



Private & Confidential

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RE10/4558/0

MR SAMPLE IT'S YOUR TIME TO DECIDE



This pack contains key information to help you turn your pension savings into a retirement income. It's important you read everything carefully and consider all your options - it'll help you get the best value from the money you've saved.

We're counting down to your retirement, are you?
5 months. 2 weeks. 1 day.*

Your plan number: 2742357
Your retirement savings: £8,559.36
5 February 2018

With your retirement just around the corner, it's almost time to tell us how you'd like to enjoy the money you've saved.

What are my options?

There are lots of ways you can take your retirement savings. For example, you could:

Buy a secure income - use some or all of your savings to buy a guaranteed income that'll be paid for the rest of your life.

Get flexible access to your money - keep your savings invested and dip in whenever you like.

Take it all in cash - take all your savings in cash, either in one go, or in chunks at a time.

Leave it where it is - if you're not ready to access your savings, you can always put things off for a while.

What's inside?

You'll find detailed information about your retirement options along with some key things you should discuss with your financial adviser before making any decision.



1. How things look for you

See how you can use your retirement savings and the income you might expect.



2. A guide to your retirement options

Get more detail on how each option works and the risks you might like to avoid.



3. Extra support from the government

A comprehensive guide, designed to help you understand all your retirement options.

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

PLANNING TO BUY A SECURE INCOME?

As we mentioned on the previous page, one of your retirement options is to buy a secure income.

Under this option, you'd give some or all of your retirement savings to an insurance company and, in return, they'd pay you a guaranteed regular income for the rest of your life. This is also known as an 'annuity'.

If you're thinking of going down this route, you'll need to answer some important questions up front. The reason being: there are many different types of annuity and they're all designed to meet particular needs.

With a secure income, it's very important you get things right first time. That's because once you've handed your savings to an insurance company, you can't change your mind.

Finding the right annuity - three questions to answer

- 1 Do you have any dependants who'd need an income if you were to die before them?**
If so, you should consider buying a '**joint-life annuity**'. This would continue to pay an income to a loved one for the rest of their life.
 - 2 Do you smoke? Are you on any medication or do you have a medical condition?**
If so, you could be eligible for an '**enhanced annuity**'. This could pay you a much higher level of income - so be open and honest with any medical questions.
 - 3 Do you want your income to increase over time to help keep up with inflation?**
If so, you should think about an '**escalating annuity**', which starts lower but increases over time or adjusts to rise with inflation.
- i** If you decide to add any optional extras to your annuity, you should expect to be paid a lower income than if you decided to go without.

Always remember, it pays to shop around

It's important you understand that just because you've saved with Royal London, you don't need to buy your retirement income from us. Indeed, whatever your plans are, you could get more money in your pocket simply by doing a little homework.

When it comes to buying a secure income, insurance companies will use their own calculations to decide how much income they're willing to pay you in return for your retirement savings - the results of these calculations are called 'annuity rates'. These rates are likely to differ among all insurance companies, so it's really important you take some time to find the best deal. Your financial adviser can help you with this.

You'll find more information on how to shop around for the best annuity deals in the enclosed guide - **Your pension: it's time to choose.**


GET THE HELP YOU NEED

You've got some big decisions ahead - and you'll no doubt have questions. The good news is, you'll find plenty of support available.

We strongly recommend you talk things through with your financial adviser, Simple Advice Ltd. We've already sent them a copy of everything in this pack - so if you haven't spoken recently, this is a great opportunity to get in touch.

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.

 **Simple Advice Ltd**
6 The Street
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Not your adviser?

If you no longer have an adviser, you can find one in your area by visiting unbiased.co.uk.

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



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
 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

What happens next?

When you feel like you're ready to make your decision, we recommend getting in touch with us a week or two before your 65th birthday. You can do this through your financial adviser or by calling us free on the number shown above.

Yours sincerely



Julie Wedgwood
Team Manager

RE10/4558/0

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TAKE A CLOSER LOOK AT YOUR RETIREMENT OPTIONS



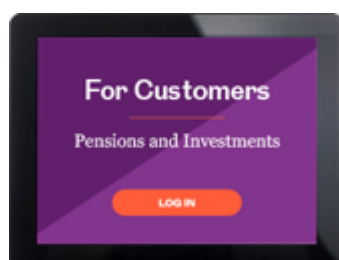
This is your money - for your future.

Over the next few pages we'll show exactly what you can do with your retirement savings, the level of income you can expect from all your options and the key things you need to watch out for.

When we get into how the options look for you, you'll notice we refer to our retirement options guide, Risks and Rewards. This is included in your pack and offers a lot more detail around each option - so it's a good idea to have it to hand.

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Access your plan online





You can keep tabs on the value of your plan by logging in to our online service.

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

YOUR OPTIONS EXPLAINED

Here you'll find a summary of your main retirement options, the key differences between them and the tax you might need to pay on your retirement income.

Your options

	 <p>SECURE INCOME</p>	 <p>FLEXIBLE ACCESS</p>	 <p>A FEW CASH PAYMENTS</p>	 <p>ONE CASH PAYMENT</p>
	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 paid as a one-off 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?

We're expecting you to access your retirement savings on your 89th birthday. If you're thinking of putting things off for a while, you can leave things as they are. However, it's really important you keep us up to date with your plans.

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 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.



BUY A SECURE INCOME

With this option you'll have the comfort of knowing, no matter what happens, your retirement income is guaranteed to be paid for the rest of your life.

What happens to my retirement savings?

You'd give some or all of your retirement savings to an insurance company and, in return, they'd pay you a guaranteed regular income for the rest of your life. We call this 'buying an annuity'.

What options do I have?

There are different annuities to choose from - all offering their own unique features. It's important you pick the right annuity, because you can't change your mind later.

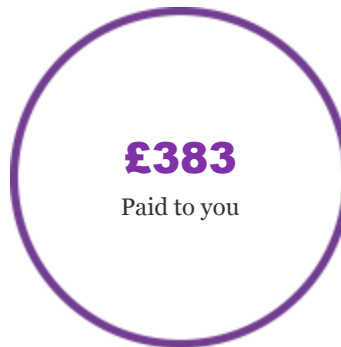
- A 'single-life annuity' will pay you a guaranteed regular income for the rest of your life.
- A 'joint-life annuity' will continue paying an income to your spouse or partner if you die before them.
- An 'escalating annuity' will increase over time or adjust to rise in line with inflation.
- A 'fixed-term annuity' would pay you a regular income for an agreed period of time rather than the rest of your life.

What do I need to think about?

If you smoke or have a medical condition, some insurance companies may offer you an 'enhanced annuity'. This could pay you a much higher level of income.

What income could I expect?

Here's what your retirement savings could buy, assuming your income payments will be guaranteed for five years (even if you died before then) and you won't take any tax-free cash. If you'd like to explore adding different features, please talk to your financial adviser or give us a call.



Buying a 'single-life annuity'

This would be spread over 12 monthly payments for the rest of your life, with no annual increases.



Buying a 'joint-life annuity'

This would be spread over 12 monthly payments for the rest of your life, with no annual increases.

Half of your income payments would pass to your spouse or partner for the rest of their life when you die.

Remember...

Just because you've saved with us, doesn't mean you need to buy your retirement income from us. You'll find more information on how to shop around for the best annuity deals in the enclosed guide - Your pension: it's time to choose.

Where can I find more information?

You'll find more detail on buying a secure income and what you need to think about in our guide, Risks and Rewards. See pages 4 and 5 for details.

You'll also find more helpful information on our website at royallondon.com/secureincome





GET FLEXIBLE ACCESS TO YOUR SAVINGS

With this option you're in control. You can dip into your retirement savings and take the income you need - as often as you need it.

What happens to my retirement savings?

Your retirement savings will be transferred into an investment solution that's designed to let you gradually take the income you need. We call this 'income drawdown'

As your savings remain invested, they'd still have time to grow.

What options do I have?

You can set up a regular income and adjust things whenever you like. And, if you ever need to access extra funds, you can always take a one-off cash lump sum.

You can continue saving into your plan - though certain restrictions may apply. See our frequently asked questions on page 7 for more details.

If your circumstances change, you can always use your remaining retirement savings to buy a secure income (see page 4 for details).

What do I need to think about?

With flexible access, your money isn't guaranteed to last forever - so if you don't plan your income carefully, you could run out of money before you die.

As your savings remain invested, there's a risk that if your investments don't perform as well as you'd hoped, you could end up having less savings to live on.

What income could I expect?

While you're free to take whatever you need, we've shown what income we think your retirement savings could provide each year, if you were retiring today, based on your life expectancy.



What happens when I die?

Any retirement savings you have left in your plan can be passed on to your loved ones - usually free from inheritance tax.

Remember...

Just because you saved with us, doesn't mean you need to take your retirement income from us. You'll find more information on how to shop around to find a deal that's right for you in the enclosed guide - Your pension: it's time to choose.

Where can I find more information?

You'll find more detail on flexible access and what you need to think about in our guide, Risks and Rewards. See pages 6 and 7 for details.

You'll also find more helpful information on our website at royallondon.com/flexibleaccess





TAKE IT ALL AS CASH

With this option you'd take all your retirement savings as a one-off lump sum or as a series of smaller cash payments.

What happens to my retirement savings?

It'd all be paid to you as a cash lump sum, minus any tax you'd need to pay.

You should be aware that a large lump sum would likely be taxed at an emergency tax rate - though you would be able to claim some of this back through your local tax office.

As you have less than £10000 saved with us, it would be classed by HMRC as a 'small pot'. This means you can usually take it in one go without triggering any restriction on what you can save into any other pension plans you might have. See our frequently asked questions on page 7 to find out more.

What options do I have?

Rather than taking all your retirement savings in one lump sum, you could take a series of smaller cash payments and spread them over a number of years.

Any savings you choose to leave in your plan will remain invested, so they still have time to grow.

If your circumstances change, you can always use your remaining retirement savings to buy a secure income (see page 4 for details).

What do I need to think about?

With cash lump sums, your money isn't guaranteed to last forever. So if you don't plan your income carefully, you could run out of money before you die.

Taking large sums from your retirement savings could push you into a higher tax-bracket - meaning you'd give more of your savings to the taxman.

If you choose to leave any savings in your plan, there's a risk your investments could perform poorly - meaning you'd have less to live on.

What income could I expect?

If you were to take all your savings as a one-off cash lump sum today, this is what you could get.



What happens when I die?

Any retirement savings you have left in your plan can be passed on to your loved ones - usually free from inheritance tax.

Where can I find more information?

You'll find more detail on taking a cash lump sum and what you need to think about in our guide, Risks and Rewards. See pages 8 and 9 for details.

You'll also find more helpful information on our website at royallondon.com/cashpayment



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. What happens if I do nothing?

A. When you reach your retirement age we make automatic changes to your plan - which may not be in your best interests if you're planning to put things off for a while. With that in mind, it's very important you keep us up to date with your plans.

Q. Can I access my retirement savings early?

A. You can usually 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. 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. 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.

Q. Can I continue saving into my plan?

A. If you choose to access your savings through flexible access or take a cash lump sum, you can usually continue saving into your plan. If you do, it's likely you'll trigger something called the Money Purchase Annual Allowance (MPAA). This is essentially a limit on how much you're allowed to save towards your retirement before facing a tax charge. To find out more about MPAA and how it works, visit royallondon.com/taxfreeallowances.

It's important to be aware that the MPAA limit would apply to not only the plan you have with us - but to all retirement savings you have.

If you're thinking of accessing your retirement savings while you're still contributing into a pension plan, we'd recommend talking to your financial adviser.

Q. Can I take all my retirement savings as a 'small pot'?

A. As you have less than £10,000 in your plan it would be classed by HMRC as a 'small pot'.

You can usually cash in up to three retirement savings plans as small pots without triggering any restrictions on what you can save into other retirement savings plans.

Depending on the type of plans you have, you could be entitled to cash in more than three.

We'd recommend talking to your financial adviser to make sure you fully understand the taxation rules which would apply to you.

WANT TO KNOW MORE?

You'll find lots of other useful information on our website. Simply visit us at royallondon.com/retirement.

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.

Royal London plan number: 2742357	
Current fund value How much have you saved in your plan.	£8,559.36
Yearly contributions How much has been paid into your plan between 28 January 2017 and 28 January 2018.	£1,580.33
Plan exit charge The amount we'll deduct if you choose to access or transfer your retirement savings before your 65th birthday.	£0.00
Bonuses Do any bonus payments apply to your plan?	None
Offers both a secure and flexible income	Yes

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
Provider name/Plan number			
Current fund value			
Yearly contributions			
Guaranteed annuity rate			
Plan exit charge			
Bonuses			
Offers both a secure and flexible income			

State Pension	
State Pension age	
State Pension weekly income	

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

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