ROYAL LONDON

Pension Portfolio

Income Tap

Income Tap is our income management facility designed for customers taking income payments directly from their Pension Portfolio through our income drawdown facility, Income Release.

A common strategy for customers taking income from their pension plan is to invest some of their pension savings value in a low risk fund. This allows the remaining pension savings to be invested for longer term income and growth.

In order to facilitate this, we created the **Income Tap Account.**

This leaflet provides more information about what Income Tap is and how it works.

What is Income Tap?

Income Tap is a facility designed to help you take income payments over a specified period of time. This includes any regular income payments or any additional income payments you'd like to take from your plan.

Money in your Income Tap Account is invested in the Royal London Deposit Pension fund. This is the only fund we allow to be used for this purpose as it's a low risk fund and is more suited to helping make income payments.

! Although the Royal London Deposit Pension fund is low risk, as with any investment, returns aren't guaranteed. The value of this fund can still go up and down and overall, you could get back less than you invested. Therefore there's no guarantee that the money in this fund will pay all requested income payments.

How does it work?

The Income Tap Account will normally be set up when you start taking an income. If you decide you don't want to use Income Tap straight away, you can switch it on at any time.

You and your adviser decide how many months' worth of income you'd like to move into Income Tap within your Income Release Account. We allow between 3 and 60 months' worth of income to be moved. This money is then automatically switched, proportionately from the funds you're invested in, into the Income Tap Account.

Once money has been moved into the Income Tap Account it's not possible to switch this money into other funds within your plan. If you have fund rebalancing on your plan then any money which forms part of your Income Tap Account won't be included in the rebalancing process.

Income Tap check point

After the Income Tap Account has been set up, it's automatically reviewed at an agreed frequency. We call each of these reviews an Income Tap check point and they're designed to help make any ongoing income payments.

How your plan has been set up or what changes you've made to your plan will determine what action we take at each check point. Further information on what happens at each check point is shown over the page.

There are certain restrictions on the Income Tap check point frequency you can select depending on how often you want to receive income payments. The table below shows the options available:

Income frequency	Income Tap check point frequency			
	Monthly	Quarterly	Half-yearly	Yearly
Monthly	✓	✓	✓	✓
Quarterly	-	✓	✓	✓
Half-yearly	-	-	✓	✓
Yearly	-	-	-	✓

When the Income Tap is first set up, an amount equal to a minimum number of income payments must be moved to the Income Tap Account based on the Income Tap check point frequency selected. The minimum amounts are as follows:

Check point frequency	Minimum number of months' income payments
Monthly	3 months
Quarterly	3 months
Half-yearly	6 months
Yearly	12 months

As income payments are taken, the value of your Income Tap Account will decrease.

What happens at the Income Tap check point?

At the selected frequency, a check is carried out to see whether any changes are needed to the Income Tap Account.

Depending on your Income Tap instructions, the current value of the Income Tap Account and any income payments that have been made, this could result in either:

- **A top-up of the Income Tap Account**
- **A decrease in the Income Tap Account**
- **No changes being made to the Income Tap Account**

If the Income Tap needs to be topped-up, this will be done by automatically switching money proportionately from the funds you're invested in.

If the Income Tap is to be decreased in value, the excess money will be switched back proportionately into the funds you're invested in at that time.

It's important to note that depending on fund performance, charges or changes to your income payments, it's possible that your Income Tap Account could run out of money before the next Income Tap check point. If this happens then any income payments would still be made on your selected income payment date and would come proportionately from the funds you're invested in.

Can I stop using Income Tap?

Yes, if you decide you no longer want to use the Income Tap you can ask us to switch it off at any time. Any money which makes up the Income Tap Account at the time you decide to switch the Income Tap off will be switched back into the funds you're invested in at that time.

Once the Income Tap is switched off, any income payments will either be paid proportionately from the funds you're invested in or, if you instruct us, from a specific fund.

More information

For more information about our personal pension product, Pension Portfolio, visit royallondon.com/pensions/personal-pensions/

For more information about our income drawdown facility, Income Release, visit royallondon.com/pensions/personal-pensions/flexibly-accessing-your-savings/

For more information about the Deposit fund, visit royallondon.com/pensions/investment-options/fund-prices/

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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