ROYAL LONDON

keyfacts®

Key features of the Retirement Solutions Individual 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 Retirement Solutions Individual 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 your plan may not be suitable for you, contact a financial adviser.

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 Individual Plan
- your commitment
- 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 any time after age 55. This will change to age 57 from 6 April 2028.

Your commitment

- You can't normally access your pension savings before you reach age 55. This will change to age 57 from 6 April 2028.
- You can't make any further contributions into your plan.

Risks

- We can't guarantee what you'll get back at your chosen pension date. 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 age, 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, 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 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 an individual plan?

An individual plan allows you to build up money previously held in your employer's pension scheme to provide you with an income for life, cash lump sum(s) and/or tax-free cash.

What payments can be made into my plan?

You can only pay in the transfer payment from your employer's previous pension scheme.

Where's the transfer payment invested?

The transfer payment will be invested in the same investment funds as your employer's previous pension scheme.

However, if you want to match your investment selection to your attitude to risk and term to your chosen pension date, you can do this through our Governed Portfolios and Lifestyle Strategies.

You can read about our funds and our Governed Portfolios and Lifestyle Strategies in our **Pension investment options** guide.

Your transfer payment is 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 you bought with your transfer payment. 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 switch your investments or change the investment choice, although there may be conditions and a charge for doing so.

We have the right to delay a transfer, switch of investments or retirement not at your chosen pension date. We'd do this to protect the interests of everyone invested in that particular fund.

With profits

Any payments 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 other time than your chosen pension date.

If you're considering investing in the Royal London With Profits fund, we'll 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'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. So if we do well, so do you. 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.

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 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 an income from your plan. Any income you take will be taxed as an earned income.

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

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.

What happens if I die?

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

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

If you've 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 a charge for managing your plan. Your **illustration** will show you the charges that will apply to your plan. It will show when the charges will be deducted and how they may affect the value of your pension savings.

- 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. Your **illustration** shows the amount of this charge.
- If you transfer your plan or take your pension savings early, we'll reduce the value of your plan because you won't have paid the full cost of this option.
- We regularly review our charges and they could change in the future.

What about tax?

Our pension income 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.

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).

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

Whichever 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 and legislation can change and the value of any tax benefits will depend on your individual circumstances or those of any beneficiaries receiving death benefits.

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 potentially transfer to another pension plan, depending on when you transfer and how your investment has performed.

Can I change my mind?

No, once your plan has started it can't be cancelled.

How will I know how my plan's doing?

We'll send you a yearly statement to show you how your plan's doing.

You can check the prices of the funds you're invested in online.

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 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

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
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 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 Individual Plan. They don't include all definitions, exclusions, terms and conditions.

You'll receive a copy of the **Terms and Conditions** 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 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'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**

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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.

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