

## The CARE Scheme (the Scheme)

### Summary of Trustee's Contribution Proposal

The details below summarises the Trustee's deficit contribution proposal and confirms that there will be no change to the minimum contribution rates for the defined contribution (DC) structure.

**Once you have considered the proposal, please complete the Feedback Form 2 by 14 October 2011.**

### Deficit Contributions

The formal preliminary results of the triennial valuation at 30 September 2010 are summarised below:

Assets	£21.3m
Liabilities	£23.9m
Deficit	£2.6m
Funding Level	89.0%

As a result, the Trustee is proposing that participating employers make deficit recovery payments of £208,000 a year (which, on average, will be broadly equivalent to 0.9% of earnings from employers), starting from 1 April 2012 and increasing by 3% at each subsequent 1st April for a period of 10 years. **Employer Name's** share is initially £xxx a year (which will be payable in monthly instalments of £yyy a month).

The Trustee is proposing that the deficit recovery payments are allocated to employers according to their share of past service liabilities and that the payments are collected as monthly fixed amounts. This basis ensures that those employers which are no longer building up benefits in the defined benefit (DB) structures of the Scheme, are still required to meet their share of the deficit (which relates to the DB assets and liabilities of the Scheme).

### Monthly Contribution Rates

**Employer Name** started to participate in the defined contribution (DC) structure of the Scheme with effect from 1 April 2011. The DC structure is unaffected by the valuation and, as such, the Trustee has decided not to change the existing minimum contribution rates of 8.5% (employer) and age divided by 10, minus 1 (member). Therefore, **Employer Name** will continue to pay the current monthly percentage contribution rates for members who pay into the DC structure.