ROYAL LONDON

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KEY FEATURES OF THE COMBINED INDIVIDUAL PENSION PLAN

The Financial Conduct Authority is a financial services regulator. It requires us, Royal London, to give you this important information to help you to decide whether our Combined Individual Pension Plan is right for you. You should read this document carefully, so that you understand what you are buying, and then keep it safe for future reference.

This is an important document. Please read it, together with your illustration and keep them for future reference.

This document contains the following information:

- the aims of the Combined Individual Pension Plan
- your commitments
- the risks associated with the plan
- questions and answers that explain the plan's main features
- how to contact us.

ITS AIMS

- To hold a transfer of benefits from your current or previous employer's company pension scheme in your own name as that company pension scheme is being wound up.
- To apply the same charges and hold the same benefits in the same funds as were held for you in your current or previous employer's company pension scheme immediately before your plan was set up.
- To provide you with retirement benefits when you retire.
- To give you the option to provide an income to your beneficiaries such as your spouse, civil partner or dependants after you die.

YOUR COMMITMENT

- You can't normally access your retirement benefits prior to age 55.
- You can't make any further contributions into your plan.
- If the benefits being transferred from your current or previous employer's company pension scheme include a guaranteed minimum pension, you will not normally be permitted to use any part of the proceeds of your plan to provide retirement benefits until age 65 if you are a man or age 60 if you are a woman.

RISKS

- As was the case when your benefits were held under your current or previous employer's pension scheme, we cannot guarantee what benefits you will receive when you retire, apart from any guaranteed minimum pension. Various factors can alter your plan value. For example:
  - Investment performance, interest rates and charges may be different to those illustrated.
  - You might take some or all of your retirement benefits earlier than your normal retirement date. If you take your benefits earlier than your normal retirement date, you should think about reviewing your investment option as it may no longer be appropriate.
  - Tax rules depend on individual circumstances and may change.

- Investment returns are never guaranteed. This means the value of your investment can go down as well as up and you might not get back the value of the original investment.
- When you access all or part of your retirement benefits, it's important that you think about your needs in both the early and the later part of your retirement. It's your responsibility to ensure your retirement benefits don't run out and will last the rest of your life.
- You should be aware that taking a large cash lump sum could increase the amount of tax you pay. See the **What about tax?** section for details.
- If you invest in the Royal London With Profits fund, the Scottish Life Closed fund, including the Crest Secure fund or a combination of both, the value of your plan may be reduced by applying a market value reduction if you take money out of the fund before your normal retirement date. The market value reduction is applied to ensure that the amount we pay you is not unfairly higher than your share of the Royal London With Profits fund or the Scottish Life Closed fund.
- This plan is not suitable for everyone. If you are concerned that it may not be suitable for you, you should contact your financial adviser.

QUESTIONS & ANSWERS

What is a Combined Individual Pension Plan?

A Combined Individual Pension Plan allows you to continue to invest the benefits previously held for you in your current or previous employer's company pension scheme when that scheme is being wound up. This money can be used when you retire to provide you with an income for life, cash lump sum(s) and/or tax-free cash. The retirement income you receive will depend on the value of your plan at retirement. The plan is made up of one or more of the following accounts:

- a Crest Growth account; and/or
- a Crest Secure account; and/or
- a Retirement Solutions account.

Each account will have its own charges and allocation of investments.

If part, or the entire amount transferred into your Combined Individual Pension Plan represents a guaranteed minimum pension then this will be shown on your **Plan certificate** for your Crest Growth account and/or your Crest Secure account which will accompany your **Plan booklet**.

Unlike your current or previous employer's pension scheme, the Combined Individual Pension Plan is not written under trust. If you require information on the effect of this or if you have any doubts about whether this plan is suitable for you, you should contact your financial adviser.

What contributions can be made into my plan?

Only the transfer payment from your current or previous employer's company pension scheme can be paid into your plan. You can't pay any additional contributions into your plan.

Where is the transfer payment invested?

The transfer payment will be invested in the same investment funds under your plan as your current or previous employer's pension scheme. As mentioned above, your plan is made up of a Crest Growth account and/or a Crest Secure account and/or a Retirement Solutions account. You cannot switch your investment funds from one of these accounts to another

Crest Growth account

If your plan includes a Crest Growth account, all or part of your funds in that account may be pooled with those made by other investors in unit-linked funds. These are invested in a range of different types of asset, including company shares, property, bonds and cash.

The unit-linked funds are made up of units, which are bought with the relevant part of your transfer payment. The price of these units depends directly on the value of the investments in the unit-linked fund.

We work out the value of your investment in each unit-linked fund based on the total number of units you have in the fund and the bid price (the price at which we sell units). If the unit price rises or falls, so will the value of your investment in the unit-linked fund.

You can switch any funds held in a Crest Growth account between our unit-linked and with profits funds to change the mix of your investments, although there may be conditions and a charge for doing so. We don't currently charge for a switch of investments but we could do so in the future.

In exceptional circumstances, we have the right to delay a transfer of your benefits out of your plan, a switch of your investments or a request for retirement benefits not at your normal retirement date. We would do this to protect the interests of everyone invested in that particular fund.

The Crest Growth part of your plan qualifies for ProfitShare.

With profits

If your plan includes a Crest Growth account and all or part of the funds in this account are invested in the Royal London With Profits fund, the Scottish Life Closed fund or a combination of both, these will be used to buy units. The unit price is normally recalculated on each business day. Instead of receiving direct investment returns, for example dividends, rents, interest and capital appreciation, with profits planholders receive bonuses. Regular bonus is included in the unit price. In addition, a final bonus may be payable on retirement, death, transfer or on switching to other funds.

We work out the value of your investment in the Royal London With Profits fund and the Scottish Life Closed fund based on the total number of units you have and any final bonus due. We may reduce this value by applying a market value reduction if you take money out of the fund at any other time than your normal retirement date or on your death.

The investments are in a wide spread of shares (both UK and overseas), Government stocks, property and other types of assets. If you are invested in the Royal London With Profits fund, the Scottish Life Closed fund or a combination of both, or are considering investing in the Royal London With Profits fund, you can ask us for a copy of the relevant booklet **A guide to how we manage our with profits fund** which you should read together with this key features document. This guide is a customer-friendly version of our **Principles and Practices of Financial Management**. It is important that you read and understand this document as it describes the way in which we manage our with profits business.

Crest Secure account

If your plan includes a Crest Secure account, all of your funds in that account will be invested in the Crest Secure fund. This fund is part of the Scottish Life Closed fund and is the only investment option for this part of your plan. Each year we declare a rate of growth (if any) that is applied to this part of your plan.

The rates of growth declared (if any) are set by the Directors upon receiving actuarial advice, and will, over the long term, reflect the returns on the investments made but are not directly linked to the performance of a specific investment fund or index.

We may reduce the value of your investment in the Crest Secure fund by applying a market value reduction if you take money out of the fund at any other time than your normal retirement date or on your death.

The investments are in a wide spread of shares (both UK and overseas), Government stocks, property and other types of assets. If you have a Crest Secure account, you can ask us for a copy of the booklet **A guide to how we manage our with profits fund** which you should read together with this key features document. This guide is a customer-friendly version of our **Principles and Practices of Financial Management**. It is important that you read and understand this document as it describes the way in which we manage our with profits business.

The Crest Secure part of your plan does not qualify for Profitshare.

Retirement Solutions account

If your plan includes a Retirement Solutions account, all or part of your funds in that account may be pooled with those made by other investors in unit-linked funds. These are invested in a range of different types of asset, including company shares, property, bonds and cash.

The unit-linked funds are made up of units, which are bought with the relevant part of your transfer payment. The price of these units depends directly on the value of the investments in the unit linked fund. You can read about the investment options in our **Pension investment options guide**.

We work out the value of your investment in each unit-linked fund based on the total number of units you have in the fund and the unit price (the price at which we buy and sell units). If the unit price rises or falls, so will the value of your investment in the unit linked fund.

You can switch any funds held in a Retirement Solutions account between our unit-linked and with profits funds to change the mix of your investments, although there may be conditions and a charge for doing so. We don't currently charge for a switch of investments but we could do so in the future.

In exceptional circumstances, we have the right to delay a transfer of your benefits out of your plan, a switch of your investments or a request for retirement benefits not at your normal retirement date. We would do this to protect the interests of everyone invested in that particular fund.

The Retirement Solutions part of your plan qualifies for ProfitShare.

With profits

If your plan includes a Retirement Solutions account and all or part of the funds in this account are invested in the Royal London With Profits fund, the Scottish Life Closed fund or a combination of both, these will be used to buy units. The price of these units stays the same and the investment performance is paid out as additional units when we allocate regular and final bonuses to your plan.

We work out the value of your investment in the Royal London With Profits fund, the Scottish Life Closed fund or a combination of both, based on the total number of units you have, any regular bonus due but not yet paid, and any final bonus due. We may reduce this value by applying a market value reduction if you take money out of the fund at any other time than your normal retirement date or on your death.

The investments are in a wide spread of shares (both UK and overseas), Government stocks, property and other types of assets. If you are invested in the Royal London With Profits fund, the Scottish Life Closed fund or a combination of both or are considering investing in the Royal London With Profits fund, you can ask us for a copy of the relevant booklet **A guide to how we manage our with profits fund** which you should read together with this key features document. This guide is a customer-friendly version of our **Principles and Practices of Financial Management**. It is important that you read and understand this document as it describes the way in which we manage our with profits business.

ProfitShare

We believe our customers should benefit from our success. That's why we'll aim to give your retirement savings an extra boost by adding a share of our profits to your plan each year. We've called this your **ProfitShare.**

How ProfitShare works

We'll review our financial strength and performance at the end of each year to decide if ProfitShare can be awarded. You'll qualify for ProfitShare as long as your plan was in force at any time during the year.

We aim to award between 0.15% - 0.25% of the value of your plan on 1 April the following year, as long as your plan is still in force. Over time, this will help to boost your retirement savings. You could get more or less than this and there's no guarantee that we'll be able to award ProfitShare every year.

We'll write to let you know what your ProfitShare award will be and we'll add it to a separate ProfitShare account within your plan in April. It will be based on the value of your plan at the date of the award and will be invested in the same investment choice as your other retirement savings to help it grow.

Any ProfitShare you're awarded will belong to you. We'll never ask for it back.

You can take the value of your ProfitShare account along with the rest of your retirement benefits any time after age 55.

If you invest in with profits, we'll work out your ProfitShare in a different way. You can find more information in **A guide to how we manage our with profits fund**. This is a customer-friendly version of our **Principles and Practices of Financial Management.**

What might I get when I take my benefits?

Your **illustration** will provide an indication of what you might get back at your normal retirement date, although this can't be guaranteed.

What can I do with my plan when I take my benefits?

Any time after age 55, you will have access to your retirement savings. You don't need to do anything immediately as your retirement savings can remain invested, but you will need to make a decision before you reach age 75.

You will normally be able to use your plan value to:

- take a cash lump sum which can be some or all of your retirement savings, however only 25% of what you take will be tax-free,
- buy an annuity which will provide you with an income for life, or up to 25% tax-free cash and a smaller income for life,
- transfer to an income drawdown plan so you can receive an income and/or cash lump sum(s)
- or, a combination of all the options.

An annuity is a financial product that provides a guaranteed retirement income for life in return for a lump sum payment.

Different types of annuity are available to suit your individual circumstances.

If you want to buy an annuity, you don't have to buy it from us. You can buy it from any annuity provider and can shop around to find the best rates and products for you.

An income drawdown plan is a financial product that normally provides you with tax-free cash and an income directly from your plan. The income you receive is not guaranteed for life.

If you want to transfer to an income drawdown product you can shop around to find the best product for you.

You do not need to have stopped working to take retirement benefits from your plan.

If the benefits being transferred from your current or previous employer's company pension scheme include a guaranteed minimum pension, there are restrictions around when and how you can take your benefits these are described in the **What is a guaranteed minimum pension?** section.

What is a guaranteed minimum pension?

A guaranteed minimum pension is the minimum retirement income that an occupational pension, scheme has to provide for employees who were contracted-out of the additional state pension on the relevant basis for a period between 6 April 1978 and 5 April 1997.

If the benefits being transferred from your current or previous employer's company pension scheme include a guaranteed minimum pension, the same restrictions that applied under that scheme in relation to when you can take and how you can structure your retirement income will continue to apply under your plan – i.e.

- You will not normally be permitted to use any part of the proceeds of your plan to provide retirement benefits until age 65 if you are a man or age 60 if you are a woman.
- You won't be able to take a tax-free cash sum from the part of your plan which is to be used to provide the guaranteed minimum pension.
- You won't normally be able to take a cash lump sum, other than a tax-free cash sum from your plan if your plan includes a guaranteed minimum pension.
- That part of your guaranteed minimum pension that relates to your employment before 6 April 1988 (if any) will not increase. If you are male, you must buy an annuity that continues to be paid at half the rate to your wife or civil partner when you die. This applies whether or not you're married when you start taking your income.
- That part of your guaranteed minimum pension that relates to your employment on or after 6 April 1988 (if any) must increase by 3% a year and must include an annuity that continues to be paid at half the rate to your husband, wife or civil partner when you die. This applies whether or not you're married when you start taking your annuity.

What happens if I die?

We will normally pay out your plan value as a lump sum to your legal personal representatives unless part of the plan has to be used to buy a pension for your beneficiaries such as your spouse, civil partner or dependants. This could happen if the transfer payment into your plan includes a guaranteed minimum pension.

If you set up a trust to receive the death benefits, we will pay the lump sum to the trustees.

What are the charges?

We'll apply a charge for managing your plan. The **illustration** for each of your accounts under your plan shows the charges that apply to each of these accounts and the effect they have on the value of your retirement savings over its term.

If you transferred a pension into your current or previous employer's pension plan, the trustees may have used an option to increase the value payable on your death. There was a charge for using this option. This charge was deducted from your retirement savings each year. It will continue to be taken from this plan. If you transfer the benefits out of your plan to another pension plan or take your retirement benefits early, we will reduce the value of your plan because you will not have paid the full cost of this option.

What about tax?

Our pension investment funds are generally free of UK income and capital gains tax. However, we can't reclaim tax deducted at source from the dividends of UK company shares.

There is a limit on the maximum value of retirement benefits that you can accumulate without being subject to a tax charge. This limit is known as the lifetime allowance. If you want to find out more, you should contact your financial adviser or visit our website **royallondon.com**

You don't receive tax relief on the transfer payment into your plan.

The retirement income you receive will be taxable as earned income. You can normally take up to 25% of the value of your plan tax-free, however the remainder of your plan will be taxed as earned income. If you take a large cash sum you could end up paying more tax. It's important to check whether the cash sum will push you into a higher tax bracket.

Any death benefits are normally payable tax-free.

Tax rules depend on individual circumstances and may change.

We recommend you get professional advice if you need more information on tax.

Can I transfer my plan?

You can ask to transfer the benefits out of your plan to another pension plan at any time. You must transfer all of the benefits from your plan at the same time.

If you decide to transfer the benefits out of your plan, we may take a charge from the plan value. If you transferred a pension into your current or previous employer's pension plan and the trustees had used an option to increase the value payable on your death, a charge will be taken from your plan value. The **illustration** for each of your accounts under

your plan gives examples of how much you could transfer to another pension plan depending on when you transfer.

If your plan provides a guaranteed minimum pension, this guarantee may be lost on transfer, and in some circumstances it may not be possible to transfer your plan proceeds before you reach age 65 if you are a man or age 60 if you are a women.

If you decide to transfer your plan, we may take a market value reduction from the plan value. This could happen if you have invested in the Royal London With Profits fund, the Scottish Life Closed fund including the Crest Secure fund or a combination of these.

Can I change my mind?

No, your plan cannot be cancelled.

How will I know how my plan is doing?

We will send you yearly statements to show you how your plan is doing. You will get one yearly statement for each account.

You can check the prices of the funds you are invested in online.

You can find out your plan value by phoning our customer helpline or you can get an online valuation at any time. Our contact details can be found in the **How to contact us** section.

HOW TO CONTACT US

If you have any queries regarding your plan, you can contact us by the following methods:

Royal London
PO Box 413
Royal London House
Alderley Road,
Wilmslow, SK9 1PF

0345 60 50 050 Monday to Friday 8am – 6pm.

We may record calls to help improve our customer service.

customerqueries@royallondon.com Please make sure you quote your plan number on correspondence, or have it to hand when you phone us.

OTHER INFORMATION

How to complain

If you have any complaints against us in connection with the plan, please write to our Customer Relations Team.

Customer Relations Team
Royal London House
Alderley Road
Wilmslow, SK9 1PF.

0345 60 50 050 Monday to Friday 8am – 6pm. We may record calls to help improve our customer service.

customer.relations@royallondon.com Please make sure you quote your plan number on correspondence, or have it to hand when you phone us.

If you're not satisfied with our response, you can refer the complaint to The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone: 08000 234 567.

Complaining to the Ombudsman won't affect your legal rights.

Terms and conditions

These key features give a summary of the Combined Individual Pension Plan. They don't include all definitions, exclusions, terms and conditions.

You will receive a copy of the full terms and conditions as detailed in our **Combined Individual Pension Plan booklet** after you have taken out the plan.

We have the right to change some of the terms and conditions, including the charges. We will write to you and explain the changes if this happens.

It may become impossible to comply with the terms and conditions, due to a change in legislation for example. We will tell you if this happens.

Terms and conditions and all communications will be in English.

Law

The terms and conditions applying to your plan are governed by English Law unless we agree with you that a different law should apply.

Client classification

The Financial Conduct Authority requires us to classify our customers to ensure they get the appropriate level of protection under their rules. You've been classified as a retail client which means you will benefit from the highest level of protection available.

Compensation

If you seek financial advice, your financial adviser must recommend products that are suitable for you. You have a legal right to compensation if, because of what your adviser recommends, you lose out by taking out a plan that wasn't suitable for your needs at that time.

If we were to become unable to meet our liabilities under your plan, you may be entitled to compensation through the Financial Services Compensation Scheme. If you would like more information about the compensation arrangements that apply, please ask a financial adviser or contact us direct.

About us

The Royal London Mutual Insurance Society is a customer-owned life, pensions and investment company.

Royal London
1 Thistle Street, Edinburgh EH2 1DG
royallondon.com

All literature about products that carry the Royal London brand is available in large print format on request to the Marketing Department at Royal London, 1 Thistle Street, Edinburgh EH2 1DG.
All of our printed products are produced on stock which is from FSC® certified forests.

January 2016 13KF1128/3