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28 February 2011

Dear M^ { à^!

Notice to Members of the Merchant Navy Officers Pension Fund (the "MNOFP") Nomination of the Pension Input Period

I am writing to you with a formal announcement for legal reasons, although the issues raised are very unlikely to have any impact on many MNOFP members.

Since 6 April 2006, there has been an annual limit on the increase in the value of an individual's tax approved pension savings, known as the "annual allowance". The annual allowance is £255,000 for the 2010/11 tax year, but is due to be reduced significantly to £50,000 for the 2011/12 tax year.

In order to determine whether the annual allowance has been exceeded, the total increase in the value of your pension rights (the "pension input amount") during each defined period (the "pension input period") is tested against the annual allowance.

The default position is that each pension input period ends on 6 April each year, but the Trustee can choose to nominate a different date.

The Trustee has not previously nominated a different date for the MNOFP because the annual allowance does not affect the vast majority of MNOFP members. However, it is possible that the reduction in the annual allowance for the 2011/12 tax year might affect a very small number of members. The Trustee has therefore decided to retrospectively nominate for the first pension input period to end on 31 March 2007. This means that each subsequent pension input period will also end on 31 March each year and ensures that the pension input period is in line with the Fund Year.

The effect of this change is that pension savings for the current Fund Year ending on 31 March 2011 will be tested against the annual allowance of £255,000, and pension savings for the Fund Year commencing on 1 April 2011 will potentially be subject to the reduced allowance of £50,000.

As mentioned above, this change is not expected to be significant for the vast majority of MNOFF members, particularly as some reliefs are available under the legislation. However, if you have any general questions on the contents of this announcement or how the change might affect you, please contact the Administration Team on 01372 200200 or e mail mnopf.memberenquiries@mnpa.co.uk

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter McEwen', with a long horizontal flourish extending to the right.

Peter McEwen
Chairman
MNOFF Trustees Ltd