

# Clear charges



Pensions and Investments



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## Introduction

At Royal London, we're all for making pensions and investments as transparent as possible. That's why, we want you to be clear what charges your clients will pay if they take out one of our pensions or a Royal London Stocks and Shares ISA.

Our investment options offer an attractive range of funds at competitive prices. And if your clients need greater investment choice, they can access a wide selection of funds managed by other investment managers.

Also available through Pension Portfolio is **Income Release**, an integrated income drawdown facility which allows eligible clients to withdraw their pension savings at a time and in a way to suit their individual needs. If your client wants to make ad hoc withdrawals, they can do this from Pension Portfolio. With Pension Portfolio, your clients will only pay for what they use.

Our ISA is designed to complement both our individual and workplace pension products so the charges are similar.

## Product charges

### Our investment options

Every plan has a management charge. This covers the costs of setting up our investment options, ongoing administration and investment management.

The different elements which make up the management charge are shown below.

<b>Basic charge</b>	
minus	Management charge discount
plus	Additional investment charge (if applicable)
plus/minus	Adviser adjustment (if applicable)
=	<b>Total management charge</b>

## Basic charge

The basic charge for our investment options is 1% a year. This charge is built into the fund price and is deducted on a daily basis.

Depending on the other elements that make up the management charge, the actual charge may be less than or greater than 1%. Therefore, to ensure the correct charge is applied, an adjustment is made each month by the addition/cancellation of units, as required.

We support two types of product charge discount:

- You can offer any client (individual or workplace) a tiered management charge discount based on the value of their investments.
- Members of workplace schemes will have a scheme discount, which provides them with a flat rate annual management charge (AMC) for both their pension and ISA.

## Workplace schemes

The scheme discount will have been agreed with the employer when the scheme was first set up. After this has been deducted, workplace pension schemes have a flat rate AMC.

If an employee takes out a Stocks and Shares ISA, it will be subject to the same flat rate AMC as their workplace pension.

If your client has multiple Royal London workplace plans from different employers, the lowest available flat rate charge is automatically presented during the online application. Alternatively, you can offer them a tiered management charge discount.

## Management charge discount

Our management charges are tiered, so the overall charge reduces as the value of investments in all associated products (such as Pension Portfolio and the Royal London Stocks and Shares ISA) grows. This is applied through a management charge discount, which will change as the value of the pension and investments increases or decreases.

The table below details the different discount rates and the levels they apply at.

Value of investments <sup>1</sup>	Basic charge	Management charge discount	AMC (including discount)
£0 - £48,300	1.00%	0.25%	0.75%
£48,301 - £96,700	1.00%	0.50%	0.50%
£96,701 - £290,000	1.00%	0.55%	0.45%
£290,001 - £967,000	1.00%	0.60%	0.40%
£967,001+	1.00%	0.65%	0.35%

<sup>1</sup>Discount levels increase every year on 6 April in line with the Retail Prices Index (RPI) and will apply on the first plan anniversary after that date.

If a client moves money from our investment options or starts our integrated drawdown facility, Income Release, the discount may reduce. This is because the discount is based on the total value of all their investments.

### Additional investment charge

In addition to a range of funds managed by Royal London Asset Management, your clients can invest in a selection of funds managed by other investment managers and leading discretionary fund managers.

An additional investment charge is applied for the majority of these funds. See our **Fund range summary** and **External investment solutions** leaflet for details.

### Adviser adjustment

An adjustment to the management charge may be made as a result of terms agreed with you. This adjustment can reduce or increase the management charge.

### Transaction costs

Transaction costs are the costs of managing the investments of the fund and are also known as 'dealing costs'. They include charges such as stamp duty and brokers fees and are included in the fund valuation on a daily basis. This means they're included in the investment return and aren't an additional cost for your clients.

Clients can see the transaction costs included in their investment return within their yearly statement.

## Adviser charges

In return for the services you provide for your client, it's possible for you to receive adviser charge payments from your client's plan. Adviser charges will be agreed between you and your client. We deduct the charges from our investment options and then pay them to you. Any adviser charges will be in addition to the product charges.

We offer three types of charges, which can be used together or separately, depending on the advice and services you've agreed with your client.

Charge type	Charges description
Initial	This allows a client to pay for the services they receive when setting up a new plan or increment.
Ongoing	This allows a client to pay for the services they receive during the lifetime of the plan.
Ad hoc	This allows a client to pay for the services they receive which aren't covered fully by any other payment, e.g. one-off reviews.

The remuneration options available are as follows.

	Adviser charge type		
	Initial	Ongoing	Ad hoc
All money	-	Percentage of fund	Monetary amount
			Percentage of fund
Regular contributions	Percentage of contributions		-
	Monetary amount		
	-	Percentage of fund	
Single contributions and transfer payments	Percentage of contributions	-	-
	Monetary amount		
	-	Percentage of fund	

Full details of our remuneration options can be found in our **Pensions and investments remuneration guide**.

It's possible to build in additional adviser charges when your client decides to access their pension savings using our Income Release facility. This could, for example, be by way of an 'ad hoc' charge applied proportionally across the client's crystallised and uncrystallised investments.

**We're happy to provide your documents in a different format, such as braille, large print or audio, just ask us when you get in touch.**



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