

# Your Britannia Membership Reward (BMR) explained

## How is my reward payment calculated?

Details of how many BMR points you've earned can be found on your BMR Statement (see overleaf). We've calculated your 2009 reward by awarding BMR points for the eligible accounts and policies that you have with us.

The points you've earned are multiplied by the value of each point awarded (pence per point) to give the total amount of your reward payment.

The following factors have also been taken into account when calculating your payment:

- **How long you've been a Britannia member\*** If you've been a member\* continuously for 5 to 9 calendar years, we multiply your points total by 1.5. If you've been a member\* continuously for 10 calendar years or more, we double your points.
- **The number of account holders** If you have a joint account, the total number of points earned on that joint account are divided by the number of account holders there were on 31 December 2009. These points are then allocated to each account holder.
- **Opening and closing dates** For products that receive a fixed amount of BMR points, such as buildings insurance (awarded 50 points), the number of points is calculated according to the number of full months they've been open. For example, if a customer takes out a buildings insurance policy on 1 July, they will receive 25 BMR points, as the policy will have been open for only six months. Similarly, if an account is closed half way through the year, it will only earn reward points for the number of months it was open in that 12 month period. For all mortgage and investment accounts that earn points based on the average balance for the year, the number of points is calculated according to the average balance over 12 months.
- **Account limits** Savings accounts earn points for the first £22,000 of a member's\* total savings. Mortgage accounts earn points for the first £110,000 of a member's\* total mortgage advance.
- **Mortgage and personal loan arrears** If a mortgage or Britannia personal loan has been in arrears during the reward year (1 January to 31 December 2009) and that amount is equal to, or greater than, two monthly subscriptions/repayments, no points will be earned on any eligible products for those months when the mortgage or loan was in arrears.

## How is my reward paid?

Rewards are paid direct to nominated accounts. If no account has been nominated, the reward is paid into the first suitable account. If there is no suitable account, the reward is paid by cheque.

Where payment is made to a Britannia account that requires notice of withdrawal, you can withdraw all or part of your reward for up to five calendar months after the payment has been made without having to give notice or be charged. Payments of reward earned from ISA and Child Trust Fund accounts can be made to the account without affecting your annual allowance.

## Why have I received a split payment?

Payments can be split if you hold an ISA or Child Trust Fund account, with part being paid by cheque and part paid into a savings account. How your reward has been paid is clearly indicated on your BMR Statement (see overleaf).

## How is my reward taxed?

In previous years, the BMR payment was subject to tax at 20%. The only exceptions to this were accounts that are exempt from tax (such as ISAs and Child Trust Fund accounts). Now only the rewards earned on savings accounts (excluding ISAs and Child Trust Funds) are subject to tax. The table on your BMR statement (overleaf) clearly shows where tax has been deducted and where no tax has been paid.

If a customer is registered as a non-taxpayer or is a 10% taxpayer, they may reclaim any tax paid/overpaid in their reward from HM Revenue & Customs. You can request a Section 975 statement of deduction of tax to support your claim by calling us on 08457 522 522. If you're a higher rate tax payer you'll have to pay additional tax on the Gross Reward Earned to cover the difference between the tax deducted and the higher rate tax due.

## What can I do if I think my reward has been calculated incorrectly?

You can call the BMR helpline on 08457 522 522 or speak to an adviser in branch. Please note that you must let us know about any suspected error within three years of the reward being paid.

### A guide to your statement notes

In some cases a figure in brackets will appear after the 'Values on the points earned' section on your statement. These figures refer to the following notes on points allocation:

- (1) The points earned on this product have been limited as you have reached the maximum for this product type.
- (2) Your mortgage was a commercial mortgage as at the end of the reward year and consequently didn't earn points during that year.
- (3) The number of products you may hold of this type which can earn points within the scheme, is limited. As you hold more than this limit, this product has not earned any reward points.
- (4) Under the scheme rules we can't award points for this product.
- (5) Points haven't been awarded because the credit card was used fewer than six times in the previous reward year.

Account/Policy	Number of points awarded
• <b>Savings accounts</b>	1 point for every £100 invested up to a maximum investment of £22,000.
• <b>Cash ISAs</b>	1 point for every £100 invested up to a maximum investment of £22,000.
• <b>Mortgage accounts</b>	5 points for every £1,000 of the mortgage advance (less any capital requirements repayments made) up to a maximum advance of £110,000. Points are only allocated if one or more payment (i.e. subscription payment or a capital repayment) is made within the reward year.
• <b>Personal Loans</b>	50 points for every loan taken out after 17 August 1998. If the loan holder has taken out a Britannia payment care policy then they are awarded a further 50 points.
• <b>Credit Cards</b>	25 points are awarded to the principal card holder only. A further 25 points is awarded for credit card repayments cover. Reward points will only be received if the card has been used a minimum of six times in the reward year.
• <b>General Insurance policies</b>	<ul style="list-style-type: none"> <li>• 100 points for combined buildings and contents insurance.</li> <li>• 50 points for buildings insurance.</li> <li>• 50 points for contents insurance.</li> <li>• 25 points for accident and sickness.</li> <li>• 25 points for unemployment cover.</li> </ul> <p><b>Please note, any components that are offered free of charge will earn no points.</b></p>
• <b>AXA products</b>	25 points for AXA Sun Life plc and AXA Fund Managers Ltd products sold through Britannia.
• <b>Life Protection</b>	AXA Sun Life PLC and Liverpool Victoria policies sold through Britannia earn: <ul style="list-style-type: none"> <li>• 25 points for term insurance.</li> <li>• 25 points for critical illness protection.</li> <li>• 25 points for income protection.</li> </ul>
• <b>Britannia Life and Britannia Asset Management</b>	50 points for each qualifying product taken out prior to 1 January 2000.
• <b>Resolution Asset Management</b> (formerly Britannic Asset Management) and <b>Phoenix Life Limited</b> (previously Britannia Life) products	<ul style="list-style-type: none"> <li>• 25 points for each qualifying product.</li> <li>• For regulated products, points will be allocated for a maximum of one product in the current year and one from a previous year - the product must be held in the recipient's name to qualify for points.</li> </ul>
• <b>Stocks and Shares ISAs</b>	
• <b>Threadneedle ISAs</b>	

The above table is a summary to help you understand your BMR statement. For full details refer to the 'Payment rules and terms and conditions' which are available on request or can easily be downloaded from [britannia.co.uk/bmr](http://britannia.co.uk/bmr)

\*We refer to 'member' in the context of membership of the former Britannia Building Society, prior to the merger with The Co-operative Financial Services.