

Newco

 **0131 456 9999** **pensions@newco.com**

1 January 2018

**Private & Confidential**

Mr D Wilson  
10 Sample Street  
Sample Town  
Sample Place  
EH2 1PB

AE01/999999/0

**Scheme name:** Newco Group Pension Scheme

Dear Mr Wilson

**Important information that affects you**On **1 February 2018**, you'll be automatically enrolled into our group pension plan.**Why is this happening?**

People are living longer which means more years spent in retirement. The State pension is unlikely to be enough to maintain your current lifestyle when you retire. So the Government has introduced a law to help more people save for their future.

**What does this mean for you?**

It's important that you read the enclosed documents as they'll tell you more about the plan and what this means for you.

Yours sincerely

**Newco Pensions Team**



## INTRODUCING OUR GROUP PENSION PLAN

On 1 February 2018, you'll be automatically enrolled into our group pension plan. You don't need to do anything to take advantage of this great opportunity to save for your future.

### What does this mean for me?

You'll have your own plan and you'll make a monthly contribution which will be taken from your salary automatically.

When you start saving into your plan, so will the taxman. This is called tax relief.

We'll also help by contributing to your plan. The retirement savings you build up will provide you with an income when you retire.

The plan must meet certain Government standards. If we close the plan, or change it so that it no longer meets these standards, we'll immediately put you into another plan that does.

### How much will the monthly contributions be?



The regular contributions into your plan will increase in phases as shown in the table below.

Date	You contribute	We contribute
Up to 5 April 2018	1.00%	1.00%
6 April 2018 - 5 April 2019	3.00%	2.00%
6 April 2019 onwards	5.00%	3.00%

### Where will my money be invested?

We've chosen an investment option for the plan so your retirement savings will be looked after by professionals. You can stick with this option or choose your own investments.

### Who will run the plan?

We've chosen Royal London to run the plan. They're a different kind of financial services company because they're owned by their members. When you're enrolled, you'll become a member of Royal London. This means you'll have a say in how they run their business and you'll share in their success. To find out more visit [yourplan.royallondon.com/newco](http://yourplan.royallondon.com/newco).

### What happens next?

You don't need to do anything to join. You'll be automatically enrolled into the plan on **1 February 2018**.

### Contact Us

Newco

0131 456 9999

[pensions@newco.com](mailto:pensions@newco.com)

### Here to help

We'll use this margin to explain some of the terms we've used.

### Tax relief

You get tax relief on your regular and single contributions at the current basic rate. This means that each time you make a contribution into your plan, so will the taxman. Tax relief depends on individual circumstances and may change in the future. If you pay higher rate income tax, you may be able to claim extra tax relief through your tax return or by contacting your local tax office.

### Salary

Contributions are calculated based on your pensionable salary, which may not be the same as your salary. Contact us for more information on how your pensionable salary is calculated.

## Can I make changes to my plan?

### Use Royal London's online service

You can make the following changes to your plan using Royal London's online service. You can:

- **Save more** - Find out the effect of saving more and increase the amount you're contributing.
- **Change your investments** - View the different investment options available and change your investment choice.
- **Change your retirement date** - Choose the date you want to start taking your retirement benefits.
- **Nominate beneficiaries** - Nominate one or more beneficiaries to receive your retirement benefits in the event of your death. Royal London will take your wishes into account but they are not bound to follow them.

You can access the online service in a few easy steps.

- Go to [yourplan.royallondon.com/newco](http://yourplan.royallondon.com/newco) and follow the instructions on screen.
- You'll need to provide your access code: 1234-5678-9999

You can also contact us to make changes to your plan.

## Can I opt out of the plan?

You can opt out of the plan between **1 February 2018** and **1 March 2018**.

To opt out you can:

### Use Royal London's online opt out service

The online service is simple to use and so it's the quickest and easiest way to opt out of the plan.

You can access the opt out service from your computer or mobile in a few easy steps.

- Go to [yourplan.royallondon.com/choices](http://yourplan.royallondon.com/choices) and follow the instructions on screen.
- You'll need to provide your access code: **1234-5678-9999**
- Ensure you read the important information and confirm that you personally submitted the notice to opt out.

### Use Royal London's telephone opt out service

- Call **0345 600 2577** and listen to the instructions.
- You'll need to enter your access code: **1234-5678-9999**

### Complete and sign an opt out form

- You can get a copy of the form at [yourplan.royallondon.com/newco](http://yourplan.royallondon.com/newco) or contact Royal London.
- Return the completed form to us.

If you opt out on or before **1 March 2018** any contributions you've made will be refunded. You can opt out or stop making contributions in accordance with the scheme rules after this date.

If you opt out or stop making contributions, we'll normally enrol you back into the plan roughly every three years. We'll contact you if this happens.

Remember that by opting out, you'll miss out on a contribution of £29.17 from us and £5.83 from the taxman each month and you'll be treated as though you have never been a member of the plan.

If you change your mind we must let you opt in once in any 12 month period. You might be able to opt back into the plan sooner by contacting us.


## Contact Us


Newco


 **0131 456 9999**

 [pensions@newco.com](mailto:pensions@newco.com)

## Contact Royal London

 **MEMBERHELPLINE@royallondon.com**  
Corporate Servicing Team 1  
Royal London  
PO Box 413  
Royal London House  
Wilmslow  
SK9 0EN

 **0345 601 5036**  
Mon - Thurs, 8.00am - 6.00pm  
Fri, 8.00am - 5.00pm

 **0131 524 8873**

 [yourplan.royallondon.com/newco](http://yourplan.royallondon.com/newco)

### **Where can I find out more?**

The other documents in this pack will give you more information about the plan and the benefits of saving for your retirement. You can also visit [yourplan.royallondon.com/newco](https://yourplan.royallondon.com/newco) or contact us.



**Royal London use only**ITR: 100000  
User: STA 12608  
Other: RS-SHRv2/  
ISAS/CB880

## ILLUSTRATION

Please tell us this number if you contact us  
**Quote number: 100000**  
**1 January 2018**

This is an illustration of what you might get back from your proposed plan at your chosen retirement date. It should be read along with the following document:

- **Group Personal Pension Plan key features**

## 1 YOUR DETAILS

**Mr David Wilson**  
Newco Group Pension Scheme

Plan type:	Retirement Solutions Group Personal Pension Plan
Joining date:	1 February 2018
Yearly statement date:	1 February
Chosen retirement date:	1 April 2035

## 2 CONTRIBUTIONS INTO YOUR PLAN

### Regular contributions into your plan

Assumed first contribution:	1 March 2018
Regular contributions will continue until your chosen retirement date.	
Salary:	£35,000 ⓘ

Expected monthly contribution:	<b>£58.34</b>
<i>Made up of</i>	

Your contribution:	£23.34 (1.00% of your salary when tax relief is included)
--------------------	---

Your tax relief:	£5.83
------------------	-------

Your employer's contribution:	£29.17 (1.00% of your salary)
-------------------------------	-------------------------------

Your employer will deduct your contribution directly from your salary and this will be paid to Royal London on your behalf. As the contributions to this plan vary in line with your salary, the contribution amounts submitted by your employer may differ from those shown above.

### **Here to help**

We'll use this margin to explain some of the terms we've used.

### **i Salary**

Contributions are calculated using the pensionable salary provided by your employer, which may not be the same as your salary. Your employer will be able to provide you with more information on the definition of pensionable salary, if required.

### Contribution structure for your plan

The regular contributions into your plan will increase in phases as shown in the table below.

Date	Your contribution	Your employer's contribution
Up to 5 April 2018	1.00%	1.00%
6 April 2018 - 5 April 2019	3.00%	2.00%
6 April 2019 onwards	5.00%	3.00%

### **i** What affects your projected plan value?

- How much is paid in.
- Actual investment growth rate.
- How long your money is invested.
- The rate of inflation.
- Product charges on your plan.
- Any charges paid to a financial adviser.

## **3** INFORMATION ON TAX RELIEF

---

You normally get tax relief on your regular and single contributions up to age 75. This means that each time you make a contribution into your plan, so will the taxman.

We've assumed you're a UK (excluding Scotland) tax payer as we've not received confirmation of your tax regime from HMRC. This means that the tax relief you'll get added to your plan will be calculated using the current UK (excluding Scotland) basic rate.

If you pay higher rate income tax, or you are subject to a different tax rate from the rest of the UK, you may be able to claim extra tax relief through your tax return or by contacting your local tax office.

Tax relief rates are set by the UK and Scottish Governments, are subject to change and are not guaranteed.

## **4** ANNUAL ALLOWANCE

---

There is a limit on the amount of contributions you can make to a plan in any tax year, without being subject to a tax charge. This is known as the Annual Allowance.

If you take income or a cash lump sum from any plan, the total amount of contributions you can make in any tax year, without being subject to a tax charge, may be limited by the Money Purchase Annual Allowance.

## **5** WHAT YOUR PLAN COULD BE WORTH AT YOUR CHOSEN RETIREMENT DATE

---

Here you'll find out what your plan could be worth at your chosen retirement date using three different growth rates. The amounts are not guaranteed and are just an illustration of what you could get. We'll continue to keep you updated on how your plan is doing by providing yearly statements.

To give you a better idea of what you would be able to buy with your plan if it were payable today, these figures allow for future inflation of 2.5% a year. Inflation reduces the worth of all savings and investments including the value of your plan. The figures illustrate in today's prices the retirement income that may be payable when you reach your chosen retirement date.

There are other things that could have an effect on your projected plan value. **i**



## What benefits could you get at your chosen retirement date?

	Low	Mid	High
Investment growth rate ⓘ	-0.5%	2.4%	5.4%
Projected plan value	£22,000	£31,100	£43,700

This example shows you what you could get if you take tax-free cash and a retirement income from your plan:

Tax-free cash ⓘ	£5,500	£7,770	£10,900
<i>plus</i>			
Retirement income each year before tax ⓘ	£648	£1,190	£2,100

Alternatively, if you used your entire plan to provide a retirement income you could get:

Retirement income each year before tax	£864	£1,580	£2,800
--	------	--------	--------

### Assumptions we've made about your projected plan values

- Regular contributions will continue until your chosen retirement date.
- Your contributions will increase each year in line with salary.
- Your employer's contributions will increase each year in line with salary.
- The charges on any future regular contributions will be the same as those applying to your new regular contributions.

### Assumptions we've made about your retirement income

- You'll take your retirement income as an annuity. ⓘ
- Your retirement income will be paid monthly.
- Your retirement income will stay at the same level.
- Your retirement income will be paid for a minimum of 5 years and thereafter for the rest of your life.
- You can normally take your retirement income from age 55 however we've assumed you'll take it at your chosen retirement date. If you retire earlier or later than your chosen retirement date the amounts you receive could change.

Do remember that you can shop around before taking your retirement income; you don't have to take your retirement income from this plan.

### **i** Rates we've used

The investment growth rates shown are over and above assumed future inflation of 2.5%. If a rate is less than 0% then the value of your plan will not keep pace with inflation. This means that its buying power will fall so the amount you can buy with your plan will reduce.

You'll find more information on the investment growth rates and the other rates we've used in this projection in the 'Key notes' section.

### **i** Tax-free cash

Under current legislation you can normally take up to 25% of your plan as tax-free cash.

### **i** Options that reduce your retirement income

- If you choose a retirement income that increases each year.
- If you choose a retirement income for your spouse or civil partner.
- If you are entitled to more than the normal 25% tax-free cash.

### **i** Annuity

An annuity is a financial product used to provide a guaranteed retirement income. It is usually purchased using the money remaining in a pension plan, after any tax-free cash has been paid.

## 6 YOUR INVESTMENTS

---

### **Investment: Governed Portfolio 6**

A Governed Portfolio aims to match your attitude to risk and time to your chosen retirement date to a suitable mix of funds.

Fund name	Percentage invested
RLP Global Managed	32.00%
RLP Short (5yr) Corporate Bond	30.00%
RLP Short (5yr) Index Linked	19.50%
RLP Property	9.50%
RLP Short Duration Global High Yield	6.00%
RLP Global High Yield Bond	3.00%

### **Rebalancing**

As time passes the amounts in each fund will grow at different rates. This could change the suitability of the investment. To avoid this we'll automatically rebalance your investments on a monthly basis at no extra cost. This means the mix of funds you choose at outset is maintained.

### **Peace of mind for you**

Your investment comes with ongoing governance. This simply means that our investment experts check it regularly. It allows us to maintain the best mix of funds in line with the risk category - and to make sure it is performing in line with its overall objectives - aiming to give you the best returns. If our experts decide that the mix of funds needs to be adjusted, it happens automatically on your behalf. This service comes at no extra cost however it means that the funds and percentages detailed above may change. You should be aware that the value of your investment can go down as well as up and you may not get back the value of the original investment. If, in future, you take income or a cash lump sum from your plan it may not last you for as long as you need it.

To find out more about the range of investments available go to [yourplan.royallondon.com/newco](http://yourplan.royallondon.com/newco) or contact us.

## 7 CHARGES

---

These charges are based on the contributions shown in this document.

### **What your pension costs - a summary**

Assuming you invest in the funds shown in the 'Your investments' section, you will be charged the following each year:

- **0.90%** of the value of your regular contributions

For more information about pension charges visit [www.abi.org.uk/pensioncharges](http://www.abi.org.uk/pensioncharges)

Further information on the charges on your plan is shown below.

## PRODUCT CHARGES

These are charges Royal London will apply for providing and managing your plan.

### Management charge

The management charge is intended to cover our expenses, including the costs of setting up and servicing your plan and managing your investments. The management charge on each contribution depends on how the contributions are invested. The charge is calculated as a percentage of the plan value each year.

Contribution type	Group plan charge	Plus	
		Additional investment charge	Overall management charge
Regular contributions	0.90%	0.00%	<b>0.90%</b>

### Additional investment expenses ⓘ

There may be additional expenses charged to the funds you have invested in. These expenses cover the costs incurred by the investment management company and are deducted from the value of the fund. The level of these expenses is not within Royal London's control and may vary from year to year. These additional expenses have been taken into account when calculating the benefits you could get at your chosen retirement date and are included in the charges shown.

## 8 THE EFFECT OF CHARGES ON YOUR PLAN

The following figures are based on the contributions shown in this document.

Any charges taken from your plan will have an effect on your plan value. Charges include product charges and any charges taken by a financial adviser.

If you decide to transfer your plan, or take your retirement benefits, it is possible you may get back less than you paid in.

We've based the following figures on the projected plan values at the mid investment growth rate for each contribution type. The rate used takes into account the investment growth rate, over and above assumed inflation of 2.5%, for each fund within each contribution type.

The effect of the charges from your plan will reduce the investment growth rates. The impact of the charges on the mid investment growth rate at your chosen retirement date are shown in the table below. You can use these rates to compare the effect that charges will have on different retirement savings products.

Contribution type	Mid investment growth rate	Growth rate	
		With only product charges applied	With all charges applied
Regular contributions	2.4%	1.9%	1.9%

### ⓘ Additional investment expenses

You can find information on the additional expenses that apply to specific funds in our **Pension investment options** guide available at [yourplan.royallondon.com/newco](http://yourplan.royallondon.com/newco).

Here is more detail on the effect the charges could have on the transfer value of your plan. This shows how the product charges, and any charges taken by an adviser, could affect the transfer value compared to the values if there were no charges.

All figures shown have been adjusted for future inflation of 2.5% a year to show them in today's prices. This will give you a better idea of what your plan will be worth in today's terms.

### Regular contributions ⓘ

### ⓘ Regular contributions

The total regular contributions into your plan are shown in today's prices so will be lower than the actual contributions that will be paid.

At the end of year	Total contributions into your plan	What the transfer value might be		
		Before charges are taken from your plan	If only plan and investment charges are taken from your plan	After all charges are taken from your plan
1	£3,467.53	£3,510	£3,490	£3,490
3	£10,402.59	£10,900	£10,800	£10,800
5	£17,337.65	£18,900	£18,500	£18,500
At retirement	£52,012.95	£75,100	£69,800	£69,800

## 9 BENEFITS PAYABLE ON DEATH

### **If you die before you take any retirement benefits from your plan**

Under current legislation, the value of your plan can usually be paid as a lump sum. Any outstanding initial adviser or consultancy charges will be deducted before being paid.

### **If you die after you take any retirement benefits from your plan**

The benefits will depend on the choices you make when you take your retirement benefits.

## 10 KEY NOTES

### **What assumptions have we made?**

As we don't know what's going to happen in the future, we have to make some assumptions about what will happen to your plan. These have been set by the independent regulator - the Financial Conduct Authority (FCA).

We've used the following yearly rates in our calculations in the 'What your plan could be worth at your chosen retirement date' section.

The amounts you receive could change as rates may be different when you take your retirement income.

	Low	Mid	High
Inflation rates used to adjust projected values to today's prices	2.5%	2.5%	2.5%
Salary growth rates before being adjusted for assumed future inflation	2.0%	4.0%	6.0%
Interest rates at retirement	-0.7%	1.3%	3.3%

We've used the yearly fund growth rates below to calculate the overall investment growth rates for the plan. All rates shown are over and above assumed future inflation of 2.5%.

Investment choice	Low	Mid	High
RLP Global High Yield Bond	-1.0%	2.0%	4.9%
RLP Global Managed	1.5%	4.4%	7.3%
RLP Property	1.0%	3.9%	6.8%
RLP Short Duration Global High Yield	-1.0%	2.0%	4.9%
RLP Short (5yr) Corporate Bond	-1.0%	2.0%	4.9%
RLP Short (5yr) Index Linked	-2.4%	0.5%	3.4%

The standard rates for pension products are -0.5%, 2.4% and 5.4% however companies must use lower growth rates where the choice of funds is unlikely to achieve returns in line with these rates. These rates are the rates over and above assumed future inflation of 2.5%. Overall growth rates cannot exceed the industry standard rates and will be limited to -0.5%, 2.4% and 5.4% if necessary.

Growth rates are based on the current investment choice under this plan. If the investment choice changes the growth rate may also change.

## **11** INFORMATION ON THE COST OF ADVICE

---

No payments will be made to **Sample IFA** to cover the cost of advice.

### **Further payments**

Further payments may be made to your, or your employer's financial adviser for any services they may provide. We will not make any of these payments without confirmation that you or your employer agree to them being made.





**keyfacts**®

## KEY FEATURES OF THE RETIREMENT SOLUTIONS GROUP PERSONAL PENSION PLAN

The Financial Conduct Authority is a financial services regulator. It requires us, Royal London, to give you this important information to help you to decide whether our Retirement Solutions Group Personal Pension Plan is right for you. You should read this document carefully, so that you understand what you are buying, and then keep it safe for future reference.

**This is an important document and you should read it together with your illustration. Please read it and keep for future reference.**

This document contains the following information:

- the aims of the Retirement Solutions Group Personal Pension Plan
- your commitments if you take out the plan
- the risks associated with the plan
- questions and answers that explain the plan's main features
- how to contact us.

### ITS AIMS

- To build up a sum of money tax efficiently, which provides you with retirement benefits any time after age 55.

### YOUR COMMITMENT

- You and/or your employer agree to make regular contributions to your plan until your chosen retirement date. You can also make a single contribution or a transfer payment from another pension plan.
- You agree to make up any difference between the contributions made by your employer and the minimum total of contributions set out in the auto enrolment requirements.
- You agree to tell us if your circumstances change. For example, if you no longer have UK earnings or are no longer resident in the UK.
- You need to let the plan build up until you are allowed to access your retirement benefits.

- If you take benefits from another pension plan you need to tell us as this may trigger the MPAA (Money purchase annual allowance). For more information about this, see the **What about tax?** section for details.

### RISKS

- We cannot guarantee what you will get back at your chosen retirement date. Various factors can alter your plan value. For example:
  - Investment performance, interest rates and charges may be different to those illustrated.
  - You could stop making regular contributions or take a contribution holiday.
  - You might take some or all of your retirement benefits earlier than your chosen retirement date. If you take your benefits earlier than your chosen retirement date, you should think about reviewing your investment option as it may no longer be appropriate.
  - Tax rules depend on individual circumstances and may change.
  - Investment returns are never guaranteed. This means the value of your investment can go down as well as up and you might not get back the value of the original investment.
- When you access all or part of your retirement benefits, it's important that you think about your needs in both the early and the later part of your retirement. It's your responsibility to ensure your retirement benefits don't run out and will last the rest of your life.

- You should be aware that taking a large cash lump sum could increase the amount of tax you pay. See the **What about tax?** section for details.
- If you start your plan with a single contribution or transfer payment and then cancel it within 30 days, the amount returned will be less than you paid in if the value of your investment has fallen. The amount returned may also be reduced if you agree charges with a financial adviser for services they provide on your plan, and you tell us to take those charges from your plan.
- If you transfer benefits from another pension plan, you may be giving up valuable benefits, and there is no guarantee that your retirement benefits will be more than if you had stayed in your previous plan.
- If you invest in the Royal London With Profits fund, the value of the fund may be reduced by applying a market value reduction if you take money out of the fund before your chosen retirement date. The market value reduction is applied to ensure that the amount we pay you is not unfairly higher than your share of the Royal London With Profits fund.
- Putting even small amounts into a pension plan can affect your entitlement to means tested State benefits.
- If we receive a contribution, we may not invest it until we have all the information we need.
- This plan is not suitable for everyone. If you are concerned that it may not be suitable for you, contact a financial adviser.

## QUESTIONS AND ANSWERS

### **What is a group personal pension plan?**

A group personal pension plan allows you to build up money tax efficiently for retirement to provide you with an income for life, cash lump sum(s) and/or tax-free cash.

We designed the plan for people who want to build up tax efficient savings in a flexible way.

### **What contributions can be made into my plan?**

You and/or your employer can make regular contributions to your plan. You can also make single contributions at any time. If you have another pension plan, you may be able to transfer it into this plan.

You can make contributions into your plan either from your net salary, or using salary exchange. Your employer will tell you on which basis you make contributions.

You can ask to stop contributing, or reduce contributions to your plan. You can also ask to take a contribution holiday and then restart contributions again. Stopping or reducing contributions may reduce the amount you get back from your plan and it may also reduce the amount of contributions your employer pays in. You can ask us for more information about the effect of stopping or reducing your contributions.

### **Contributions made from your net salary**

Your contributions are taken from your salary, after tax has been paid, and paid to us by your employer.

We add tax relief at the basic rate and invest it in your plan. We then reclaim the basic rate tax relief from HMRC. If you are a higher rate taxpayer, you can normally claim the extra relief through your self-assessment tax return.

You will receive tax relief on all regular and single contributions you make to your plan up to a maximum of £3,600 a year or 100% of your earnings, whichever is greater.

Your regular contributions are usually paid monthly and can be paid as a percentage of your salary or as a fixed amount.

### **Contributions made using salary exchange**

Salary exchange is an agreement between you and your employer where you voluntarily exchange part of your gross salary in return for employer contributions into your plan.

These contributions are taken before tax and National Insurance Contributions (NIC) are paid. As your salary is reduced, you pay less tax and NIC. Salary exchange may not be suitable for everyone. You should speak to your employer for more information.

### **What contributions do I have to make into my plan?**

Auto enrolment requires a total minimum contribution to your plan and your employer must contribute at least part of this. If your employer contributes less than the total minimum amount, you will have to make up the difference.

Your employer will confirm the amount of contributions you will have to make and will tell you if that amount will change. To find out more about the minimum contributions, visit your pension website or speak to a financial adviser.



## **Where are the contributions invested?**

Your contributions, including any made on your behalf, are pooled with those made by other investors in unit-linked funds. These are invested in a range of different types of asset, including company shares, property, bonds and cash.

The unit-linked funds are made up of units, which you buy with your contributions. The price of these units depends directly on the value of the investments in the fund.

We work out the value of your investment in each unit-linked fund based on the total number of units you have in the fund and the unit price (the price at which we buy and sell units). If the unit price rises or falls, so will the value of your investment in the unit-linked fund.

You can choose from a wide range of investment options. You can read about these in our **Pension and investment options** guide.

Your employer's adviser may have created an additional range of investment options for your plan. If this applies to your plan, you will find more information in your joining pack.

If you decide to choose your own investments and don't use the scheme default investment, there may be an additional charge.

If you don't tell us how to invest your contributions, we will invest them in the plan's default investment choice.

You can switch your investments or change the investment choice for future contributions, although there may be conditions and a charge for doing so.

We have the right to delay a transfer, switch of investments or retirement before or after your chosen retirement date. We would do this to protect the interests of everyone invested in that particular fund.

## **With profits**

Any contributions into the Royal London With Profits fund are used to buy units. The price of these units stays the same and the investment performance is paid out as additional units when we allocate regular and final bonuses to your plan.

We work out the value of your investment in the Royal London With Profits fund based on the total number of units you have, any regular bonus due but not yet paid, and any final bonus due. We may reduce this value by applying a market value reduction if you take money out of the fund at any time other than your chosen retirement date.

Should Royal London demutualise within a period of three years from the later of the date that you join the plan and the date Royal London receives the first contribution, you will not be entitled to any compensation for loss of membership rights in respect of the contributions paid to the plan.

If you are considering investing in the Royal London With Profits fund, we will give you the booklet **A guide to how we manage our with profits fund** which you should read together with this key features document. This guide is a customer-friendly version of our **Principles and Practices of Financial Management**. It is important that you read and understand this document as it describes the way in which we manage our with profits business.

## **ProfitShare**

We believe our customers should benefit from our success. That's why we'll aim to give your retirement savings an extra boost by adding a share of our profits to your plan each year. We've called this your **ProfitShare**.

### **How ProfitShare works**

We'll review our financial strength and performance at the end of each year to decide if ProfitShare can be awarded. You'll qualify for ProfitShare as long as your plan was in force at any time during the year.

We aim to award between 0.15% - 0.25% of the value of your plan on 1 April the following year, as long as your plan is still in force. Over time, this will help to boost your retirement savings. You could get more or less than this and there's no guarantee that we'll be able to award ProfitShare every year.

We'll write to let you know what your ProfitShare award will be and we'll add it to a separate ProfitShare account within your plan in April. It will be based on the value of your plan at the date of the award and will be invested in the same investment choice as your other retirement savings to help it grow.

Any ProfitShare you're awarded will belong to you. We'll never ask for it back.

You can take the value of your ProfitShare account along with the rest of your retirement benefits any time after age 55.

If you invest in with profits, we'll work out your ProfitShare in a different way. You can find more information in **A guide to how we manage our with profits fund**. This is a customer-friendly version of our **Principles and Practices of Financial Management**.

### **What might I get when I take my benefits?**

Your **illustration** will provide an indication of what you might get back at your chosen retirement date, although this can't be guaranteed.

### **What can I do with my plan when I take my benefits?**

Any time after age 55, you will have access to your retirement savings. You don't need to do anything immediately as your retirement savings can remain invested, but you will need to make a decision before you reach age 75.

You will be able to use your plan value to:

- take a cash lump sum which can be some or all of your retirement savings, however only 25% of what you take will be tax-free,
- buy an annuity which will provide you with an income for life, or up to 25% tax-free cash and a smaller income for life,
- transfer to an income drawdown plan so you can receive an income and/or cash lump sum(s),
- or, a combination of all the options.

An annuity is a financial product that provides a guaranteed retirement income for life in return for a lump sum payment.

Different types of annuity are available to suit your individual circumstances.

If you want to buy an annuity, you don't have to buy it from us. You can buy it from any annuity provider and can shop around to find the best rates and products for you.

An income drawdown plan is a financial product that normally provides you with tax-free cash and an income directly from your plan. The income you receive is not guaranteed for life.

If you want to transfer to an income drawdown product you can shop around to find the best product for you.

You do not need to have stopped working to take retirement benefits from your plan.

### **What happens if I die?**

We will normally pay out your plan value as a lump sum to the individuals you have nominated such as your spouse, civil partner or dependants on your death.

If you've set up a trust to receive the death benefits, we will pay the lump sum to the trustees.

Alternatively, you can request that we use your plan value to provide an income for your beneficiaries such as your spouse, civil partner or dependants on your death.

### **What happens if I leave my employer?**

If you leave your employer you can continue to make contributions to the plan at any time. This includes regular contributions, single contributions or transfer payments. Any regular contributions must be made by direct debit.

Any contributions made by your employer will stop.

You can also stop paying contributions and leave your funds invested or transfer to another plan.

### **What are the charges?**

We'll apply a charge for managing your plan.

If you receive advice or a service from a financial adviser in relation to your group personal pension plan, charges may be deducted from your plan to cover the cost of that advice or service.

You don't need to receive individual advice or agree an adviser charge with a financial adviser to join your employer's group personal pension plan. And if you do agree an adviser charge with a financial adviser, these charges must relate to the specific services you receive on your plan. Your financial adviser must discuss and agree the services they'll provide to you in return for any adviser charges that will be deducted from your plan.

If you instruct us to make any additional transfer in, single contribution or increase to your regular contributions and also confirm that you are not using an adviser, we may apply an additional administration charge to your plan.

If your employer is automatically enrolling you into their group personal pension to meet their duties to provide a suitable workplace pension, then the charges are subject to a charge cap. This cap is 0.75% and applies to the default investment for the group personal pension. Your **illustration** will show you the charges that will apply to your plan, including any charges for the advice and services your financial adviser will provide. It will show when the charges will be deducted and how they may affect the value of your retirement savings.

If before you reach your chosen retirement age, you die or you transfer your benefits away, we may deduct any outstanding initial charges which you may have agreed in return for advice and/or services that have been provided by your adviser.

### **What about tax?**

Our pension investment funds are generally free of UK income and capital gains tax. However, we can't reclaim tax deducted at source from the dividends of UK company shares.

There are limits on the amount you can invest in pension plans and on the maximum value of retirement benefits that you can accumulate without being subject to a tax charge. These limits are known as the annual allowance and the lifetime allowance.

If you want to make contributions to your plan after you have taken all or some of your retirement savings you may be limited to what you can contribute and receive tax relief on. This is known as the MPAA. Please note that this is considerably lower than the annual allowance and relates to any pension plan you may have not just this one.

If you want to find out more speak to a financial adviser or visit your pension website.

You don't receive tax relief on payments you transfer into your plan from another pension plan.

If you move overseas, restrictions may apply. To find out more speak to a financial adviser.

If you die, there is normally no inheritance tax payable on the value of your plan, unless it forms part of your estate.

The retirement income you receive will be taxable as earned income. You can normally take up to 25% of the value of your plan tax-free, however the remainder of your plan will be taxed as earned income. If you take a large cash sum you could end up paying more tax. It's important to check whether the cash sum will push you into a higher tax bracket.

Any death benefits are normally payable tax-free.

Tax rules depend on individual circumstances and may change.

We recommend you get professional advice if you need more information on tax.

### **Can I transfer my plan?**

You can transfer your plan to another pension plan at any time.

Your **illustration** gives examples of how much you could transfer to another pension plan depending on when you transfer.

We may also take a market value reduction from your plan. This could happen if you have invested in the Royal London With Profits fund.

### **Can I change my mind?**

You can opt out of the plan. Your plan documents will tell you how and when you can do this. As long as you opt out of the plan within your opt out period, we will arrange for your contributions to be refunded to you. If you have taken any lump sum(s) from your plan these would need to be repaid. If you don't opt out, your plan will continue.

If you made a transfer payment to the plan, you can change your mind within 30 days of receiving the plan documents. You don't have to opt out of the plan. You must write and tell us. You can contact us in writing by using the details in the **How to contact us** section. We will pay the money back to the other pension provider it came from. If the transfer payment has come from an occupational pension scheme, the trustees of the transferring scheme may not accept the transfer payment back if you decide to cancel the plan.

If you made a single contribution or transfer payment and the plan value has fallen by the time it is cancelled, the amount returned will be the plan value. This will be less than you paid in. If the plan value has increased by the time it is cancelled, the amount returned will be the value of the contributions. If you agreed charges with a financial adviser for services provided in relation to your plan, the amount returned will be reduced by any charge payments made to the adviser. This will be less than you paid in. You'll find more details about this in your **Plan details** which you'll receive when you take out your plan.

### **How will I know how my plan is doing?**

We will send you a yearly statement to show you how your plan is doing.

You can check the prices of the funds you are invested in online, visit **Royallondon.com**.




You can find out your plan value by phoning our customer helpline or you can get an online valuation at any time. Our contact details can be found in the **How to contact us** section.

To register for our online service, visit **royallondon.com/onlineservice**.

### **HOW TO CONTACT US**

If this plan was arranged by a financial adviser, they should be your first point of contact. We are unable to provide financial advice.

If you have any queries regarding your plan, you can contact us by the following methods:




-  Royal London  
PO Box 413  
Royal London House  
Alderley Road  
WILMSLOW  
SK9 1PF
-  0345 60 50 050 Monday to Friday 8am - 6pm. We may record calls to help improve our customer service.
-  [customerqueries@royallondon.com](mailto:customerqueries@royallondon.com)

Please make sure you quote your plan number on correspondence, or have it to hand when you phone us.

### **OTHER INFORMATION**

#### **How to complain**

If you have a complaint against us in connection with your plan, please contact our Customer Relations Team.

-  Customer Relations Team  
Royal London House  
Alderley Road  
WILMSLOW  
SK9 1PF
-  0345 60 50 050 Monday to Friday 8am-6pm. We may record calls to help improve our customer service.
-  [customer.relations@royallondon.com](mailto:customer.relations@royallondon.com)

Please make sure you quote your plan number on correspondence, or have it to hand when you phone us.

If you're not satisfied with our response, you can refer the complaint to The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone: 08000 234 567.

Complaining to the Ombudsman won't affect your legal rights.

## **Terms and conditions**

These key features give a summary of the Retirement Solutions Group Personal Pension Plan. They don't include all definitions, exclusions, terms and conditions.

These key features also set out the terms of the agreement between you and Royal London which must be given to you under the auto enrolment requirements.

You will receive a copy of the full terms and conditions as detailed in our **Group Personal Pension Plan booklet** after you have taken out the plan and we have received the first contribution. If you would like a copy of the terms and conditions before we receive the first contribution, please ask us.

We have the right to change some of the terms and conditions, including the charges. We will write to you and explain the changes if this happens.

It may become impossible to comply with the terms and conditions, due to a change in legislation for example. We will tell you if this happens.

Our Retirement Solutions Group Personal Pension Plan is issued under The Royal London Personal Pension Scheme (No2). If you would like a copy of the rules of this scheme, please ask us.

Terms and conditions and all communications will be in English.

## **Law**

The terms and conditions applying to your plan are governed by Scots Law unless we agree with you that a different law should apply.

## **Client classification**

The Financial Conduct Authority requires us to classify our customers to ensure they get the appropriate level of protection under their rules. You've been classified as a retail client, which means you will benefit from the highest level of protection available.

## **Compensation**

If you seek financial advice, your financial adviser must recommend products that are suitable for you. You have a legal right to compensation if, because of what your adviser recommends, you lose out by taking out a plan that wasn't suitable for your needs at that time.

If we were to become unable to meet our liabilities under your plan, you may be entitled to compensation through the Financial Services Compensation Scheme. If you would like more information about the compensation arrangements that apply, please ask a financial adviser or contact us direct.

## **About us**

The Royal London Mutual Insurance Society is a customer-owned life, pensions and investment company.



**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 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.