

More choice More freedom

A guide to Income Release



You're now a member of the **UK's biggest mutual** life, pensions and investment company*.

We're delighted to welcome you to Royal London.

Proud to be different

We're a different kind of financial services company because unlike our main competitors, we're a mutual. This means we don't have shareholders. Instead, we're owned by you and our other members.

And as owners of the business, you can have your say on the future of our business by voting at our Annual General Meeting (AGM).

What's so great about mutuality?

Being a mutual means we are customer owned and we are committed to putting you first. We design products and services that put your needs first and we've got a track record of boosting your pension savings with a share of our profits.

Our vision

We want to be recognised as the most trusted and recommended life, pensions and investment company - and our core values, to be trustworthy, empowered, collaborate and achieve, will help us get there.

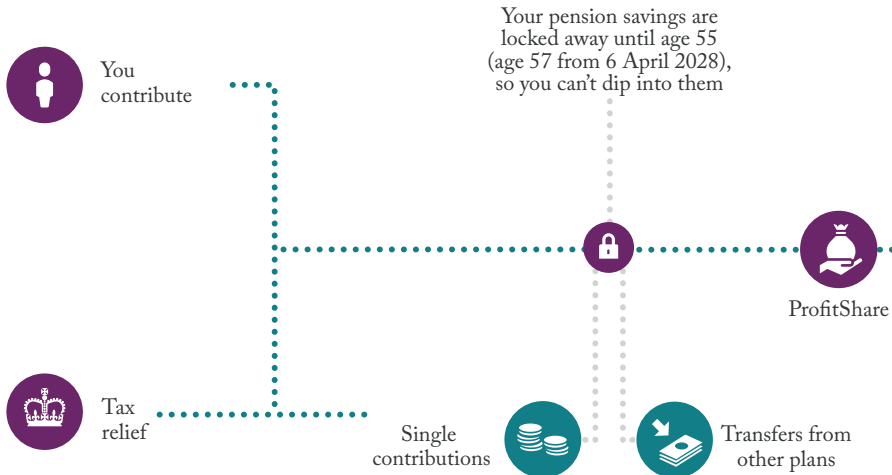
Read on to find out more about how your plan works and the benefits it offers.

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*Based on total 2022 premium income. ICMIF Global 500, 2024



How your pension works



You'll receive extra money into your plan

Each time you save into your plan, you'll receive tax relief from the government. This can help to boost your pension savings. Tax rules and legislation can change. Any tax savings you receive will depend on your individual circumstances and where you live in the UK.

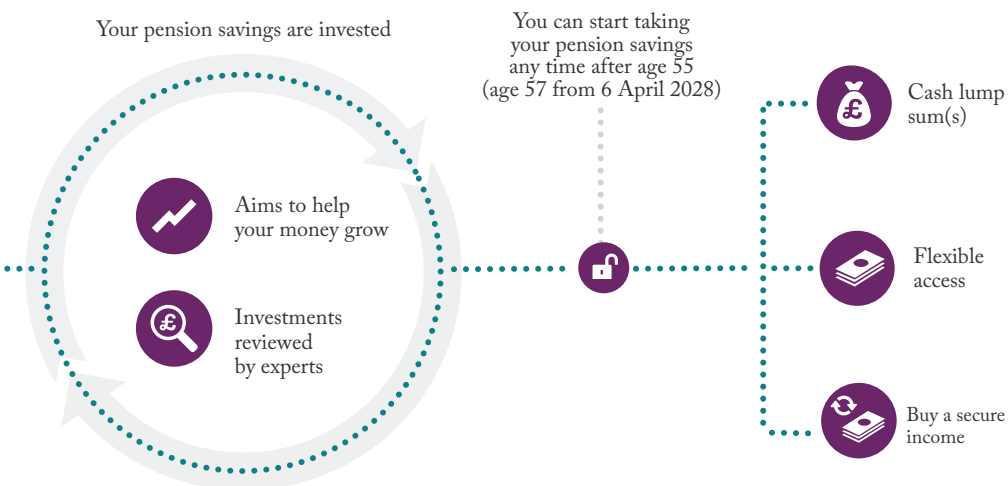
Combine your pension savings

You may be able to transfer pension savings from other pension plans into your Royal London pension. This could make it easier for you to keep track of them but won't be right for everyone. Transfer payments from one pension plan to another don't receive tax relief. You should speak to your financial adviser before you make a decision.

Share our success

Feel the benefit of being part of Royal London. Receive an extra boost to your pension savings with a share of profits added to your plan each year. This is called **ProfitShare**.

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



Your pension savings are invested

Your plan is automatically set up with a default investment choice, but you can change this if you want to. Your investments are reviewed by experts helping them meet their objectives. This ongoing governance comes at no extra cost to you. It's still good to review your investment choice from time to time to make sure your it's right for you. We always recommend speaking to a financial adviser before changing investments.

Remember that investment returns are never guaranteed. So while your pension savings could grow, their value can also go down. This means you could get back less than you put in.

Taking your pension savings

With each retirement option, you can normally take up to 25% of your pension savings tax-free. The other 75% is taxable. You can take some or all of your plan as a cash lump sum.

Income Release allows you to take an income as and when you need it. This is the option that you have decided to use to access your pension savings.

If you want a guaranteed income for life, you can use your pension savings to buy a secure income at any time.

Share our success

We want you to feel the benefit of being part of Royal London. So we'll aim to boost your pension savings by giving you a share of our profits each year.

How ProfitShare works



We'll review our financial strength and performance at the end of each year.



We'll work out if ProfitShare can be awarded.



We'll add any award to a separate ProfitShare account within your plan.



You'll see the value of your ProfitShare account in your yearly statement, by logging into online service or by downloading our mobile app.



You can take the value of your ProfitShare account with the rest of your pension savings any time after age 55 (age 57 from 6 April 2028)

- ProfitShare awards will be based on the value of the pension savings you have invested with us on the date they're awarded.
- ProfitShare awards 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.
- ProfitShare doesn't count as a contribution, so doesn't affect your annual allowance and the contributions you can make to your plan each year.
- ProfitShare awards will be invested in the same investment choice as your other pension savings.
- If you've opted to self invest, the self invested part of your plan doesn't qualify for ProfitShare.

What's the catch?

There isn't one. There's no guarantee that we'll be able to award ProfitShare every year.

Your retirement options and how Income Release works

When you set up your plan, you decided, with the help of your financial adviser, how much tax-free cash and income you wanted to take. Here's a reminder of the different ways you can access your money.

You decide how much of your pension savings to use

You don't have to access all of your pension savings at once – you can take your money out in stages.

You decide how much tax-free cash to take

You can normally take up to 25% of your pension savings tax-free.

Tax rules depend on your individual circumstances and may change in the future.

You decide if you'd like to take an income

You can use the rest of your pension savings to provide a regular income, which would be subject to income tax. You can also start, stop or change your income at any time.

Depending on the amount(s) you take and the performance of your investments, both the value of your plan and any payments you take from it could reduce in the future.

It's important that you regularly review your plan, including any income you take, to make sure it lasts as long as you need it to. If you're concerned about how long your money will last, you should speak to your financial adviser.

Managing your income

If you're taking an income, you might want to think about using our Income Tap facility. This invests in a low risk fund designed to help make income payments and can hold up to 60 months' worth of income. To find out more, speak to your financial adviser.

How Income Release works

You can normally take up to 25% of your pension savings tax-free.

Depending on how much tax-free cash and income you have decided to take, we'll split your pension savings into two separate accounts: an Income Release Account and a Savings Account.

The Income Release Account pays out the tax-free cash and any income payments you've selected. Any pension savings not used to provide tax-free cash and income will stay in your Savings Account and will continue to be invested in your chosen investments.

Remember that investment returns are never guaranteed. So while the value of your Savings Account could grow, the value can also go down. This means you could get back less than you put in.

If you decide to move all of your pension savings into the Income Release Account, you won't have a Savings Account unless you make additional contributions into your plan. Once your pension savings are in the Income Release Account, you can't move them back into the Savings Account.

You can continue to save for your future by making contributions into your Savings Account. You may be limited in what you can contribute without paying a tax charge. This is known as the money purchase annual allowance (MPAA). More information on this can be found on page 14.

Any time you need more tax-free cash and income, you simply move some or all of your pension savings into the Income Release Account.

Buying an annuity

If you want a guaranteed income for life, you can use the remaining pension savings in your plan to buy a secure income. This is often called an 'annuity'.

Know your limits

Taking money out of your plan

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.

Clear charges

With Income Release, no additional charges apply for using this functionality.

Your charges

Like other pension providers, we apply a management charge for setting up and servicing your plan. This includes money in both the Savings Account and Income Release Account.

You'll find more information about this charge in our **Charges summary** which is available on request .

Have a look at your **Plan certificate** for a breakdown of your plan charges. These charges are regularly reviewed and may change in the future.

In addition to the management charge, you may have agreed an adviser charge with your financial adviser to pay for the services they provide you with – both now and in the future. This agreement will be between you and your financial adviser. However, if you ask us to, we can deduct an adviser charge payment from your plan and pay it to your adviser.

Investing your pension savings

When you set up your plan, you had the option to choose, with the help of your financial adviser, the investments that matched your attitude to risk and your plans for the future. You can stick with your original investment choice but if your circumstances change, you might want to review the different investment options available.

Choose from the Governed Range

This consists of Lifestyle Strategies and Governed Portfolios.

- They're made up of a mix of different investments.
- They take into account the time until you retire.
- They're designed for different attitudes to risk.

We also offer five Governed Retirement Income Portfolios (GRIPs) designed for people who want to take a regular income from their plan.

If you want to change your investment, you may want to speak to your financial adviser.

Choose from the fund range

You can access Royal London funds, managed by the Royal London Asset Management team, as well as funds managed by other investment companies.

Choose an investment pathway

Investment pathways are designed for people who want to flexibly access their pension savings. We offer a choice of four pathways, based on what you intend to do with your pension savings over the next five years.

Each investment pathway invests in a mix of funds and asset classes, based on its investment objective.

Search for investment pathways on our website at **royallondon.com** to find out more.

Find out more

For more information about the full range of investment options available to you, please visit our website at **royallondon.com/investments**

How to

Change your investments

If you're registered for our online service, you can change your investments online. Details on how to register for our online service are in the **Your digital experience** section of this guide.

Any changes to Self Investments must be submitted by your financial adviser on your behalf.

Flexible saving

You can continue to save for your future by making contributions into your Savings Account.

Topping up your pension savings

Even after starting to use Income Release, it is still possible to make additional contributions into your plan. We can accept regular contributions, single contributions and transfer payments.

You may be limited in what you can contribute and receive tax relief on. You'll receive tax relief on all regular and single contributions you make to your plan up to a maximum of £3,600 a year or 100% of your relevant UK earnings, whichever is greater.

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

You will also be limited on the maximum amount of pension savings you can contribute without a tax charge applying. This is known as the annual allowance. More information on this can be found on page 14 of this guide.

We don't allow regular contributions or single contributions into your plan after you reach age 75 however transfer payments are still possible beyond age 75.

Freedom to change your contributions

You can increase, decrease, stop and restart your contributions at any time. But remember that any changes to your contributions will affect your pension savings. If you want to change your contributions, you should speak to your financial adviser.

Keep your retirement plans on track

Like any plan, your pension needs to be reviewed regularly. It's the only way you'll know if your retirement plans are on track.

Know your limits

Making contributions

You can get tax relief on pension contributions worth up to 100% of your net relevant earnings. Even if you don't have any earnings, you can pay in up to £3,600 a year, made up of £2,880 from you and £720 tax relief.

But there is also an annual allowance. This is a limit on how much can be contributed to your pension by you, your employer or a third party, and includes any tax relief. If you go over this limit, a tax charge might apply.

You may be able to 'carry forward' any unused annual allowance from the previous three tax years. You should speak to your adviser if you're thinking of doing this.

Your annual allowance may be reduced if you start taking flexible benefits from your pension or if you are a high earner.

Find out more about the annual allowance on our website at royallondon.com/guides-tools/pension-guides/pension-basics/pension-allowances

Know your limits

Making contributions after taking money out

If you want to make contributions to any pension plan after you've taken income via Income Release, you may be limited to what you can contribute without getting a tax charge on. This is known as the money purchase annual allowance (MPAA).

Please note that this is considerably lower than the annual allowance and relates to any pension plan you may have, not just your Royal London plan.

Find out more about the money purchase annual allowance on our website at royallondon.com/guides-tools/pension-guides/pension-basics/pension-allowances

Your digital experience

We've made it easy for you to keep an eye on your plan whenever you like.

Online service

Once registered you can make changes to your investment choice and view a wide variety of information including:

- the value of your plan
- where your pension savings are invested
- your contribution details
- the potential value of your plan when you retire
- personal details such as your address.

Mobile app

Download the app and you can:

- See what your pensions savings are worth now and what they could be worth in the future.
- Keep a close eye on all your contributions.
- Look over any charges you've paid and any ProfitShare we may have awarded.
- See how long a regular income might last.
- View and add your nominated beneficiaries.
- View your investment details including a fund breakdown.
- Access guidance, information, and tips to help you manage your money.

To find out more about how to register for our mobile app, go to our website at **royallondon.com/mobileapp**

How to get the Royal London app

Step 1: Register for online access

If you haven't already registered, visit: **royallondon.com/register**

You'll find clear guidance and everything you need to get started. Make sure you have your National Insurance number handy

Step 2: Download the app

Head to the App Store and search for Royal London

iPhone users - open the App Store

Android users - open Google Play

Step 3: Explore the app

Once you've logged in you'll be able to easily access your pension plan and more.

Log into our App using Touch ID or your password. You can download our mobile app for free.



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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