

For members of the Professional Jockeys Association | Group Personal Pension

Your welcome guide



The Professional Jockeys Association, with professional financial advice from Cartlidge Morland, offers a pension scheme with Aegon to help you save for your retirement. This guide will tell you a bit more about the scheme.

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A little planning now goes a long way later on

Your retirement should be a time when you can enjoy the lifestyle you've worked hard to achieve. And it's never too early to start planning.

When you've worked throughout your life, you deserve a long and enjoyable retirement. Just as the Professional Jockeys Association (the PJA) supports you throughout your working life as a jockey, it also wants to help you plan for your post-racing and retirement years.

That's why, to give yourself the best chance of the retirement you've dreamed of, it's important to start planning as early as possible. The PJA understands that, and that's why it's set up this scheme for you.

It's a group personal pension scheme so, if you choose to join, your contributions will be held in your own plan, where they're invested to build funds for your retirement.

How it works

This plan only accepts prize allocations and lump sum payments (from you and/or your employer). If you'd like to make monthly payments towards your pension fund, you'll need to open a second plan that would have a minimum pension age of 55 for taking benefits (in line with current legislation) and complete additional paperwork.

The scheme is funded by prize money contributions. Each calendar year, 0.6% of the total prize money pool is set aside under the prevailing authorities' Orders & Rules of horseracing, for the Professional Jockeys Association Pension Scheme. At the end of the calendar year, if you're eligible, you'll be allocated a proportion of the prize money pool based on your number of rides during the preceding season.

This will be paid directly to Aegon by the PJA.

The money paid into your policy from prize money contributions is unlikely to be sufficient to fund a comfortable retirement on its own. Cartlidge Morland (the scheme advisers) can help you decide whether or not you want to invest additional personal contributions.

On advice from Cartlidge Morland, the PJA has selected a default investment strategy for how Aegon should invest your contributions unless you make your own fund selection. The strategy's underlying fund is the Aegon Universal Balanced Collection fund.

Once we've set up your plan, and the first contribution has been paid, you can change the fund you're invested in. You can then switch between funds at any time during the policy term. You'll find more information about this in your joining pack. Please speak to Cartlidge Morland if you're not sure if a fund is suitable for you.

When you take your pension benefits, the money that's built up in your plan is used to provide a pension income (you may also have the option of taking a tax-free cash lump sum). However, the amount you end up with when you take pension benefits depends on:

- how much is contributed in to the plan
- how long contributions are paid in to the plan
- how your investment grows over the years
- how long your contributions remain invested before you draw your pension benefits
- the charges that apply to your plan

Please remember that we don't guarantee benefits and the value of any investments may go down as well as up. You may get back less than the amount you originally invested.

Who can join?

The Professional Jockeys Association scheme is open to current jockeys who qualify for an allocation from prize money. Former jockeys can also join. As long as you're under age 75, you can join at any time during the year.

You don't have to wait until you're eligible for a prize money contribution to join the scheme – you can pay personal regular contributions in the meantime. If you'd like to pay personal regular contributions, you can find more details on page three.

How you qualify

To qualify for a pension allocation from prize money, you must:

- have held a UK professional jockey's licence, or an apprentice or conditional licence, for two complete seasons (three complete seasons if you were previously licensed professionally overseas)
- weigh out for 100 or more rides in each season

If you're injured for 12 weeks or more during a season, the number of qualifying rides will be an average of your rides over the previous three seasons.

It's important to remember that:

- to claim your **initial** pension allocation, you must complete and submit an application form to the Trustees of the Professional Jockeys Association Pension Scheme by the start of your third qualifying season
- in the first qualifying season, a Flat or Apprentice jockey must be licensed on or before 1 July of that season, while a National Hunt or Conditional jockey must be licensed on or before 1 December of that season
- in a case where a licence is granted during the first season but after 1 July or 1 December (whichever is applicable), then the season in which that licence was granted won't count as a qualifying season for these purposes
- you must declare your prize money contributions as income



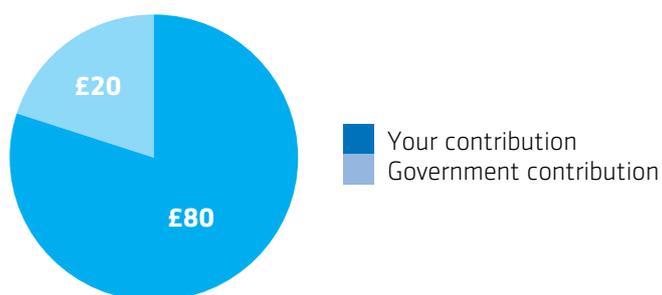
Building your retirement fund

Let's take a closer look at the factors which affect how much your pension will be worth.

Your contributions

The good news is that the government helps you here. Your pension plan is a savings plan that gives you tax relief while you save (although please remember that the value of this depends on your individual circumstances). When you pay into a pension plan, your contribution is increased by an amount equivalent to the basic tax rate. Please see the 'How much you can pay into your plan each year' section for more details.

If you're a higher rate taxpayer, you'll be able to claim extra tax relief. You can do this by contacting your local tax office to adjust your tax code, or claiming the relief at the end of the tax year through self-assessment.



£20 of every £100 you invest is paid by the government, as tax relief.

The current basic rate of income tax for 2014/15 is 20% and the higher rate is 40%. There is also an additional rate of income tax of 45% for incomes over £150,000.

This information is based on our understanding of current legislation, taxation law and HM Revenue & Customs practice, which may change. The value of any tax relief depends on your individual circumstances.

Basic state pension

In addition to your plan through the Professional Jockeys Association Pension Scheme, you may qualify for the basic state pension. But you'll only qualify for the full basic state pension if you have a full National Insurance contribution record for 30 years (for men born after 6 April 1945 and women born after 6 April 1950). If you don't qualify for the full basic state pension you may qualify for other benefits. You can get more information on this from Cartledge Morland, the scheme advisers.

How much you can pay into your plan each year

You'll be eligible for tax relief on any personal contributions up to the greater of 100% of your earnings or £3,600 each year (this limit applies across all pension arrangements that you make contributions to in any year). Any overfunded allocations from winnings will be refunded to the Trustees and any overfunded personal contributions will be refunded to the jockey.

If the total contributions paid by you and/or your employer to all your pension arrangements in any year are more than that year's annual allowance you may be subject to a tax charge on the amount paid over the annual allowance. For the 2014/15 tax year, the annual allowance is £40,000. The annual allowance is the maximum you may invest in a pension policy in respect of any single tax year.

If you think you may be affected by this, you should speak to Cartledge Morland.

How much you'll be charged for your plan

To cover the cost of setting up a pension plan and its ongoing administration, we'll take a yearly charge from your plan until you take benefits from the plan. This is called the annual management charge (AMC). The Professional Jockeys Association Pension Scheme has a net AMC of 0.65% a year. Your AMC may vary if you choose a fund other than the Universal Balanced Collection Fund. You can find more details of your investment options and the fund charges in your joining information.

After you have applied to join the scheme, we'll send you a personal illustration that gives you details of the charges specific to your plan. The illustration also provides information on projected fund values and the effect of charges.

We reserve the right to vary the charging structure and our terms. You'll find more details in your policy conditions booklet, which you'll receive once your plan is set up.

What happens when I want to take benefits?

You can choose how you want to use your retirement fund, including:

- converting all your plan value into a pension, which would be taxable as pension income under Pay As You Earn (PAYE)
- taking 25%* of the plan value as tax-free cash, and taking a smaller pension
- transferring your fund to a more flexible retirement plan and taking income withdrawals within limits set down by the government (you may be able to take 25%* of this fund as tax-free cash)
- moving your final retirement fund to another pension provider who may be able to offer you slightly more pension for your money than others

Your pension may be paid to your spouse, civil partner or dependant(s) if you die.

You'll also have to decide how often you want your pension, for example annually, quarterly or monthly.

You don't have to make any of these decisions until you want to take benefits. At that time, we recommend you contact Cartlidge Morland to make sure you choose the best option for your circumstances.

When you decide to take benefits, you may be entitled to an additional allocation from the preceding season. Please ensure you've checked with Cartlidge Morland or the PJA before taking benefits. The process for settlement will be slightly different if you're due a further allocation.

*Depending on your circumstances, it may be higher or lower than 25%.



Questions and answers

How do I claim my prize money contribution?

When you first become eligible for a prize money contribution to your pension, you'll receive an information pack, including a personal illustration and application form. To join the scheme and receive your contribution, you must complete the application form and return it to the Professional Jockeys Association. You'll also need to give evidence of your earnings – this could be a letter from your accountant or a copy of a P60. Any future prize allocations you're entitled to may also be put directly into this plan.

Can I take my allocation as cash?

Funding for the Professional Jockeys Association Pension Scheme comes from a deduction of 0.6% of the total prize money pool. This deduction is made under the Rules of Horseracing, which clearly states that this is for the purpose of pension funding for jockeys. So generally it isn't possible for the allocation to be paid to you as cash. Please speak to Cartlidge Morland if you want more information on this.

How much should I contribute?

Deciding how much to contribute will depend on your personal circumstances and retirement goals. Prize money contributions can help build your retirement fund, but they're unlikely to provide enough for your retirement.

You can also pay lump sums in to the Professional Jockeys Association Pension Scheme. Also, if you have an employer, they can make single contributions to your plan. Any regular personal contributions will be paid into a second plan and you'll need to complete some extra paperwork.

The value of an investment can fall as well as rise and isn't guaranteed. You may get back less than the amount originally invested.

Which funds can I invest in?

We'll automatically invest your contributions in the **Universal Balanced Collection** fund, unless you want to choose your own funds.

The Universal Balanced Collection fund

The Universal Balanced Collection aims to achieve long-term capital growth by investing in an internationally diversified portfolio, largely made up of equities. It provides investors with the opportunity to invest in a fund, which offers exposure to a passive management style, and a degree of exposure to a collection of actively managed balanced funds. It currently invests 75% in the Balanced Passive fund and 25% in the External Balanced Collection.

The Balanced Passive fund aims to achieve long-term growth by investing mainly in the shares in the UK and overseas companies'. The remainder is invested in fixed interest investments and cash. The fund is passively managed and aims to match the performance of its benchmark, in this case the ABI Mixed Investment 40%-85% Shares Pension sector average, by investing in the same proportions as it. The fund has the flexibility to invest up to 85% of its value in shares and at least 50% in established market currencies (US dollar, sterling and the euro), of which 25% must be in sterling (or assets that have been hedged back to sterling with the aim of eliminating currency risk). BlackRock, one of our investment managers, manages this fund.

The External Balanced Collection invests in a mix of funds from five of our investment managers, currently Baillie Gifford, BlackRock, Newton, GLG and UBS Global Asset Management. We regularly review the investment split and change the weightings between the managers as necessary to ensure the proportion invested in each fund stays the same.

There is no guarantee that fund objectives will be met.

We offer over 250 funds from over 20 external fund managers and from our own sister company Kames Capital, covering different levels of risk and potential reward. You can find more details of your investment options in your joining information.

Your joining pack will give you information about investing, and will help you work out your attitude to risk and fund choices. How your investment grows over the years depends on how the funds you've chosen perform, the level of contribution and term to retirement. The value of an investment can fall as well as rise and is not guaranteed. You may get back less than the amount originally invested.

If you want more details on any of the funds, including the Universal Balanced Collection fund, please ask Cartlidge Morland.

How much will my plan be worth?

Your final plan value will depend on a number of factors, including:

- how much you pay in
- how long you save
- investment performance, which may fall as well as rise
- plan charges

What choices will I have when I want to take benefits?

The minimum age you can start taking a pension is 55. You can also go into drawdown. You may be able to take your pension earlier than this if you're in ill-health or have a protected pension age. If you don't want to take your benefits by age 75, you can transfer the value of your plan to another plan and choose to remain invested. You may wish to speak to your financial adviser before you reach 75 if this is something you're considering.

You'll be able to start taking your pension before age 55 **if** you have a protected pension age of 35 for jump jockeys and 45 for flat jockeys – even if you don't actually stop racing or working. The protected pension age applies only if your plan was in force before 6 April 2006 and allows jockeys to take their pension earlier if they meet certain conditions as set in the pension scheme rules. You can use your plan to buy benefits all at once at any time from the ages mentioned*. You don't have to stop working to claim your pension benefits. Equally, you don't have to claim your pension benefits when you stop working.

*If you take your benefits before age 55, the lifetime allowance is reduced by 2.5% for each complete year benefits are taken before age 55. For more information contact Cartlidge Morland.

How will my pension be paid?

Your pension can be paid monthly, annually or quarterly for the rest of your life. It's treated as income so income tax will be deducted under the Pay As You Earn (PAYE) system. You can find more details in the 'What happens when I want to take benefits?' section.

What happens to my plan if I die before I take benefits?

We'll pay the value of your fund as a cash lump sum. We take into account your circumstances when you die and anyone you've stated you want the money to go to. You may have asked for the money to go to a spouse, civil partner or dependant. If your benefits were under trust the trustees will decide who the money goes to.

The lump sum benefit will be checked against your lifetime allowance, and any amount over the allowance amount will be taxed at 55%. The standard lifetime allowance for the tax year 2014/15 is £1.25 million.

You'll find more details about this in your joining pack.

What happens if I stop being a jockey?

If you stop being a jockey before you take pension benefits, there are different options available to you:

- You can leave the benefits where they are (paid up) until you decide to take your pension benefits.
- You can transfer the value to another pension plan. **However, your protected pension age may not apply to your new pension plan.** You should speak to a financial adviser to check if transferring is suitable for you.
- You can start (or continue) making your own regular contributions. Get in touch with us before you stop being a jockey to set up a separate plan so we can make sure the same preferential charges allocated to the Professional Jockeys Association will apply to your new plan. Please note: the new plan would be subject to the normal minimum pension age of 55, in line with current legislation.
- Remember, the special terms applicable to the Professional Jockeys Association Pension Scheme mean that the costs are lower than normal for a personal pension and a new individual plan may cost more in charges.

What happens after I join?

Shortly after joining you'll receive a joining pack explaining the exact details of your plan, including the charges and online tools available. You'll receive a cancellation form should you wish to change your mind. In this instance your allocated prize money would be returned back to the Trustees of the Professional Jockeys Association Pension Scheme.

Once you're a member of the scheme you'll receive annual statements showing you how your plan is performing.

Where can I get more advice and information?

Financial planning can be complex and time-consuming. To make the most of the tax and investment opportunities available to you, you should speak to a financial adviser.

If you need advice on this scheme, you should contact Cartlidge Morland.

Further information

About the scheme

Regular meetings are held between the Professional Jockeys Association Pension Scheme Trustees, Cartlidge Morland and Aegon to make sure the scheme runs smoothly.

The Trustees of the Professional Jockeys Association Pension Scheme don't have any control over the investment strategy of the scheme.

Scheme holding fund

A holding fund to help with the operation of the Professional Jockeys Association Pension Scheme was formally established under a Deed of Trust and Rules from 1 January 2002. The monthly allocations are held in a deposit account at Weatherbys Bank.

Scheme advisers

Cartlidge Morland is the appointed adviser to the Professional Jockeys Association Pension Scheme. It specialises in providing independent financial advice, mortgage broking, and advice to employers on the provision of employee benefits. Cartlidge Morland doesn't receive any commission from Aegon for the Professional Jockeys Association Pension Scheme but is paid a fee by the PJA, this makes participation in the scheme less expensive for its members, meaning that more of their money is invested.

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Cartlidge Morland is authorised and regulated by the Financial Conduct Authority.

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Newbury
Berkshire
RG14 5SJ

Phone: 01635 778108
Fax: 01635 37932
info@thepja.co.uk



Who are we?

You probably want to know a bit about who we are, and why you should trust us with your money and your future.

We're part of the Aegon Group, an international provider of life insurance, pensions and asset management. We've been around for over 175 years in the UK and our experience spans the pensions, annuities, investment and protection markets.

We work extremely hard to make sure we provide our customers with the level of care and service they deserve. So you can relax – this all adds up to a company you can trust with your future.

We have offices all over the world, with over 40 million customers worldwide. This means we apply what we learn internationally to each individual market. And this global perspective helps us to innovate and help build better financial futures for everyone we work with.

It's all part of our philosophy of helping to create brighter futures – and giving our customers what they want.



What to do next?

Take a bit of time now to think about it all.

Have a think about what plans, if any, you've already made for your retirement or future benefits.

- Have you already started saving?
- Is this going to generate enough money for you to live comfortably?
- If not, how much can you afford to put into a pension? Remember that tax relief will increase this.
- Consider when you'd like to retire and how long away this is.

The Professional Jockeys Association has made arrangements for you to let them know your decision and what information they need from you. Make sure you know what these arrangements are and if there's a deadline.

A little bit of planning now can go a long way towards a brighter future for you and your family.

If you'd like more information about pensions in general, you'll find these sites useful:

- Department for Work and Pensions
– dwp.gov.uk
- The Pension Service
– thepensionsservice.gov.uk
- The Pensions Ombudsman
– pensions-ombudsman.org.uk
- Office of the Pensions Advisory Service
– opas.org.uk

Don't fall at the last hurdle. Start planning now to make sure your retirement is as rewarding as your career.





As Lead Partner of British Tennis, we're helping to transform the future of the sport by supporting young talent, national teams and events throughout the country, including the Aegon Championships at The Queen's Club. Find out more at aegontennis.co.uk



Transform Tomorrow

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