



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 the additional flexibility we are introducing under your plan:

- with effect from **6 April 2015** in relation to how you can use your retirement savings; and
- with **immediate effect** in relation to how benefits may be payable from your plan in the event of your death.

You should keep this notice 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

Under the current terms and conditions of your plan, if you die and there are units held by your plan we will cancel all the units and the trustee/scheme administrator will use the amount available to provide death benefits in a form allowed by the Rules and legislation at the time.

Since 6 April 2015, it has been possible under legislation 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/scheme administrator, or that the trustee/scheme administrator decides, should receive benefits from your plan in the event of your death.

This means that, with immediate effect, if you die and there are units held by your plan the trustee/scheme administrator will use the amount available to either:

- provide a lump sum benefit to your beneficiaries;
- allow it to be designated by your beneficiaries for flexi-access drawdown, which in turn will allow your beneficiaries to then transfer the amount available to a new flexi-access drawdown plan in their own name which is set up with Royal London (subject to the conditions referred to below) or with another provider chosen by them. Beneficiary flexi-access drawdown cannot be provided directly from your plan;

- provide retirement income payable to your beneficiaries for the rest of their life; or
- provide a combination of lump sum(s) and retirement income or income payments (via a beneficiary's flexi-access drawdown plan).

We will tell your beneficiaries what options are available to them under the Rules.

The option of setting up a new beneficiary's flexi-access drawdown plan with Royal London will only be available if the amount available under your plan for designation for flexi-access drawdown by the beneficiary meets a minimum level that we set. The current minimum level that applies is £15,000. We will change this minimum level if, for example, it is no longer commercially viable for us to keep it at the same level or if we are required to change it for legislative or regulatory reasons.



Royal London
1 Thistle Street, Edinburgh EH2 1DG
royallondon.com

All literature about products that carry the Royal London brand is available in large print format on request to the Marketing Department at Royal London, 1 Thistle Street, Edinburgh EH2 1DG.
All of our printed products are produced on stock which is from FSC® certified forests.

The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. It provides life assurance and pensions. Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority and introduces Royal London's customers to other insurance companies. The firm is on the Financial Services Register, registration number 302391. Registered in England and Wales number 4414137. Registered office: 55 Gracechurch Street, London, EC3V 0RL. Royal London Corporate Pension Services Limited is authorised and regulated by the Financial Conduct Authority and provides pension services. The firm is on the Financial Services Register, registration number 460304. Registered in England and Wales number 5817049. Registered office: 55 Gracechurch Street, London, EC3V 0RL.