pensions. There is also a section focussing on pension saving in the current economic climate.

We hope that you like the new format of the newsletter, and find it informative. If you have any questions about your pension benefits in the DC Section, then please contact us using the details on page 8.

The Trustees



From the Trustees continued

Trustee Training

To help them to carry out their duties effectively, the Trustees undertake regular training and refresher courses. These courses also ensure that the Trustees meet the knowledge and understanding requirements of the Pensions Act 2004. This Act made it necessary for trustees to have knowledge and understanding of trust law, pensions law, and the principles behind investment and scheme funding.

Over the last Scheme year the whole Trustee Board completed specific training on defined contribution schemes. Individual trustees also completed their own training including the following:

| Course/Program | Trustees |
|---|---|
| Trustee Toolkit (online training provided by the Pensions Regulator) | Carol Dutton Ursula Gray Philip Persson Rachel Tranter |
| Codes, Conflicts, Communication and Choices Training (provided by Gissings) | Carol Dutton Philip Persson |

The Notice Board

Change of Scheme Administrator

Following the acquisition of Gissings by Capita Hartshead in June 2009, the contact details for the Scheme's administration team and the Secretary to the Trustees have changed. The new details are on page 8 of this newsletter. Many of the same team will continue to administer the Scheme, and continue to provide the same excellent levels of service and expertise.

Transfers in now welcome!

The DC Section is pleased to announce that with immediate effect you may now be able to transfer in benefits from previous pension schemes. Transfers in will be accepted from any other DC scheme that is contracted-in to the State Second Pension. So, if you have a pension with a previous employer, or a personal pension plan, that you wish to pool together with your FDR pension, then please contact the Scheme's administration team using the details on page 8 and they will tell you how to proceed.

Thinking about retirement?

Don't forget that under new Government legislation, from 6 April 2010 the earliest age at which you can start drawing your pension will be increasing from 50 to 55. If you are over 50 but under 55 and thinking about retiring early, you will need to consider your options carefully before April 2010. If you are thinking of retiring early before April 2010, you need to contact the Scheme's administration team as soon as possible.

The value of the pension you receive from the DC Section when you retire will depend on a number of factors, including the amount you paid into the Scheme, the returns you received on your investments, and the cost of buying an annuity to provide a pension when you come to retire. When thinking about whether or not to retire early, you will need to consider how these factors will affect your income in retirement now, and if you retire later. Deciding whether or not to retire early can be a difficult decision, as you cannot change your mind later once you have bought an annuity with your fund. If you are unsure about whether or not to take early retirement, you should speak to an Independent Financial Adviser. You can find one of these in your area by going to www.unbiased.co.uk.

If you are thinking about retiring, one of the new options available to you is **flexible retirement**. This allows you to take pension benefits but also continue to work at FDR where appropriate. This means you may be able to reduce your working hours or take on fewer responsibilities, and use your pension to make up any lost income. The idea behind flexible retirement is that you can gradually change from working full-time to being retired, making the transition easier to cope with. If you are interested in flexible retirement, you will need the consent of the Trustees and FDR before you can take your benefits this way.

In considering your options for retirement, you might also want to check what State pension benefits you are likely to be entitled to when you reach State Pension Age. You can get a free forecast of this by writing to the Future Pension Centre, The Pension Service, Tyneview Park, Whitley Road, Newcastle upon Tyne, NE98 1BA, by calling **0845 6060 265**, or by going to www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/StatePensionforecast.

New tax rules for those earning over £150,000

The Finance Act 2009 brought in new legislation that reduces tax relief on pension savings for high earners. The changes will mean that those earning over £150,000 pa will no longer receive tax relief on pension contributions at the higher rate of 40%. Because this change will only take effect from April 2011, the Government has introduced further legislation ("anti-forestalling" legislation) to prevent those affected from making additional large pension contributions in excess of their normal contributions. The anti-forestalling legislation will only apply to individuals whose:

- income is £150,000 or more in the current tax year or the two previous tax years (with effect from 9 December 2009, this has been extended to cover individuals with over £130,000 in the 2009/10 tax year);
- total Annual Pension Savings in the tax year are greater than £20,000; and
- pension savings in a tax year increase beyond their regular saving as at 22 April 2009.

When measuring income for the purposes of this, any income that is liable to Income Tax is included, such as rental or dividend income. The issues surrounding this legislation are complicated, so if you think it may apply to you, you may wish to take independent financial advice. There is also further information on how the legislation will apply on HMRC's website: <http://www.hmrc.gov.uk/budget2009/tax-relief-pen-cont.htm>.



Focus on Retirement Planning

Financially speaking, the past year has been a difficult one, but how have you reacted? As part of the DC Section of the Scheme, the choices that you make about your contributions and investments will make a difference to how much you have to live on when you come to retire. Although the recent economic upheavals may have left you feeling like you don't even want to think about your pension, it's important to review your savings regularly to make sure that you are on track for when you want to retire.

The best way to get started is to think about how much you will need to live on once you retire. Once you've come up with a figure that allows you a comfortable standard of living, deduct any State pension entitlement you may expect to have. (If you are unsure about State pension benefits, the Directgov website has plenty of details at <http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension>.) The resulting figure will be the amount that needs to be provided by your occupational pension scheme.

For example....

Ronnie is aged 40 and earns £32,000. He thinks he will need around £15,000 a year to live on, in today's terms, when he retires (because he will have paid off his mortgage by then). The current Basic State Pension is around £4,700, and having got a forecast from The Pension Service he is currently entitled to £1,000 in Additional State Pension. So, the amount of money he needs his occupational pension to provide is:

$$\text{£15,000} - \text{£5,700} = \text{£9,300 per year}$$

Ronnie's most recent benefit statement showed that his estimated pension on retirement was £5,500 per year. So, Ronnie knows he needs to make sure he saves enough to give him an extra £3,800 each year once he retires.

Although the above calculation is very rough, taking the time to think about your saving like this can help you see if you might need to change what you are currently doing, or your expectations about retirement.

If you do need to make a change...

If, after you've looked at your retirement savings, you are concerned that things aren't going to plan, you may want to consider the following:

- Increasing your contribution rate
- Paying Additional Voluntary Contributions
- Retiring later
- Reviewing your investment options

It's a good idea to start by taking independent financial advice, as this will be tailored to your individual needs – the Scheme cannot offer you such advice. To find an IFA in your area, visit www.unbiased.co.uk.

Changes to the Scheme Rules

The Trustees are pleased to announce that they plan to make the following changes to the Scheme Rules as soon as is practicable.

Tax-free cash lump sum

Under current legislation, you can take up to 25% of the value of your pension benefits as a tax-free cash lump sum. In the future, if you are a member of the DB and DC sections of the Scheme and choose to take these benefits at the same time, you will be able to use your accumulated DC pot to make up part or all of the lump sum.

If the DC pot is greater than the maximum lump sum available, any excess DC funds will be used to purchase an annuity. If the DC pot is less than the maximum lump sum available, then any additional lump sum required will be taken from the DB benefits.

Calculation of Contribution Salary

If you work part-time, the Basic State Pension offset deducted from your Pensionable Salary will be pro-rated in accordance with your hours.



Trustee News

The Scheme is looked after by the Trustees, who take responsibility for managing the Scheme prudently, conscientiously, in good faith, and in the best interests of members and beneficiaries. Over the year to 31 March 2009, the Trustees were:

| | |
|------------------------------------|---|
| Independent trustee | BESTrustees plc, represented by Rachel Tranter, Independent Chair |
| Employer nominated trustees | Frances Leavy Philip Persson Ursula Gray |
| Member nominated trustees | Peter Motley Carol Dutton |

Since the year end, Philip Persson has retired as a trustee and has been replaced by Brian Collins. Brian is married, has one child, and lives in Chelmsford Essex. He has worked for First Data International for over seven years in senior finance roles, and is currently VP Finance, Retail. He is an active UK Defined Contribution member and a deferred Defined Benefit member.

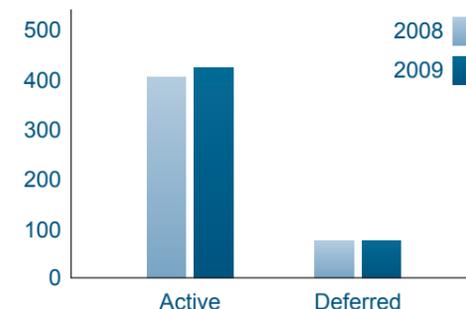
To help with the day-to-day running of the Scheme, and to assist with technical matters, the Trustees make use of specialist advisers. The advisers that the Trustees employ are listed below:

| | |
|----------------------------------|---|
| Secretary to the Trustees | Sue Curley of Capita Hartshead Consultancy Services Ltd |
| Scheme Actuary* | Ian Farr FFA of Watson Wyatt (resigned 1 July 2008) Roger Key FIA of Watson Wyatt (appointed 1 July 2008, resigned 31 August 2008) Andrew Barnes FIA of Watson Wyatt (appointed 31 August 2008) |
| Scheme Administrator | Capita Hartshead Consultancy Services Limited |
| Investment Managers | Legal & General Assurance (Pensions Management) Limited |
| Employer Covenant Adviser | Watson Wyatt Limited |
| AVC Providers | Equitable Life Assurance Society Standard Life Assurance Society |
| Solicitors | Denton Wilde Sapte |
| Bankers | National Westminster Bank |

* There are no circumstances connected to these resignations that need to be brought to the attention of members.

Facts and Figures

Membership



This chart shows membership of the DC Section of the Scheme at the year end, 31 March 2009.

Fund Account

Below are details of the DC Section's income and expenditure for the year ended 31 March 2009, with the previous year's figures alongside for comparison.

| | 2008/09 | 2007/08 |
|--|-------------------|-------------------|
| Fund value at 1 April | £3,656,799 | £2,158,106 |
| Income | | |
| Employer's normal contributions | £1,329,061 | £946,682 |
| Employer's other contributions | - | £456,602 |
| Members' normal contributions | £739,170 | £695,938 |
| Members' additional voluntary contributions | £95,505 | £122,427 |
| Other income | £306,536 | £228,758 |
| Expenditure | | |
| Benefits | £(314,957) | £(228,468) |
| Transfers out | £(354,260) | £(114,360) |
| Payments to and on account of leavers | £(61,093) | £(44,096) |
| Administration expenses | £(473) | £(347) |
| Other payments | £(3,502) | £(446,608) |
| Investments | | |
| Investment income | £11,775 | £12,784 |
| Change in market value of investments | £(945,009) | £(129,875) |
| Investment management expenses | £(378) | £(744) |
| Net increase/(decrease) in the fund during the year | £802,375 | £1,498,693 |
| Fund value at 31 March | £4,459,174 | £3,656,799 |