

Miss XXX
A & B Solicitors

22/10/08

Dear Miss XXX

Actuarial report on the pension in payment value of Mr ZZZ

Transaction Number: EPV(b)00071

Acting as an independent expert witness, we attach a report on the actuarial valuation of the above pension(s). This report is done on the basis of information provided and is for use in helping understand the financial matters on divorce or dissolution.

The basis of valuation is specifically as an independent valuation for use in the divorce or dissolution process. The pension value therefore differs from the Cash Equivalent of Benefits (CEB).

This valuation is produced on limited information and there are a number of reasons why a valuation based on more complete data would differ. The main reasons are covered in the Report.

We recommend that a valuation using more complete information is undertaken to provide a value that can be relied upon in court proceedings.

Bradshaw Dixon and Moore provides a cost effective bureau service for standard valuations, or a full bespoke service for larger or more involved cases. Further details are available from www.bradshawdixonmoore.com. Alternatively, another service provider could be used.

Please note the caveats to the report and who can rely upon it.

Yours sincerely,



N H Bradshaw MA FIA
Director
On behalf of Bradshaw, Dixon and Moore Limited



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BRADSHAW DIXON MOORE LIMITED
PO Box 2000
Littlehampton BN16 9BP

T: 0845 838 2551
E: info@bradshawdixonmoore.com
W: www.bradshawdixonmoore.com

Actuarial report on the pension in payment value of Mr ZZZ

Divorce creates many changes in the personal and financial positions of the divorcees and their dependents. This report looks at one aspect of the financial position, the value of some of the pension assets.

The current value of a couple's pension assets can be the largest single component of a couple's combined assets, often more valuable than the family home.

It is therefore important that this asset is valued correctly. However, as with house prices there can be a range of values for the current worth of a pension of undetermined size that will be paid out sometime into the future.

This report uses actuarial techniques to make such a valuation. The Cash Equivalent of Benefits (CEB) statutorily quoted by pension providers may not use assumptions appropriate for the purpose of independently valuing pension assets in the Ancillary Relief process.

This report calculates the value of pension assets for use in divorce or dissolution settlements and is not useable for other purposes.

The report relies on limited information and there are a number of reasons why a valuation based on more complete data would differ. These include:

- ◆ Data provided by the client may differ from that provided by the pension scheme(s)
- ◆ Allowing for the exact age of the spouse
- ◆ Allowing for the state of health of the individuals

The report is for the use of Miss XXX and should not be relied upon by others.

The report relies upon the information provided through the Express Pension Valuation procedure, and we cannot be responsible if the information is incorrect, or there is other relevant information, which has not been disclosed.

N H Bradshaw MA FIA
Director
For and on behalf of Bradshaw Dixon and Moore Limited
22/10/08



Results for Client's Value of Pension Assets

General Details:

Client: Miss XXX

Pensionholder: Mr ZZZ

Sex: Male

DoB: 28/05/1946

Pensions:

Firm or Pension Scheme: Company Pension Scheme

Date of Valuation: 15/06/2008 (assumed as client stated June 2008)

Pension in Payment Start Date: 29/05/2006

Gross Annual Pension: £35,804.24pa

Calculated Pension Value: £790,000

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EXAMPLE



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Data and Assumptions

The assumptions used in the pension valuation are as follows:

- ◆ Pension : Company Pension Scheme
The scheme has been assumed to be Company Pension Scheme, which has been valued using information, as:
 - Pensions to increase by retail price indexation
 - Spouse's benefits of 50.00% of members' pensions

EXAMPLE



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Economic Data and Assumptions

Historic values for Retail Price Inflation and other values have been used up to the latest available date.

The following are the key economic assumptions for future experience:

Retail Price Inflation 3.60%

Limited Price Inflation 3.40%

SSA 3.50%

Increase in Average Earnings 5.60%

Return on assets backing annuities in payment 5.40%

Mortality

The mortality rates after retirement are based on industry tables adjusted for expected mortality improvement in the future. No allowance has been made for the health of the individuals

EXAMPLE



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What to do with your Express Pension Valuation

For use in the Ancillary Relief process

If the Express Pension Valuation for a scheme differs significantly from the scheme CEB, you may wish to carry out a more detailed valuation, which can then be used in a court of law to inform the division of the pension asset. Additional calculations to achieve a specific split of assets may also be required.

Please see the summary of our services below, to see how we may help you achieve your objectives.

For use in Collaborative Law

If the parties are engaged in the Collaborative process, the EPV may be used as an alternative to conventional CEBs. In these circumstances, agreement may be reached to divide the pension asset based on the EPV alone.

However, if the pension value is significant enough, the parties may agree that a more detailed valuation is cost effective.

BDM Services

Bradshaw Dixon & Moore offers a straightforward and cost effective valuation service from our in house Bureau.

If the scheme is particularly complex or services such as income equalisation are required, a Bespoke Report may be more suitable. This can be tailored to your needs whilst still offering excellent value.

Alternatively, you may choose to commission a report from another actuarial source.

To discuss any of our services, call us on 0845 838 2551. A range of documents including charts to help you with the decision process are available from the Downloads page of our website:
www.bradshawdixonmoore.com



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