

20 April 2011

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Patron: Her Majesty The Queen
President: The Most Reverend &
Right Honourable
Dr John Sentamu

www.ymca.org.uk

To: Participating Employers (Chairs and Chief Execs)

Dear Participating Employer

**YMCA Pension Plan (the "YMCA Plan")
Salary link project update and key information**

I am writing to update you on the project designed to protect all Participating Employers (PEs) of the YMCA Plan should they cease to employ Employed Deferred Members (EDM).

Successful outcome – implementation to be 1 May 2011

I am pleased to confirm that the exercise of achieving the breaking the link with final salary has been a success.

Therefore the proposed effective date of implementation of 1 May 2011 will be met, and on this date all remaining EDMs will become Deferred Members and there will no longer be any EDMs. Thereafter, PEs will not inadvertently trigger a debt should certain employees leave, retire or die. This will remove a significant risk from the YMCA movement.

Warning for period to 1 May 2011

However, please note that it is vital that you continue to employ at least one EDM up to and including 1 May 2011. Should your last EDM cease to be employed prior to 1 May 2011, you will still trigger a S75/cessation debt. Clearly this is mainly a concern for those PEs who currently employ only a very small number of EDMs.

If for any reason your last EDM wishes to retire or leave prior to 1 May 2011, please inform me or email ymcapensionhelp@firstactuarial.co.uk so that we can try and assist you in extending the planned leaving date until after 1 May 2011.

Next steps

You do not need to issue any further communication to EDMs. Pay awards made on or before 1 May 2011 will be notified to the YMCA Plan administrators and factored into deferred benefit calculations.

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In due course, the YMCA Plan administrators will issue deferred benefit statements to all former EDMs who by way of consent ceased to be EDMs on 1 May 2011. We understand that statements are planned to be issued in August 2011.

I have also enclosed with this letter the original signed consent letters or slips from your respective employees which should be placed on their personnel files as a record of a change to their terms and conditions. We have scanned copies of these for the pension trustee records.

I would like to take this opportunity to thank you and your colleagues who have assisted in this exercise for your support in allowing this project to be successfully implemented.

We appreciate the contributions received from Participating Employers and I have attached a summary of the costs of the exercise.

If you have any questions, again please contact me directly on DD: 0207 070 3669. Mobile: 07881 500236 or use the email helpline:
ymcapensionhelp@firstactuarial.co.uk

Yours sincerely



Bims Alalade
Director of Human Resources & Organisational Development

Enc: Consent forms/slips (Chief Execs only)



YMCA PENSION PLAN (THE "YMCA PLAN")

Summary of costs arising from exercise

Contributions received by participating employers = **£75, 200** equating to **90%** of contributions expected (£84,000).

Expenditure

| | |
|---|-------------------|
| First Actuarial – | £54,000 |
| Principal Employer Pension legal costs (Mayer Brown) - | £12661.35 |
| HR Employment Advice BWB - | £3,320 |
| Pension Trustee legal Advisor costs | £4,460.51 |
| Road show inc. travel, venues - | £1,089.60 |
| Printing, postage stationary | £1,500.00 |
| Totals | £77,031.46 |

NB these costs do not include staff labour costings

