



NOTICE TO EXISTING CUSTOMERS

From **6 April 2015**, the Government gave you more freedom in how you can use your retirement savings. This notice sets out additional retirement options that we have introduced under your plan with effect from that date and changes to whom benefits may be able to be paid from your plan on your death.

You do not need to take any immediate action as a result of this notice, however, you should keep it safe along with your plan terms and conditions in case you need to refer to it in the future.

As this notice covers a number of different types of plans issued over a number of years, the terminology which it uses may not exactly reflect the terminology used in your original plan terms and conditions, however, the terms of this notice are intended to be self-explanatory, and we hope you find that to be the case.

LUMP SUM PAYMENTS

Under the current terms and conditions of your plan, when you choose to take your retirement benefits (which normally, under current legislation, cannot be before your 55th birthday unless you are eligible to retire due to ill-health) you can normally take these:

- as a tax-free lump sum;
- as retirement income payable to you for life; and
- as retirement income payable to a dependant after your death.

Under current legislation any tax-free lump sum is usually limited to a quarter of the amount used to provide your retirement benefits. From 6 April 2015, you may be able to take as much of your plan as a lump sum as you want (subject to the minimum values set out on the next page). However only a quarter of the funds that you take would be paid tax-free and the remaining amount would be taxed as income at the appropriate rate.

If you are not taking all of the retirement benefits from your plan as a lump sum at the same time, the minimum amount under your plan that you can ask to take as a lump sum is £1,000. The amount remaining in your plan must be no less than £2,500 (or £200 if you are still making regular contributions to your plan). These are the current minimum values, however, we will review these on 6 April in each year. At that time, we may increase the minimum amounts by the percentage change of any increase in the Retail Prices Index over the period from the date of the last change in the minimum amount. We will inform you of the current minimum values if you ask to take part of your retirement benefits as a lump sum.

We may allow a lower amount to be taken as a lump sum payment if by making that payment your plan would end.

Lump sum payment charge

If you want to take more than one lump sum from your plan in any tax year, we will normally apply a charge for doing this. The charge would only be applied once.

We will normally take this charge proportionately from each fund your plan is invested in on the day we make the second lump sum payment in that tax year, using the same unit prices as used to calculate the lump sum payment.

The charge at 6 April 2015 is £184. We will review this charge on 6 April each year. At that time, we may increase the charge by the percentage change of any increase in the Retail Prices Index over the period from the date of the last change in the charge

We will not change the charge if the change in the Retail Prices Index over the period is negative.

It is possible we may need to change this charge at a time and by an amount that differs from what is described above. We would only do this to reflect an increase in the cost of administering the plan over and above the increase in the Retail Prices Index described above. In that case the charge would only be changed by such amount or percentage as we reasonably decide is required to cover the increase in costs. We will normally give you 90 days' notice of a change to the charge which is made for this reason. This may not be possible for changes that are outside our control. We will give you as much notice as possible in such circumstances.

We will provide a full explanation of the options that are available to you, and of any charges that may be applied, when you choose to take your retirement benefits.

DEATH BENEFITS

From 6 April 2015, it may now be possible for benefits to be paid to a beneficiary after your death rather than being restricted to being paid only to a dependant after your death. A beneficiary is a person that you inform the trustee, or that the trustee decides, should receive benefits from your plan on your death.



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