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The Trustees of the XYZ Retirement Benefits Scheme  
1 Sample Street  
Sample Town  
Sample County  
Sample Postcode

**You need to read this letter and the enclosed pack as they contain important information. It doesn't matter if any of your pension scheme members affected by our offer are close to retirement or years away from it, the offer we're making affects them and could significantly impact their life in retirement.**

**It is important that you consider our offer and tell us your decision by 12pm on 19 October 2018. We would expect you, as trustees, to discuss the offer with your pension scheme member(s) and take their views into account.**

**Plan type:** Talisman Executive Pension Plan  
**Plan number(s):** See enclosed *Decision form*  
**Online voting ID:** 12345678  
**Security Code:** 123456

[July 2018]

Dear Trustees

**It's time to decide what you want to do – either to opt out and keep the *Guaranteed Annuity Rate (GAR)*, or give up the *GAR* in exchange for an increase to your pension scheme member's retirement savings.**

We wrote to you a few months ago to ask your opinion on an offer we wanted to make to you, and other *planholders* like you. As a result of the interest we received, we're now writing to you with our formal offer. When we refer to a 'pension scheme member' in this letter, we mean the member or members of your pension scheme shown on the enclosed *Decision form* and for whom we've enclosed a *personalised offer*.

This letter explains:

- What **Royal London's** offer is and why we are making it
- What you need to do and how you tell us your decision
- What you and your pension scheme member might need to think about
- What guidance and advice is available to your pension scheme member
- The process we're following and what happens next.

### What is Royal London's offer?

The *plan* you've taken out for your pension scheme member provides a substantial benefit called a **guaranteed annuity rate (GAR)**. We're offering you a choice:

 **Keep the GAR** so that when your pension scheme member retires, they would receive the substantial benefit of the **GAR** if you buy an **annuity** on their behalf through the **Royal London Annuity Bureau**.

**OR**

 **Give up the GAR** in return for an immediate and substantial increase to your pension scheme member's retirement savings. They could then take those retirement savings in a way that suits them.

### Here to help

We've used some technical terms in this letter which are highlighted in bold italics. You'll find explanations for each of these in the glossary section of **Part A and Part B of your Planholder circular**.

**You don't have to make the same choice for each pension scheme member. This way you can take into account the individual circumstances of each pension scheme member.**

### Why is Royal London making this offer?

The **plan** you have taken out for your pension scheme member only benefits from the **GAR** when you use their retirement savings to buy an **annuity** on their behalf through the **Royal London Annuity Bureau**. However, buying an **annuity** is not the only way for people in the UK to take their retirement savings. So our offer gives your pension scheme member the flexibility to take their retirement savings in different ways without losing all of the value of the **GAR**. You'll find more information about the different retirement options on page 15 of **Part A of your Planholder circular**.

### How is Royal London making this offer?

**Royal London** is making the offer through a legal process called a scheme of arrangement. Throughout this pack, we'll call it the '**Scheme**'.

You'll be able to vote on the **Scheme** and, if a majority in number representing 75% by value of **planholders** voting, vote for the **Scheme**, it will be binding on everyone (no matter how they voted). If this doesn't sound like something that would be in the best interests of a particular pension scheme member, we're offering you the chance to opt that pension scheme member out of the **Scheme** so that the **plan** you've taken out for them keeps the benefit of the **GAR**.

### What information is available to help me make my decision?

In this pack you'll find detailed information about our offer, including some of the key things you'll need to consider before you make a decision.

 **Part A of your Planholder circular**  
This gives you key information on our offer and its impact on your pension scheme member and on other **planholders**.

 **Part B of your Planholder circular**  
This describes the detail of our offer including its terms and how we've calculated your **personalised offer** for your pension scheme member.

 **The personalised offer**  
See the difference our offer could make to your pension scheme member's retirement savings.

 **Decision form**  
A form you can use to tell us by post what you've decided to do. It also includes an attendance card that you'll need to bring along to the **planholder meeting** if you want to tell us your decision in person. **As mentioned above, you do not need to make the same decision for each pension scheme member.**

### What will I need to think about?

We understand that this is an important decision, so we're giving you more than two months to get any advice that you need. This will also give your pension scheme member time to get their own guidance or advice and carefully weigh up their options. We explain later in this letter and in **Part A of your Planholder circular** how we'll provide your pension scheme member with access to free guidance and how we'll contribute to the cost of any financial advice that they need. We will not contribute to the cost of any legal or other advice which you take.

You and your pension scheme member will need to think about their personal circumstances when you're deciding whether to opt out or vote on the **Scheme** in respect of that member. Pages 14-17 of **Part A of your Planholder circular** show you some of the things we think you and your pension scheme member should consider.

Section 12 in **Part B of your Planholder circular** gives more information for trustees of occupational pension schemes.

Things like the **lifetime allowance** may also be relevant. This is a limit on the value of pension benefits before they become subject to significant additional tax charges. The standard **lifetime allowance** is currently £1,030,000. The **lifetime allowance** takes into account the value of all the pension scheme member's retirement savings, not just those which they have from your occupational pension scheme. Your pension scheme member should speak to their financial adviser if they think the **Scheme** might take them over the lifetime allowance.

## What help is available?

If your pension scheme member needs any guidance or financial advice to decide what's right for them, they can get in touch with their own financial adviser. They should share the content of this pack with them.

Some pension scheme members may be faced with particularly complex issues or may identify themselves as being 'vulnerable', for example as a result of disability (either mental or physical), terminal illness or having problems reading and understanding written materials. **Royal London** is committed to supporting anyone with these additional affected by the **Scheme** process. If you feel your pension scheme member might benefit from additional assistance in this way please ask them to contact us to let us know their circumstances. We may be able to offer additional help and support.

They can also find a financial adviser in their area by visiting [unbiased.co.uk](http://unbiased.co.uk)

## What would that help cost?

We're providing a free telephone-based guidance service through an adviser firm called JLT Benefit Solutions Ltd (**JLT**). **JLT** will also be able to provide independent financial advice if your pension scheme member needs it to help them understand what would be the right decision for them. You can find contact details for **JLT** on page 23 of **Part A of your Planholder circular**.

Financial advisers will charge your pension scheme member for their services. However, we're sharing the cost of any financial advice they need to help them understand the offer we are making and how it would affect them, whether they use their own adviser or **JLT**. There is more information on the contribution we'll make on page 20 of **Part A of your Planholder circular**.

You may also want to take your own legal or other advice (although we will not contribute to the cost of that). You will then need to decide what action you are going to take.

## What do I need to do?

You should ask your pension scheme member to let you know whether they would like you to (i) keep the benefit of the **GAR** on the **plan** that you took out for them or (ii) exchange the **GAR** on that **plan** for an increase to their retirement savings.

Whether your pension scheme member is close to retirement or years away from it, we're asking you to make a choice now. **That choice will have a direct impact on your pension scheme member's retirement benefits.** You have these options:

- 1** If you want to be sure one or more of your pension scheme members will keep the benefit of the **GAR**, you should opt those pension scheme members out of the **Scheme**;
- OR**
- 2** If you want to give up the **GAR** for one or more of your pension scheme members in exchange for an increase to their retirement savings, you should vote for the **Scheme** in respect of those pension scheme members.

You also have the option to vote against the **Scheme** in respect of any of the **plans** you've taken out for your pension scheme members. If you don't opt out of the **Scheme** but instead vote against the **Scheme** and the necessary majority of **planholders** vote for it, the **GAR** in that **plan** will automatically be exchanged for an increase to your pension scheme member's retirement savings. Please consider whether this would be the right outcome for that pension scheme member. If you want to make sure that your pension scheme member keeps the **GAR** you should opt them out of the **Scheme**.

**It's important that you remember that as a trustee you have a responsibility to act in the best interests of your pension scheme member. You don't have to make the same decision for each pension scheme member. If you do nothing and the **Scheme** is approved, your pension scheme member will lose the benefit of the **GAR** but their retirement savings will be increased. You must consider whether that would be the right outcome and in their best interests.**

## How do I tell Royal London my decision?

Once you've read your pack, and discussed the content and the options with your pension scheme member, both you and your pension scheme member should consider taking any guidance or financial advice that you need (remember we'll contribute to the cost of financial advice taken by your pension scheme member). We expect that you and your pension scheme member may then want to discuss any guidance or financial advice. You should then decide whether you want to keep the **GAR** or exchange it for an increase to your pension scheme member's retirement savings, and tell us your decision. You can do this in the following ways.



By post by filling out your **Decision form** and returning it to us in the **pre-paid envelope** in your pack no later than 12pm on 19 October 2018; or



Online by visiting **ersvotes.com/GAR** and logging in using the online voting ID and security code on the front page of this **letter** no later than 12pm on 19 October 2018; or



In person by attending the **planholder meeting** which will be held at Amba Hotel Charing Cross, Strand, London WC2N 5HX at 11am on 23 October 2018.

You'll find more information about how you tell **Royal London** your decision on page 22 of **Part A of your Planholder circular**.

## What happens next?

If the necessary majority of **planholders** vote for the **Scheme**, we'll ask the **court** to approve the **Scheme** at a **sanction hearing** scheduled for 12 November 2018 at the High Court of England and Wales, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. We explain what the necessary majority is in **Part A of your Planholder circular**.

You can attend the hearing and make statements to the **court** about our offer if you want to, as can your pension scheme member. You can also give us your views on the offer on your **Decision form** or online. We'll submit the comments that we receive from our **planholders** to the **court**.

If the **Scheme** is approved by the **court**, we expect to increase the retirement savings of **planholders** to whom the **Scheme** applies in return for the removal of the **GAR** at 11.59pm GMT on 7 December 2018.

## What if my pension scheme member is thinking about taking or transferring their retirement savings soon?

Please ask them to consider this very carefully. If the pension scheme member takes or transfers their retirement savings before the **Scheme** is implemented (expected to be on 7 December 2018), they won't be entitled to receive any increase to their retirement savings as a result of the **Scheme** even if you vote for the **Scheme** in respect of them. This might not be the right decision for them. If your pension scheme member is thinking about doing this, you should impress upon them the importance of getting financial advice before they make that decision.

## Where can I find more information?

If you'd like **more information**, or you require additional copies of any of the documentation in your pack, you can go online or call the free telephone-based guidance service:



**0345 5210046** Mon - Fri, 9.00am – 5.00pm



**royallondon.com/trusteeGAR**

Yours faithfully

**Isobel Langton**

CEO, Royal London Intermediary

The Royal London Mutual Insurance Society Limited