

More choice More freedom

A guide to Income Release



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We're delighted to welcome
you to Royal London

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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 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) and you'll have access to exclusive member benefits and competitions.

What's so great about mutuality?

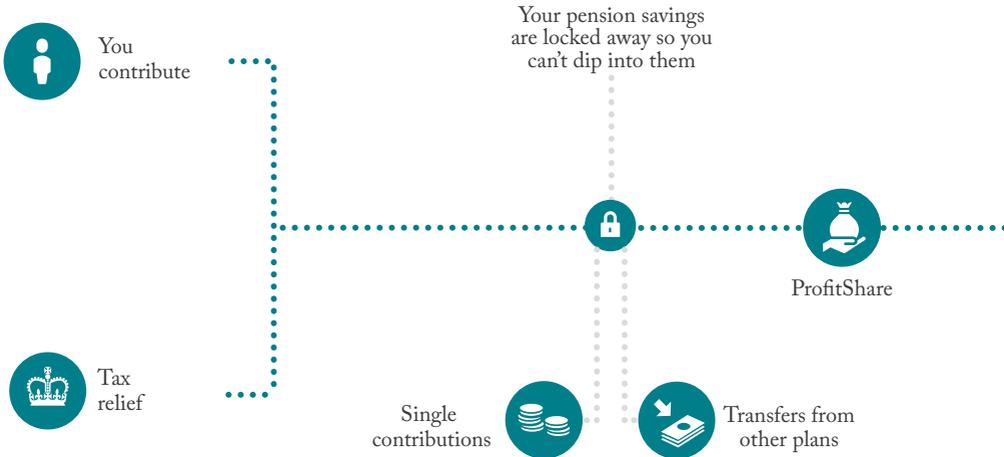
Having no shareholders means we don't have dividends to pay. Instead, we can use our profits to boost your pension savings and provide you with better products and services.

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.

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

You could have all your pension savings in one place

You may be able to transfer pension savings from other pension plans. 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



Helps your money grow



Investments reviewed by experts

You can start taking your pension savings any time after age 55



Cash lump sum(s)



Flexible access



Buy a secure income

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 refine it to suit your changing circumstances.

Our investments 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.

Income Release allows you to take an income as and when you need it.

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 it 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 retirement savings any time after age 55.

- 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.
- ProfitShare doesn't apply to Self Investments.

What's the catch?

There isn't one. There's no guarantee that we'll be able to award ProfitShare every year. But once we've awarded ProfitShare, we'll never ask for it back.



Your retirement options

With Income Release, you're in control. You decide how much tax-free cash and income you need, and when you need it.

Decide how much of your savings to use

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

Decide how much tax-free cash to take

You can usually take up to 25% of your retirement savings as a tax-free cash lump sum. You can choose to take this as a one-off payment or through a series of smaller payments.

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

Decide if you'd like to take an income

You can use the rest of your pension savings to provide a regular income, which could be taxed. 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.

Use our income management facility

If you're taking an income, you might want to think about using our income management facility – Income Tap. This invests in a low risk fund designed to help make income payments and can hold up to 60 months' worth of income.

How Income Release works

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

Once you've decided how much tax-free cash and income you'd like 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 there's a chance 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 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. 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. If you want a guaranteed income for life, you can use the pension savings in the Savings Account to buy a secure income. This is often called an 'annuity'.

Making your decision

Don't worry if you haven't made up your mind yet – your financial adviser can help you decide.

Know your limits

Taking money out of your plan

There's a limit to the amount you can have in this or any pension plan when you start taking your pension savings. It's set by the Government and it's called the lifetime allowance. If you exceed this limit, you may be subject to a lifetime allowance tax charge.

Search for the lifetime allowance on our website at royallondon.com to find out more.



Clear charges

With Income Release, you only pay for the services you use.

Your charges

Like all 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. However, as Income Release is part of Pension Portfolio, we've been able to minimise the charges you have to pay when taking savings from your plan.

You'll find more information about this charge in our **Core Investments charges summary**.

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.

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.

Investing your pension savings

Today there are more investment choices than ever before. While choice is a good thing, you might find it difficult to decide on the best option for you. Here are a few things to consider when deciding where to invest your pension savings.



How much risk are you willing to take?

Higher risk investments can help your money grow more. But there's also a greater chance of losing money. And with lower risk investments, your money may not grow as much as you want it to. Of course, investment returns are never guaranteed. So while your savings could grow, their value can also go down. This means you could get back less than you put into your plan.

You can get an idea of your attitude to risk by using our risk profiler at royallondon.com/riskprofiler



How involved do you want to be?

If you want to be actively involved in selecting your investments, you can use the Self Investments option within your plan. This lets you invest in a fund supermarket and directly in a range of alternative investments, such as company shares and UK commercial property.

Some investment options carry an extra charge. So if you decide to choose your own investments, or need help deciding on a suitable option, you should speak to your financial adviser.

Refine your investment choice to suit your needs

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 refine your investment choice in the future to suit your changing needs and circumstances.

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.

Each GRIP invests in a mix of equities, corporate bonds, medium index linked gilts, high yield bonds and property. They're aligned to five risk profiles determined by your income needs and risk attitude.

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 some of the world's leading 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, download our **Pension 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 plan online section of this guide.

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

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

These 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.

Your regular contributions are made by Direct Debit

The minimum amounts for monthly and yearly contributions are shown below.



Freedom to change your contributions

You can increase, decrease, stop and restart your contributions at any time. And whilst no further regular or single contributions can be made to your plan once you reach age 75, you can make transfers into your plan after this age. 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 after taking money out

There's a limit to the amount you can contribute to your plan after you've taken an income via income drawdown. It's set by the Government and it's called the Money Purchase Annual Allowance (MPAA). This is considerably lower than the annual allowance.

Search for the Money Purchase Annual Allowance on our website at royallondon.com to find out more.

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.

Search for the annual allowance on our website at royallondon.com to find out more.

Your plan online

Our secure online service is simple to use, quick and easy to access.

Keeping track

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.

How to register

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

1. Have your plan number to hand.
2. Go to royallondon.com/register
3. Complete your personal details. We'll also need your email and mobile number as these will help us contact you if we need to.
4. We'll also need your National Insurance Number - this means we know we've got the right person.
5. You'll then be asked to accept the terms of our online service by ticking a box to agree to our terms and conditions.
6. It's then time to choose a memorable password.

And that's it, you've created your account. You're ready to go.

Getting in touch

Providing an excellent service is our bread and butter. That's why our Customer Service team is always on hand to help.

You'll find the contact details for our central Customer Service team in your **Plan details**.

They can provide you with any information you need about your plan but they won't be able to give you any financial advice. You should always contact your financial adviser first if you have any questions about your plan or your financial situation.

		<p>Questions? Contact us on:</p> <ul style="list-style-type: none"> ● 0345 60 60 050 <small>Mon - Fri, 8.00am - 6.00pm</small> ● The email number made to improve our service ● PF1@roylondon.com ● roylondon.com/questions
<p>PLAN DETAILS</p> <p>Please tell us this number if you contact us Your plan number: 2800000 14 September 2015</p>		
<p>This document tells you how your plan has been set up. The following contributions have been set up under your plan:</p> <ul style="list-style-type: none"> • Regular contributions 		
<p>1 YOUR DETAILS</p> <p>Mr David Wilson</p> <p>Plan number: 2800000 Plan type: Pension Portfolio with Income Release Plan start date: 30 December 2015 Yearly statement date: 30 December Chosen retirement date: 1 April 2050</p>		
<p>2 CONTRIBUTIONS INTO YOUR PLAN</p> <p>Regular contributions into your plan</p> <p>First contribution: 30 December 2015</p> <p>Expected monthly contribution: £250.00</p> <p>Made up of</p> <p>Your contribution: £200.00 Your tax relief: £50.00 </p> <p>Direct Debit information</p> <p>We will collect £200.00 on or around 1 December 2015 by Direct Debit and £50.00 on or around the 1st of the month from then on.</p>		
<p>3 ANNUAL ALLOWANCE</p> <p>There is a limit on the amount of contributions you can make to a plan in any tax year, without being subject to a tax charge. This is known as the Annual Allowance.</p> <p>If you take income or a cash lump sum from any plan, the total amount of contributions you can make in any tax year, without being subject to a tax charge, may be limited by the Money Purchase Annual Allowance.</p>		
<p>Plan details page 1 of 4</p>		<p>4 Here to help Click on the image to explain some of the terms we've used.</p> <p>5 Tax relief You get tax relief on your regular and single contributions at the current basic rate. This means a full 20% relief (plus a further 10% credit contribution into your plan, not all the money). If you pay higher rate income tax, you may also claim to claim extra tax relief through your tax return or to carry forward your unused allowance. Our full rates are set by the Government, and subject to change and are not guaranteed.</p>

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.



Royal London

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