



**Private & Confidential**

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City  
County  
EH2 1YE

RE10/4558/0

# MR SAMPLE ARE YOU ON TRACK?

We're counting down to your retirement, are you?

**1 year. 11 months. 25 days.\***

**Your plan number:** 2742357

5 February 2018

When the time comes, you'll find plenty of freedom and choice over what you can do with your retirement savings.

To help you get ready, we want to make sure you understand exactly what your options are - and how they look for you.

### Talk to your adviser

Once you've read through this pack, it's a good idea to talk to your financial adviser so you can make a plan for your retirement. Looking at our records, your adviser is Simple Advice Ltd.

We've already sent them a copy of this pack - so if you haven't been in touch recently, this is a great opportunity to get the conversation started.

You'll find all your adviser's contact details over the page.

### **What you need to do**

Working with your adviser, you need to make sure:

- ✔ Your retirement age is right for you.
- ✔ You understand your retirement options and have clear goals in mind.
- ✔ You're happy with where your savings are invested.

### **What you'll find inside**

Through these pages, we'll give you a clear understanding of what you've saved, what your options look like and what you could be doing now to set yourself up for a successful future.

So when you're ready, let's get started.

**Julie Wedgwood**  
Team Manager

\* We're expecting you to access your retirement savings on your 65th birthday.

# GET THE HELP YOU NEED

If you have any questions about your retirement, there's plenty of support available.


## Speak to your financial adviser

Your financial adviser will be able to look at your personal circumstances and give you a tailored recommendation on how to get the most from your retirement savings. We believe talking to a financial adviser is the best way to make sure you enjoy the best possible retirement outcomes and experience.

## Not your adviser?




If you no longer have an adviser, you can find one in your area by visiting [unbiased.co.uk](https://unbiased.co.uk).

Advisers may charge for their services - though they should agree any fees with you up front.

 **Simple Advice Ltd**  
6 The Street  
City  
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EH2 1YE



## Guidance from the government

Pension Wise is a retirement planning service offered by the government. You can talk to their pension specialists online, face to face or over the phone. While they can help you understand your options, they can't give you any personal advice or recommendations on how to use the money you've saved.

 **0800 138 3944**  
 **[contact@pensionwise.gov.uk](mailto:contact@pensionwise.gov.uk)**  
 **[pensionwise.gov.uk](https://pensionwise.gov.uk)**

## Support from Royal London

We can tell you whatever you need to know about your plan. We can also help you understand the options you have - but we can't give you any advice or recommendations on the solution that would work best for you.

 **0370 850 1991**  
Mon - Thurs: 8.00am - 6.00pm  
Fri: 8.00am to 5.00pm  
 **[royallondon.com/retirement](https://royallondon.com/retirement)**

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# YOUR COUNTDOWN TO RETIREMENT



This pack is designed to help you take some confident steps towards your retirement. Inside you'll find lots of useful information about your plan and your options for the future.

We'll get up to speed by guiding you through three simple steps.

**1**

### **See where you are**

We'll show you a snapshot of your plan, letting you see exactly where you are right now.

**2**

### **Pick the best route**

We'll set out all your retirement options - and let you weigh up which direction looks best for you.

**3**

### **Make sure you're on track**

Depending on the path you want to take, we'll offer some helpful tips on how to get there.

# 1 SEE WHERE YOU ARE

Before thinking about where you'd like to end up, it's good to know where you're starting from. To help with that, here's some of the key facts and figures about your plan.

If anything doesn't look or feel right, there's still time to make a change.

## About your plan

65

### Your retirement age

We're expecting you to access your retirement savings on your 65th birthday. If this isn't what you're planning to do, that's ok. You can change your retirement age at any time, quickly and easily.

You have saved  
**£25,360.44**

### Your retirement savings

The value of your retirement savings is linked directly to the performance of your investments - so it can move up and down. That means your current value may not be exactly what we've shown here.

You're targeting  
**Flexible access**

### Your investments

Your retirement savings are invested in a strategy that's targeting a flexible income paid from your 65th birthday. This strategy is called the Royal London Balanced Lifestyle Strategy (Drawdown). You'll find more detail around taking flexible access on pages 4 and 6.

We review this strategy regularly to make sure it's doing what it's supposed to. And while investment performance can never be guaranteed, it aims to deliver a level of growth to your retirement savings that's above the rate of inflation and consistent with the amount of risk you're taking.

As you approach your retirement age, we automatically move your savings to lower risk investments. We call this lifestyling.

## **Access your plan online**

You can keep track of how your plan is doing by logging in to our online service.

If you haven't registered yet, simply visit us at [royallondon.com/retirement](https://royallondon.com/retirement) and we'll get you up and running. Just make sure you have your plan number to hand - which, to save you looking, is **2742357**.



### **What can I do online?**

You can instantly see what your plan is worth, where your savings are invested and what charges you're paying.

You can change your personal details, download important paperwork and keep an eye on what your savings could be worth when you retire.



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### **Your checklist**

Before moving on to Step 2, you should be satisfied that:

- My retirement age feels right for me**
- I know what my plan is worth**
- I understand where my retirement savings are invested**





# 2

# PICK THE BEST ROUTE

When you reach your retirement age, you'll have lots of freedom and choice with what you can do with your retirement savings.

Here we explore all your options, the kinds of things you need to consider and how each path might look for you.

## Your options

	 <b>SECURE INCOME</b>	 <b>FLEXIBLE ACCESS</b>	 <b>A FEW CASH PAYMENTS</b>	 <b>ONE CASH PAYMENT</b>
	You use your retirement savings to buy an 'annuity'. This will pay you a guaranteed regular income for the rest of your life.	You keep your retirement savings invested and take the income you need, when you need it. This is called 'income drawdown'.	You take your retirement savings as a series of cash lump sums.	You take all your retirement savings in one lump sum.
Can I arrange to take a regular income?	Yes	Yes	No	No
Is my income guaranteed for the rest of my life?	Yes	No	No	No
Can I change how much money I receive?	No	Yes	Yes	No
Could my money run out later in retirement?	No	Yes	Yes	Yes
Can I do something different with my savings in later years?	No	Yes	Yes	No
Can I take some tax-free cash?	Usually up to 25% of your pension pot*	Usually up to 25% of your pension pot*	Usually up to 25% of your pension pot*	Usually up to 25% of your pension pot*

\* You may be able to take more than 25% if you have a protected Pension Commencement Lump Sum. Your adviser can help you understand whether this applies to you.

## Want to leave things as they are?

If you're not ready to access your retirement savings, you can leave things as they are. However, it's really important you tell us if you're planning to put things off for a while.

## Don't lose your savings to the taxman

You may need to pay tax on your retirement income. While we can't personalise how much that might be, we can give you some general information around how tax works.

### Your tax-free bits

Your tax-free cash	Your Personal Allowance
<p>You're entitled to take up to 25% of your total retirement savings tax-free. You can take this all in one go or as a series of smaller cash sums.</p> <p>If you take all your tax-free entitlement in one go, you can't leave your remaining 75% untouched in this plan. You'll need to put the rest of your savings into a plan that offers you flexible access to your savings - though you can choose not to take any income from it.</p>	<p>The government allows you to receive a certain level of income each year, without taxing you. It's called your 'Personal Allowance'.</p> <p>For the tax-year 2017/18, the standard Personal Allowance is £11,500. This can be subject to change.</p> <p>Any tax-free cash you take doesn't count towards your Personal Allowance.</p>

### Your taxable bits

The table shows the income tax bands for a UK taxpayer\* with a standard Personal Allowance.

Personal Allowance Up to £11,500	Basic rate £11,501 - £45,000	Higher rate £45,001 - £150,000	Additional rate Over £150,000
0%	20%	40%	45%

As you can see, someone with a standard Personal Allowance wouldn't pay any tax if their total income from all sources during the year was less than £11,500. The table also highlights how taking large cash sums could push you into a higher rate tax bracket - meaning you'd pay more in tax. Your individual tax treatment will depend on your own circumstances and can be subject to change.

\* If you're a UK taxpayer living in Scotland, please visit [hmrc.gov.uk](http://hmrc.gov.uk) to find the tax rates which apply to you.

### A quick example

In this case, let's assume you've already used up your tax-free cash entitlement and your other sources of income provide you with £10,500 each year. This could be from a pension from a previous employment along with your State Pension.

#### Taking a regular income

If you took £2,000 each year from your pension plan, you'd need to pay 20% tax on the £1,000 that's over and above your Personal Allowance.

#### Taking a cash lump sum

If you took £15,000 from your plan as a cash lump sum, you'd need to pay 20% tax on the £14,000 that's over and above your Personal Allowance.



### Make your money work smarter

Your financial adviser will be able to give you a personal view of how your retirement income will be taxed. They can look at all the income you have coming in and help you make the most from your tax-free allowances.

## Explore your options





Now you understand the options available, you'll want to know how they look for your plan - based on your current retirement age of 65.

Before we get into the numbers, we need to be clear that we can't guarantee what will happen between now and the day you retire. So any figures we quote up until that time will be based on a set of assumptions set out by our regulator, the Financial Conduct Authority.

Essentially we need to show you three sets of figures. Among other things, each set makes a prediction on how your investments will perform between now and your retirement age. We refer to these growth predictions as 'low', 'mid' and 'high'.

You'll find more detail on what they mean, along with our other assumptions, over the page.

## Your options

 <p><b>SECURE INCOME</b></p>	 <p><b>FLEXIBLE ACCESS</b></p>	 <p><b>ONE CASH PAYMENT</b></p>	 <p><b>LEAVE IT FOR NOW</b></p>
<p><b>What to expect</b> Paid each year for the rest of your life.</p>	<p>Paid each year until around your 89th birthday.</p>	<p>Paid as a one-off cash lump sum.</p>	<p>What your plan could be worth at your retirement age.</p>
<p><i>Low</i>      £571</p>	<p>£988</p>	<p>£17,900</p>	<p>£24,700</p>
<p><i>Mid</i>      <b>£770</b></p>	<p><b>£1,040</b></p>	<p><b>£18,800</b></p>	<p><b>£26,000</b></p>
<p><i>High</i>      £995</p>	<p>£1,090</p>	<p>£19,700</p>	<p>£27,300</p>
<p><b>What happens</b> You use your retirement savings to buy a guaranteed regular income for life.  How much income you get is calculated by looking at how much you have saved in your plan and your estimated life expectancy.</p>	<p>You put your retirement savings into an investment solution that's designed to let you take a regular income.  While you could take more or less than what we've shown, we think this amount would be sustainable in line with your life expectancy.</p>	<p>We pay you the full value of your plan, minus the tax you'd need to pay.</p>	<p>Your retirement savings remain invested, giving them the chance to grow.</p>
<p><b>Things to consider</b></p> <ul style="list-style-type: none"> <li>• Depending on your health and lifestyle, you could be entitled to a larger sum.</li> <li>• You can't change your mind.</li> </ul>	<ul style="list-style-type: none"> <li>• You need to review your income and investments regularly to make sure your income remains sustainable.</li> <li>• Your money could run out before you die.</li> </ul>	<ul style="list-style-type: none"> <li>• You don't have to take it all in one go. You could take a number of smaller payments over a longer period of time.</li> <li>• Taking a large lump sum could push you into a higher tax bracket - meaning you'll pay more to the taxman.</li> </ul>	<ul style="list-style-type: none"> <li>• Your investments may not perform as well as you'd hope.</li> </ul>



## More about the assumptions we've made

Unfortunately, we can't predict the future. So in order for us to calculate all the figures we've shown on page 6, we've had to make a few assumptions.

Here you'll find exactly what these assumptions are.

### Your investment growth

You'll see we've quoted three figures alongside each of your retirement options. Each set of figures is attached to a rating of 'low', 'mid' and 'high'. These ratings represent a potential rate of investment growth each year between now and your retirement age, your 65th birthday. See the table below for details.

#### Investment growth rate

Low	Mid	High
-0.5%	+2.4%	+5.4%

All three projected growth rates assume inflation will rise at 2.5% each year. That means where a predicted outcome is shown to be less than 0%, the average cost of goods and services would be rising faster than the growth of your savings. So, under this outcome, your money wouldn't stretch as far.

### Your projected plan values

- Any contributions currently being paid to your plan will continue until your 65th birthday.
- You don't take any tax-free cash from your retirement savings.

### Your secure income

- Your retirement income will be paid monthly.
- Your retirement income won't increase each year.
- Your retirement income will be paid for a minimum of 5 years - even if you die before then. After 5 years, it'll continue for the rest of your life.

## Frequently asked questions

We know you'll have lots of questions. And while your financial adviser will be able to help you understand how things look for you personally, we can answer some of the more general questions you might have.

### Q. Why do secure income and flexible access show different income levels?

A. With a secure income, the pension provider is taking on all the risk - in other words, if you live longer than expected, they'd end up paying you more than your savings are worth. With flexible access, you're taking on all the risk. So if your investments perform poorly or if you live longer than expected, you could run out of money before you die.

### Q. What happens if I die?

A. This depends on how you've chosen to use your retirement savings. Any payments made to your nominated beneficiaries on your death can be subject to tax. To understand exactly what that might be, we recommend talking to your financial adviser.

#### I want a secure income

If you pass your retirement savings on to a beneficiary when you die, you need to let the pension provider know before you buy your guaranteed income for life. This is likely to reduce your level of income.

#### I want flexible access

If you were receiving a regular income, it can be paid to your beneficiaries in the same way it was being paid to you, paid as a secure income or settled as a one-off lump sum.

#### I want to take a cash lump sum

Any untouched retirement savings can be passed to your beneficiaries.

### Q. Can I mix and match my options?

A. Yes you can. For example you could use part of your retirement savings to pay you a secure income for the rest of your life and keep the rest invested. This pack is only intended to show you what the main options look like

### Q. Can I shop around?

A. Yes, absolutely. All pension providers will have different ways of calculating what you can do with your retirement savings - so you could get a much better deal if you compare what's on offer.

### Q. Can I access my retirement savings early?

A. You can access your retirement savings at any time from age 55 - even if you're still working. There may be a charge for accessing your savings earlier than your retirement age.

### Q. What about my State Pension?

A. To find out how much you're likely to get and when it'll be payable from, you need to register for the Government Gateway. You can do this online at [gov.uk/yourstatepension](https://gov.uk/yourstatepension).

## WANT TO KNOW MORE?

You'll find lots of other useful information on our website. Simply visit us at [royallondon.com/retirement](https://royallondon.com/retirement).



### Your checklist

Before moving on to Step 3, you should be satisfied that:

- I'm ready to speak to my financial adviser
- I understand my pension options
- I've decided which option feels right for me
- I understand the advantages and disadvantages of my preferred route



# 3 MAKE SURE YOU'RE ON TRACK

When you know the path you want to take, you need to make sure your plan is geared towards getting you there.

Here's some of the key things you need to be thinking about.

## ○ Is your retirement age right for you?

We're expecting you to start taking your retirement benefits on your 65th birthday.

## ○ Are you in the right investment strategy?

Your retirement savings are invested in a strategy that's targeting a flexible income paid from your 65th birthday. This strategy is called the Royal London Balanced Lifestyle Strategy (Drawdown). You'll find more detail around taking flexible access on pages 4 and 6.

As you get closer to your retirement age, we automatically change your investments to align them towards meeting this goal. If your current strategy doesn't reflect how you're planning to use your retirement savings, we'd recommend talking to your financial adviser to find something that's right for you.

You can find more details about where your savings are invested by logging in to our online service at [royallondon.com/retirement](https://royallondon.com/retirement).

## ○ Can you consolidate other retirement savings?

If you have retirement savings with another provider, perhaps from a previous employment, it might be a good idea to bring all your money into one pot. It means all your savings will reach the same investment returns and you'll only have to pay one provider charge.

Before thinking about transferring any of your retirement savings, it's important to make sure you won't be giving up any valuable benefits in the process.

## ○ Can you save more into your plan?

In the run up to your retirement, it's worthwhile to remember that for every 80p you save into your pension, the taxman will round it up to £1\*. There's no magic, no strings, just good old-fashioned tax-relief.

\* This is based on tax-relief for a basic rate taxpayer. Higher rate taxpayers would receive more.

### **Need to make a change?**

If you need to change anything under your plan, we recommend talking to your financial adviser. You'll find their contact details, along with some other useful sources of help, on page 1.

# YOUR PLAN ON A PAGE

To start any conversation around your retirement options, you'll need certain information.

To make life easier, here's some key details about your plan, along with an idea of what else you may need to collect.

<b>Royal London plan number: 2742357</b>	
<b>Current fund value</b> How much have you saved in your plan.	<b>£25,360.44</b>
<b>Yearly contributions</b> How much has been paid into your plan between 28 January 2017 and 28 January 2018.	<b>£2,071.58</b>
<b>Plan exit charge</b> The amount we'll deduct if you choose to access or transfer your retirement savings before your 65th birthday.	<b>£0.00</b>
<b>Bonuses</b> Do any bonus payments apply to your plan?	<b>None</b>
<b>Offers both a secure and flexible income</b>	<b>Yes</b>

You can use these tables to capture key information about any other retirement savings you have.

Other retirement savings	Plan 1	Plan 2	Plan 3
<b>Provider name/Plan number</b>			
<b>Current fund value</b>			
<b>Yearly contributions</b>			
<b>Guaranteed annuity rate</b>			
<b>Plan exit charge</b>			
<b>Bonuses</b>			
<b>Offers both a secure and flexible income</b>			

State Pension	
<b>State Pension age</b>	
<b>State Pension weekly income</b>	

To access information about your State Pension, you can register with the Government Gateway.

Simply visit [gov.uk/yourstatepension](https://www.gov.uk/yourstatepension).