A woman in a pink and blue top is sitting in a large, well-manicured hedge maze, looking at a map she is holding. The maze is made of tall, green hedges and is set in a park-like area with trees in the background.

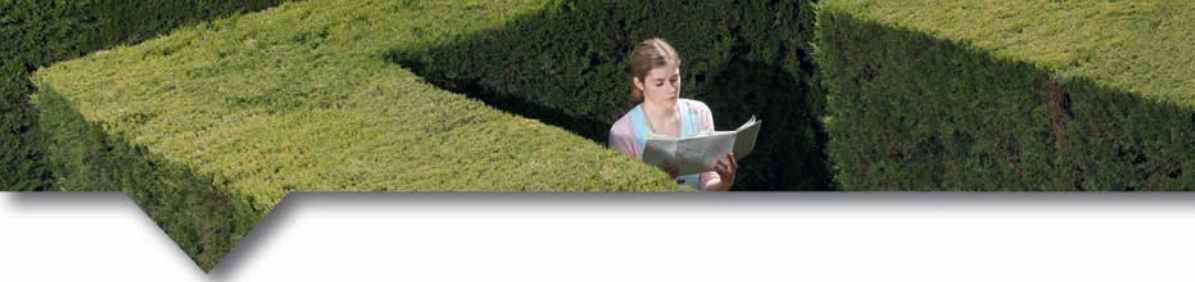
Who'll help
guide you
through the
pension maze?

We will.

Don't just live for now.
Prepare for the future too.

DESIGNERS GUILD






Welcome to your future

One of our key staff benefits is that we provide a non-contributory pension scheme. Designers Guild contributes to your scheme every month and it is completely free for you. You can also add your own contributions to this very valuable staff benefit. This scheme is run on our behalf by Aviva, who are not only one of the leading providers of life and pension products in Europe, but also provide an inexpensive and easy to manage scheme. You will have your own personal website as well as other Aviva benefits such as reduced car insurance.

As you think about your future and whether you want to make additional contributions or not, I highly commend this benefit and hope you will make full use of it. One day your pension will be important to you.

A handwritten signature in black ink, which appears to read "Simon Jeffreys". The signature is stylized and cursive.

Simon Jeffreys
Chief Executive
Designers Guild



Have you thought about how you'd live on what the state gives you when you retire?

▶ We have.

Without a pension, you may need to rely on the government to fund your retirement, but did you know the current state pension stands at less than £100 a week? So even if you're entitled to other benefits you should think very carefully about whether this would be enough to meet all your expenses when you retire.

We think it's important for you to have your own pension. With that in mind, we want to offer you the chance to join our company pension, which is run by Aviva, one of the leading providers of life and pension products in Europe.

Will anyone help boost your pension?

▶ We will.

Yes, as your employer we'll pay into your company pension even if you don't. If you also make contributions, the government will chip in too. In fact, between us, we may well end up contributing the lion's share of your pension fund.

Who can help you get to the heart of the matter?

▶ We can.

Pensions is one of those subjects that people find complicated, off-putting and plain old boring. Let's face it, nobody reads this stuff for fun, but it's important that you know what's what. Your pension will have a direct impact on your life and how comfortable you'll be during your retirement.

It won't take you long to read through this guide, but it could make all the difference when you come to retire. Even if you think you don't want to join the pension scheme, just flick through this booklet. If you don't, you'll never know just how much money you could be missing out on.

Who thinks your future matters?

► We do.

You'll still have expenses when you retire: food, bills, entertainment, it all needs to be paid for. Have you thought about how you'll afford all this when you're no longer working?

The thing is, though, that life after work isn't about just scraping by week after week. It's about enjoying yourself and being able to do all the things you've wanted to do but couldn't when you were working.

Sorting out your pension now may help you afford the day-to-day things and still have enough to enjoy your newfound freedom. Joining our company pension scheme is a great hassle-free way to get started.

Who can help you with your pension worries?

► We can.

If you're not sure about joining the company pension scheme, you're not alone. There could be lots of things putting you off.



We want you to be confident you're doing the right thing, so we'll take a look at each of these reasons in detail. We'll also give you some useful facts and figures about pensions, so you've got all the information you need to make the right decision for you.



I'll live on the state pension

For the 2010/2011 tax year, the full basic state pension is £97.65 a week for a single person and £156.15 a week for a couple. (Source: direct.gov.uk)

The basic state pension for a single person is currently just over £5000 a year. If you compare this to what you're earning now whether it's £10,000 or £20,000 or £50,000, this is a big drop. Even if you're entitled to other benefits it's clear you could see a significant dip in your income if you tried to survive on what you'd get from the state.

Have you thought what it would be like to live on what the state gives you? **We have.**

Will I qualify for a full state pension?

You can only get the full state pension if you have a complete record of National Insurance contributions. This is normally 30 years worth of contributions for both men and women.

When can I claim the state pension?

The government is increasing the age at which you can claim the basic state pension. This means it's unlikely that you'll be able to retire early if you're planning to rely on just the state pension.

At the moment, the age that you can claim your basic state pension depends on whether you're a man or a woman. However on April 6th 2020 this will change to 65 for both men and women.

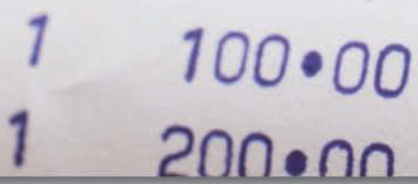
When can you claim the state pension?

Born April 1950 to April 1959 State pension age for women increases to 65

Born April 1959 to April 1968 State pension age increases to 66

Born April 1968 to April 1977 State pension age increases to 67

Born after April 1977 State pension age increases to 68



Will I get any other money from the government?

You may also qualify for other pension benefits from the government, the main sources are:

The State Second Pension

An additional state pension paid on top of the basic state pension.

Before 2002, it was called the State Earnings Related Pension Scheme (SERPS).

Pension Credit

If you're over 60 this tops up your guaranteed minimum weekly income.

2010/2011 tax yr minimum

Single person	£132.60
Couple	£202.40

A single person aged over 65 could also receive an extra £20.52 while a couple with one or both partners aged over 65 could receive an extra £27.09.

Age restrictions are subject to change. Please see page 5 for details.

If you want to find out more about how you qualify for these benefits or any other benefits you may be entitled to, visit the government's website, www.direct.gov.uk.

I can't afford to pay into the scheme

It can be hard to think about putting money away for the future when there are so many demands on your money right now. But investing for your retirement is important and paying into a pension can cost less than you think.

Have you thought about how you'll pay for your retirement? **We have.**

Even if you can only make small payments to start with, any amount is better than nothing. By investing as much as you can as early as you can, you could make a huge difference to the amount of income you have when you retire.

Will anybody else pay into my company pension?

The good news is that as your employer we'll pay into your company pension even if you don't.

However, if you also pay into your company pension, the government will give you tax relief on any payments you make, effectively adding more money to your fund.

You can invest up to 100% of your annual earnings into your company pension.

However, there are limits on the amount of tax relief

you can get from your contributions each year. For the tax year 2010/2011 the contribution limit is £255,000. If you want some more information on the tax rules on pension payments visit www.direct.gov.uk.

So, don't forget that you'll get 20% added by the government. For example:



This is based on 20% basic rate tax relief. If you're a higher rate taxpayer, you may be able to claim even more tax relief when you complete your annual self-assessment tax returns.

Please remember that the government may change the amount of tax relief in the future.

The size of your pension fund is very important when you come to retire. The bigger your fund, the more income you could receive each year of your retirement.

The key thing to remember is that the more you pay in, the more you could get from us as your employer and the government, which could boost the size of your pension fund considerably.

Check your employment contract to find out the details of the contributions we'll make.

Who will help you understand how big your pension fund should be? **We will.**

As the pension expert, Aviva has provided us with some figures to show how payments into your pension could build up. The table below gives some examples of what could be paid into your pension if you earned £18,000 a year.

If you paid in this percentage of your salary	It would cost you this much each month	The taxman would add	If your employer made payments based on	It would cost them this much each month	So, the total amount into your pension each month would be
1%	£12	£3	1%	£15	£30
2%	£24	£6	2%	£30	£60
3%	£36	£9	3%	£45	£90
4%	£48	£12	4%	£60	£120
5%	£60	£15	5%	£75	£150
6%	£72	£18	6%	£90	£180
7%	£84	£21	7%	£105	£210
8%	£96	£24	8%	£120	£240
9%	£108	£27	9%	£135	£270
10%	£120	£30	10%	£150	£300

As you can see, changing the amount you pay into your pension can make a large difference to the size of your overall pension fund.

We must emphasise that these tables are only examples and may not represent exactly how your pension fund will build up.

You'll receive tax relief from the government at the moment, but this may change in the future.

You should check your employment contract to find out the details of the contributions we'll make.

I'll start investing for my retirement later

When it comes to building up your pension fund, it's better to start sooner rather than later. The earlier you start, the more you'll pay in and

Aviva has provided us with some examples to show you just what a difference you can make, whether you have forty or twenty years left before you retire. Take a look for yourself:

Do you know what a difference a few years will make to your pension? **We do.**

Example A – Paying into your pension from 25 to 65

If you pay in £80 a month over 40 years, the amount you invest is:

$$\mathbf{£80 \times 12 \times 40 = £38,400}$$

The taxman adds £20 tax relief, so the amount going into your pension is:

$$\mathbf{£20 \times 12 \times 40 = £9,600}$$

If your employer matches your payments, the amount added to your pension is:

$$\mathbf{£100 \times 12 \times 40 = £48,000}$$

So, the total amount paid into your pension is:

$$\mathbf{£96,000}$$

Example B – Paying into your pension from 40 to 65

If you pay in £80 a month over 25 years, the amount you invest is:

$$\mathbf{£80 \times 12 \times 25 = £24,000}$$

The taxman adds £20 tax relief, so the amount going into your pension is:

$$\mathbf{£20 \times 12 \times 25 = £6,000}$$

If your employer matches your payments, the amount added to your pension is:

$$\mathbf{£100 \times 12 \times 25 = £30,000}$$

So, the total amount paid into your pension is:

$$\mathbf{£60,000}$$

You can see from these examples that paying into your pension as early as you're able could make a big difference to the amount of money you have when you retire.

However, whatever stage you're at in saving towards your life after work, investing that bit more into your company pension today can be really worthwhile.

Things to remember

- It's important to remember that the money you pay into your pension is invested into funds.
- This means that your pension fund has the potential to grow over time. However, it also means that the value of your fund could go down as well as up.
- These examples are based on current tax rules and HM Revenue & Customs practices and these could change in the future.

I'll use my house to see me through retirement

Using your house to fund your retirement is a big decision to make. However, a lot of people think about downsizing because their home is generally the most valuable asset they own.

Things to think about

If you're considering selling up to fund your retirement, you should think carefully about each of these things:

- Would you be able to find a cheaper house in the area you want?
- What would happen if you struggled to find a buyer for your house?
- What if you couldn't get the price you'd hoped for?
- What if you didn't have enough profit to live comfortably after buying another house?

You also need to remember that moving can be costly, with expenses like stamp duty, solicitors' fees, estate agents and removal fees.

You should also take into consideration the fact that you may be reducing the amount of inheritance you can leave.

There is an alternative...

You may be able to unlock the cash in your home through equity release. However, this is not suitable for everyone, so you would need to discuss this thoroughly with a financial adviser.

You may be able to unlock cash from your home with equity release.



I'm going to save in an ISA

An ISA is an individual savings account. If you want to invest in one, you can choose a cash ISA or a stocks and shares ISA.

A cash ISA is very similar to a deposit account but you don't pay tax on the interest.

With an ISA, you always need to bear in mind the annual savings limit.

Limit for the tax year 2010/2011

Cash ISA	£5,100
Stocks and shares ISA	£10,200
Total limit	£10,200

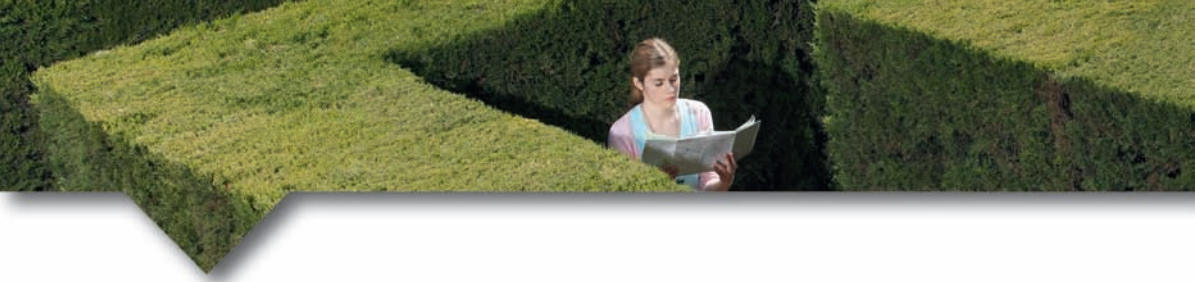
You can take out both a cash ISA and a stocks and shares ISA in the same year, but you can't put in more than £10,200 a year in total.

So is an ISA a good choice for saving for my retirement?

An ISA is good for saving generally, but may not necessarily be the best choice if you're putting money away for your life after work.

Apart from the limits on the amount you can invest, you can also usually take money out of your ISA quickly if you need to. This means it may not be an ideal solution for your retirement savings. Remember, the money you put away for retirement might have to last you a long time, so the ability to take money out of your savings as you could an ISA may mean you have less to live on when you retire.

ISAs and pensions are both tax-efficient investments, but the tax rules for each are very different.



Pensions are specifically designed for investing for retirement

- Your money is locked away until retirement, so there's no temptation to spend it until you retire.
- You can invest 100% of your annual earnings into your company pension, although you will only get tax relief up to £255,000 in the 2010/2011 tax year.
- As your employer, the government allows us to pay money into your pension, but we can't pay money into your ISA.
- You get tax relief on your payments, which is an easy way to increase the amount going into your pension. However, when you turn your pension into a retirement income you may have to pay tax on it then.

I don't expect to be in this job forever

If you don't join the scheme, you'll miss the chance to get free money from the taxman.

You'll also miss out on the extra money that we may pay into your pension. This money could make a real difference to the amount you get at retirement, so you should think carefully about turning it down.





Even if you're only planning on staying in your current job for a little while, it's worth joining the company pension scheme in the meantime. That way you won't miss out on tax relief from the government or any payments we may make into your pension. After all, you never know what might happen in the future and you may end up staying for longer than you originally thought.

Plus, one of the great features of the company pension scheme is that it's personal to you. Once you become a member, you have your own plan. This means that if you do move jobs, you can carry on paying into it.

I don't understand pensions

You're definitely not alone if you don't completely understand everything about pensions. It's a subject that can cause a lot of head-scratching, but you shouldn't automatically let this stop you joining our company pension scheme.

The amount you can pay into your pension can have a huge impact on your life when you stop working. The more you can put away while you have a regular salary, the easier your life could be when you retire. Looking at the tables in this guide, it's easy to see what a difference a little extra investment now could make to your pension fund. All this means that the sooner you start, the better.

Give it some thought

You've read a lot in this booklet about pensions, how you build up your fund and what a difference a decent pension fund can make to your life in later years. Hopefully, you're better informed now about our company pension and we've given you some things to think about. Joining our company pension scheme is an easy way to kick off your bid for a better future and we hope you'll give it some serious consideration.

Who can help guide me through the pension maze? **We can.**

Need more information?

We've put together a list of websites where you can find all the information you need about pensions to feel comfortable with the decisions you make.

The Department for Work and Pensions (DWP)

www.dwp.gov.uk

The DWP is a government department. The site has information for people planning their retirement and people who have already retired. It's a good place to go for the latest government information on pensions.

Directgov

www.direct.gov.uk

Directgov is the government's website, offering information about a wide range of subjects. The site provides a lot of handy information on pensions for people who are planning to retire, about to retire or already retired. You can also get a state pension forecast to see how much you'll get from the government when you retire. If you think you have an old pension, but you're not sure of the details, the Pension Tracing Service can usually help trace it for free.

The Pensions Advisory Service

www.pensionsadvisoryservice.org.uk

The Pensions Advisory Service is an independent, non-profit organisation that provides free information, advice and guidance on all kinds of pensions (state, company, personal and stakeholder schemes).

Money Made Clear

www.moneymadeclear.fsa.gov.uk

The Financial Services Authority (FSA) is an independent body that regulates the financial services industry. One of their aims to improve people's understanding of financial products and services. The FSA launched the Money Made Clear website to explain things in simple terms.

We're here to help, so if you'd like any more information about the company pension scheme or would like to join:

Please contact:

Anna-Lisa Moon at Designers Guild, 3 Latimer Place, London, W10 6QT
email: amoon@designersguild.com

or for Independent Financial Advice contact our adviser:

Mark Sessions
Shoal Wealth Management
Tel: 01273 562451
email: mark.sessions@shoalwealth.co.uk

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