ROYAL LONDON

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KEY FEATURES OF THE RETIREMENT SOLUTIONS COMPANY 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 decide whether our Retirement Solutions Company Pension Plan is right for you. You should read this document carefully, so that you understand what you're buying, and then keep it safe for future reference.

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

This document contains the following information:

- the aims of the Retirement Solutions Company Pension Plan
- your commitments on behalf of the scheme members
- the risks associated with the plan
- questions and answers that explain the plan's main features
- how to contact us.

ITS AIMS

- To build up a sum of money tax efficiently which, depending on the scheme rules, will provide members with retirement savings any time after age 55.

YOUR COMMITMENT

- You agree to make regular contributions on behalf of the employer and members.
- You administer the plan in line with the scheme rules.
- You tell us if members' circumstances change. For example, if a member no longer has UK earnings or are no longer resident in the UK.

RISKS

- We can't guarantee what members will get back at their normal retirement date. Various factors can alter their account value. For example:
  - Investment performance, interest rates and charges may be different to those illustrated.
  - Members could stop making regular contributions or take a contribution holiday.
  - Members might take some or all of their retirement savings earlier than their normal retirement date.
  - Tax rules depend on individual circumstances and may change.
  - Investment returns are never guaranteed. So while there's a chance members' retirement savings could grow, their value can also go down. This means they could get back less than they started with.
- Members should be aware that taking a large cash lump sum could increase the amount of tax they pay. See the **What about tax?** section for details.

- If the plan's started with a single contribution or transfer payment and is then cancelled within 30 days, the amount returned will be less than the amount paid in if the value of the investment has fallen. The amount returned may also be reduced if you've agreed that an adviser will receive an adviser charge payment that's to be deducted from a member's account for services provided to that member by an adviser in respect of their account.
- If members transfer retirement savings from another pension plan, they may be giving up valuable benefits, and there's no guarantee that their retirement savings will be more than if they'd stayed in the previous plan.
- If a member invests in the Royal London With Profits fund, we may reduce this value by applying a market value reduction if they take money out of the fund at any other time than their normal retirement date. The market value reduction is applied to ensure that the amount we pay to members isn't unfairly higher than their share of the Royal London With Profits fund.
- Putting even small amounts into a pension plan can affect a member's entitlement to means tested State benefits.

QUESTIONS AND ANSWERS

What is a company pension scheme?

A company pension scheme allows members to build up money tax efficiently for retirement to provide them with an income for life, cash lump sum(s) and/or tax-free cash.

We designed the Retirement Solutions Company Pension Plan for people who want to build up tax efficient savings in a flexible way.

Each member has an account within the scheme.

The trustees run the scheme on the employer's behalf. As the scheme is established under trust, each member's account is held separately from the employer's business.

What contributions can be made into the plan?

The employer can make regular contributions to each member's account.

Members may be required to make contributions to their account at an agreed rate. They may also pay Additional Voluntary Contributions (AVCs) if they're offered.

Members can also make single contributions at any time and may be able to transfer their retirement savings from another pension plan into their account.

Members can ask to stop contributing to their account completely or take a contribution holiday. Members can then restart contributions again. Stopping or reducing contributions may reduce the amount members get back from their account.

Members' contributions are taken from their salary before tax is deducted.

Members may be able to make contributions using salary exchange. The employer decides the basis on which contributions are made for the scheme.

Contributions made using salary exchange

Salary exchange is an agreement between a member and employer where the member voluntarily exchanges part of their gross salary in return for employer contributions into their account.

These contributions are taken before tax and National Insurance Contributions (NIC) are paid. As members' salaries are reduced, they pay less tax and NIC. Salary exchange may not be suitable for everyone. You should speak to a financial adviser for more information.

Where are the contributions invested?

Contributions are pooled with those made by other investors in unit-linked funds. These are invested in a range of different types of funds, including company shares, property, bonds and cash.

The unit-linked funds are made up of units, which members buy with their contributions. The price of these units depends directly on the value of the investments in the fund.

We work out the value of each member's investment in each unit-linked fund based on the total number of units they 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 their investment in the unit-linked fund.

You can read about the investment options in our **Pension investment options** guide.

Your adviser may have created an additional range of investment options for your plan.

We'll invest members' contributions according to the scheme's default investment choice as detailed in the member's **illustration**.

With your agreement, members can switch their investments or change the investment choice for future contributions, although there may be conditions and a charge for doing so.

We have the right to delay a transfer, switch of investments or retirement not at the normal retirement date. We'd do this to protect the interests of everyone invested in that particular fund.

With profits

Any contributions into the Royal London With Profits fund are 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 the plan.

We work out the value of your investment in the Royal London With Profits fund 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 members take money out of the fund at any other time than their normal retirement date.

If you're considering investing in the Royal London With Profits fund, we'll give you 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's 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 share in our success. That's why we'll aim to give members' retirement savings an extra boost by adding a share of our profits to their account each year. We've called this **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.

We aim to award between 0.15% and 0.25% of the value of the member's account. They could get more or less than this and there's no guarantee that we'll be able to award ProfitShare every year.

ProfitShare awards will be applied in April each year as long as the member's account was in force on 31 December the previous year and on the date the award is given. They'll be based on the value of their account at the date of the award and will be invested in the same investment choice as their other retirement savings to help it grow.

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

Members can take any ProfitShare they've built up along with the rest of their retirement savings any time after age 55.

If you invest in with profits, we'll work out members' ProfitShare in a different way. You can find more information in the **Royal London With Profits** factsheet.

Members won't qualify for ProfitShare if the scheme started before 1 July 2001.

What might members get when they retire?

The member's **illustration** will provide an indication of what they might get back at their normal retirement date, although this can't be guaranteed.

What can members do with their account when they access their retirement savings?

Depending on the scheme rules, members will normally have access to their retirement savings any time after age 55. They don't need to do anything immediately, as their retirement savings can remain invested, but they need to make a decision before they reach age 75.

They'll be able to use their account value to:

- take a cash lump sum which can be some or all of their retirement savings, however only 25% of what they take will be tax-free
- buy a secure income which will provide them with an income for life, or up to 25% tax-free cash and a smaller income for life, this is often called 'an annuity'
- transfer to an income drawdown plan so they 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 individual circumstances.

If members want to buy a secure income, they don't have to buy it from us. They can shop around to find the best rates and products for them.

An income drawdown plan is a financial product that normally provides members with tax-free cash and an income directly from their plan. The income they receive isn't guaranteed for life.

If members want to transfer to an income drawdown product, they can shop around to find the best rates for them.

Members don't need to have stopped working to take retirement savings from their plan.

When members access all or part of their retirement savings, it's important that they think about their needs in both the early and the later parts of their retirement. It's their responsibility to ensure their retirement savings don't run out and will last the rest of their life.

What happens if the member dies?

We'll normally pay out the member's account value as a lump sum.

If the member dies after they've started taking their retirement income, a secure income will be paid to their beneficiaries such as their spouse, civil partner or dependants, if they choose this option at their retirement.

What happens if a member leaves their employer?

If a member leaves their employer, they must stop their contributions to their account. Any contributions made by the employer will also stop.

The member's options will depend on how long they've been a member of the scheme.

What are the charges?

We'll apply a charge for managing the scheme and investments.

Members don't need to receive individual advice or agree an adviser charge with a financial adviser to join the Company Pension Plan. And if they do agree an adviser charge with a financial adviser, these charges must relate to the specific services they receive on their account. The financial adviser must discuss and agree the services they'll provide to members in return for any adviser charges that will be deducted from the members' accounts.

If you, the member or their employer instruct us to make any additional transfer in, single contribution or increase to the regular contributions and also confirm that an adviser isn't being used, we may apply an additional administration charge to the member's account.

The charge isn't subject to Value Added Tax (VAT).

The member's **illustration** will show you the charges that will apply to the account, including any charges for the advice and services a financial adviser will provide. It will show when the charges will be deducted from members' accounts and how they may affect the value of their retirement savings.

If before a member reaches their normal retirement age, they die or they transfer their retirement savings away, we may deduct any outstanding initial charges you may have agreed can be deducted from their account in return for advice and/or services that have been provided to the member before we pay out their account value. Our charges are regularly reviewed and could change in the future.

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 are limits on the amount members can invest in pension plans and on the maximum value of retirement savings that they can build up without being subject to a tax charge. These limits are known as the annual allowance and the lifetime allowance. If you want to find out more, speak to a financial adviser or visit your pension website.

If members want to make contributions to their plan after they've taken all or some of their retirement savings, they may be limited to what they can contribute and receive tax relief on. This is known as the money purchase annual allowance (MPAA). Please note that this is considerably lower than the annual allowance and relates to any pension plan they may have, not just this one.

Members don't receive tax relief on payments they transfer into their account from another pension plan.

If a member moves overseas, restrictions may apply. To find out more, speak to your financial adviser.

If a member dies, there's normally no inheritance tax payable on the value of their account, unless it forms part of their estate.

The retirement income a member will receive will be taxable as earned income. Members can normally take up to 25% of the value of their account tax-free, however the remainder of their account will be taxed as earned income. If members take a large cash sum they could end up paying more tax. It's important that members check whether the cash sum will push them into a higher tax bracket.

Tax rules depend on individual circumstances and may change.

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

Members' contributions are taken from their salary before tax is deducted.

Can a member transfer their account?

A member can transfer their account to another pension plan at any time, as long as you agree. The member's **illustration** gives examples of how much they could potentially transfer to another pension plan, depending on when they transfer and how the investment has performed.

Can I change my mind?

You can change your mind within 30 days of receiving your plan documents. If you decide you don't want the plan, you must write and tell us. You can contact us in writing by using the details in the **How to contact us** section. We'll then give you your contributions back. If any members have taken any lump sums from their account, these would need to be repaid. If we don't hear back from you in 30 days, your plan will continue.

If a member made a transfer payment to their account, we'll pay the money back to the other pension provider it came from. If the transfer payment came from an occupational pension scheme, the trustees of the transferring scheme may not accept the transfer payment back.

If a single contribution or transfer payment has been made and the account value has fallen by the time it's cancelled, the amount returned will be the account value. This will be less than the amount paid in. If the account value has increased by the time it's cancelled, the amount returned will be the value of the contributions.

If the member agreed charges with a financial adviser for services provided in relation to their account, the amount returned will be reduced by any charge payments that you may have agreed could be paid to the adviser from the member's account. This will be less than the amount paid in. You'll find more details about this in your **Plan details** which you'll receive when you take out your plan.

How will members know how their accounts are doing?

We'll send you a yearly statement to show how members' accounts are doing.

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

You can find out account values 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.

To register for our online service, visit **royallondon.com/onlineservice**

HOW TO CONTACT US

If this plan was arranged by a financial adviser, they should be your first point of contact. We're unable to provide financial advice.

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

Royal London
PO Box 413
Royal London House
Alderley Road
Wilmslow
Cheshire
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 a complaint against us in connection with your plan, please contact our Customer Relations Team.

Customer Relations Team
Royal London House
Alderley Road
Wilmslow
Cheshire
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 Pensions Advisory Service (TPAS) who can be contacted at 11 Belgrave Road, London, SW1V 1RB or The Pensions Ombudsman who can be contacted at 10 South Colonnade, Canary Wharf, E14 4PU.

Complaining to TPAS and The Pensions Ombudsman won't affect your legal rights.

Terms and conditions

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

If you'd like a copy of the full terms and conditions as detailed in our **Company Pension Plan booklet**, please contact us.

We have the right to change some of the terms and conditions, including the charges. We'll 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'll 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'll 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'd like more information about the compensation arrangements that apply, please ask a financial adviser or contact us direct.

Benefits we might give your adviser

To help improve the quality of service your adviser gives you, we might give them small non-cash benefits such as marketing and promotional support and technical services and training. Your adviser should tell you about any benefits they receive upfront.

Our conflict of interest policy

We've designed our conflict of interest policy to:

- Identify potential conflicts of interest that might be a significant risk to our customers.
- Make sure we take reasonable steps to prevent these conflicts from happening.
- Help us manage these conflicts to protect our customers' interests.

If you'd like more information about our conflict of interest policy, just get in touch.

About us

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

SOLVENCY AND FINANCIAL CONDITION REPORT

We want to provide you with clearer information about Royal London's financial position, so we've created a Solvency and Financial Condition report. This report will provide more details about Royal London's business and company performance. You can access the report from **royallondon.com/solvency**

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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.

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