

Pension bonuses are lost

The problem

ROBERT BUTCHER is troubled by some extra wording on his pension statements from Co-operative Insurance.

It says: "The guaranteed benefits for policies such as yours are currently, and are likely to remain, much higher than the value of the assets held in respect of such policies...this year we will not be adding any further annual bonuses to the valuable guaranteed benefits already secured by your policy..." Robert wants to know if this is unique to his plan and if he can challenge it. He says it is not in the original documents.

The solution

NO on all fronts, says independent pensions adviser Nicola Downs.

"In order to meet its long-standing obligations and cope with shortfalls, the Co-op, like many other providers, has cut bonuses." Nor could he contest it, Downs reckons. "While Robert's benefits are safeguarded, somewhere in the small print of his contract it will definitely be stated that bonuses are not."

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