



keyfacts®

KEY FEATURES OF THE INDIVIDUAL STAKEHOLDER 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 Individual Stakeholder 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 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 Individual Stakeholder 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.

ITS AIMS

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

YOUR COMMITMENT

- You and/or your employer agree to make regular contributions to your plan until your chosen retirement date. You can also make a single contribution or a 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 are allowed to access your retirement benefits.
- If you take benefits from another pension plan you need to tell us as this may trigger the MPAA (Money purchase annual allowance). For more information about this, see the **What about tax?** section for details.

- Once you've started taking your retirement benefits, you'll need to review these on a regular basis. This will ensure that they are still appropriate for your needs both in the early and later part of your retirement.

RISKS

- We cannot guarantee what you will get back at your chosen 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 contributions or take a contribution holiday.
 - You might take some or all of your retirement benefits earlier than your chosen retirement date.
 - 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 later part of your retirement. It's your responsibility to ensure your retirement benefits don't run out and will last you for 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 start your plan with a single contribution 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 benefits from another pension plan, you may be giving up valuable benefits, and there is no guarantee that your retirement benefits will be more than if you had stayed in your previous plan.
- Putting even small amounts into a pension plan can affect your entitlement to means tested State benefits.
- If we receive a contribution, we may not invest it until we have all the information we need.
- This plan is not suitable for everyone. If you are concerned that it may not be suitable for you, contact your financial adviser.

QUESTIONS AND ANSWERS

What is an Individual Stakeholder Pension Plan?

Your Individual Stakeholder Pension Plan allows you to build up money tax efficiently for retirement to provide you with an income for life and, 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.

The Government has set minimum standards that companies must meet for a stakeholder pension. These are to do with contribution levels, costs and terms and conditions. This plan meets these standards.

What contributions can be made into my plan?

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

The minimum single or regular contribution is £20.

Regular contributions are usually made by direct debit and single contributions by cheque.

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

You can also choose to increase any regular contributions automatically each year:

- at a fixed rate
- in line with the Retail Prices Index, or
- in line with your salary/earnings.

You make your contributions from your salary after tax has been deducted. 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 (HMRC). If you are a higher rate taxpayer, you can normally claim the extra relief through your self-assessment tax return.

You will receive tax relief on all regular and single contributions 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 stop contributing to your plan completely. You can also ask to take a contribution holiday and then restart contributions again. Stopping or reducing contributions may reduce the amount you get back from your plan. You can ask us for more information about the effect of stopping or reducing your contributions.

If you and your employer wish to make separate regular contributions, then two plans will have to be set up. Alternatively, your employer will have to submit your contribution along with their own as only one direct debit can be accepted per plan.

Where are the contributions invested?

Your contributions, 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 asset, including company shares, property, bonds and cash.

The unit-linked funds are made up of units, which you buy with your contributions. The price of these units depends directly on the value of the investments in the 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 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 choose from a wide range of investment options, you can read about the investment options in our **Pension investment options** guide.

If you don't tell us how to invest your contributions, we may invest them in the Managed Lifestyle Strategy.

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

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

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.

What might I get when I take my benefits?

Your **illustration** will provide an indication of what you might get back when you retire, 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 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.

What happens if I die?

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

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

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.

What are the charges?

We'll apply a charge for managing your plan. Your **illustration** shows our charges and the effect they have on the value of your plan over its term.

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 benefits that you can accumulate without being subject to a tax charge. These limits are known as the annual allowance and the lifetime allowance.

If you want to make contributions to your plan after you have 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 MPAA. Please note that this is considerably lower than the annual allowance and relates to any pension plan you may have not just this one.

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

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 your financial adviser.

If you die, there is 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 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 transfer your plan to another pension plan at any time. There are no charges for transferring your plan.

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 will then give you your contributions back. If you have taken any lump sum(s) from your plan these would have to be repaid. If we don't hear back from you in 30 days, your plan will continue.

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

If you made a single contribution or transfer payment and the plan value has fallen by the time it is 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 is cancelled, the amount returned will be the value of the contributions.

How will I know how my plan is doing?

We will send you a yearly statement to show you how your plan is doing.

You should review your plan on a regular basis to ensure your pension plan meets your needs. Your financial adviser can help you with this.

You can check the prices of the funds you're 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.

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 are 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 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 Individual Stakeholder 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 **Individual Stakeholder Pension Plan** booklet 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 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.

Individual Stakeholder Pension Plans are issued under The Royal London Stakeholder Pension Scheme (No2). If you would like a copy of the rules of this scheme, please ask us.

Terms and conditions and all communications will be in English.

Law

The terms and conditions applying to your plan are governed by Scots 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 the rules. You've been classified as a retail client which means you will benefit from the highest level of protection available.

Compensation

Your financial adviser must recommend products that are suitable for you. You will 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 your financial adviser or contact us direct.

About us

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



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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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