



NOTICE TO TRUSTEES

From **6 April 2015**, the Government introduced new flexibility around the options that people have when they come to retire.

This notice sets out an additional retirement option that we are introducing under your Scheme's plans with Royal London (as listed on the letter accompanying this notice) with effect from 6 April 2015. It also extends the potential beneficiaries of the member's benefits in the event of their death. You should keep it safe along with your plan terms and conditions, in case you need to refer to it in the future.

However, it's important to note that you don't have to offer these additional options to Scheme Members. If you don't want to offer these additional options under your Scheme, the options available to Scheme Members will continue to be as currently set out in the Rules of your Scheme.

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 policy or 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 a Member takes their retirement benefits they can normally take these:

- as a tax-free lump sum;
- as retirement income payable to the Member for life; and
- as retirement income payable to a dependant after the Member's death.

Under current legislation any tax-free lump sum is usually limited to a quarter of the amount used to provide the Member's retirement benefits. From 6 April 2015, a Member may be able to take the full amount as a lump sum, where a quarter of the funds available are paid tax-free and the remaining amount is taxed as income at the appropriate rate.

The Member will be provided with a full explanation of the options that are available to them, and of any charges that may be applied, when they choose to take their retirement benefits.

DEATH BENEFITS

From 6 April 2015, in the event of the death of the member before they take their retirement benefits, we will normally pay the amount available as a lump sum death benefit to you for payment in terms of the Rules of your Scheme. Alternatively you can ask us to use the amount available to provide a retirement income to a member's dependant or to another beneficiary who was not dependent on the member at the date of their death.



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