



**keyfacts**®

# KEY FEATURES OF THE RETIREMENT ACCOUNT

**IMPORTANT INFORMATION YOU SHOULD READ**



**IFDL**

A Royal London Group Company

## HOW TO CONTACT US

If **you** have any queries relating to **your Retirement Account**, please contact **our** Customer Service Team on the following details:

Contact Telephone Number:  
**0345 600 7788**

**Our** opening hours are:  
Monday to Friday between 8am-7pm;  
Saturday between 9am-5pm; and  
Sunday between 10am-4pm.

Please note that telephone calls may be recorded.

The correspondence address is;

Customer Services Team  
PO Box 409  
Royal London House  
Alderley Road  
Wilmslow  
SK9 0EG

The Financial Conduct Authority is a financial services regulator. It requires us, Investment Funds Direct Limited, to give you this important information to help you to decide whether our Retirement Account is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

### Helping you decide

This Key Features document will give **you** information on the main features, benefits and risks of the **Retirement Account** and the fund that **you** will be invested in. It is **your** responsibility to ensure that the **Retirement Account** meets **your** needs. If **you** want further information about the **Retirement Account** and the investment fund, please contact **us** (please see the 'How to contact **us**' section on the front page of this document). Although **we** will be happy to answer **your** questions, **we** can't give **you** financial advice.

To help **you** make **your** decisions, the Government has introduced a free and impartial pensions guidance service, known as Pension Wise.

**You** can find out more about this service at [pensionwise.gov.uk](http://pensionwise.gov.uk) or by calling 0800 138 3944. This service offers guidance, not advice, about **your** retirement options.

If **you** have any doubt as to whether the **Retirement Account** meets **your** needs, **you** should contact a financial adviser (who may charge for their services). If **you** do not have a financial adviser, **you** can get details of local financial advisers by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk)

Words in bold are explained in the Definitions section of the **Retirement Account Terms and Conditions**.

### Its aims

The aims of the **Retirement Account** are;

- to allow flexible access to pension savings that **you** have built up in a **Royal London Group** personal or stakeholder pension scheme, after transfer to the **Retirement Account**;
- to allow **you** to make flexible cash withdrawals from **your Retirement Account** as an alternative to buying a guaranteed pension;
- to allow **you** to take a **Tax Free Lump Sum**, normally up to 25% of the pension savings **you** transfer to the **Retirement Account**;
- to allow **you** to keep **your** pension savings invested to benefit from any potential growth;
- to give **you** flexibility to buy an annuity or other retirement income product at a later date;
- to allow for the value of **your Retirement Account** to be passed to **your Beneficiaries** when **you** die; and
- to offer a continued tax efficient investment through a pension scheme.

### Your commitment

- to transfer a **Royal London Group** pension with a minimum value of £5,000, up to a maximum of £1,055,000, into the **Retirement Account**;
- to take an immediate pension in the form of **Flexi-Access Drawdown**;
- to inform **us** if **you** are no longer a **United Kingdom** resident or **you** are or become a **United States Person**;
- to tell **us** if **you** no longer have a **United Kingdom** bank account; and
- to read the **Key Investor Information Document** for the Royal London Cautious Managed Fund, which explains the features of the investment fund available for **your Retirement Account**.

### Risks

#### **Investment Related Risks**

- what **you** get back depends on the performance of the Royal London Cautious Managed Fund. The performance of the fund is not guaranteed. Past performance is not a reliable indicator of future results;
- the value of **your Retirement Account** can fall as well as rise and **you** may not get back the amount **you** originally invested;
- **you** are not certain to make a profit. **You** may make a loss and **you** may not get back the amount **you** transfer to the **Retirement Account**;

#### **Capital & Longevity Risks**

- the value of **your Retirement Account** will be reduced by the effect of the charges;
- withdrawing income from **your Retirement Account** can reduce capital growth especially where performance is poor and level of income withdrawn is high;
- the higher the level of income, the less **you** will have available to provide for your dependants, or to buy an annuity in the future if **your** investment returns are low;
- annuity rates (i.e. the amount of guaranteed income **you** can buy using **your** pension savings) change over time. If rates are lower when **you** choose to buy an annuity, **you** may receive less income than if **you** chose to buy an annuity now;
- if **you** have a guaranteed annuity rate from **your** existing **Royal London Group** pension, **you** will lose this guaranteed rate if **you** transfer **your** pension to the **Retirement Account**;
- inflation (the rising cost of goods and services) will affect the future buying power of **your Retirement Account**. If the value of your Retirement

Account grows by less than the rate of inflation, it will have less buying power in the future;

- the charges may increase in accordance with the **Terms and Conditions**;
- the income **you** take from **your Retirement Account** will not be guaranteed. **You** need to consider the risk of **your** pension savings in **your Retirement Account** running out later in life, particularly if **you** take large lump sums, and how **you** would live on any other sources of income **you** may have.

#### **Tax Risks**

- The amount of income **you** take from your **Retirement Account** could affect any state benefits that **you** are entitled to. If the Department for Work and Pensions or **your** local council judge **you** to have deliberately spent or given away **your** pension savings to receive or increase benefits they may re-assess **you** eligibility and treat **you** as still having this money;
- Income **you** take from **your Retirement Account** is taxed at **your** marginal rate and may affect the level of tax **you** pay on any other taxable earnings **you** receive in the same tax year. These may include earnings such as State pension payments, benefits, salary, annuity or investment income; and;
- tax rules may change in the future. How tax affects **you** depends upon **your** individual circumstances.

## QUESTIONS AND ANSWERS

### What is the Retirement Account?

The **Retirement Account** is a personal pension, which allows **you** to take a **Tax Free Lump Sum** and make taxable withdrawals.

The **Retirement Account** is provided under a trust based registered pension **Scheme**. It is provided and administered by Investment Funds Direct Limited (IFDL) and distributed by Royal London Marketing Limited (**Royal London**).

### Who can have a Retirement Account?

Anyone who:

- is age 55 or over, at the time of applying;
- is a **United Kingdom** resident;
- has a **United Kingdom** bank account;
- has a **Royal London Group** personal pension or stakeholder pension, from which no benefits have been taken;
- wishes to transfer at least £5,000 but not more than £1,055,000 from their existing pension(s);
- is not a **United States Person**; and,
- agrees to move their pension fund to **Flexi-Access Drawdown**.

### How do I open a Retirement Account?

**You** should complete the **Application Form** and return it to **us**. If **you** need another copy of the **Application Form**, please contact **us** using the details provided on the front of this document.

### Can I transfer more than one pension into the Retirement Account?

Yes. **You** can transfer more than one pension into the **Retirement Account** either at outset or at a later date, so long as each plan is:

- a **Royal London Group** personal pension; or
- a **Royal London Group** stakeholder pension.

### Can I make payments into my Retirement Account?

No, **you** cannot make payments in. The **Retirement Account** will only accept pension transfers from an existing **Royal London Group** pension.

### What can I invest my Retirement Account in?

**Your Retirement Account** must be invested in the Royal London Cautious Managed Fund. **You** can find out more information about the fund from the **Key Investor Information Document**.

### When will my money be invested?

When **you** open **your Retirement Account**, there is a 30 day cancellation period. After the 30 day cancellation period has expired, **your** money (less any monies that **we** hold to pay the **Product Administration Charge**) will automatically be invested in the Royal London Cautious Managed Fund. During the cancellation period, **your** money will be held in cash in a client bank account. Interest is paid on the money during the cancellation period. At the end of the cancellation period, **your** money will be invested in the Royal London Cautious Managed Fund.

### What will happen if any income is earned on my investment?

Any income earned by the Royal London Cautious Managed Fund will automatically be reinvested by the Fund Manager.

### How can I find out the value of my Retirement Account?

We will send **you**:

- a statement four times a year which will tell **you** what **your Retirement Account** is worth;
- an annual statement showing any withdrawals **you** have received from **your Retirement Account**, alongside an illustration which will provide **you** with an indication of the annuity income **you** could buy using the value of **your Retirement Account** at that time; and
- a contract note, when **you** change **your** holding showing how much has been purchased or sold in the Royal London Cautious Managed Fund.

**You** can also find out the current value of **your Retirement Account** by contacting **us** using the details provided on the front of this document.

### Can I make contributions into other pension schemes?

**You** can pay into other pension schemes that **you** hold and continue to build up benefits in a company pension (for example a defined benefit pension). Once **you** make a taxable withdrawal from **your Retirement Account**, the 'Money Purchase Annual Allowance' rules will apply to **you**.



These rules mean that if **you**, **your** employer or anyone else makes contributions to **your** other money purchase or similar pension schemes (for example, a personal pension or a stakeholder pension) of more than £4,000 in a tax year, then **you** may become subject to a tax charge by **HMRC**. **You** should contact the administrators of **your** other pension schemes to determine whether or not any tax charges may apply.

### What charges do I have to pay?

The following table sets out the charges that apply to **your Retirement Account**:

Type of Charge	Amount of Charge
<b>Product Administration Charge</b> applied by <b>us</b>	Annual charge of 0.35% of the value of <b>your Retirement Account</b> , taken monthly in arrears (i.e. 1/12th of 0.35% per month).
<b>Ongoing Charges Figure</b> applied by Royal London Asset Management Limited (the 'Fund Manager')	Annual charge of 0.65% of the value of the fund, taken daily (i.e. 1/365th of 0.65% per day).

(Figures correct as at 31.01.2019)

The **Product Administration Charge** is calculated on the total value of your **Retirement Account** (cash and fund) and is applied by **us** for setting up and providing ongoing administration.

The **Ongoing Charges Figure** is calculated on the total value of your **Retirement Account** (cash and fund) and is applied for the ongoing management of the assets and structure of the Royal London Cautious Managed Fund and may vary from time to time. The figures quoted are correct at 23/08/2018. It also covers any:

- dealing costs;
- broker fees, and
- one off charges which may be incurred from time to time.

We are not able to notify you in advance of changes to the **Ongoing Charges Figure**, but an up to date **Ongoing Charges Figure** is available on our website at royallondon.com/RA-Funds or by contacting us on 0345 600 7788.

Part of the **Ongoing Charges Figure** will be paid to **Royal London** for branding, marketing and distributing **your Retirement Account**.

When **you** open **our Retirement Account**, we will keep 0.5% of the value of **your** initial pension transfer (and any subsequent pension transfers) to cover the **Product Administration Charge**. This will be held as cash in a client bank account, which pays interest. Information on how we calculate interest, as well as the latest interest rates applicable, can be found online at [www.royallondon.com/retirement-account-cash-rates](http://www.royallondon.com/retirement-account-cash-rates)

If there isn't enough cash in **your Retirement Account** to pay the **Product Administration Charge** we will deduct a further amount from your **Fund** to bring the balance of the cash holding back to 0.5% of the value of **your Retirement Account**.

This will be held in this client bank account for the purpose of covering the ongoing **Product Administration Charge** payable by **you**.

The personalised illustration provided to **you** will show the effect that these charges will have on the value of **your Retirement Account**.

### How do I make withdrawals from my Retirement Account?

**You** can withdraw **your** money by contacting **us** and filling out the withdrawal request form.

Withdrawals will be paid to **you** via electronic transfer into **your United Kingdom** bank account. **We** will send **you** a written confirmation once each payment has been made.

### How often can I make a withdrawal from my Retirement Account?

**You** can do this up to once per month. The minimum amount for each withdrawal is £500.

### What will I get back?

**You** will be entitled to withdraw amounts from **your Retirement Account** up to the value of **your** holding in the Royal London Cautious Managed Fund (less any charges or taxes as are payable).

The value of **your Retirement Account** can go down as well as up, therefore the amount that **you** get back is not guaranteed. The amount that **you** will receive depends on the following factors:

- how much **you** invest;
- the performance of the investment fund;
- the effect of the charges; and
- any withdrawals **you** make.

### **How does tax affect my Retirement Account?**

Once **you** have taken your **Tax Free Lump Sum**, (normally up to 25% of the pension savings **you** transfer to the **Retirement Account**), all further withdrawals will be taxed at **your marginal rate of tax**. **We** will deduct the amount of tax due before **we** pass on the withdrawal to **you**.

If the value of **your Retirement Account** (along with that of any other pension schemes that **you** hold) is greater than **your** personal lifetime allowance, there will be a tax charge applied by **HMRC**. The standard lifetime allowance is currently £1,055,000 for the tax year 2019/2020.

The death benefits provided from the **Retirement Account** are normally paid free of inheritance tax. Tax charges may be payable if **you** die aged 75 or over. The amount of tax payable will depend upon how **your Beneficiaries** choose to take the death benefits. Further detail is set out in 'What happens if I die?' below.

### **What happens if I die?**

Following **your** death, any value remaining in **your Retirement Account** is used to pay death benefits. **We** decide which of **your Beneficiaries** are to receive death benefits, taking into account **your** wishes, and the types of death benefits to be paid. Benefits can be paid from **your Retirement Account** as either lump sums or pension income withdrawals.

The age **you** die at determines the tax treatment of the death benefits from **your Retirement Account**.

(a) If you die before age 75

The value of **your Retirement Account** payable to the **Beneficiaries** will, in most cases, be paid tax free.

(b) If you die age 75 or over

The value of **your Retirement Account** payable to the **Beneficiaries** will be taxed as follows:

- if the payment made is classified as a lump sum under tax legislation, tax will be charged on the payment at 45%, if paid to a company or trust, or at the **Beneficiaries' marginal tax rate**, if paid to individuals; and
- if payment is made as pension income (including withdrawal of the whole value as one pension income payment), tax will be charged at the **Beneficiaries' marginal rate of tax**.

**We** have a discretion as to the form of benefits actually paid. The **Beneficiaries** **we** choose can let **us** know which of the

options they would prefer, including a combination of a lump sum pay-out and pension income. **We** will normally act in accordance with their wishes.

The tax rates quoted are based on our current understanding of **United Kingdom** legislation and may change in the future.

### **Can I still buy an annuity?**

Yes, **you** can buy an annuity at any time using the value of **your Retirement Account**. **You** can use the open market to take advantage of the best rates available from the different annuity providers and insurance companies.

### **Do I have a right to cancel my Retirement Account?**

Yes, **you** can cancel **your Retirement Account** within 30 days of opening it. **We** will transfer **your** money back to the original **Royal London Group** pension that **you** have transferred from.

If **you** have taken any **Tax Free Lump Sum** or made any other withdrawals, **you** must return these to **us**. If **you** do not return all **your Tax Free Lump Sum** and any withdrawals **you** have taken to **us**, these will be treated as an unauthorised payment by **HMRC**, who will impose a tax charge on **you**.

To cancel **your Retirement Account** please call or write to **us** using the details provided on the front of this document.

### **Can I transfer to another pension scheme?**

Yes, **you** are able to transfer the value of **your Retirement Account** to another **United Kingdom** registered pension scheme or a registered pension scheme or a Recognised Overseas Pension Scheme ('ROPS'). The transfer will only be allowed if permitted by **HMRC**, and the receiving scheme is willing to accept the transfer.

**You** are only able to make a transfer in cash from the **Retirement Account**.

**You** can only make full transfers of **your Retirement Account** to another pension provider. **We** do not offer partial transfers.

**We** will not apply a charge for making a transfer, however **you** will need to check with the receiving pension provider whether they will make a charge for accepting **your** transfer.

By making a full transfer out (or withdrawing the total value of **your Retirement Account**), **we** will close **your Retirement Account**. **We** will write to confirm that **we** are doing this.

### What if I have a complaint?

We hope that **you** will never have reason to complain but if you do, please contact **us** by:

- calling 0345 600 7788; or
- writing to **us** at

Customer Services Team, PO Box 409, Royal London House, Alderley Road, Wilmslow, SK9 0EG.

We will always try to resolve **your** complaint as quickly as possible. However if **you** are not happy with **our** response to **your** complaint, **you** might have the right to refer it to the Pensions Advisory Service, the Pensions Ombudsman or the Financial Ombudsman Service. We will tell **you** about any ombudsman referral rights **you** have at the time.

Making a complaint, unless made to the Pensions Ombudsman, does not hinder **your** right to take legal proceedings.

The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB  
Tel: 0800 011 3797

Web: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

The Pensions Ombudsman  
10 South Colonnade  
Canary Wharf  
E14 4PU

Tel: 0800 917 4487

Email: [helpline@pensions-ombudsman.org.uk](mailto:helpline@pensions-ombudsman.org.uk)

Web: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

Financial Ombudsman Service  
Exchange Tower  
London E14 9SR  
Tel: 0800 023 4567

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Web: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The Financial Ombudsman Service will usually only investigate the complaint once **our** internal complaints process has been completed.

A copy of **our** complaints procedure is available on request.

### The Financial Services Compensation Scheme (FSCS)

IFDL is covered by the FSCS. **You** may be entitled to compensation if **we** are unable to meet **our** obligations to **you**, because of **our** financial circumstances. For example,

if **we** become insolvent. Any compensation that **you** are entitled to depends on the type of business and the circumstances of the claim.

**You** can get more details by visiting [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting:

Financial Services Compensation Scheme  
PO Box 300  
Mitcheldean  
GL17 1DY

Phone:

0800 678 1100

or

0207 741 4100

For Cash in the client money bank account;

While **your** money is held in cash in the client money bank account, should **you** be entitled to compensation from the FSCS, **you** may be able to recover up to £85,000.

For Money Invested in the Royal London Cautious Managed Fund;

When **your** money is invested in the Royal London Cautious Managed Fund, should **you** be entitled to compensation from the FSCS, **you** may be able to recover up to 100% of the first £85,000 of the investment.

### Where can I find out about Royal London's financial situation?

We want to provide you with clear information about Royal London's financial position, so we have created a Solvency and Financial Condition Report. In it, you'll find more details about Royal London's business and company performance. The report is produced annually and you can access it at [royallondon.com/solvency](http://royallondon.com/solvency)

### Law

The law of England and Wales applies to the **Retirement Account**. Only a court in England and Wales, Scotland and Northern Ireland may consider any legal claim.

### Important information

The taxation information contained in this document is based on **our** interpretation of current legislation and **HMRC** practice. **You** are responsible for obtaining **your** own tax advice. Please remember that current tax rules may change in the future.

**If you would like this information  
in a different format such as large print,  
Braille or audio please call 0345 600 7788**



Royal London House, Alderley Road,  
Wilmslow SK9 0EG

Royal London Marketing Limited is authorised and regulated by the Financial Conduct Authority. The firm is on the Financial Services Register, registration number 302391 and distributes the Royal London Retirement Account. Registered in England and Wales number 4414137. Registered office: 55 Gracechurch Street, London, EC3V 0RL.

The Royal London Retirement Account is provided by Investment Funds Direct Limited (IFDL). IFDL is authorised and regulated by the Financial Conduct Authority.

The firm is on the Financial Services Register, registration number 114432. Registered in England and Wales number 1610781.

Registered Office: Trimbridge House, Trim Street, Bath BA1 1HB.