

Edition 2 | October 2009

INFORM

The newsletter for members of **FUTUREPLANNER**



 **FINMECCANICA**

Welcome to the second edition of

INFORM, the newsletter for members of FuturePlanner.

In this edition, we:

- Introduce our new trustees;
- Remind you of the opportunity to change your contribution rate as at 1 November;
- Notify you of changes to the State Pension age and the online State Pension forecast service;
- Summarise the annual report & accounts for FuturePlanner as at 5 April 2009.

Meet the trustees...

FuturePlanner now has five trustees of whom three are company-nominated and two are member-nominated.



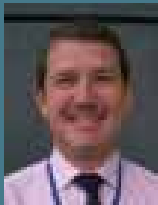
Martin Flavell is one of the two initial company-nominated trustees. He is Vice President, HR, Finmeccanica UK and is a trustee of two other UK pension schemes within the Finmeccanica group. Martin is the chairman of the trustees for FuturePlanner.



John Ponsonby OBE is the other initial company-nominated trustee. He is Senior Vice President, Training, AgustaWestland and a member of FuturePlanner. He is also a trustee of the charity 'Help for Heroes'.



John Archbold has been appointed as a company-nominated trustee. John is Vice President, UK Human Resources, SELEX Communications and has been a Trustee of another group pension arrangement. John is a member of FuturePlanner.



Mark Thistlethwaite has been appointed as a member-nominated trustee. Mark is a Senior Regional Business Manager, AgustaWestland and a member of FuturePlanner. Mark has recently joined the Company in July 2008 after a career in the Royal Navy.



Colin Fletcher has been appointed as a member-nominated trustee. Colin is a Senior Software Design Engineer, SELEX Communications and a member of FuturePlanner. Colin was involved in the consultation process when FuturePlanner was introduced for SELEX Communications employees.

State Pension forecast service

In addition to the pension provided by the Company, employees may receive a State Pension from the Government.

Employees are now able to get a State Pension forecast online through the Pension Service website. You can access the Pension Service website at

www.thepensionsservice.gov.uk/state-pension/forecast

A State Pension forecast will give you, in current values, an estimate of the basic and additional State Pension based on your National Insurance contributions so far; and also when you claim your State Pension.

You can obtain an online forecast if you:

- Live in the UK;
- Are more than four months away from State Pension age; and
- Are not widowed or someone whose Civil Partner has died.

Alternatively you can obtain a State Pension forecast by completing a BR19 form. There are various ways to do this through the Pension Service.

- You can complete or download the form from the web address above;
- You can phone them on 0845 300 0168 and they will fill in the form with you over the phone; lines are open from 8.00am to 8.00pm Monday to Friday and 9.00am to 1.00pm on Saturday;
- You can write to the Future Pension Centre, The Pension Service, Tyneview Park, Whitley Road, Newcastle upon Tyne, NE98 1BA.

To understand your overall prospective pension, the State Pension forecast should be read in conjunction with the FuturePlanner statement and those for any other pension arrangements you have.

1 November 2009

– An opportunity to change your contribution rate

Any contributions you make to FuturePlanner up to 5% are matched on a ‘two for one’ basis by your employer. So for every £1 you put into FuturePlanner, your employer will put in £2.



Increasing your contributions

If you are paying less than 5% you can increase your contribution up to a higher matching level. Your increased contribution will then be matched by your employer on the ‘two for one’ basis (up to the maximum 10%). It will also be subject to Smart if you have previously chosen to participate in Smart.

Reducing your contributions

You are able to reduce your ordinary 1% - 5% contributions once a year at each 1 November as long as you have been a member of FuturePlanner for at least 12 months.

If you would like to change your matched contribution rate in time for this 1 November, please contact Aon (see contact details overleaf) to obtain the necessary Form or download the ‘Contribution Change Form’ from www.futureplanner.co.uk.

THIS FORM WILL NEED TO BE RETURNED TO AON BEFORE FRIDAY 30 OCTOBER 2009.

Voluntary contributions and changing contributions at other times of the year

Please note that it is possible to change your contributions at other times of the year provided that you give one month’s notice. If you are already paying 5%, this will be classed as a voluntary contribution. It is not matched by the employer and Smart does not apply.

If you are paying less than 5% the additional amount will be classed as a voluntary contribution until the next following 1 November. From then on the increased amount will start to be matched by your employer (up to the maximum 5%:10%) and be subject to Smart, if you have previously chosen to participate in Smart.

If you are paying voluntary contributions (in excess of 5%) these can be reduced or stopped at any time during the year on one month’s notice.

Increase in the State Pension age

Much in the news of late, State Pension age is the earliest age from which you can claim your State Pension. It is currently 65 for men and 60 for women but will be increasing between the years 2010 and 2046. For women born on or after 6 April 1950 their State Pension age will increase gradually between 2010 and 2020. From 6 April 2020, the State Pension age will be 65 for both men and women.

Between 2024 and 2046 the State Pension age will increase for both men and women. The increase will be gradual, happening over two years every decade. The changes will mean that, for both men and women, State Pension age will increase:

- From age 65 to 66 between April 2024 and April 2026;
- From age 66 to 67 between April 2034 and April 2036; and
- From age 67 to 68 between April 2044 and April 2046.

You can find out exactly when you will be able to claim your State Pension by using the online State Pension age calculator on the Pension Service website at www.thepensionerservice.gov.uk/state-pension/age-calculator.asp

Annual report & accounts

The trustees are currently finalising the second annual report & accounts for FuturePlanner. The accounts will be available on www.futureplanner.co.uk should you wish to review them. Set out below are some of the key facts and figures. These figures are not expected to change materially before the accounts are signed:

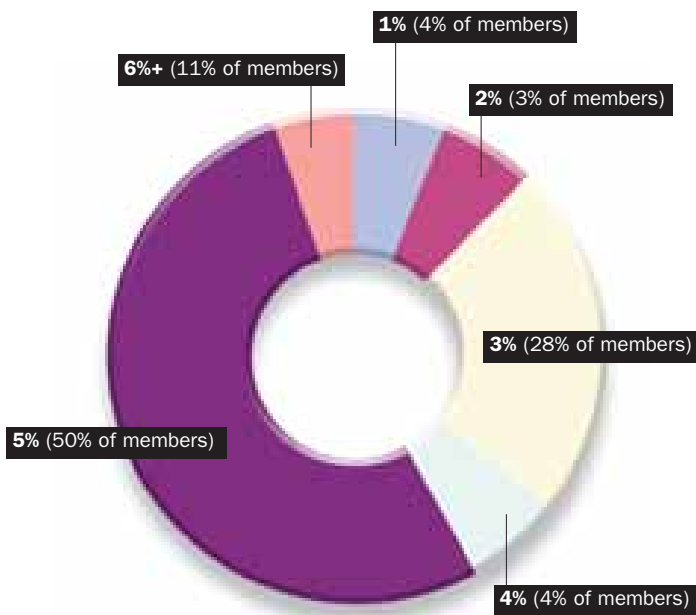
Scheme assets

Assets of FuturePlanner at 5 April 2008	£ 306,548
+ Income (company contributions, member contributions and other income)	£2,380,470
- Outgoings (expenses, insurance premiums)	£ 302,871
- Net return on investments (market value of investment movements after allowing for expenses)*	£ 143,251
Assets of FuturePlanner at 5 April 2009	£2,240,896

* There has been a decrease in the value of some investment funds, resulting in an overall negative investment return. This is as a result of the very difficult financial conditions experienced by all pension arrangements over the period to 5 April 2009 and will be reflected in the value of FuturePlanner Retirement Accounts. It is important to remember that pensions are a long term investment, which can fall and rise in value over the period of membership. The value of the Retirement Account is still likely to be greater than the contributions paid in by the member because of the 'two for one' matching employer contribution.

Member decision summary

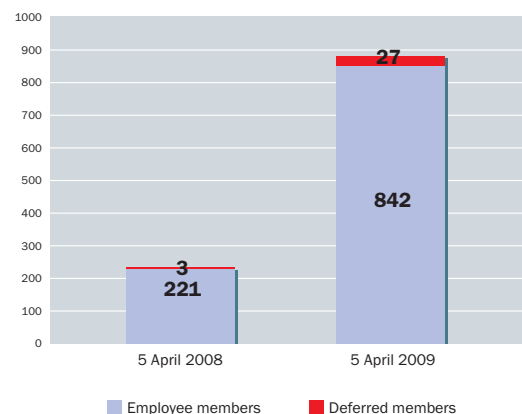
The chart below shows the member contribution rate choices at 1 September 2009.



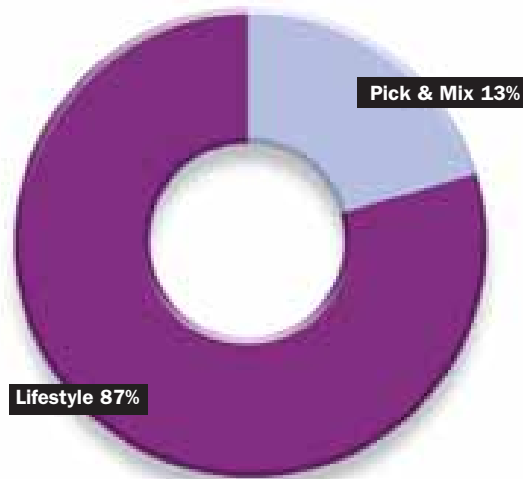
Membership numbers

FuturePlanner is a new scheme, having been launched in November 2007, and the majority of our members are employees who are currently paying contributions and building up benefits.

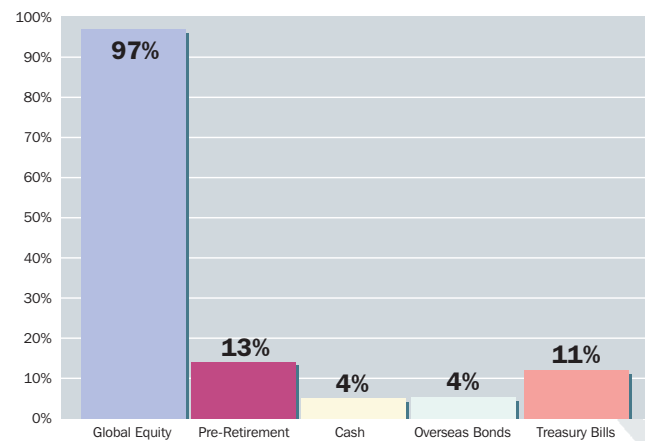
The chart shows the membership numbers as at 5 April 2009 and the rapid growth since last year:



The chart below shows whether members are using the Lifestyle method of investing (automatic switching as they approach retirement) or are making their own choices between the available funds using the Pick & Mix option:



Finally you can see below the proportion of FuturePlanner members who have investments in each of the different funds. You will see that total comes to more than 100% because some members have chosen more than one fund:



Did you know you can transfer pension benefits into FuturePlanner?

If you have pension benefits from other pension arrangements, (for example personal pension arrangements or pension schemes with former employers), FuturePlanner is able to accept transfers in, subject to the consent of the trustees and the Principal Employer.

As FuturePlanner is contracted-in to the State Second Pension, we cannot accept transfers from contracted-out arrangements. The trustees also need to seek certain assurances from the previous pension provider. Please note, if you have previous pension benefits which are

defined benefit/final salary in nature, then you should be aware that FuturePlanner can only offer defined contribution benefits and you are advised to seek independent financial advice in this situation before making any decision

Have you visited our website?

FuturePlanner has a website for members which can be accessed at www.futureplanner.co.uk. This contains additional information about FuturePlanner, all your personal details and details of your investments.

There is also an online planner which allows you to model your benefits and see how your predicted pension at retirement might be affected if you increased your contributions or changed your proposed retirement date. You can also review fund performance for each of the FuturePlanner investments and make investment switches online.

If you need to be reminded of your password to access the website, then please contact Aon who can re-issue it to you.



Have your circumstances changed since you last reviewed your decision on ‘Smart’?

Smart stands for ‘save money and reduce tax’. It is a method of making contributions by way of salary sacrifice. Instead of paying your pension contribution into FuturePlanner you can elect for your employer to make the equivalent payment on your behalf and your pay is reduced by that amount, thereby saving National Insurance contributions.

On joining FuturePlanner you were automatically put into Smart unless you opted-out. If you opted-out on joining, for example because you commenced employment on a lower salary (perhaps working part time or to start the college based years of an apprenticeship), then you should consider whether it becomes beneficial for you to opt-into Smart. You can do so by completing the Smart Option form which can be found on the FuturePlanner website in the ‘My Library’ section. The FuturePlanner Booklet contains additional information on Smart.

Members who are going on leave which may result in them receiving lower pay or statutory pay (for example, maternity leave, adoption leave, sick leave) may wish to complete a Smart option form to opt-out of Smart. If you have any queries then please speak to Aon in the first instance who will be able to obtain further information for you.

Are you paying the correct contributions?

Please remember to check your payslip each month to make sure that you are paying the contribution rate you have selected.

If you are concerned that your contributions may be incorrect, please speak to your payroll department or contact Aon on 01252 768500.

Are you travelling overseas for work?

We need to ensure we are able to keep the insurer, which provides the death in service cover for FuturePlanner, up-to-date with the risks associated with the Scheme.

If you travel overseas with work to places that would be considered hazardous, please notify the pensions management team by emailing susan.smith@agustawestland.com Please include the dates you are travelling and which countries you will be visiting.

You can contact the FUTUREPLANNER administration team at Aon by:

Emailing: futureplanner@aon.co.uk

Telephoning: 01252 768500

Writing to: FuturePlanner, Aon Consulting, Briarcliff House, Kingsmead, Farnborough, Hampshire GU14 7TE

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