



## keyfacts<sup>®</sup>

### KEY FEATURES OF THE TALISMAN GROUP 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 Talisman Group 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 Talisman Group Pension Plan.
- Your commitments if you take out the plan.
- The risks associated with the plan.
- Questions and answers that explain the plan's main features.
- How to contact us.

This plan meets your demands and needs if you want to save for your retirement.

#### ITS AIMS

- To build up a sum of money tax efficiently, which provides you with retirement savings any time after age 55.

#### YOUR COMMITMENT

- You and/or your employer agree to make regular payments to your plan until your selected retirement date. You can also make a single payment or transfer payment from another pension plan.
- You agree to tell us if your circumstances change. For example, if you no longer have UK earnings or are no longer resident in the UK.
- You need to let the plan build up until you're allowed to access your retirement savings.
- If you take retirement savings from another pension plan, you need to tell us as this may trigger the money purchase annual allowance. For more information about this, see the **What about tax?** section.

#### RISKS

- We can't guarantee what you'll get back at your selected retirement date. Various factors can alter your plan value. For example:
  - Investment performance, interest rates and charges may be different to those illustrated.
  - You could stop making regular payments or take a payment holiday.
  - You might take some or all of your retirement savings earlier than your selected retirement date. If you take your retirement savings earlier than your selected 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 in the future.
- Investment returns are never guaranteed. So while there's a chance your retirement savings could grow, their value can also go down. This means you could get back less than you started with.
- 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 start your plan with a single payment or transfer payment and then cancel it within 30 days, the amount returned will be less than you paid in if the value of your investment has fallen.

- If you transfer retirement savings from another pension plan, you may be giving up valuable benefits, and there's no guarantee that your retirement savings will be more than if you stayed in your previous plan.
- If you invest in the Royal London With Profits fund the value of the fund may be reduced by applying a market value reduction if you take money out of the fund before your selected retirement date. The market value reduction is applied to ensure that the amount we pay you isn't unfairly higher than your share of the Royal London With Profits fund.
- Putting even small amounts into a pension plan can affect your entitlement to means tested State benefits.

## **QUESTIONS & ANSWERS**

### **What is a Talisman Group Pension Plan?**

A Talisman Group Pension Plan allows you to build up money tax efficiently for retirement to provide you with an income for life, cash lump sum(s) and/or tax-free cash.

We designed the plan for people who want to build up tax efficient savings in a flexible way.

### **Is this a stakeholder pension plan?**

No, this isn't a stakeholder pension because it doesn't meet the stakeholder criteria for payments and charges set out by the Government.

Stakeholder pensions are widely available. You should consider whether a stakeholder pension plan would meet your needs as well as the Talisman Group Pension Plan. You should discuss this with a financial adviser.

### **What payments can be made into my plan?**

You and/or your employer can make regular payments to your plan. You can also make single payments at any time. If you have another pension plan, you may be able to transfer it into this plan.

You'll make payments into your plan either from your net pay or using salary exchange. Your employer will tell you on which basis you make payments.

### **Payments made from your net salary**

Your payments are taken from your salary, after tax has been paid, and are paid to us by your employer. Your regular payments are usually paid monthly and can be paid as a percentage of your salary or as a fixed amount.

We add tax relief at the basic rate and invest it in your plan. We then reclaim the basic rate tax relief from Her Majesty's Revenue and Customs. If you're an intermediate rate (Scottish taxpayers only), higher rate or additional rate taxpayer, you could be entitled to claim more tax relief through a self-assessment tax return or by contacting your local tax office.

You'll receive tax relief on all regular and single payments you make to your plan up to a maximum of £3,600 a year, or 100% of your earnings, whichever is greater.

You can ask to change your regular payment amount at any time.

You can stop making payments, or reduce payments to your plan. You can also take a payment holiday and then restart payments again. Stopping or reducing payments may reduce the amount you get back from your plan and it may also reduce the amount of payments your employer pays in. You can ask us for more information about the effect of stopping or reducing your payments.

To make sure that you qualify for a payment holiday, you must tell us before you stop making payments. You should also tell us if you want to continue any life cover. If you choose to continue any life cover we'll continue to deduct the cost of this from your fund.

Tax rules depend on individual circumstances and may change in the future.

You can ask us for more information about the effect of stopping or reducing your payments.

There may be a charge for stopping or reducing payments, or taking a payment holiday. For further information, see the **What are the charges?** section.

If you stop making payments you can transfer the value of your plan to another pension plan or leave your plan invested with us provided that it meets certain minimum conditions. If your plan does not meet these conditions it will lapse without value unless it's transferred elsewhere.

### **Payments made using salary exchange**

Salary exchange is an agreement between you and your employer where you voluntarily exchange part of your gross salary in return for employer payments into your plan.

These payments are taken before tax and National Insurance Contributions (NIC) are paid. As your salary's reduced, you pay less tax and NIC.

Salary exchange may not be suitable for everyone. You should speak to your employer for more information.

## Where are the payments invested?

Your payments, including any made on your behalf, 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 you buy with your payments. The price of these units depends directly on the value of the investments in the fund.

Your payments buy units at the 'offer' price and you will sell your 'units' at the 'bid' price. The bid price is approximately five per cent lower than the offer price.

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 bid price rises or falls, so will the value of your investment in the unit-linked fund.

If you don't tell us where to invest your payments, we may invest them in the RLP Deposit fund.

You can switch your investments or change the investment choice for future payments, although there may be conditions and a charge for doing so.

We have the right to delay a transfer, switch of investments or retirement before or after your selected retirement date for up to one month (or six months if you are invested in property). We'd do this to protect the interests of everyone invested in that particular fund.

## **With Profits**

Any payments 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 your 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 you take money out of the fund at any other time than your selected 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 your retirement savings an extra boost by adding a share of our profits to your plan each year. So if we do well, so do you. 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.

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

Your ProfitShare award will be applied in April each year as long as your plan was in force on 31 December the previous year and on the date the award is given. It'll 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 savings 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 the **Royal London With Profits Fund** factsheet.

## What might I get when I access my retirement savings?

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

## What can I do with my plan when I access my retirement savings?

When you access all or part of your retirement savings, 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 savings don't run out and will last the rest of your life.

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

You'll 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 a secure income which will provide you 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 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.

You don't need to have stopped working to take tax-free cash and/or retirement income from your plan.

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

If you want to buy a secure income, you don't have to buy it from us. You 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 isn't guaranteed for life.

If you want to transfer to an income drawdown product, you don't have to buy it from us. You can shop around to find the best product for you.

You don't need to have stopped working to take retirement savings from your plan.

Your plan is made up of 1,000 identical, separate arrangements giving you the flexibility to take your retirement savings all at once or in stages.

### **What happens if I die?**

We'll normally pay out your plan value as a lump sum to the individuals you've nominated such as your spouse, civil partner or dependants on your death.

Your employer will pay the cost of any additional life cover provided by the scheme.

Alternatively, you can request that we use your plan value to provide an income for your beneficiaries such as your spouse, civil partner or dependants on your death.

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

### **What happens if I leave my employer?**

If you leave your employer you can continue to pay regular payments at their current level. Automatic increases to your regular payments are allowed if the increases were arranged before 1 January 2013. These payments must be made by direct debit.

Single payments and transfer payments can't be paid into the plan.

All payments made by your employer will stop.

### **What are the charges?**

We deduct charges to cover the costs of setting up your plan, ongoing administration and depending on how your plan is set up, the cost of advice provided by your employer's financial adviser.

The charges are not guaranteed and may vary. They may include:

- The percentage of your payments used to buy units may be more or less than 100%. Your **illustration** shows the actual amount allocated.
- All our pension funds have a fund management charge of 1% a year. This charge is built into the fund prices of the units in our unit-linked funds and is deducted on a daily basis. It's taken into account when calculating our With Profits fund annual bonus rates. If your plan is invested in an external fund a different charge may apply depending on the selected fund.
- Your payments buy units at the 'offer' price and you will sell your units at the 'bid' price. The bid price is approximately five per cent lower than the offer price.
- An initial administration charge of £25 may be deducted from any single payments and transfer payments paid to the plan.
- A payment holiday may be taken while you remain in the group plan. If a member charge applies to your plan it will continue to be deducted during a payment holiday. Regular payments can be reinstated at any time.
- A charge may also apply if you take your retirement savings or transfer your plan more than five years before your selected retirement date. This charge reduces the value of your fund. The amount is calculated taking into account the regular payments you've paid, the amount of commission paid to your employer's financial adviser, how long it's until you reach your selected retirement date and how long your plan has been running.

- If you're invested in the with profits fund and decide to transfer your plan we may reduce this value by applying a market value reduction factor.
- The charges will include the cost of any commission payable to your employer's financial adviser. Your **illustration** shows the amount.

We may add additional bonus units to your plan at each scheme anniversary. The percentage applicable to your plan is shown in your **illustration**, if applicable.

### **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 you can invest in pension plans and on the maximum value of retirement savings that you 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 make payments to your plan after you've taken all or some of your retirement savings, you may be limited to what you can contribute and receive tax relief on. This is known as the money purchase annual allowance. Please note that this is considerably lower than the annual allowance and relates to any pension plan you may have, and not just this one.

If you want to find out more, speak to your financial adviser or visit our website **royallondon.com/pensions**.

You don't receive tax relief on payments you transfer into your plan from another pension plan.

If you move overseas restrictions may apply. To find out more, speak to a financial adviser.

If you die there's normally no inheritance tax payable on the value of your plan unless it forms part of your estate.

The retirement income you receive will be taxable as earned income. You can 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 in the future.

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

### **Can I transfer my plan?**

You can transfer your plan to another pension plan at any time.

If you decide to transfer your plan, we may take a charge from the plan value. For further information, see the **What are the charges?** section. We can provide written transfer value quotes on request.

If all or part of your retirement savings are invested in the Royal London With Profits Fund we may also apply a market value reduction.

This market value reduction is applied to ensure that the amount we pay in settlement of the transfer payment isn't unfairly higher than your share of the Royal London With Profits Fund.

Your **illustration** gives examples of how much you could transfer to another pension plan, depending on when you transfer. These are illustrative figures and are not guaranteed.

### **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 payments back. If you have taken any lump sum(s) from your plan, these would need to be repaid.

If you made a transfer payment to the plan we'll pay the money back to the other pension provider it came from. If the transfer came from an occupational pension scheme, the trustees of the transferring plan may not accept the transfer value back if you decide to cancel the plan.

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

If we don't hear back from you in 30 days your plan will continue.

### **How will I know how my plan's doing?**

We'll send you a yearly statement to show you how your plan's doing.

You can check the prices of the funds you are invested in by visiting our website **www.royallondon.com**.

You can get your plan value by phoning our customer helpline on 0345 60 50 050.

You can also get an online valuation at any time. To register for our online service, visit **royallondon.com/onlineservice**.

## HOW TO CONTACT US

Your financial adviser should be your first point of contact. We're unable to provide financial advice.

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 a complaint against us in connection with your plan, please contact 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

☎ 08000 234 567

@ www.financial-ombudsman.org.uk

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

## Terms and conditions

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

You'll receive a copy of the full terms and conditions after you have taken out the plan and before the 30-day cancellation period has expired.

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.

The Talisman Group Pension Plan is issued under The Royal London Personal Pension Scheme (No2). If you'd like a copy of the rules of this scheme, please ask us.

Terms and conditions and all communication will be supplied in English.

## Law

Scots Law applies to The Royal London Personal Pension Scheme (No2). This doesn't affect your right to use remedies under English Law if you live in England or Wales.

## Solvency and Financial Condition Report

We want to provide you with clearer information about Royal London's financial position, so we have 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](http://royallondon.com/solvency).

## Client classification

The Financial Conduct Authority requires us to classify our customers to ensure they get the appropriate level of protection under the 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 investing in 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 your financial adviser or contact us direct.

### **Benefits we might give an adviser**

To help improve the quality of service a financial adviser gives you, we might give them small non-cash benefits such as marketing and promotional support and technical services and training. If you seek financial advice, 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.



**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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