Our guide to your **remuneration**

Pensions and Investments

ROYAL LONDON

Introduction

Our individual pension, workplace pension and Stocks and Shares ISA have been designed to complement each other and support different types of adviser charges.

Within this guide, we'll describe the different types of charges available and the impact certain scenarios can have on your adviser charge.

The guide covers individual pensions and workplace pension schemes. Therefore, the term "client" also includes "members" of workplace pension schemes.

Adviser charges

Adviser charges (AC) are agreed between you and your client in return for the advice and services you provide on their plan.

Initial charge

Agreed between you and your client in return for the advice and services you provide when the plan first starts or when a new contribution is applied.

Ongoing charge

Agreed between you and your client for the ongoing advice and services you provide during the lifetime of the plan.

Ad hoc charge

Agreed between you and your client for one-off events that take place on the plan or for ad hoc services that aren't already covered by initial and/or ongoing charges.

We'll facilitate the following initial, ongoing and ad hoc adviser charge payments:

Contribution type	Initial AC		Ongoing AC			Ad hoc AC	
	% of contribution	Monetary amount	% of contribution	% of fund	Monetary amount	% of fund	Monetary amount
All money	✗	✗	✗	✓	✗	✓	✓
Regular contributions	✓	✓	✓	✓	✓	✓	✓
Single contributions	✓	✓	✗	✓	✓	✓	✓
Transfer payments	✓	✓	✗	✓	✓	✓	✓

Before we make an adviser charge payment, it's important that the following conditions are met:

- Any adviser charges must be agreed with the client directly and they'll need to complete one of our adviser charge instruction forms.
- If a client wants to stop an agreed adviser charge payment being deducted from their plan, they can tell us to stop the payment at any time.
- AC payments are charged separately and aren't included within our product charges.

Key point

It's important that you clearly document in your client agreement the services you've agreed you'll provide and their charges.

Important information about adviser charges

- You or your client can tell us to reduce or remove an adviser charge, but requests to add or amend an adviser charge must come from the client. They'll need to complete one of our adviser charge instruction forms.
- With Income Release plans, adviser charges will be taken proportionately from crystallised and uncrystallised funds.
- If the adviser charge is taken as a percentage of the contribution, it will rise, fall or stop in line with any changes to the contributions.
- If a client transfers a plan, where possible we'll deduct any outstanding initial charge from the plan value before it's transferred.
- If the client dies and any ongoing charges have been deducted from the plan after the date of death, we'll re-credit these back to the plan.
- If the client tells us they've appointed a new financial adviser, we'll pay any ongoing charges and any new initial charges to the new adviser. If there are any outstanding initial charges still being paid, we'll continue paying these to you unless the client tells us otherwise.

Initial adviser charges

<table>
<tr><th>Contribution type</th><th>Initial adviser charge options</th></tr>
<tr><td>Regular contributions</td><td>Can be paid as:
a percentage of contributions
a monetary amount, or
a monetary amount paid as soon as possible (ASAP).
If it’s being paid as a percentage of the contributions, we’ll automatically pay this at the same frequency the contributions are made to the plan.
If it’s being paid as a percentage of the contributions or as a monetary amount, the adviser charge can be spread over a period of up to 60 months.
If it’s being paid as a monetary amount that’s spread over a period of time, we can pay this monthly or yearly, but it can’t be paid less frequently than the frequency the contributions are made to the plan. For example, if regular contributions are being paid monthly, we’ll also pay the adviser charge monthly.</td></tr>
<tr><td>Single contributions & transfer payments</td><td>Can be paid as:
a percentage of contributions, or
a monetary amount which is deducted as a one-off amount when we receive the contribution/payment.</td></tr>
</table>

Notes

- If the initial adviser charge is being paid on regular contributions ASAP, there will be no value in the regular contribution part of the client’s plan until the charge has been paid in full.
- It’s possible to choose different payment options each time an increased contribution’s applied to the plan and an adviser charge payment’s agreed. It’s not possible to take an initial adviser charge when increasing a regular contribution on the Royal London Stocks and Shares ISA.
- Where possible we’ll deduct any outstanding initial monetary adviser charge from the client’s plan if they transfer, retire early or another settlement.
- If there’s more than one transfer being applied to the plan and the charge is being paid as a percentage of the contribution, we’ll deduct the same percentage from each transfer. If the charge is being paid as a monetary amount, we’ll deduct the charge from the first transfer. If the transfer isn’t enough to cover the charge, we’ll use the full transfer to pay the charge and take any balance due from the second transfer.
- We’ll only pay the initial adviser charge during the initial charge period. If a client stops contributions, and the initial charge is being paid as a percentage of contributions, this will reduce the number of payments we’ll pay.
- If the workplace plan is a Retirement Solutions Company Pension Plan, both the trustees and the member will need to agree the charges.

Ongoing adviser charges

Contribution type	Ongoing adviser charge options
All money	• Can be paid as a percentage of fund.

Regular contributions	• Can be paid as:
	  • a percentage of the contributions
	  • a percentage of fund, or
	  • a monetary amount.
	• If it's being paid as a percentage of the contributions, we'll pay this at the same frequency as the contributions are being made to the plan and the client can select when the charge starts and ends.
	• If it's being paid as a percentage of fund, we'll pay this monthly for individual pensions and stocks and shares ISAs, and monthly or yearly for workplace pension schemes.
	• If it's being paid as a monetary amount, we'll pay this monthly, quarterly, half-yearly or yearly.
	• If it's being paid as a monetary amount, the ongoing charge can be fixed or it can increase each year by a set rate of up to 10% (5% for workplace pension schemes) or in line with the Retail Prices Index (RPI) or Average Weekly Earnings (AWE).
	• If it's being paid as a monetary amount, the start and end dates can be specified.

Single contributions & transfer payments	• Can be paid as:
	  • a percentage of fund, or
	  • a monetary amount.
	• If it's being paid as a percentage of the fund, we'll pay this monthly.
	• If it's being paid as a monetary amount, we'll pay this in line with any regular contributions or monthly, quarterly, half-yearly or yearly for single contributions and transfer payments only.
	• If it's being paid as a monetary amount, the ongoing charge can be fixed or can increase each year by a set rate of up to 10% (5% for workplace pension schemes) or in line with RPI or AWE.

Notes

- If the ongoing charge is being paid as a percentage of fund, we'll pay this for the full term of the plan or until the client tells us to stop.
- It's possible to choose different payment options each time an increased contribution's applied to the plan and an adviser charge payment's agreed.
- It's possible to combine a percentage of fund charge with either a percentage of the contribution or a monetary amount.
- If the ongoing charge is being paid as a percentage of fund, you'll need to tell us the yearly charge you've agreed with your client, and we'll deduct this from their plan on a monthly basis.
- If there's an all money charge, we'll apply the same ongoing percentage of fund and frequency to all money. If this is selected when the plan's being set up, the charge will apply to all future contributions made to the plan.
- If the workplace plan is a Retirement Solutions Company Pension Plan, both the trustees and the member need to agree the charges.

Ad hoc adviser charge

Contribution type	Ad hoc adviser charge options

All money	• Can be paid as:
	  • a monetary amount, or
	  • a percentage of fund.
	• Will be deducted and paid immediately across the entire plan value.

Regular and single contributions & transfer payments	

Notes

- Ad hoc charges are agreed between you and your client for services you provide that aren't already covered by another adviser charge, for example a one-off review.
- Ad hoc adviser charge payments can be taken across all contributions, including money that was applied before 31 December 2012 and where commission's already been paid.
- If the ad hoc adviser charge is to be taken from the entire plan, we'll deduct this proportionately across all contributions (including any contributions where we've previously made a commission payment).
- Each time you agree an ad hoc adviser charge with your client, they'll need to complete our **adviser charge form**.

Remuneration clawback

In certain situations, we may clawback remuneration that we've already paid to you.

Adviser charge type	Regular contributions	Single contributions & transfer payments
Initial adviser charge	If the plan's cancelled within the cancellation period, we'll clawback any initial adviser charge paid.	No clawback.
Ongoing adviser charge	If the plan's cancelled during the cancellation period, we'll clawback any ongoing adviser charge paid.	No clawback.
Ad hoc adviser charge	No clawback.	No clawback.
Commission	For automatic regular contribution increases that still generate commission payments, we'll clawback initial commission if the contribution stops or reduces, or the client retires or transfers their plan away within three years; Year 1 – 100% Year 2 – 75% Year 3 – 50% Thereafter – 0%	N/A – commission's no longer available on single contributions and transfer payments.

If a client asks us to stop paying an adviser charge payment, we'll act on their instruction to stop all future charges. We won't clawback any charges already paid, except those detailed above, or where a charge was paid by mistake and the recipient wasn't entitled to it.

You can find out more information about stopping remuneration in our **Terms of business**.

Royal London
royallondon.com

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.

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