Key features of the Combined Individual 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 decide whether our Combined Individual Pension Plan is right for you. You should read this document carefully, so that you understand what you're buying, and then keep it safe for future reference. If you're concerned that this plan may not be suitable for you, speak to a financial adviser.

This is an important document. Please read it, together with your illustration and keep them for future reference.

This document contains the following information:

- the aims of the Combined Individual Pension Plan
- your commitments
- the risks associated with the plan
- questions and answers that explain the plan's main features
- how to contact us.

This plan meets your demands and needs if your current or previous employer's company pension scheme is being wound-up and you want your pension savings transferred into a plan in your own name.

Its aims

- To hold a transfer of pension savings from your current or previous employer's company pension scheme in your own name as that company pension scheme's being wound up.
- To apply the same charges and hold the same pension savings in the same funds as were held for you in your current or previous employer's company pension scheme immediately before your new plan was set up.
- To provide you with an income when you retire.
- To give you the option to provide an income to your beneficiaries such as your spouse, civil partner or dependants after you die.

Your commitment

- You can't normally access your pension savings prior to age 55. This will change to age 57 from 6 April 2028.
- You can't make any further contributions into your plan.
- If the pension savings being transferred from your current or previous employer's company pension scheme include a guaranteed minimum pension, you won't normally be permitted to use any part of the proceeds of your plan to provide pension savings until age 65 if you're a man or age 60 if you're a woman.

Risks

- As was the case when your pension savings were held under your current or previous employer's pension scheme, we can't guarantee what you'll receive when you retire, apart from any guaranteed minimum pension. Various factors can alter your plan value. For example:
  - Investment performance, interest rates and charges may be different to those illustrated.
  - You might take some or all of your pension savings earlier than your chosen pension date. If you take your pension savings earlier than your chosen pension date, you should think about reviewing your investment option as it may no longer be appropriate. The investment growth of your remaining assets may be insufficient for you to maintain your income payments at the level you wish for the rest of your life. This could mean you would have to reduce your income payment amounts.

    - Tax rules and legislation can change and the value of any tax benefits will depend on your individual circumstances.
- Investment returns are never guaranteed. So while there's a chance your pension savings could grow, their value can also go down. This means you could get back less than you started with.
- If you invest in the Royal London With Profits fund, including the Crest Secure fund the value of your plan may be reduced by applying a market value reduction if you take money out of the fund before your chosen pension date. The market value reduction is applied to ensure that the amount we pay you isn't unfairly higher than your share of the Royal London With Profits fund.

Questions and answers

What is a combined individual pension plan?

A combined individual pension plan allows you to continue to invest the pension savings previously held for you in your current or previous employer's company pension scheme when that scheme's being wound up. This money can be used when you retire to provide you with an income for life, cash lump sum(s) and/or tax-free cash. The pension income you receive will depend on the value of your plan at retirement. The plan's made up of one or more of the following accounts:

- a Crest Growth account; and/or
- a Crest Secure account; and/or
- a Retirement Solutions account.

Each account will have its own charges and allocation of investments.

If part, or the entire amount transferred into your Combined Individual Pension Plan represents a guaranteed minimum pension, this will be shown on your **Plan certificate** for your Crest Growth account and/or your Crest Secure account which will accompany your **Plan booklet**.

Unlike your current or previous employer's pension scheme, the Combined Individual Pension Plan isn't written under trust. If you require information on the effect of this or if you have any doubts about whether this plan is suitable for you, you should contact a financial adviser.

What contributions can be made into my plan?

Only the transfer payment from your current or previous employer's company pension scheme can be paid into your plan. You can't pay any additional contributions into your plan.

Where is the transfer payment invested?

The transfer payment will be invested in the same investment funds under your plan as your current or previous employer's pension scheme. As mentioned above, your plan's made up of a Crest Growth account and/or a Crest Secure account and/or a Retirement Solutions account. You can't switch your investment funds from one of these accounts to another.

Crest Growth account

If your plan includes a Crest Growth account, all or part of your pension savings in that account may be pooled with those made by other investors in unit-linked funds. These are invested in a range of different types of funds, including company shares, property, bonds and cash.

The unit-linked funds are made up of units, which are bought with the relevant part of your transfer payment. The price of these units depend directly on the value of the investments in the unit-linked 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 bid price (the price at which we sell units). If the price rises or falls, so will the value of your investment in the unit-linked fund.

You can switch any funds held in a Crest Growth account between our unit-linked and with profits funds to change the mix of your investments, although there may be conditions and a charge for doing so. We don't currently charge for a switch of investments but we could do so in the future.

In exceptional circumstances, we have the right to delay a transfer of your pension savings out of your plan, a switch of your investments or a request for pension savings not at your chosen pension date. We'd do this to protect the interests of everyone invested in that particular fund.

The Crest Growth part of your plan qualifies for ProfitShare.

With profits

If your plan includes a Crest Growth account and all or part of the pension savings in this account are invested in the Royal London With Profits fund, these will be used to buy units. The unit price is normally recalculated on each business day. Instead of receiving direct investment returns, for example dividends, rents, interest and capital appreciation, with profits planholders receive bonuses. A regular bonus is included in the unit price. In addition, a final bonus may be payable on retirement, death, transfer or on switching to other funds.

We work out the value of your investment in the Royal London With Profits fund based on the total number of units you have 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 other time than your chosen pension date or on your death.

The investments are in a wide spread of shares (both UK and overseas), government stocks, property and other types of assets. If you're invested in the Royal London With Profits fund, or are considering investing in the Royal London With Profits fund, you can ask us for a copy of the relevant 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's important that you read and understand this document as it describes the way in which we manage our with profits business.

Crest Secure account

If your plan includes a Crest Secure account, all of your pension savings in that account will be invested in the Crest Secure fund. This fund is part of the Royal London Open fund and is the only investment option for this part of your plan. Each year we declare a rate of growth (if any) that's applied to this part of your plan.

The rates of growth declared (if any) are set by the Directors upon receiving actuarial advice, and will, over the long term, reflect the returns on the investments made but aren't directly linked to the performance of a specific investment fund or index.

We may reduce the value of your investment in the Crest Secure fund by applying a market value reduction if you take money out of the fund at any other time than your chosen pension date or on your death.

The investments are in a wide spread of shares (both UK and overseas), Government stocks, property and other types of assets.

If you have a Crest Secure account, you can ask us for a copy of 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's important that you read and understand this document as it describes the way in which we manage our with profits business.

The Crest Secure part of your plan doesn't qualify for ProfitShare.

Retirement Solutions account

If your plan includes a Retirement Solutions account, all or part of your pension savings in that account may be pooled with those made by other investors in unit-linked funds. These are invested in a range of different types of funds, including company shares, property, bonds and cash.

The unit-linked funds are made up of units, which are bought with the relevant part of your transfer payment. The price of these units depends directly on the value of the investments in the unit linked fund. You can read about the investment options in our **Pension investment options** guide.

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 switch any funds held in a Retirement Solutions account between our unit-linked and with profits funds to change the mix of your investments, although there may be conditions and a charge for doing so. We don't currently charge for a switch of investments but we could do so in the future.

In exceptional circumstances, we have the right to delay a transfer of your pension savings out of your plan, a switch of your investments or a request for pension savings not at your chosen pension date. We'd do this to protect the interests of everyone invested in that particular fund.

The Retirement Solutions part of your plan qualifies for ProfitShare.

With profits

If your plan includes a Retirement Solutions account and all or part of the pension savings in this account are invested in the Royal London With Profits fund, these will be 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 other time than your chosen pension date or on your death.

The investments are in a wide spread of shares (both UK and overseas), government stocks, property and other types of assets. If you're invested in the Royal London With Profits fund, or are considering investing in the Royal London With Profits fund, you can ask us for a copy of the relevant 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's 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 share in our success. That's why we'll aim to give your pension savings an extra boost by adding a share of our profits to your plan each year. We've called this your **ProfitShare.**

The Crest Secure part of your plan doesn't qualify for 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.

Any ProfitShare awarded will be applied in April each year as long as your plan was in force on 31 December the previous year and on the date the award is given. It'll 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 pension savings to help it grow.

You can take the value of your ProfitShare account along with the rest of your pension savings.

There's no guarantee that we'll be able to award ProfitShare every year.

If you invest in with profits, we'll work out your ProfitShare in a different way. You can find more information in the **Royal London With Profits Fund** factsheet.

What might I get when I access my pension savings?

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

What can I do with my plan when I access my pension savings?

Any time after age 55, changing to age 57 from 6 April 2028, you'll have access to your pension savings. You don't need to do anything immediately as your pension savings can remain invested, but you'll need to make a decision before you reach age 75.

With each retirement option, you can normally take up to 25% of your pension savings tax free. The other 75% is taxable.

You'll normally be able to use your plan value to:

- take a cash lump sum which can be some or all of your pension savings
- buy a secure income which will provide you with an income for life, this is often called 'an annuity'
- 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 gives you a guaranteed income for life.

An income drawdown plan gives you flexibility to take income as and when you want.

You can shop around to find a plan that's right for you, with the best rates.

You don't need to have stopped working to take pension savings from your plan.

If the pension savings being transferred from your current or previous employer's company pension scheme include a guaranteed minimum pension, there are restrictions around when and how you can access your pension savings. These are described in the **What is a guaranteed minimum pension?** section on page 5.

When you access all or part of your pension savings, it's important that you think about your needs in both the early and the later parts of your retirement. It's your responsibility to ensure your pension savings don't run out and will last the rest of your life.

You can find out more about your options at **royallondon.com/retirement**

What's a guaranteed minimum pension?

A guaranteed minimum pension is the minimum pension income that an occupational pension scheme has to provide for employees who were contracted-out of the additional state pension on the relevant basis for a period between 6 April 1978 and 5 April 1997.

If the pension savings being transferred from your current or previous employer's company pension scheme include a guaranteed minimum pension, the same restrictions that applied under that scheme in relation to when you can take and how you can structure your pension income will continue to apply under your plan – i.e.

- You won't normally be permitted to use any part of the proceeds of your plan to provide pension savings until age 65 if you're a man or age 60 if you're a woman.
- You won't be able to take a tax-free cash sum from the part of your plan which is to be used to provide the guaranteed minimum pension.
- You won't normally be able to take a cash lump sum, other than a tax-free cash sum from your plan if your plan includes a guaranteed minimum pension.
- That part of your guaranteed minimum pension that relates to your employment before 6 April 1988 (if any) won't increase. If you're male, you must buy a secure income that continues to be paid at half the rate to your wife or civil partner when you die. This applies whether or not you're married when you start taking your income.
- That part of your guaranteed minimum pension that relates to your employment on or after 6 April 1988 (if any) must increase by 3% a year and must include a secure income that continues to be paid at half the rate to your husband, wife or civil partner when you die. This applies whether or not you're married when you start taking a secure income.

What happens if I die?

We'll normally pay out your plan value as a lump sum to your legal personal representatives unless part of the plan has to be used to buy a pension for your beneficiaries such as your spouse, civil partner or dependants. This could happen if the transfer payment into your plan includes a guaranteed minimum pension.

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

What are the charges?

We'll apply an annual management charge for managing your plan. The **illustration** for each of your accounts under your plan shows the charges that apply to each of these accounts and the effect they have on the value of your pension savings over its term.

If you transferred a pension into your current or previous employer's pension plan, the trustees may have used an option to increase the value payable on your death. There was a charge for using this option. This charge was deducted from your pension savings each year. It will continue to be taken from this plan.

We regularly review our charges and they could change in the future.

What about tax?

Our pension investment funds are generally free of UK income and capital gains tax.

Under pension rules, the lump sum allowance (LSA) limits the amount of tax-free cash you can access from your pension plan. Normally 25% of the benefits you take can be paid tax-free, with an overall maximum limit of £268,275. Payments above this are subject to tax at your marginal rate of income tax. You may have protection that allows you to take more than this – your policy documents will tell you if this is the case.

The total of all tax-free lump sums, including tax-free lump sum death benefits and serious ill-health benefits, will be tested against a lifetime limit, set at £1,073,100. Any lump sums paid above this level will be taxed at the individual's or beneficiaries' marginal rate of income tax. This is known as the lump sum and death benefit allowance (LSDBA).

If you want to find out more, you should contact a financial adviser or visit our website **royallondon.com/taxallowances**

You don't receive tax relief on the transfer payment into your plan.

Whichever pension 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 and legislation can change and the value of any tax benefits will depend on your individual circumstances.

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

Can I transfer my plan?

You can ask to transfer the pension savings out of your plan to another pension plan at any time. You must transfer all of the pension savings from your plan at the same time.

The **illustration** for each of your accounts under your plan gives examples of how much you could potentially transfer to another pension plan, depending on when you transfer and how your investments perform.

If your plan provides a guaranteed minimum pension, this guarantee may be lost on transfer, and in some circumstances, it may not be possible to transfer your plan proceeds before you reach age 65 if you're a man or age 60 if you're a woman.

If you decide to transfer your plan, we may take a market value reduction from the plan value. This could happen if you've invested in the Royal London With Profits fund, or the Crest Secure fund or a combination of these.

Can I change my mind?

No, your plan can't be cancelled.

How will I know how my plan's doing?

We'll send you yearly statements to show you how your plan's doing. You'll get one yearly statement for each account.

You can check the prices of the funds you're invested in online, visit **royallondon.com/pension-fund-prices**

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.

How to contact us

Your financial adviser should be your first point of contact. We're unable to provide financial advice.

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

Royal London
Royal London House
Alderley Park
Congleton Road
Nether Alderley
Macclesfield
SK10 4EL

0345 60 50 050 Monday to Friday 8am – 6pm. We may record calls to help improve our customer service.

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

Other information

Pension Wise

If you'd like to find out more about your retirement options, you can contact Pension Wise.

Pension Wise is a free and impartial retirement planning service for those over 50 from MoneyHelper, introduced by the government to help you understand your options.

moneyhelper.org.uk

0800 011 3797 Monday to Friday 9am – 5pm.

pensionenquiries@moneyhelper.org.uk

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

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 Park
Congleton Road
Nether Alderley
Macclesfield
SK10 4EL

0345 60 50 050 Monday to Friday 8am – 6pm. We may record calls to help improve our customer service.

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 Pensions Ombudsman who can be contacted at 10 South Colonnade, Canary Wharf, E14 4PU.

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

Terms and conditions

These key features give a summary of the Combined Individual Pension Plan. They don't include all definitions, exclusions, terms and conditions.

You'll receive a copy of the full terms and conditions as detailed in our **Combined Individual Pension Plan booklet** after you've taken out the plan.

We have the right to change some of the terms and conditions, including the charges. We'll 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'll tell you if this happens.

Terms and conditions and all communications will be in English.

Law

The terms and conditions applying to your plan are governed by English 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'll 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'd like more information about the compensation arrangements that apply, please ask a financial adviser or contact us direct.

Benefits we might give an adviser

To help improve the quality of service your adviser gives you, we might give them small non-cash benefits such as marketing and promotional support and technical services and training. We might also make small cash or voucher payments to them for research carried out with them. Your adviser should tell you about any benefits they receive upfront.

Our conflict of interest policy

We've designed our conflict of interest policy to:

- Identify potential conflicts of interest that might be a significant risk to our customers.
- Make sure we take reasonable steps to prevent these conflicts from happening.
- Help us manage these conflicts to protect our customers' interests.

If you'd like more information about our conflict of interest policy, just get in touch.

About us

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

Solvency and Financial Condition report

We want to provide you with clearer information about Royal London's financial position, so we've created a Solvency and Financial Condition report. This report will provide more details about Royal London's business and company performance. You can access the report from **royallondon.com/solvency**

18 61

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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.

This product is made of material from well-managed FSC®-certified forests, recycled materials, and other controlled sources.

July 2024 13KF1128/14