It's good to plan ahead

A guide to your Pension Portfolio Plan

ROYAL LONDON

Pensions | Pension Portfolio

You're now a member of the **UK's largest 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 customer-owned.

As a member 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 have no shareholders to pay – instead, we use our profits to boost your pension savings and provide you with better products and services.

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.

Our social impact

Being a responsible business and having a positive social impact is a top priority for Royal London. Whether it's doing the best thing for our members and customers, having the right working environment, engaging with local communities, or supporting society through investing responsibly and helping to improve financial capability, we don't just do business - we do it the right way.

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

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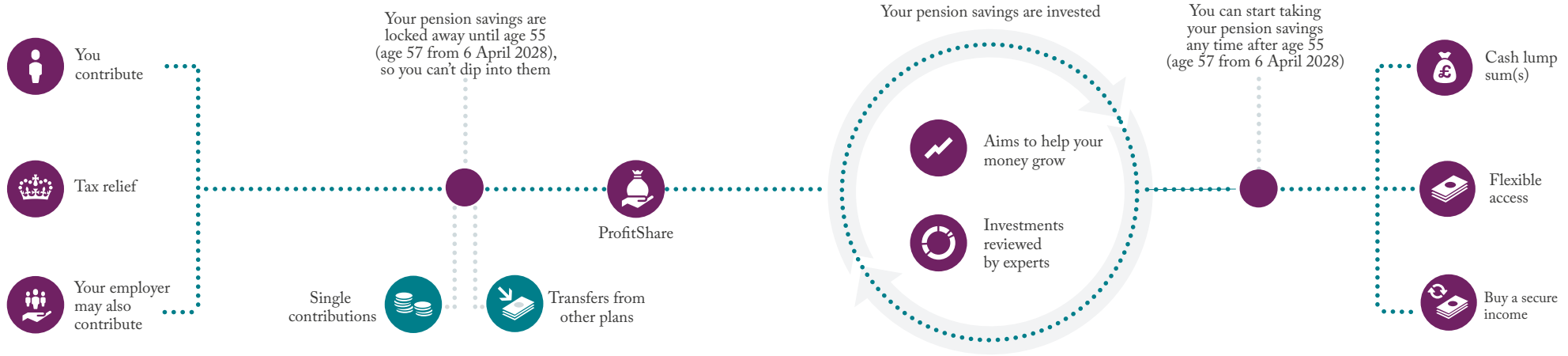
How your pension works



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. Your employer may also contribute to your plan if they want to. Tax relief depends on your individual circumstances and may change in the future.

Top up your pension savings

You can make single contributions into your plan at any time. Any single contributions you make will benefit from tax relief – helping to boost your pension savings.

You could have all your pension savings in one place

You can transfer pension savings from other pension plans. This could make it easier for you to keep track of them. Transfer payments from one pension plan to another don't receive tax relief. Transferring may not be in your best interests as you could lose valuable benefits which can't be replaced. You should speak to your financial adviser before you make a decision.

Share our success

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**.

Your pension savings are invested and aim to grow

You can stick with the investment you chose with the help of your financial adviser, or change it over time to suit your changing circumstances. 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.

Our investment options are reviewed by experts

This helps make sure they meet their objectives. This ongoing governance comes at no extra cost to you.

Take your pension savings in a way that suits you

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.

Or if you want a guaranteed income for life, you can buy a secure income.

If you want to flexibly access your pension savings, our income drawdown facility, Income Release, lets you take a regular income or dip in as and when you need to.

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

Flexible saving

We've worked hard to ensure saving into your plan is as easy and flexible as possible.

You can make regular monthly or yearly contributions by Direct Debit

The minimum regular contribution is normally £100 per month or £1,200 per year.

Contributions can be a fixed amount or set to increase each year in line with your salary or earnings, the Retail Prices Index (RPI), or set at a level between one and ten percent. Increasing your contributions each year could help you to increase the final value of your plan.

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

There's a limit to the amount you can invest in your pension plan each tax year and receive tax relief. It's set by the Government and it's called the annual allowance. You're also restricted to a maximum of 100% of earnings for any personal contributions.

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. Other limits apply when you start taking a flexible income from your plan.

Find out more about the annual allowance on our website at **www.royallondon.com/articles-guides/pensions-and-retirement/tax-rules-know-your-limits/**

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 and receive tax relief 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 **www.royallondon.com/articles-guides/pensions-and-retirement/tax-rules-know-your-limits/**

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 it 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.

What's the catch?

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

What if I'm invested in with profits?

If you invest in with profits, we'll work out your ProfitShare in a different way. You can find out more in the **Royal London With Profits Fund** factsheet.

Investing your pension savings

Stay with your original investment choice

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. Or, you might want to change it.

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.

Find out more

For more information about the full range of investment options available to you, read our **investment options** guide on 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.

Your retirement options

You can access your pension savings any time after age 55 (57 from 6 April 2028), even if you're still working. Here you'll find more information about your options.

Secure income

Have a guaranteed regular income for the rest of your life.

Flexible access

Take the income you need, when you need it.

Cash payment

Have all your savings paid as a cash lump sum.

Leave it for now

Leave your savings invested until you want to access them.

With each retirement option, you can normally take up to 25% of your pension savings tax free. What's more, you can use a combination of these options and you're free to shop around. This means you don't need to stay with the pension provider you've been saving with – you can shop around to find a product that best suits your needs.

You'll find more information about your options on the next page.

Buy a secure income

You can turn your pension savings into a regular income that'll keep going as long as you do. This option is also referred to as 'buying an annuity'.

You give some or all of your pension savings to an insurance company – and, in return, they'll pay you a guaranteed, regular income for the rest of your life. How much income you can expect will depend on things such as the money you've saved, your age and health when you retire and any extra features you choose to add.

Once you've bought a secure income, you can't usually change your mind – even if your circumstances do.

Take it as cash

You can take all your pension savings in one lump sum, or spread it out over a series of smaller cash payments.

Usually, the first quarter of any cash payment will be paid tax-free. The rest will be subject to tax. Taking large sums of money out of your plan could push you into a higher-rate tax bracket, meaning you'd need to pay more tax.

Take control with flexible access

Flexible access lets you dip into your pension savings, while the rest stays invested in your plan. This option is also referred to as 'income drawdown'. We currently offer this through our Income Release facility.

Unlike a secure income, your savings aren't guaranteed to last the rest of your life. As your savings stay invested, there's a risk your money could run out if your investments perform poorly, if you take too much money out of your plan or if you live longer than expected. To help make sure your savings last as long as you need them, you'll need to regularly review the income you're taking along with how your investments are performing.

Leave it for now

If you don't want to access your pension savings yet, you can leave them invested in your plan. While this means your savings can continue to grow, it also means they can fall in value – so you could end up with less money to live on. Charges will continue to be deducted and could impact your funds.

If you're not sure about what retirement option is right for you, you should speak to a financial adviser. You can also contact Pension Wise, a free and impartial retirement planning service, introduced by the government to help you understand your options.

Know your limits

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).

Clear charges

With Pension Portfolio, you only pay for the services you use.

Your charges

Like other pension providers, we apply a management charge to your plan. Additional charges may apply if you use other facilities within your Pension Portfolio.

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

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

In addition to these product charges, 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.

Your digital experience

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

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**

Online service

Once registered you can make changes to your investment choice and personal details such as your address. You can also 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

How to register

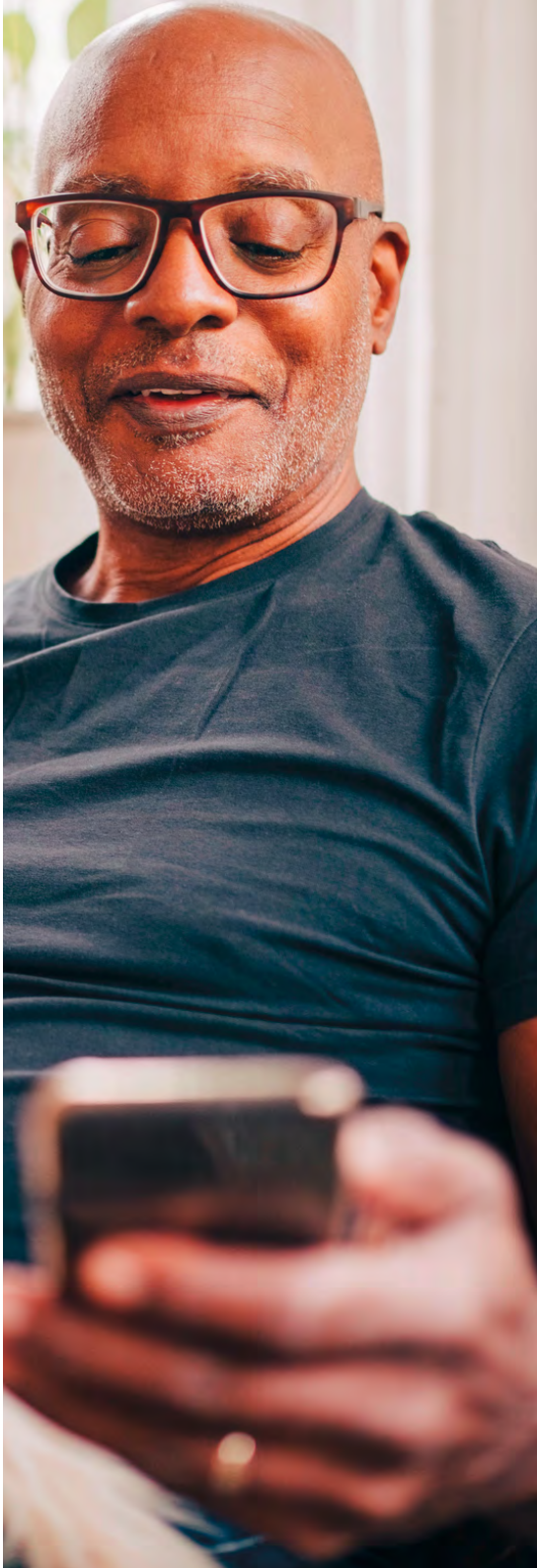
Registering for our online service can be completed in a few easy steps.

Make sure you have your plan number to hand.

1. Go to **royallondon.com/onlineservice**
2. Enter your email and mobile number and click 'Next'.
3. Complete your personal details, including your plan number.
4. Enter your National Insurance number and click 'Next'.
5. Accept the terms and conditions and click 'Next'.
6. Set your password and click 'Create Account'.

You then need to verify your email and mobile number and you're registered.

Once you register, you're ready to go – all you need to do is log in.



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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.

All of our printed products are produced on stock which is from FSC® certified forests.

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