



Your **Pension** **Options** at Rank

An important decision for all Rank Group employees

April 2006

The Rank Group Stakeholder Pension Plan

Welcome to the Rank Group Stakeholder Pension Plan ("Rank Stakeholder Plan")

We all want to enjoy a long and happy retirement, but many of us do not spend time thinking what we will live on when we finish working. The State provides a range of benefits for pensioners, but relying on these alone may, for many of us, mean a less than comfortable retirement. A possible way to avoid this is to join a pension scheme.

A Company sponsored pension scheme – like the Rank Stakeholder Plan is a tax efficient way of saving for retirement. This leaflet explains some of the basics of the Rank Stakeholder Plan and points out the alternatives, to help you decide whether or not to request a full Member's Information Pack and Joining Form.

The Rank Stakeholder Plan has been set up with Zurich Assurance Limited so that employees of companies in the Rank Group can save for their retirement.

The Rank Stakeholder Plan is a "money purchase" or "defined contribution" arrangement. When you join, a Retirement Account is set up for you in the Plan and contributions are paid into this account. The Retirement Account is invested with the aim of increasing its value and when you come to retire, the value of your account is used to buy benefits.

All employees under age 64 can join the Rank Stakeholder Plan. The table below shows when you can join.

- * Deluxe Media Services
- * Hard Rock

Executives and above: as soon as you start employment.

Others: you can apply as soon as you have completed three months' continuous service.

- * Grosvenor Casinos
- * Mecca Bingo
- * Rank Group
- * Blue Square

As soon as you start employment.

Company contributions

The Company pays a percentage of your Pensionable Earnings into the Rank Stakeholder Plan, helping you to build up your savings.

Your contributions

You have a choice of contributions you can make, and the more you pay in, the more the Company will pay in.

	You	Company	Total
Either	3%	+ 5%	= 8%
Or	6%	+10%	= 16%

The above contribution rates are a percentage of your Pensionable Earnings which is defined as "basic pay, together with any shift allowance deemed by the Company to be pensionable, less an amount equal to the Lower Earnings Limit (£4,368 for the tax year 2006/07). The Lower Earnings Limit is fixed at the preceding 6 April.

You can choose to contribute more than 6% of your Pensionable Earnings but the Company will only contribute up to 10% of your Pensionable Earnings.

If you earn more than £3,600 in a year: You can contribute up to 100% of your earnings into the stakeholder plan in a tax year. If the total contribution that you and your employer make in a tax year is greater than the annual allowance for that year you will be charged tax at 40% on the excess through your self-assessment tax return.

In the 2006/07 tax year the annual allowance is £215,000 which will increase by £10,000 each year for the following four years, after which the government will review it.

If you earn less than £3,600 in a year: You can contribute up to £3,600 into the stakeholder plan in a tax year.

Tax relief

You are entitled to tax relief on the payments you make. You will automatically be given tax relief at the basic rate – this is currently 22%.

An example of how this works is as follows:

You elect to pay 6% of your Pensionable Earnings, then 4.68% is the amount you will see deducted from your pay

Another way of expressing this, is that for every £1 you elect to pay only £0.78p will be deducted from your salary and the Inland Revenue pay the balance.

If you are a higher rate taxpayer, you are entitled to claim additional tax relief via your annual tax return. Please contact the Group Benefits Department if you require any help or guidance in relation to this.

Leaving the Rank Stakeholder Plan

If you leave the Rank Stakeholder Plan (for example you move jobs), you have a number of options:

- Simply leave your Retirement Account in the Plan until you retire.

or

- Continue contributing into the Plan, (please note although the Company will no longer contribute if you leave the Group).

or

- You can apply to transfer the value of your Retirement Account to a new employer's scheme or another pension arrangement.

If you take no action, your Retirement Account will remain within the Plan.

When can I take my benefits?

The Rank Stakeholder Plan's normal retirement age is 65, but you can start taking a pension at any time after age 50 even if you're still working. From 6 April 2010 this minimum pension age will increase from 50 to 55. If you do not take your pension before age 75, you will lose your right to a cash sum (currently tax free).

What Choices will I have when I take my benefits?

You can take up to a quarter of the value of your Retirement Account as a cash sum (currently tax-free) and the rest as a pension. Your pension will give you a taxable income for the rest of your life. If you take part of your Retirement Account as a cash sum, your pension will be smaller. You can also decide whether or not to provide a pension for a spouse or partner.

You can delay buying a pension and take an income from your plan value instead. You can take a pension in stages instead of all at once and keep the rest of your fund invested.

Benefits and choices in respect of benefits are fully explained in the Member's Information Pack.

The Rank Group Stakeholder Pension Plan

Request for Member's Information Pack

Please complete the details below using BLOCK CAPITALS and return the form to:

Rank Group Gaming Division, Mecca Bingo and Grosvenor Casinos employees:

HR Administrator, Rank Group Gaming Division Statesman House,
Stafferton Way, Maidenhead, Berks, SL6 1AY

Rank Leisure employees:

Alex Timbers, The Rank Group Plc, 6 Connaught Place, London, W2 2EZ

Blue Square employees:

Sonia Palmer, Blue Square Limited, 6th Floor, 3 Sheldon Square, Paddington, London, W2 6ER

Deluxe Global Media Services employees:

Toni Castiglione, Deluxe Global Media Services, 5 Solar Way, Innova Park, off Mollison Avenue,
Enfield, Middlesex, EN3 7XY

Hard Rock Café employees:

Debbie Galbraith, Hard Rock Café, 7 Old Park Lane, London, W1K 1QR

Surname:	Title:
First names:	Sex:
NI No:*	Date of Birth:
Company:	Location:

Please send me a Member's Information Pack for the Rank Group Stakeholder Pension Plan.

* Please note, you will not be permitted to join the Rank Group Stakeholder Pension Plan without a valid UK National Insurance number.

Signed:	Date:
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Please return this form to the relevant divisional contact above.

Your Choice

The Company believes the Rank Stakeholder Plan is an attractive way for employees to save for retirement. But only you can decide whether it is right for your circumstances and you might like to seek some independent financial advice to help you in that decision.

This leaflet gives a summary of the Rank Stakeholder Plan. It doesn't include all the definitions, exclusions terms and conditions. You can find out more about the Rank Stakeholder Plan, and apply to join, by requesting a Member's Information Pack. It contains full details of the Plan and the Joining Form. You can request a Pack by returning the slip at the end of this booklet.

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Blue Square employees:

Sonia Palmer, Blue Square Limited, 6th Floor, 3 Sheldon Square,
Paddington, London, W2 6ER

Deluxe Global Media Services employees:

Toni Castiglione, Deluxe Global Media Services, 5 Solar Way,
Innova Park, off Mollison Avenue, Enfield, Middlesex, EN3 7XY

Hard Rock Café employees:

Debbie Galbraith, Hard Rock Café, 7 Old Park Lane, London, W1K 1QR

Life assurance and protection for your family

In addition to the Rank Stakeholder Plan, the Company also provides death in service benefits. If you die whilst working for the Company, your dependants will receive a lump sum of three times your annual earnings. Furthermore, if you are a member of the Rank Stakeholder Plan an additional lump sum equal to the value of your Retirement Account under the Rank Stakeholder Plan or, if greater, a sum equal to a further three times your annual basic pay, will be used to provide additional benefits for your dependants.

The maximum lump sum death benefit your dependants can receive tax-free is dependent on your remaining Lifetime Allowance. If you have a full Lifetime Allowance the maximum tax-free lump sum benefit for the 2006/07 tax year is £1,500,000.

Investment control

The Rank Stakeholder Plan offers a number of funds to which you can invest your Retirement Account. You can choose which funds you would like to use and switch between funds. If you feel uncomfortable in making an investment selection there is a default option which you can select. This aims to invest your Retirement Account appropriately according to your proximity to retirement.

Security and independence

The Rank Stakeholder Plan is set up under individual contracts between the employees and Zurich Assurance Limited, so it is legally separate from the Company.

Expenses

You will pay for the administration of the Rank Stakeholder Plan and any charges the investment funds carry. These expenses are deducted by Zurich from your Retirement Account. Details can be found in the Member's Information Pack.

The Alternatives

The State Pension

The State provides a number of pensions and benefits for those over state pension age¹. These include the Basic State Pension, the additional State pension (now known as the State Second Pension (S2P)), the Pension Credit and the Winter Fuel Payment.

You can find out more about State retirement benefits from the Government's Pension Service, at your local social security office, Pension Service Office, or online at **www.thepensionservice.gov.uk**

In the 2006/07 tax year, the Basic State Pension for a single person was £84.25 a week.

As you can see, State benefits will only provide you with a very basic standard of living when you stop work. For most people this will be insufficient. If you want to enjoy the same sort of lifestyle when you stop work you will need to build up your savings. A company sponsored pension scheme, like the Rank Stakeholder Plan, is a good way of achieving this because the Company also contributes to your retirement savings.

¹State pension age is 65 for men, and 60 for women born before 6 April 1950. For women born after 5 April 1955 state pension age is 65. For women born between 5 April 1950 and 6 April 1955 state pension age is on a sliding scale from 60 to 65.