IT'S GOOD TO PLAN AHEAD

A guide to your Pension Portfolio Plan
CONTENTS

Welcome
A few words from our CEO

03

Flexible saving
Keeping your retirement plans on track

06

Investing your retirement savings
Deciding where to invest your retirement savings

09

How a pension works
A reminder of the benefits pensions offer

04

Share our success
How your ProfitShare works

08

Your retirement options
Sorting out your financial future

11

Your plan online
Getting to grips with your pension

13

Clear charges
Product charges

14

Getting in touch
Always on hand to help

15

We’re an old-fashioned bunch and being helpful and straightforward are principles we’ve kept since the olden days. So if you have any questions about your plan, just get in touch. We’d love to hear from you.
“You’re now a member of the UK’s largest mutual life, pensions and investment company.”

I’m delighted to welcome you to Royal London.

When we first opened our doors in 1861, we wanted to help people to help themselves. And it’s been our way of thinking ever since.

**Proud to be different**

We’re a different kind of financial services company because unlike our main competitors, we’re a mutual. This means we don’t have shareholders. Instead, we’re owned by you and our other members.

This means you can have your say on the future of our business by voting at our Annual General Meeting (AGM) and you’ll share in our success.

**What’s so great about mutuality?**

Having no shareholders means we don’t have dividends to pay. Instead, we use our profits to boost your retirement savings and provide you with better products and services.

I believe this has helped us build a strong reputation for providing an excellent service.

This guide tells you more about how your plan works and the benefits it offers. I hope it helps you get the most out of your retirement savings.
How a Pension Works

**You contribute**
You contribute to your pension plan. This is where your retirement savings are invested, helping your money grow. Investments are reviewed by experts to ensure they perform well.

**The taxman contributes**
The taxman also contributes to your pension plan. This is called tax relief, and it depends on individual circumstances and may change in the future. This will help to boost your retirement savings.

**Your retirement savings are locked away so you can’t dip into them**
Your retirement savings are locked away until you reach retirement age. This is to ensure you have enough savings for your retirement.

**You can start taking your retirement savings any time after age 55**
You can start taking your retirement savings from age 55. There are different methods to take the money, such as income payments, cash lump sums, or buying an annuity.

**Transfers from other plans**
You can transfer retirement savings from other pension plans. This could make it easier for you to keep track of them. Transfer payments from one pension plan to another don’t receive tax relief. Transferring may not be in your best interests as you could lose valuable benefits which can’t be replaced. You should speak to your financial adviser before you make a decision.

**Single contributions**
You can make single contributions into your plan at any time. So if you find yourself with spare cash, you could add it to your plan.

**You’ll receive extra contributions into your plan**
Each time you save into your plan, so will the taxman. This is called tax relief; it depends on individual circumstances and may change in the future. This will help to boost your retirement savings.

**You could have all your retirement savings in one place**
You can transfer retirement savings from other pension plans. This could make it easier for you to keep track of them. Transfer payments from one pension plan to another don’t receive tax relief. Transferring may not be in your best interests as you could lose valuable benefits which can’t be replaced. You should speak to your financial adviser before you make a decision.

**Share our success**
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.
Your retirement savings are invested to help them grow

You can stick with the investment you chose with the help of your financial adviser, or refine it to suit your changing circumstances. Remember that investment returns are never guaranteed. So while your savings could grow, their value can also go down. This means you could get back less than what you put into your plan.

Our investment options are reviewed by experts

This helps make sure they meet their objectives. This ongoing governance comes at no extra cost to you.

Take your retirement savings in a way that suits you

Take some or all of your plan as a cash lump sum – 25% of each lump sum will be tax-free. Or if you want a guaranteed income for life, take up to 25% of your plan as tax-free cash or as regular payments. The rest of your plan can be used to buy an annuity.

If you want more flexibility, Income Release allows you to take a regular income when you need it. Unlike an annuity, income payments are not guaranteed for the rest of your life. As the rest of your savings stay invested, both the income payments and the value of your plan may go down.
FLEXIBLE SAVING

We’ve all been there. The car needs a service. The bills are mounting up. And then the boiler breaks down. Managing your finances isn’t always easy. So we’ve worked hard to ensure saving into your plan is as easy and flexible as possible.

**You can make regular monthly or yearly contributions**

These can be a fixed amount or set to increase each year in line with your salary or earnings, the Retail Prices Index (RPI), or set at a level between one and ten percent. Increasing your contributions each year could help increase the final value of your plan.

**Your regular contributions are made by Direct Debit**

The minimum amounts for monthly and yearly contributions are shown below.

- **Monthly contributions**
  - £100*

- **Yearly contributions**
  - £1,200*

*These are reduced to £50 a month / £600 a year if you’ve previously made a single contribution or transfer payment of more than £15,000 into your plan.
**Freedom to change your contributions**

You can increase, decrease, stop and restart your contributions at any time. And whilst no further regular or single contributions can be made to your plan once you reach age 75, you can make transfers into your plan after this age. You should remember that any changes to your contributions will affect your retirement savings. If you want to change your contributions, you should speak to your financial adviser.

**Keep your retirement plans on track**

Like any savings plan, your pension needs to be reviewed regularly. It’s the only way you’ll know if your retirement plans are on track.

**KNOW YOUR LIMITS**

There’s a limit to the amount you can invest in pension plans every year before you’re taxed. It’s set by the Government and it’s called the annual allowance.

If you want to make contributions to your plan after you’ve taken some or all of your retirement savings, you may be limited to what you can continue to contribute and receive tax relief on. This is called 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, not just this one.

To find out more about the annual allowance and the money purchase annual allowance, visit royallondon.com.
SHARE OUR SUCCESS

We want you to feel the benefit of being part of Royal London. So we’ll aim to boost your retirement savings by giving you a share of our profits each year.

How it works

1. We’ll review our financial strength and performance at the end of each year.
2. We’ll work out if ProfitShare can be awarded.
3. We’ll add any award to a separate ProfitShare account within your plan.
4. You’ll see the value of your ProfitShare account in your yearly statement and our online service.
5. You can take the value of your ProfitShare account with the rest of your retirement savings any time after age 55.

- ProfitShare awards will be based on the value of the retirement savings you have invested with us on the date they’re awarded.
- Each year, we’ll 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.
- ProfitShare awards 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.
- ProfitShare doesn’t count as a contribution, so it won’t reduce the level of tax-free contributions you can make to your plan each year.

- ProfitShare awards will be invested in the same investment choice as your other retirement savings.

What’s the catch?
There isn’t one. The ProfitShare you’re awarded will belong to you. We’ll never ask for it back.

What if I’m invested in with profits?
If you invest in with profits, we’ll work out your ProfitShare in a different way. You can find out more in the Royal London With Profits Fund factsheet.
INVESTING YOUR RETIREMENT SAVINGS

Today there are more investment choices than ever before. While choice is a good thing, you might find it difficult to decide on the best option for you. Here are a few things to consider when deciding where to invest your retirement savings.

How much risk are you willing to take?
Higher risk investments can help your money grow more. But there’s also a greater chance of losing money. And with lower risk investments, your money may not grow as much as you want it to. Of course, investment returns are never guaranteed. So while your savings could grow, their value can also go down. This means you could get back less than what you put into your plan.

You can get an idea of your attitude to risk by using our risk profiler at royallondon.com.

How involved do you want to be?
If you want to be actively involved in choosing your investments, you can use the Self Investments option within your plan. This lets you invest in a fund supermarket and directly in a range of alternative investments, such as company shares and UK commercial property.

Some investment options carry an extra charge. So if you decide to choose your own investments, or need help deciding on a suitable option, you should speak to your financial adviser.
Stay with your original investment choice
When you set up your plan, you had the option to choose, with the help of your financial adviser, the investments that matched your attitude to risk and your plans for the future. You can stick with your original investment choice. Or, you might want to change it.

Choose from the Governed Range
This consists of Lifestyle Strategies and Governed Portfolios.

- They’re made up of a mix of different investments.
- They take into account the time until you retire.
- They’re designed for different attitudes to risk.

We also have five Governed Retirement Income Portfolios (GRIPs), which are designed for a regular retirement income. Our GRIPs are suitable for you if you want to take a regular income and delay buying an annuity, and if you’re able to accept a level of uncertainty in your future income. Each GRIP invests in a mix of equities, corporate bonds, medium index linked gilts, high yield bonds and property.

They’re aligned to five risk profiles, determined by your income needs and attitude to risk.

Choose from the fund range
You can access Royal London funds, managed by the Royal London Asset Management team, as well as funds managed by some of the world’s leading investment companies.

Find out more
For more information about the full range of investment options available to you, read our Pension investment options guide.

HOW TO

Change your investments
If you’re registered for our online service, you can change your investments online. Details on how to register for our online service are in the Your plan online section of this guide.

Any changes to Self Investments must be submitted by your financial adviser on your behalf.
YOUR RETIREMENT OPTIONS

If the thought of sorting out your financial future is leaving you feeling a little perplexed, you’re probably not alone. The good news is, you can access your retirement savings any time after age 55, even if you’re still working. Here you’ll find more information about your options.

Secure income
Enjoy a guaranteed regular income for the rest of your life.

Flexible access
Take the income you need, when you need it.

Cash payment
Have all your savings paid as a cash lump sum.

Leave it for now
Put things off until the time feels right for you.

When you come to access your retirement savings, you can use a combination of these options. What’s more, you’re free to shop around. This means you don’t need to stay with the pension provider you’ve been saving with – you can take your savings to the market and see who can best meet your needs.
Enjoy a secure income
You can turn your retirement savings into a regular income that’ll keep going as long as you do. This option is also referred to as ‘buying an annuity’.

You give some or all of your retirement savings to an insurance company – and, in return, they’ll pay you a guaranteed, regular income every year for the rest of your life. How much income you can expect will depend on things such as the money you’ve saved, your age and health when you retire and any extra features you choose to add.

Take it as cash
You can take all your retirement savings in one lump sum, or spread it out over a series of smaller cash payments.

Usually, the first quarter of any cash payment will be paid tax-free. The rest will be subject to tax. Tax rules depend on your individual circumstances and may change in the future.

Take control with flexible access
Flexible access lets you dip into your retirement savings, while the rest stays invested in your plan. This option is also referred to as ‘income drawdown’. We currently offer this through our Income Release product.

Unlike a secure income, your savings aren’t guaranteed to last the rest of your life. As your savings stay invested, there’s a risk your money could run out if your investments perform poorly, if you take too much money out of your plan or if you live longer than expected. To help make sure your savings last as long as you need them, you’ll need to regularly review the income you’re taking along with how your investments are performing.

Leave it for now
If you don’t feel ready to access your retirement savings when the time comes, you can leave them invested in your plan. While this means your savings can continue to grow, it also means they can fall in value – so you could end up with less money to live on.

If you’re not sure about what retirement option is right for you, you should speak to a financial adviser. You can also contact Pension Wise, a free and impartial retirement planning service, introduced by the government to help you understand your options.

KNOW YOUR LIMITS
There’s a limit to the amount you can have in this or any pension plan when you start taking your retirement savings. It’s set by the Government and it’s called the lifetime allowance. Find out more at royallondon.com.
YOUR PLAN ONLINE

Our secure online service is simple to use, quick and easy to access and available 24 hours a day, 7 days a week. So you’ll have round the clock access to your plan details.

Keeping track
Once registered you can make changes to your investment choice and view a wide variety of information including:

- the value of your plan
- where your retirement savings are invested
- your contribution details
- the potential value of your plan when you retire
- contributions made and allocated
- the value of your pension plan and your investment holdings
- investment information including fund performance and fund information
- projections of future benefits
- personal details such as your address.

HOW TO REGISTER
Registering for our online service can be completed in a few easy steps.

1. Have your plan number to hand.
2. Go to royallondon.com/onlineservice.
3. Complete your personal details and click ‘Continue’.
4. Enter your email and password.
5. Select three different memorable questions and answer them, then click ‘Continue’.
6. You’ll then be sent an email to activate your account. Click the ‘Activate account’ link which will take you to the final step to enter your password.

Once you register, you’re ready to go – all you need to do is log in
CLEAR CHARGES

With Pension Portfolio, you only pay for the services you use.

Your charges
Like all pension providers, we apply a management charge to your plan. Additional charges may apply if you use other facilities within your Pension Portfolio such as Self Investments or Income Release.

The good news is our management charge rate reduces as the value of your plan grows. This is our way of rewarding you for saving more.

In addition to these product charges, you may have agreed an adviser charge with your financial adviser to pay for the services they provide you with – both now and in the future. This agreement will be between you and your financial adviser. However, if you ask us to, we can deduct an adviser charge payment from your plan and pay it to your adviser.

Have a look at your Plan certificate for a breakdown of the charges to your plan. These charges are regularly reviewed and could change in the future.
Providing an excellent service is our bread and butter. That’s why our Customer Service team is always on hand to help.

You’ll find the contact details for our central Customer Service team in your Plan details.

They can provide you with any information you need about your plan but they won’t be able to give you any financial advice. You should always contact your financial adviser first if you have any questions about your plan or your financial situation.
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.

All of our printed products are produced on stock which is from FSC® certified forests.