



Royal London example illustrations – transfer value only

Below are some examples to give you an idea of what your pension savings could be worth at retirement if you choose to transfer your other pension plan/s to Royal London.

We've based our examples on different number of years to retirement, transfer amounts and growth rates.

We've used low, mid and high rates of investment growth to give an example of what you could get back. The amounts are not guaranteed and are an illustration of what you could get.

We've also factored in inflation to give you a more realistic idea of the money you might get.

Inflation is the rate of increase in prices over a given period of time. For example, £100 would buy more today than it will in 20 years' time. It effectively reduces the value of savings and investments - including your pension plan.

To give you a better idea of what you might be able to buy with your plan if it were payable today, all figures allow for future inflation of 2.0% a year.

The examples show the tax-free cash and the yearly retirement income (annuity) that you could receive at age 67. There are other retirement options available and you should choose the best option for your personal circumstances. For further information see our **Important Notes** section.

Sometimes it can be helpful to have an illustration that's personal to you. This will give you examples based on your own pension savings including your pension age and investments. If you'd like a personal illustration before making your decision, you can visit royallondon.com/oneservice and log in or contact our dedicated transfer team on **0345 600 6042**.

If you choose to transfer to us, we'll keep you updated on how your pension savings are performing throughout their lifetime by sending you a yearly statement.

And it's worth remembering, when the time comes to decide what to do with your pension savings, you can shop around, you don't have to take your retirement income with us.

1. What the benefits at retirement might be

Years to retirement	Amount transferred	£5,000			£25,000			£50,000		
		Low	Mid	High	Low	Mid	High	Low	Mid	High
10	Growth rate of your investments (until age 67)	-0.1%	2.9%	5.8%	-0.1%	2.9%	5.8%	-0.1%	2.9%	5.8%
	Tax-free cash	£1,150	£1,540	£2,040	£5,760	£7,700	£10,200	£11,500	£15,400	£20,400
	Yearly retirement income before tax	£196	£320	£507	£980	£1,600	£2,530	£1,960	£3,200	£5,070
25	Growth rate of your investments (until age 67)	0.0%	2.9%	5.9%	0.0%	2.9%	5.9%	0.0%	2.9%	5.9%
	Tax-free cash	£1,020	£2,120	£4,290	£5,140	£10,600	£21,400	£10,200	£21,200	£42,900
	Yearly retirement income before tax	£167	£427	£1,030	£839	£2,130	£5,190	£1,670	£4,270	£10,300
40	Growth rate of your investments (until age 67)	0.0%	2.9%	5.9%	0.0%	2.9%	5.9%	0.0%	2.9%	5.9%
	Tax-free cash	£919	£2,930	£9,040	£4,590	£14,600	£45,200	£9,190	£29,300	£90,400
	Yearly retirement income before tax	£144	£571	£2,130	£721	£2,850	£10,600	£1,440	£5,710	£21,300

The amounts shown are not guaranteed and are an example of what could be available at retirement.

Using this table, someone who transferred £25,000 with 25 years until their retirement might receive a tax-free lump of £10,600 (if investments rates were in the mid range). They could also expect to receive an income of £2,130 each year with an annuity.

Assumptions we've made:

- 25% of the plan will be used to take tax-free cash with the rest being used to provide a retirement income (annuity) at age 67.
- The retirement income (annuity) will be paid monthly and will stay at the same level for a minimum of five years, continuing for the rest of the policyholder's life.
- Our examples are based on a plan that's invested in Royal London's default investment, the Balanced Lifestyle Strategy (Drawdown).
- We've used the following rates:

Years to retirement	Low	Med	High
10	-0.1%	2.9%	5.8%
25	0.0%	2.9%	5.8%
40	0.0%	2.9%	5.8%

2. The impact of charges on plan growth

Charges are often referred to as an Annual Management Charge (AMC) and include plan and investment charges. These charges are subtracted from your plan as a percentage of your savings. This means that as your savings grow, the amount of money we take each year increases.

As an example, with 10 years left until you retire, your investment might be predicted to grow at 2.9%. But, once we've removed the plan and investment charges, it might only feel like your savings have grown by 2.1%. (You can find out more about our AMC in the Important Notes section.)

The next table will help you compare the effect charges could have on different savings products. It shows the impact of charges on the mid rate of investment growth, with a different number of years to retirement.

Years to retirement	Investment growth at the mid rate	Actual growth rate once plan and investment charges are taken
10	2.9%	2.1%
25	2.9%	2.1%
40	2.9%	2.2%

To help you understand the impact of charges on your pension savings, we've gone into more detail in the following tables. They show how our product charges could affect the transfer value compared to the value if there were no charges.

We've calculated the plan values based on the 'mid' growth rate and an assumed inflation rate of 2.0% for each fund.

The amounts shown are not guaranteed and are an example of what could be available at retirement. If you decide to transfer your plan, or take your pension savings, the investment returns are never guaranteed. Your pension is invested, its value can go down as well as up and you could get back less than you put in.

10 years to retirement

What a transfer of £5,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £5,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£5,140	£5,100
3	£5,440	£5,320
5	£5,760	£5,550
At retirement	£6,640	£6,160

What a transfer of £25,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £25,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£25,700	£25,500
3	£27,200	£26,600
5	£28,800	£27,700
At retirement	£33,200	£30,800

What a transfer of £50,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £50,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£51,400	£51,000
3	£54,400	£53,200
5	£57,600	£55,500
At retirement	£66,400	£61,600

Assumptions we've made about the charges applied:

- Each year you'll be charged 0.75% of the value of your transfer payment.
- We've assumed an inflation rate of 2.0% for each fund.

25 years to retirement

What a transfer of £5,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £5,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£5,140	£5,100
3	£5,440	£5,320
5	£5,770	£5,550
At retirement	£10,200	£8,490

What a transfer of £25,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £25,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£25,700	£25,500
3	£27,200	£26,600
5	£28,800	£27,700
At retirement	£51,200	£42,400

What a transfer of £50,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £50,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£51,400	£51,000
3	£54,400	£53,200
5	£57,700	£55,500
At retirement	£102,000	£84,900

Assumptions we've made about the charges applied:

- Each year you'll be charged 0.75% of the value of your transfer payment.
- We've assumed an inflation rate of 2.0% for each fund.

40 years to retirement

What a transfer of £5,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £5,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£5,140	£5,100
3	£5,450	£5,330
5	£5,770	£5,560
At retirement	£15,800	£11,700

What a transfer of £25,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £25,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£25,700	£25,500
3	£27,200	£26,600
5	£28,800	£27,800
At retirement	£79,100	£58,600

What a transfer of £50,000 might be worth

We've assumed the customer has paid nothing more into their plan after the initial £50,000 transfer.

At the end of year	The value of your savings	
	Before charges are taken	If only plan and investment charges are taken
1	£51,400	£51,000
3	£54,500	£53,300
5	£57,700	£55,600
At retirement	£158,000	£117,000

Assumptions we've made about the charges applied:

- Each year you'll be charged 0.75% of the value of your transfer payment.
- We've assumed an inflation rate of 2.0% for each fund.

3. Important notes

- If you retire earlier or later than age 67, the amounts received could change from those shown in our examples.
- The growth rates in our examples are based on being invested in the Royal London default investment, the Balanced Lifestyle Strategy (Drawdown). You can find out more about this and our other Lifestyle Strategies at royallondon.com/factsheets-and-prices
- The actual investment growth rates achieved may be more or less than shown.
- These figures are only examples and aren't guaranteed – they're not minimum or maximum amounts. What you might get back depends on a number of factors, including:
 - how much is paid in
 - how long the investments are held for
 - any payments taken from your pension
 - investment performance
 - the AMC is intended to cover our expenses, including the costs of setting up, servicing a plan and managing investments. The AMC on each contribution depends on how the contributions are invested. The AMC is calculated as a percentage of the plan value each year. See section for more detail on how this can impact the plan value.



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