Key features of the Retirement Solutions Company 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 Retirement Solutions Company 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, 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.

Important information

This document covers both auto enrolment plans and non auto enrolment plans. There are some differences in the terms of your individual account, depending on if your employer set up an auto enrolment or non auto enrolment plan, which mostly relate to how you took out your account. We have highlighted these differences in boxes so you can clearly see which terms apply to you.

If you were automatically enrolled into your employer's pension scheme with Royal London or you opted into the scheme, your account is part of an auto enrolment plan. This will normally be the case. However, if your employer has set up a pension scheme which you had to choose to join by completing either a consent form or an application form then your account is part of a non auto enrolment plan.

This document contains the following information:

- the aims of the Retirement Solutions Company Pension Plan;
- your commitments if you join the plan;
- 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 you want to save for your retirement.

Its aims

- To build up a sum of money tax efficiently which, depending on the scheme rules, will provide you with an income any time after age 55. This will change to age 57 from 6 April 2028.

Your commitment

- You and/or your employer agree to make regular contributions to your account until your normal retirement date. Your normal retirement date is the date we currently expect you to start accessing your pension savings (you can change this if the trustees agree). You can also make a single contribution or a transfer payment from another pension plan.
- You need to tell the trustees if your circumstances change. For example, if you no longer have relevant UK earnings or are no longer resident in the UK.
- You need to let the account build up until you're allowed to access your pension savings.
- If you transfer pension savings from another pension plan to us, please inform the trustees immediately. This is important because it may activate the money purchase annual allowance (MPAA) – a rule that limits the amount of tax-efficient contributions you can make to your pension each year.

Auto enrolment plans

You agree to make the minimum contributions as set by your employer. For more information, see the **'What contributions do I have to make into my account?'** section on page 3.

Risks

- We can't guarantee what you'll get back at your normal retirement date. Various factors can alter your account value. For example:
  - Investment performance, interest rates and charges may be different to those illustrated in your account documentation.
  - You could stop making regular contributions or take a contribution holiday.
  - You might take some or all of your pension savings earlier than your normal retirement date. If you plan to take your pension savings earlier than your normal retirement date, you should think about reviewing your investment option as it may no longer be appropriate.
  - 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.
  - Tax rules and legislation can change and the value of any tax benefits will depend on your individual circumstances.
- If you transfer pension savings from another pension plan, you may be giving up valuable benefits, and there's no guarantee that your pension savings will be more than if you'd stayed in your previous plan. The transferring scheme may also not accept the funds back if the account is cancelled. We recommend you speak to a financial adviser before making any transfer.
- 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 normal retirement 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 company pension plan?

A company pension plan allows you to build up money tax efficiently for retirement to provide you with a pension income for life, cash lump sum(s) and/or tax-free cash.

We designed the Retirement Solutions Company Pension Plan for people who want to build up tax efficient savings for retirement.

You have an individual account within this plan.

The plan's run by the trustees on your employer's behalf. As the scheme is established under trust, your account's held separately from your employer's business.

What contributions can be made into my account?

Your employer may make regular contributions to your account.

You may be required to make contributions to your account at an agreed rate. You may also pay Additional Voluntary Contributions (AVCs) if they're offered.

Your contributions are taken from your salary before tax is deducted and are usually paid to us by your employer.

You can also make single contributions at any time to top up your account.

If you have another pension plan, you may be able to transfer it into your account.

You can ask to stop contributing, or reduce contributions to your account.

You can also ask to take a contribution holiday and then restart contributions again. Stopping or reducing contributions will reduce the amount you get back from your account and it may also reduce the amount of contributions your employer pays in. You can ask the trustees for more information about the effect of stopping or reducing your contributions. If you were auto enrolled into this plan and stop making contributions, you may be re-enrolled by your employer at a future date.

Your illustration will show your contributions and the costs involved in running your account.

Contributions made using salary exchange

Your employer may allow you to make contributions by salary exchange. This is an agreement between you and your employer where you voluntarily exchange part of your gross salary in return for employer contributions into your account.

These contributions are taken before tax and National Insurance Contributions (NIC) are paid. As your salary's reduced, you pay less tax and NIC. Salary exchange may not be suitable for everyone. You should speak to the trustees for more information.

What contributions do I have to make into my account?

Auto enrolment plans only

Auto enrolment requires a total minimum contribution to your account and your employer must contribute at least part of this. If your employer contributes less than the total minimum amount, you'll have to make up the difference.

Your employer will confirm the amount of contributions you'll have to make and will tell you if that amount will change. To find out more about the minimum contributions, visit your pension website or speak to a financial adviser.

Where are the contributions invested?

The trustees normally make the investment choice, but they may take your wishes into account when making their decisions.

Your contributions, including any made on your behalf, are 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 buy with your contributions. 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 read about the investment options in our **Pension investment options** guide.

In the absence of a different investment instruction from the trustees, all contributions will be invested in the scheme default investment. The scheme default is the investment option selected by the trustees or Royal London into which we'll invest your contributions. This is described in your account documentation.

With the agreement of the trustees, if you don't use the scheme default investment, there may be an additional charge.

With the agreement of the trustees, you can switch your investments or change the investment choice for future contributions, 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 normal retirement date. We'd do this to protect the interests of everyone invested in that particular fund.

With profits

Any contributions 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 account.

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 time other than your normal retirement date.

If the trustees are 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 account each year. 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.

Your ProfitShare award will be applied in April each year as long as your account 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 account 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 any ProfitShare you've built up 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.

If the company pension plan started before 1 July 2001, you won't qualify for ProfitShare. You should contact the trustees to find out if this applies to you.

What might I get when I access my pension savings?

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

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

Depending on the scheme rules, you'll normally have access to your pension savings any time after age 55. This will change to age 57 from 6 April 2028. 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.

Different types of annuity are available to suit your individual circumstances.

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 should be aware that taking a large cash lump sum could increase the amount of tax you pay.

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/using-pension**

What happens if I die?

We'll normally pay out your account value as a lump sum to the trustees who'll then decide who to pay it to.

If you've set up a trust to receive the death benefits, we'll pay the lump sum to the scheme trustees who'll then pay the pension savings to the trustees of your trust.

What happens if I leave my employer?

If you leave your employer, your contributions to your account must stop. Any contributions made by your employer will also stop.

Your options will depend on how long you've been a member of the plan. Please speak to the trustees for more information.

What are the charges?

We'll apply an annual management charge for managing your account.

If you receive advice or a service from a financial adviser in relation to the Company Pension Plan, charges may be deducted from your account to cover the cost of that advice or service.

You don't need to receive individual advice or agree an adviser charge with a financial adviser to join your employer's Company Pension Plan. And if you do agree an adviser charge with a financial adviser, these charges must relate to the specific services you receive on your account. Your financial adviser must discuss and agree the services they'll provide to you in return for any adviser charges that will be deducted from your account.

Your **illustration** will show you the charges that will apply to your account, including any charges for the advice and services your financial adviser will provide. It will show when the charges will be deducted from your account and how they may affect the value of your pension savings.

If before you reach your normal retirement age you die or you transfer your pension savings away, we may deduct any outstanding initial charges still to be deducted from your account for advice and/or services provided by an adviser before we pay out your account value on death or on transfer.

Auto enrolment plans

If your employer's automatically enrolling you into their company pension plan to meet their duties to provide a suitable workplace pension, then the charges are subject to a charge cap. This cap is 0.75% and applies to the default investment for the company pension 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.

There's a limit on the amount you can contribute into all your pension plans each tax year without being subject to a tax charge. This limit is known as the annual allowance.

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, speak to a financial adviser or visit **royallondon.com/taxallowances**

You don't receive tax relief on payments you transfer into your account from another pension plan.

If you move overseas, restrictions may apply. To find out more, speak to a financial adviser.

It is the government's intention to bring unused pension funds and death benefits within the value of an individual's estate for inheritance tax purposes from 6 April 2027.

For more information about the importance of nominating your beneficiaries, visit our website at **royallondon.com/nominating-beneficiaries**

It's worth being aware that income tax may apply on death benefits paid to your nominated beneficiaries. If you die:

- before the age of 75, in most circumstances your beneficiaries don't pay income tax on the money they get, up to the lump sum and death benefit allowance;
- after age 75, your beneficiaries will pay tax at their marginal income tax rate on any money taken.

You can normally take up to 25% of the value of your account tax-free, however the remainder of your account 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.

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 account?

You can transfer your account to another pension plan at any time, as long as the trustees agree.

Your **illustration** gives examples of how much you could potentially transfer to another pension plan, depending on when you transfer and how your investments have performed.

We may also take a market value reduction from your account. This could happen if you've invested in the Royal London With Profits fund.

Can I change my mind?

Auto enrolment plans

You can opt out of this plan. Your account documents will tell you how and when you can do this. As long as you opt out of this plan within your opt out period, we'll arrange for your contributions to be refunded. If you've taken any lump sum(s) from your account, these would need to be repaid. If you don't opt out, your account will continue.

If you made a transfer payment to the plan, you can change your mind within 30 days of receiving the plan documents. You don't have to opt out of the plan as well. We'll pay the money back to the other pension provider it came from.

Non auto enrolment plans

No. Although the account will be in your name, the trustees for your scheme will have set up your account, so you can't change your mind.

If your account's started with a single contribution or transfer payment and is then cancelled within 30 days, the amount returned will be less than you paid in if the value of your investment has fallen. The amount returned may also be reduced if the trustees have agreed that an adviser will receive an adviser charge payment which we'll deduct from your account for services provided to you by an adviser in respect of your account.

How will I know how my account's doing?

We'll send the trustees a yearly statement to show how your account's doing.

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

You should review your account on a regular basis to ensure your pension account meets your needs. Your financial adviser, if you have one, can help with this.

You can also see how your account is performing on our mobile app. Download the app from the App Store or Google Play.

You can find out your account 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

This plan was arranged by the trustees' financial advisers, so they should be your first point of contact. We're unable to provide financial advice, but we can give you factual information about your account.

If you have any queries regarding your account, 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 account 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 account, 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 account 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 Pensions Ombudsman won't affect your legal rights.

Terms and conditions

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

The trustees will receive a copy of the full terms and conditions as detailed in our **Company Pension Plan booklet.**

We have the right to change some of the terms and conditions, including the charges. We'll write to the trustees 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 the trustees 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 we were to become unable to meet our liabilities under your account, 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 the trustees 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 Limited 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**

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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