

Terms and Conditions

Retirement Account



Retirement account Terms and Conditions:

This document, together with any variation to it that we give to you, and your completed Application Form, sets out the contract between you and Investment Funds Direct Limited ('IFDL').

Opening a Retirement Account is at the discretion of IFDL.

These Terms and Conditions should also be read in conjunction with the Retirement Account Key Features Document and the Royal London Cautious Managed Fund Key Investor Information Document.

You should read these Terms and Conditions carefully to make sure you understand the contract you are entering into, and keep this document safe for future reference.

All investments involve a degree of risk. The value of the Retirement Account may go down as well as up.

Please remember that past performance is not a reliable indicator of future results. The value of investments can fall as well as rise as a result of market fluctuations. You are not certain to make a profit, you may make a loss and you may not get back the amount originally invested.

IFDL and Royal London can only give factual information and cannot give you financial advice. It is your responsibility to ensure that this product meets your needs. If you have any doubt as to whether this 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

For free and impartial pensions guidance, you can also visit the PensionWise website www.moneyhelper.org.uk/pensionwise

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-6pm.

Please note that telephone calls may be recorded.

The correspondence address is;

Customer Services Team
PO Box 409
Royal London House
Alderley Park
Congleton Road
Nether Alderley
Macclesfield
SK10 4EL

Contents

Terms and conditions

1	Definitions	4	22	Income Withdrawal for Beneficiaries	13
2	Legal and Regulatory	5	23	Notification of Death	13
3	Key Documents	5	24	Beneficiary Information	14
4	Opening your Retirement Account	6	25	Tax Treatment	14
5	Use and Disclosure of Personal Information by Royal London	6	26	Complaints	14
6	Your Right to Change your Mind	6	27	Compensation	14
7	Making Contributions	7	28	Future Changes	15
8	Money Purchase Annual Allowance	7	29	Transfers out of the Retirement Account	15
9	Charges	8	30	Closing your Retirement Account	16
10	Paying the Charges	8	31	Winding up the Scheme	16
11	Investments	9	32	Unauthorised Payments	17
12	How your Investment is Held	10	33	Responsibility for Loss	17
13	Interest	10	34	Communication	17
14	Aggregating Transactions	11	35	Changes to your Personal Details	17
15	Statements and Valuations	11	36	Telephone Recording	18
16	Corporate Actions	11	37	Conflicts of Interest	18
17	Retirement Benefits	11	38	Law	18
18	Flexi-Access Drawdown	12			
19	Tax Free Lump Sum	12			
20	Withdrawals	12			
21	Death Benefits	13			

Retirement Account Terms and Conditions

1 Definitions

Application Form means the paper application form for the **Retirement Account** completed by **you**.

Beneficiary means a person eligible under the **Scheme Rules** to receive a lump sum on **your** death. This includes any person nominated by **you** in the expression of wish form plus, **your** relatives, dependants and any beneficiary under **your** will.

Business Day means any day other than a Saturday, a Sunday or a day which is a public holiday in England.

Dependant means **your** spouse or civil partner at the time of **your** death; **your** natural/adopted child provided he/she (i) is under the age of 23 or (ii) was in **our** opinion dependent upon **you** at the date of **your** death because of mental or physical impairment; or a person who falls into neither of the above categories and who at the date of **your** death was in **our** opinion, (i) financially dependent on **you**; or (ii) in a financial relationship of mutual dependence with **you**; or (iii) dependent on **you** because of mental or physical impairment.

FCA means the Financial Conduct Authority.

Flexi-Access Drawdown means making withdrawals from **your Retirement Account** whilst keeping the fund invested, with no limit on the amount that can be withdrawn (until the fund is exhausted).

Fund Management Fee means the charges for managing the fund. See Section 9.4.

HMRC means His Majesty's Revenue & Customs.

Key Features Document means the document which outlines the features of the **Retirement Account** in order to help **you** decide if it's right for **you**.

Key Investor Information Document means the document which outlines the features of the Royal London Cautious Managed Fund, such as the risks, objectives and asset mix.

Marginal rate of tax means the highest rate of income tax **you** pay on **your** income at any time.

Product Administration Charge means the charge as explained in Section 9.3.

Retirement Account means the contract between **us** and **you** described in Section 3.1.

Royal London means Royal London Marketing Limited, the distributor of the **Retirement Account**.

Royal London Group means the Royal London Mutual Insurance Society Limited and its subsidiaries including Royal London Marketing Limited.

Scheme means the Investment Funds Direct Personal Pension Scheme.

Scheme Rules means the trust deed and rules of the **Scheme** as amended from time to time.

Tax Free Lump Sum means the amount **you** can withdraw from **your Retirement Account** without incurring an income tax liability, which is explained in Section 19.1.

Terms and Conditions means this document together with any amendments to it that **we** notify to **you**.

United States Person means any individual who meets any one or more of the criteria of a US Person as defined by either, Regulation S Section 902(K)(1) of U.S. Securities Act 1933 or Chapter 79 Section 7701(a)(30) Internal Revenue Code as amended from time to time.

United Kingdom means England, Wales, Scotland and Northern Ireland and excludes the Isle of Man and the Channel Islands.

Welcome Letter means the letter we issue to **you** when we accept an application for a **Retirement Account**. **We, us** and **our** means Investment Funds Direct Limited, the provider of the **Retirement Account**. **You** and **your** means the person who submitted the **Application Form** to **us** and in whose name the **Retirement Account** has been opened as confirmed in the **Welcome Letter**.

2 Legal and Regulatory

2.1 **We** refers to Investment Funds Direct Limited. These **Terms and Conditions** are between **you** and **us**. **We** are a company registered in England and Wales with company number 1610781. **Our** registered office is 10 Fenchurch Avenue, London EC3M 5AG.

2.2 **We** are responsible for operating and administering **your Retirement Account**. **We** are authorised and regulated by the **FCA** under Firm Reference Number 114432.

2.3 **Royal London** is responsible for branding, marketing and distributing the **Retirement Account**.

2.4 **Royal London** means Royal London Marketing Limited, which is authorised and regulated by the **FCA**. The firm is on the Financial Services Register, with registration number 302391. Registered in England and

Wales with company number 4414137. Its registered office is at 80 Fenchurch Street, London EC3M 4BY.

2.5 **You** can check the authorisations of **Royal London** and **us** at www.fca.org.uk/register or by calling the **FCA** on 0800 111 6768. The Retirement Account doesn't entitle **you** to membership or profit share of Royal London Mutual Insurance Society Limited.

2.6 The **Retirement Account** is provided under a personal pension scheme called the Investment Funds Direct Personal Pension Scheme which is registered with **HMRC** with number 00738053RX. The **Scheme** is established under trust. The trust is governed by the **Scheme Rules**. **IFDL** is the **Scheme** administrator.

2.7 A trustee is appointed for the **Scheme**. It owns the cash and investment within your **Retirement Account**, holding them for **your** benefit under the **Scheme Rules**. The trustee appoints **us** to have custody of the cash and investment. **We** explain how your investment and cash is held in Section 12.

2.8 In the event of any conflict between these **Terms and Conditions** and the **Scheme Rules**, the **Scheme Rules** will take priority.

2.9 A copy of the **Scheme Rules** is available on request by calling **us** on **0345 600 7788**.

3 Key Documents

3.1 The documents that form the contract between **us** and **you** are as follows:

- a) These **Terms and Conditions** (as amended from time to time – see Section 28 for the circumstances in which **we** can make amendments);
- b) The **Application Form**; and
- c) The **Welcome Letter** confirming the details on which **we** have set up **your Retirement Account**.

3.2 In the event of any conflict between the terms of the documents listed above, the provisions contained in these **Terms and Conditions** take priority.

3.3 In addition to the documents that form the contract between **us** and **you**, the following documents provide important information:

- a) The 'About our Services and Costs' document which provides information on **Royal London's** services and costs;
- b) The **Key Features Document** which includes a personalised illustration;
- c) The **Key Investor Information Document** for the Royal London Cautious Managed Fund; and
- d) **Our** Conflicts of Interest Policy (see Section 37 for an explanation of this policy).

3.4 Once **your Retirement Account** is set up **you** will receive the following information. Please read these documents carefully when **you** receive them;

3.4.1 A contract note showing the amount of the transaction, each time a holding in the Royal London Cautious Managed Fund is bought or sold;

3.4.2 Statements every three months showing **you** the up to date value of **your Retirement Account**; and

3.4.3 An annual statement (including an illustration) showing the withdrawals **you** have taken from **your Retirement Account**.

or stakeholder scheme that **you** wish to transfer to **us**, which has not already been used for the provision of any pension benefits;

d) **You** agree to move **your** pension fund to **Flexi-Access Drawdown**;

e) **You** agree to transfer at least £5,000 (but not more than £1,073,100) into the **Retirement Account**;

f) **You** are not a **United States Person**; and

g) **We** can verify **your** identity, residency and age.

4.2 **We** can close **your Retirement Account** at any point if **you** no longer satisfy these criteria, such as **United Kingdom** residency or the holding of a **United Kingdom** bank account. **You** must notify **us** immediately if this is the case.

Application Acceptance

4.3 **Your Retirement Account** begins when **we** confirm **our** acceptance of **your** application by issuing a **Welcome Letter**. **We** will carry out checks to confirm **your** age, residency and identity before doing this. A contract is created between **you** and **us** when **we** issue the **Welcome Letter**.

Your Status

4.4 **You** are **our** “retail client” for the purpose of the **FCA** rules. Retail clients benefit from the highest degree of protection under the **FCA** rules. However, **you** do not benefit from the

protection of **FCA** rules on assessing suitability, as neither **we** nor the companies within the **Royal London Group** make any assessment of the suitability of the **Retirement Account** for **you**.

5 Use and Disclosure of Personal Information by Royal London

5.1 The personal data that you provide to us will be used by us in compliance with our obligations under the General Data Protection Regulation (EU Regulation 2016/679), along with applicable legislation amending, supplementing or replacing the General Data Protection Regulation (together, “Applicable Data Protection Law”). Our Privacy Policy – the terms of which are incorporated into these Terms – explains how your personal data will be collected, used and stored by us and will set out further information required to be provided to you under Applicable Data Protection Law. Please see our Privacy Policy (which we will update from time to time) for more information. You can find the Policy online at www.ifdl.info/PrivacyPolicy

6 Your Right to Change your Mind

6.1 If, after taking out the **Retirement Account** **you** change **your** mind, **you** can cancel it by writing to **us** (see ‘How to Contact us’ at the beginning of these **Terms and**

4 Opening your Retirement Account

Eligibility

4.1 The **Retirement Account** is available to **you** provided that:

a) **You** are age 55 or over at the time **you** apply; (this minimum age may be reduced if **you** are retiring due to ill health and meet the ill health pension conditions prescribed by **HMRC**)

b) **You** are a **United Kingdom** resident and **you** have a **United Kingdom** bank account;

c) **You** are a member of a **Royal London Group** personal pension scheme

Conditions). **You** cancellation rights are also explained in the **Welcome Letter**, which will be sent to **you** when **your Retirement Account** is set up. If **you** cancel within 30 days of the **Retirement Account** being set up, **we** will return the amount **you** transferred back to the **Royal London Group** pension scheme from which it originated.

6.2 If **you** have taken a **Tax Free Lump Sum** and any withdrawals, **you** must return these to **us**. If **you** do not return all **your Tax Free Lump Sum** and any withdrawals, these payments will be treated as unauthorised payments by **HMRC**, who will impose a tax charge on **you**. Please see Section 32 for more details on unauthorised payments. **We** will deduct any tax charges owing to **HMRC** as a result of the unauthorised payment being made before returning the remaining amount back to the **Royal London Group** pension scheme from which it originated. If the value of **your Retirement Account** does not cover the amount of the tax charge, **you** personally are responsible for paying any further amounts of tax or interest charges, or both, due to **HMRC**.

6.3 After the 30 day cancellation period has ended, **you** can close **your Retirement Account** at any time by making a full withdrawal of all monies within it.

6.4 **You** can ask **us** to transfer the value of **your Retirement Account** to another pension scheme that is registered with **HMRC**, or a Recognised Overseas Pension Scheme ('ROPS'). Other providers may not accept the transfer or may impose charges for accepting the transfer. Any outstanding charges as set out in Section 9 will be taken from **your Retirement Account** before the transfer is made.

7 Making Contributions

7.1 No regular or lump sum contributions can be paid into **your Retirement Account**.

7.2 No transfers can be paid into **your Retirement Account**.

8 Money Purchase Annual Allowance

8.1 On the transfer of **your** pension funds into **your Retirement Account**, the money will automatically become **Flexi-Access Drawdown** funds that can be used to provide **you** with taxable withdrawals. Once **you** take a taxable withdrawal from **your Retirement Account**, the 'Money Purchase Annual Allowance' rules will apply to **you**.

8.2 These rules mean that **you** may be subject to a tax charge if **your** total contributions to money purchase pension schemes exceed the Money Purchase Annual Allowance in respect of a tax year. This includes contributions that **you**, **your** employer or anyone else makes for **you**.

8.3 If the Money Purchase Annual Allowance applies to **you**, **you** must tell the administrators of **your** money purchase (or similar) pension schemes that **you** have flexibly accessed **your** pension rights and, as a result that **you** are subject to the Money Purchase Annual Allowance. **You** should tell the administrator of the pension scheme within 91 days of receiving a statement from **us** regarding this or within 91 days of becoming an active member of that scheme, whichever is later. Failure to tell the administrators of **your** other pension scheme(s) that the Money Purchase Annual Allowance applies to **you** could result in **you** being fined by **HMRC**.

8.4 The Money Purchase Annual Allowance can be found at www.gov.uk. **You** should contact the administrators of **your** pension schemes to determine whether or not any tax charges may apply.

8.5 **You** should speak to a financial adviser if **you** have any questions on the Money Purchase Annual Allowance or the type of pension scheme **you** have.

9 Charges

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

Type of Charge	Amount of Charge
Product Administration Charge applied by us	Annual charge of 0.35% of the value of your Retirement Account , taken monthly in arrears (i.e. 1/12th of 0.35% per month)
Fund Management Fee applied by Royal London Asset Management Limited (the "Fund Manager") (figures correct as at 14/03/2024)	Annual charge of 0.70% of the value of the fund, taken daily (i.e. 1/365th of 0.70% per day)

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

9.3 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.

9.4 The **Fund Management Fee** is applied for the ongoing management of the assets and structure of the Royal London Cautious Managed Fund. The figures quoted are correct as at 14/03/2024.

It also covers:

- a) dealing costs;
- b) broker fees; and
- c) one off charges which may be incurred from time to time.

9.5 An up to date Fund Management Fee is available on our website rlam.com/uk or by contacting us on 0345 600 7788.

More information about the **Fund Management Fee** is available in the **Key Investor Information Document**. Part of the **Fund Management Fee** will be paid to **Royal London** for branding, marketing and distributing **your Retirement Account**.

9.6 The charges will cover all expenses, third party charges, tax charges specific to the Royal London Cautious Managed Fund, any levies (excluding the dilution levy) and fees.

10 Paying the Charges

10.1 **Product Administration Charge**

At the point of investing, **we** will retain 0.5% of the value of **your** initial pension transfer and any subsequent pension transfers. This is to cover the **Product Administration Charge** as explained in Section 9. For example, if **you** invest £1,000 **we** will hold £5.00. The 0.5% will be held as cash in a client bank account, which

pays interest. 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**.

10.2 If **you** choose to close **your Retirement Account** or transfer **your Retirement Account** to a new pension provider in accordance with these **Terms and Conditions** **we** will ensure that any sum remaining in **our** client bank account as a result of the deductions described in Section 9 is paid to **you** or transferred to **your** new pension provider, less any outstanding **Product Administration Charge**.

10.3 **Fund Management Fee**

The **Fund Management Fee** as set out in Section 9 is applied by reducing the value of the fund on a daily basis. The fund is valued at 10:30am each **Business Day**.

10.4 **Dilution levy**

10.4.1 A charge called a 'dilution levy' may be applied by the Fund Manager to the price of the shares in the Royal London Cautious Managed Fund when **we**:
a) make an investment on **your** behalf into the Royal London Cautious Managed Fund; or

b) make a withdrawal on **your** behalf from the Royal London Cautious Managed Fund.

10.4.2 A dilution levy is an adjustment made by the Fund Manager to the price of the shares in the Royal London Cautious Managed Fund and exists to protect the ongoing investors in the fund from:

- a) the effects of any significant movement in the fund price; and
- b) bearing all of the costs of buying and selling the fund's assets (such as any fees and taxes which may be payable), when investors enter or leave the fund.

10.4.3 Whether or not the Fund Manager will charge a dilution levy will depend on the volume of capital that is entering and exiting the fund. More information about the dilution levy can be found in the fund's prospectus. **You** can find the prospectus on this website www.rlam.com/uk/individual-investors/funds/

10.4.4 Any dilution levy will be applied to the share price before making an investment or taking a withdrawal from the applicable fund.

10.5 Making changes to the charges

We can introduce new charges or change the type and level of charges. Any such changes will be made in accordance with Section 28 of these **Terms and Conditions**.

11 Investments

11.1 The **Retirement Account** invests in the Royal London Cautious Managed Fund. This is an open ended investment company ("OEIC"). Within the OEIC, **your** money is pooled with that of other investors to buy a range of assets, such as shares, bonds and other securities which are listed on a stock exchange.

11.2 The OEIC is managed on **your** behalf by the Fund Manager.

11.3 **You** can find more information about the Royal London Cautious Managed Fund in the **Key Investor Information Document**.

11.4 Once **we** have accepted **your** pension transfer **your** money will be held in cash for the first 30 days. **Your** money will be held in a client bank account separate from **our** assets. While **your** money is held in cash interest will be paid.

11.5 After the 30 day cancellation period has expired, **your** money is automatically invested in the Royal London Cautious Managed Fund.

11.6 **We** will place the investment directly with the Fund Manager. By opening a **Retirement Account** with **us, you** consent to **us** placing the investment in this way.

11.7 When **we** make an investment into the Royal London Cautious Managed Fund, **we** place no reliance on the fluctuations which the fund may be subject to. **We** place **your** investment in accordance with this Section.

11.8 Any information about the performance of the **Retirement Account** that **we** provide is for the benefit of all **our** customers and does not take **your** financial needs or objectives into account. **You** must not treat this information as a personal recommendation or investment advice and **you** should get independent financial advice specific to **your** own circumstances where **you** consider it to be necessary.

11.9 Investment Timing and Pricing

11.9.1 The Royal London Cautious Managed Fund is valued at 10.30am every **Business Day**. We call this the "valuation point". All investments are made on the day following the expiry of **your** pension transfer cancellation rights. **We** will endeavour to invest **your** funds as quickly as possible and no later than the second

valuation point following this date. The Fund Manager may reasonably delay the valuation point in circumstances which are beyond the Fund Manager's control, such as an external event (i.e. a power failure) which impacts their ability to provide their normal service. In this event, the investment will be made as soon as the Fund Manager is able to do so on a **Business Day** between 9am and 5pm.

11.9.2 If **you** want to check the performance of the Royal London Cautious Managed Fund, please see the Fund Manager's website www.rlam.com/uk/individual-investors/funds/ to obtain a valuation of **your Retirement Account**, please contact **us** (see 'How to Contact us' at the beginning of these **Terms and Conditions**).

12 How your Investment is Held

12.1 **Your** investment in **your Retirement Account** is used to purchase shares in the Royal London Cautious Managed Fund which are held in the name of **our** nominee, Fundsdirect Nominees Limited ('Fundsdirect'). Fundsdirect is a company registered in England and Wales with company number 04134898 and,

has its registered office at 10 Fenchurch Avenue, London EC3M 5AG.

- 12.2 Fundsdirect will also hold any documents of title to the **Retirement Account** such as share certificates.
- 12.3 Fundsdirect will arrange to keep **your Retirement Account** separate from **our** own assets which are also held in their name. **Your** investment is registered collectively with those of **our** other investors, but is separately identifiable on **our** administration system. Please contact **us** if **you** have any questions about the way in which **we** hold **your** assets. (See 'How to Contact us' at the beginning of these **Terms and Conditions**).
- 12.4 Any of **your** money which is held as cash, rather than invested in the Royal London Cautious Managed Fund, will be pooled together with money belonging to **our** other investors and held in bank accounts which do not hold any of **our** own money and it will be held in accordance with the **FCA** rules on holding clients' money. Please contact **us** if **you** have any questions about the way in which **we** hold **your** money. (See 'How to Contact us' at the beginning of these **Terms and Conditions**).
- 12.5 No separate certificates will be sent to **you**, but **we** will send **you** a contract note each time **we** buy or sell shares in the

Royal London Cautious Managed Fund upon **your** instruction.

- 12.6 **Important: for the avoidance of doubt, please note that your shares in the Royal London Cautious Managed Fund are purely notional, for the purposes of calculating the value of your Retirement Account. The legal and beneficial interest in the holdings and the underlying assets of the Royal London Cautious Managed Fund do not belong to you.**
- 12.7 **Your** investments and any cash are always held separately from **our** own assets and cash. Section 27 sets out when **you** may be covered by the Financial Services Compensation Scheme if **we**, a bank or the Fund Manager are unable to meet **our** financial obligations to **you**.

13 Interest

- 13.1 Any cash held in **your** Retirement Account will be deposited with a minimum of two deposit takers, where it will attract interest. The current interest rate can be found by contacting RLG on 0345 600 7788.
- 13.2 Until a deposit has been identified by **us** as relating to **your** Retirement Account, it will not form part of **your** cash balance or accrue interest.

- 13.3 Where interest earned on any Retirement Account cash deposits exceeds the interest paid to **you** and other clients, **we** will retain the margin. This margin depends upon the aggregate interest paid to **you** and other clients and the interest rate received from deposit takers with whom **we** deposit **your** monies. The average interest rates paid to **our** clients and the prevailing rate change on a daily basis.
- 13.4 Cash will, where applicable, earn interest from the day it has been identified as relating to **your** Retirement Account and has been credited to **your** Retirement Account.
- 13.5 Interest will be calculated and applied to **your** Account each month based on **your** daily cash positions.
- 13.6 Further information on how **we** calculate interest rates as well as the latest interest rates applicable can be found by contacting RLG on 0345 600 7788.
- 13.7 **We** may replace or appoint a deposit taker at any time.

14 Aggregating Transactions

- 14.1 Due to the large volume of dealing on any particular day, **we** may aggregate all transactions in the investment and place one bulk deal with the Fund Manager.

15 Statements and Valuations

We will send **you**:

- 15.1 A statement four times a year showing the value of **your Retirement Account**.
- 15.2 An annual statement showing any withdrawals **you** have made over the previous year from **your Retirement Account**. **We** will also send **you** an illustration that provides **you** with an indication of the annuity income **you** could buy with the remaining value of **your Retirement Account**.
- 15.3 Contract notes for each investment or sale **we** make in the Royal London Cautious Managed Fund for **you**. These will show the investment or sale that has been made, the price **you** paid or received and the date of the transaction.
- 15.4 **You** can also find out the value of **your Retirement Account** by contacting **us** (see 'How to Contact us' at the beginning of these **Terms and Conditions**).

16 Corporate Actions

- 16.1 **We** may need to make **you** aware of a corporate action relating to the Royal London Cautious Managed Fund, for example, if a dividend is paid in respect of that fund. When **we** notify **you**, **we** will let **you** know **our** response to the corporate action, and where applicable, obtain **your** agreement to the same.

- 16.2 **We** will not normally contact **you** regarding shareholder meetings, proxy voting or AGM attendance arising from **your** holding in the Royal London Cautious Managed Fund.
- 16.3 **You** are entitled to attend any meeting of the shareholders of the Royal London Cautious Managed Fund to participate in a vote. **You** must contact **us** (see 'How to Contact Us' at the beginning of the **Terms and Conditions**) in order that **we** can arrange for **you** to attend.
- 16.4 **We** are unable to pass on any benefits which **you** may be entitled to from **your** holding in the Royal London Cautious Managed Fund.

17 Retirement Benefits

- 17.1 **You** have the freedom to decide how **you** use **your** pension(s) at retirement. **You** can take benefits from **your Retirement Account** or **you** can transfer the value of **your Retirement Account** to a different pension product. There are a number of pension products available to **you**.
- 17.2 To help **you** decide, the Government has introduced a free and impartial pensions guidance service, known as Pension Wise. **You** can find out more about this service at www.moneyhelper.org.uk/pensionwise. This service offers guidance about **your** retirement options but does not offer

advice. If **you** would like advice regarding **your** options, **you** should speak with a financial adviser.

18 Flexi-Access Drawdown

18.1 **Your Retirement Account** uses **Flexi-Access Drawdown**.

19 Tax Free Lump Sum

19.1 **You** can usually take up to 25% of the value of each pension transfer into **your Retirement Account** as a **Tax Free Lump Sum**.

19.2 If **you** do not take the full amount of any **Tax Free Lump Sum** at the time of the transfer, **you** cannot take this at a later date. Any further withdrawals will be treated as taxable income at **your marginal rate of tax**.

19.3 Any **Tax Free Lump Sum** will be paid in pounds sterling to the **United Kingdom** bank account specified on **your Application Form** (or an alternative account **you** notify **us** of in writing). This account must be in **your** own name or one in which **you** are a joint account holder. **We** do not accept responsibility if the bank account details **you** provide are incorrect.

20 Withdrawals

20.1 After **you** have taken **your Tax Free Lump Sum**, any further withdrawals are paid as **Flexi-Access Drawdown** payments and will be treated as taxable

income at **your marginal rate of tax**. **We** deduct the amount of tax due before **we** pay the withdrawal to **you**. **We** deduct tax using the emergency tax code until **HMRC** notify **us** of **your** correct tax code.

20.2 **You** are responsible for any tax owing to **HMRC** in accordance with current tax rules. If **you** have paid too little tax, **your** tax code may change in the future or **HMRC** will write to **you** directly for the payment of any tax **you** owe.

20.3 **You** do not have to make any withdrawals. If **you** do decide to make withdrawals, each withdrawal must be at least £500. **You** can withdraw any amount from £500 up to the entire value of **your Retirement Account**. **You** can make withdrawals up to once per month.

20.4 Once **you** have withdrawn the full value of **your Retirement Account**, **your Retirement Account** will be closed and **we** will have no further obligations to **you**. No further pension transfers are permitted into the **Retirement Account** once the account has been closed.

20.5 Withdrawals are paid on the 1st or 15th of each month, or on the preceding working day where the 1st or 15th is not a **Business Day**.

20.6 **You** can choose which payment date applies for **your** withdrawals.

20.7 It usually takes **us** 10 **Business Days** to set up **your** withdrawal once **we** receive **your** request. This means that **we** must receive any withdrawal requests at least 10 **Business Days** before the payment date chosen. If a request is received less than 10 **Business Days** before the payment date chosen, **your** withdrawal will be paid on the corresponding payment date in the following month. If no payment date is chosen, the withdrawal will be paid on the next available payment date that is more than 10 **Business Days** from when **we** receive **your** withdrawal request.

20.8 **Your** withdrawals will be paid in pounds sterling to the **United Kingdom** bank account specified on **your Application Form** (or an alternative account **you** notify **us** of in writing). This account must be in **your** own name or one in which **you** are a joint account holder. **We** do not accept responsibility if the bank account details **you** provide are incorrect.

20.9 The government sets an amount of pension savings **you** can take tax-free without incurring a tax charge. When **you** transfer pension savings into **your Retirement Account** **you** are going into **Flexi-Access Drawdown**. **We** test the value of any **Tax Free Lump Sum** against **your Lump Sum Allowance** and report this to **you**.

20.10 If the **Lump Sum Allowance** is exceeded, **you** will pay marginal rate of tax on any lump sum payment made thereafter.

20.11 If **you** think that **you** are close to reaching **your Lump Sum Allowance (LSA) or Lump Sum and Death Benefit Allowance (LSDBA)**, **you** may want to speak with a financial adviser or visit **HMRC's** website (www.hmrc.gov.uk) for further information.

21 Death Benefits

21.1 Following **your** death, any value remaining in **your Retirement Account** is used to pay death benefits as explained in this Section. The death benefits are normally free of inheritance tax.

21.2 The following death benefits are normally available:

- cash pay-out;
- payment of income withdrawal;
- purchase of an annuity; or
- a combination of the above.

21.3 These death benefits are paid to **your Beneficiaries**. **We** decide:

- which **Beneficiaries** are to receive death benefits;
- the types of death benefits to be paid; and
- if there is more than one **Beneficiary**, the proportion of **your Retirement Account** to be allocated to each **Beneficiary**.

21.4 **We** make these decisions at **our** discretion and on a case by case

basis. This helps to ensure that the death benefits are normally free of inheritance tax.

21.5 When **you** start **your Retirement Account** **you** are given the opportunity (in the **Application Form**) to state **your** wishes for who should receive death benefits. **We** take those wishes into account but **we** are not bound by them. **You** can state or amend **your** wishes at any time using the form provided for this purpose.

21.6 **We** will write to each selected **Beneficiary** asking what type of death benefit they would prefer. **We** will take their wishes into account, but are not bound by them.

22 Income Withdrawal or Beneficiaries

22.1 Current tax legislation could stop income withdrawal payments being offered to suitable **Beneficiaries** in some situations. For example, a member of a **Retirement Account** nominates his spouse as **Beneficiary**. He is survived by his spouse and his brother, and the spouse is keen for some benefit to be paid to the brother. By law, **we** would be able to pay the brother a lump sum, but could not offer him income withdrawal as an alternative because (a) he was not nominated by the member and (b) there is a **Dependant**.

22.2 To avoid such problems without trying to predict all future

circumstances, in the **Application Form** **you** make a broad nomination of all **Beneficiaries**. Doing this does not mean that **we** will pay benefits to all possible **Beneficiaries**, nor that **we** will ignore any more specific wishes **you** have. This means that **we** will have greater scope to pay income withdrawals as an alternative to lump sums, particularly if **your** expression of wish form becomes out of date.

23 Notification of Death

23.1 On **your** death, the person who notifies **us** (this could be **your** spouse or **your** legal representative or another person) should do so as soon as they reasonably can (see 'How to Contact us' at the beginning of these **Terms and Conditions**).

23.2 If **your** death is in the **United Kingdom**, **we** will require the original death certificate. **We** will also ask for a certified copy of **your** will.

23.3 If **your** death is outside the **United Kingdom**, **we** may request such further evidence as **we** may reasonably require. **We** will also ask for a certified copy of **your** will.

23.4 Upon receipt of notification of **your** death, and once **our** claim requirements have been met, for example receiving any certificates and forms that **we** ask for, **we** will determine who

is entitled to receive the value of **your Retirement Account** and, if more than one person, the proportion applicable to each. **We** will notify the **Beneficiaries** of the options available and **we** will ask them how they would like to receive the benefits allocated to them.

- 23.5 **We** will continue to apply the charges as set out in Section 9 to **your Retirement Account** until the value is paid out to the **Beneficiaries**.

24 Beneficiary Information

- 24.1 If income withdrawal payments are to be paid to a **Beneficiary** from the **Retirement Account**, **we** will require a fully completed beneficiary application form and a beneficiary options form. Anti-money laundering checks will be undertaken to verify the **Beneficiary's** identity (including their name and address) and the **Beneficiary** must be a **United Kingdom** resident with a **United Kingdom** bank account and must not be a **United States Person**.

25 Tax Treatment

- 25.1 The age at which **you** die determines the tax treatment of the options available to the **Beneficiaries** of **your Retirement Account**.

- 25.1.1 If you die before age 75

The value of **your Retirement Account** payable to the **Beneficiaries** (as either a cash

pay-out or income withdrawal payments) will be paid tax free, provided that the relevant part of **your Retirement Account** is designated for payment to **your Beneficiary** within two years of the date of **your** death.

- 25.1.2 If **you** die age 75 or over

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

- a) As a cash pay-out, tax will be charged at 45% if paid to a company or trust, or at the beneficiaries' **marginal tax rate**, if paid to individuals;
- b) As income withdrawals, tax will be charged at the **Beneficiaries' marginal rate of tax**.

26 Complaints

- 26.1 **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 Park,
Congleton Road, Nether
Alderley, Macclesfield,
SK10 4EL.

- 26.2 **Our** complaints process is available by calling **us** on 0345 600 7788.

- 26.3 **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: 0300 123 1047

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU
Tel: 0800 917 4487

Financial Ombudsman Service
Exchange Tower
London E14 9SR
Tel: 0800 023 4567
Email: complaint.info@financial-ombudsman.org.uk
Web: www.financial-ombudsman.org.uk

27 Compensation

- 27.1 **We** are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from this scheme if **we** cannot meet **our** obligations towards **you** because of **our** financial circumstances. For example, if **we** become insolvent.

- 27.2 While **your** money is held in cash in the client money bank account (See section 10.1 and 11.4), should **you** be entitled to compensation from the Financial Services Compensation Scheme, **you** may be able to recover up to £85,000.
- 27.3 When **your** money is invested in the Royal London Cautious Managed Fund, should **you** be entitled to compensation from the Financial Services Compensation Scheme, **you** may be able to recover up to 100% of the first £85,000 of the investment.
- 27.4 Further information about compensation arrangements is available from the Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY. (website: www.fscs.org.uk).

28 Future Changes

- 28.1 **We** can change these **Terms and Conditions** for any of the following reasons:
- to respond proportionately to changes in general law decisions of the Financial Ombudsman Service, The Pensions Ombudsman or the Financial Services Compensation Scheme;
 - to respond proportionately to a court order or decision affecting the **Scheme** or the **Retirement Account**;
 - to meet regulatory requirements;
 - to reflect new industry

- guidance and codes of practice which raise standards of consumer protection;
- to reflect a change in **our** corporate structure that does not have a significant unfavourable impact on **your** rights under the **Retirement Account** but which does require **us** to make certain changes to the terms of the **Scheme** or the **Retirement Account**;
 - to respond proportionately to changes in the terms or charges of any investment fund;
 - to respond proportionately to changes in relevant market rates, indices or tax rates;
 - to reflect proportionately other legitimate cost increases or reductions associated with providing the **Scheme** and the **Retirement Account**;
 - to provide for the introduction of new or improved systems, methods of operation, services or facilities;
 - to correct any mistake in the **Terms and Conditions**, provided the correction does not have a significant unfavourable effect on rights that **you** have as a result of the mistake; or
 - to reflect the appointment by **us** of alternative third parties to provide services under the **Scheme** or the **Retirement Account**, or to respond proportionately to changes in the **Terms and Conditions**, or charges of any third parties appointed in respect of the **Scheme** or the **Retirement Account**.

- 28.2 **We** will give **you** notice of any change under Section 28.1 as soon as **we** can, in advance where possible, or at the earliest opportunity after the change where advance notice is not possible.
- 28.3 If **you** are unhappy with any change made, **you** can close **your Retirement Account** or transfer it to another pension provider. **We** do not charge for transferring out of **your** fund. Although **we** do not charge for the transfer, any outstanding charges up until the date of transfer or closure are still payable.

29 Transfers out of the Retirement Account

- 29.1 **You** can transfer out the value of **your Retirement Account** at any time to another **United Kingdom** registered pension scheme or a Recognised Overseas Pension Scheme ('ROPS'). The receiving scheme may make a charge to accept the transfer. Some schemes may refuse to accept a transfer. Any transfer will be made by selling all investments in **your Retirement Account** and transferring the resulting funds in cash. **We** do not allow partial transfers-out.
- 29.2 Where **you** ask **us** to carry out a transfer, **you** must provide **us** with all documentation that **we** may reasonably require, including **your** written transfer request. **We** will also require information from the receiving

pension scheme. **We** will carry out any transfer as soon as reasonably possible once **we** have received all of the information **we** require.

- 29.3 Any outstanding fees and charges are applied to the value of **your Retirement Account** before **we** carry out a transfer.

30 Closing your Retirement Account

- 30.1 Further to Section 29, **you** can close **your Retirement Account** at any time by either;
- Withdrawing the entire value of **your Retirement Account** as cash (see Section 20.3) subject to paying tax at **your marginal rate of tax**; or
 - Transferring the value to another pension scheme as explained in Section 29.
- 30.2 Should any residual balance or payments (e.g. interest or dividends) arise after closure, **we** will pay this to **you** except for payments received by us of £1 or less, which will be paid to a registered charity of **our** choosing. Where payments due relate to a **Retirement Account** which has been transferred, **we** will pay these to the new provider.
- 30.3 **We** will terminate **your Retirement Account** immediately when there is no value remaining in it.
- 30.4 If **we** think it is appropriate and reasonable to do so, **we** can stop accepting further transfer payments into **your Retirement**

Account, or terminate **your Retirement Account**.

- 30.5 Where practicable, **we** will give **you** at least six months' advance notice of a decision to stop accepting further transfer payments into **your Retirement Account** or to terminate **your Retirement Account**. However, **we** may not give **you** notice if there are serious grounds that require **us** to close **your Retirement Account** sooner.
- 30.6 **We** will only take this action for one of the following reasons:
- if **you** are no longer eligible for a **Retirement Account** under Section 4.1;
 - we** receive a court order obliging **us** to terminate **your Retirement Account**;
 - if **we** are informed, or otherwise become aware, that **you** are using **your Retirement Account** for illegal purposes;
 - you** are not observing the **Terms and Conditions** of the **Retirement Account**;
 - (in respect of stopping accepting further transfers) allowing **you** to continue to make any transfer payments in which would breach **HMRC** or **FCA** regulations;
 - there has been no movement on **your Retirement Account** for a period of at least six years;
 - if the **Scheme** becomes too expensive for **us** to operate;
 - if **we** make an alternative **Scheme** available that provides similar benefits;

- if the registration of the **Scheme** is removed by **HMRC**; or
 - your** behaviour, in **our** reasonable opinion, is abusive, offensive or threatening (in language or action) or is otherwise inappropriate.
- 30.7 In the event **we** terminate **your Retirement Account**, **we** will sell **your** holdings in the Royal London Cautious Managed Fund on the date **we** terminate **your Retirement Account**. **We** will then deduct any outstanding charges. The balance will be transferred out to another **United Kingdom** registered pension scheme. **You** can tell **us** which **United Kingdom** registered pension scheme to transfer **your** funds to during the notice period outlined above. If **you** do not do so, **we** will transfer the funds to a **United Kingdom** registered pension scheme of **our** choice.

31 Winding up the Scheme

- 31.1 **We** can close or wind up the whole, or part of the **Scheme**. This will be done according to the **Scheme Rules**.
- 31.2 If the **Scheme** is wound up this means that **you** will no longer be able to be a member of the **Scheme**. If this happens, **we** will give **you** least 120 days' written notice and the notice letter **we** send to **you** will outline the options available to **you**.

31.3 If **you** do not make an option choice by the date specified in the notice, **we** will secure **your** benefits in accordance with the **Scheme Rules**.

31.4 Any outstanding charges will be applied to the value of **your Retirement Account** before **we** close it.

32 Unauthorised Payments

32.1 If **we** make any payments, or have to carry out any transactions within the **Retirement Account** which are deemed not to be authorised payments under **HMRC** rules, tax charges may apply. An example of this may be where **you** close **your Retirement Account** and **you** do not return any **Tax Free Lump Sum** and/or withdrawals **we** have paid to **you**. **We** may deduct from the value of **your Retirement Account** an amount to cover any tax charge that **we** are, or may become, liable to pay as a result of the payment being made.

32.2 **We** deduct/pay the amount(s) due to **HMRC** from the value of **your Retirement Account**.

32.3 Where the extent of any tax liability is uncertain, **we** may at **our** absolute discretion either deduct such amount from the value of **your Retirement Account** as **we** may determine or, if the tax liability relates to a payment from **your Retirement Account** that is due to be paid, postpone the payment to the recipient. **We** will rely on information provided by **you**

(or any other recipient of benefits from **your Retirement Account** after **your** death) where **we** are required to calculate any tax liability due.

32.4 If the value of **your Retirement Account** is not sufficient for **us** to recover such tax, interest or charge **you** or, following **your** death, the relevant **Beneficiary** will be personally liable to reimburse **us** for any loss **we** suffer in respect of the tax charge.

32.5 **We** can refuse to allow any transaction if it is apparent that the transaction could lead to an unauthorised payment charge, an unauthorised payments surcharge or a scheme sanction charge under the Finance Act 2004, or any other punitive tax or charge.

33 Responsibility for Loss

Where **our** responsibility is not excluded or limited;

33.1 Nothing in these **Terms and Conditions** shall be read as excluding or restricting any liability **we** and the **Royal London Group** may have for any loss **you** may suffer arising from:

- our** fraud or wilful default;
- our** material breach of these **Terms and Conditions**;
- our** material breach of the applicable law and regulations; or
- any other loss where **we** cannot legally exclude or limit **our** liability.

Where **we** are not responsible;

33.2 **We**, and the **Royal London Group**, will not be liable to **you** for any indirect or unforeseeable (for example, arising from natural disaster, terrorist attack or civil unrest) loss **you** may suffer or any loss **you** may suffer arising from:

- any tax, penalties or other related liabilities that are incurred in relation to **your Retirement Account**;
- the performance of **your** investment;
- your** fraud or wilful default;
- your** reliance on any information provided by **us** that **you** consider to be the provision of advice by **us**; or
- any inaccurate or untrue information **you** provide to **us**, such as any incorrect bank details provided by **you**.

34 Communication

34.1 All communications between **us** and **you** will be in English.

35 Changes to your Personal Details

35.1 Please tell **us** if:

- you** stop being resident in the **United Kingdom**;
- you** become a **United States Person**;
- you** change **your** name or address; or
- you** change **your United Kingdom** bank account.

35.2 **We** may ask **you** for evidence to confirm the change of details.

36 Telephone Recording

- 36.1 We can monitor and record phone calls and retain these for the purposes of training and quality assurance and to ensure that we have an accurate record of your instructions.

37 Conflicts of Interest

- 37.1 Conflicts of interest occur when, in the course of doing business with you, we (and/or companies in the **Royal London Group**) or another customer of ours, have a material interest in obtaining a different result from the one that may be best for you.
- 37.2 We establish, operate and maintain effective policies and procedures within our business which are designed to:
- identify potential conflicts of interest which carry a material risk of damage to our customers' interests;
 - ensure that we take reasonable steps to prevent such conflicts arising; and
 - provide a framework for us and our employees and officers to follow to manage such conflicts to protect our customers' interests.
- 37.3 An example of where a conflict of interest may arise in connection with your **Retirement Account** might be where the use of other **Royal London Group** companies in the provision of different

services connected to your **Retirement Account** presents the opportunity for internal business considerations to influence the way in which our products are made available. We manage such potential conflicts by establishing committees to ensure appropriate contracts exist between our businesses to define each company's role and obligations to avoid such products being promoted in an unfair or unbalanced way.

- 37.4 Further details about our conflicts of interest policy are available on request by calling us on 0345 600 7788.

38 Law

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

If you would like this information in an alternative format such as large print, Braille or CD please call 0345 600 7788.



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: 80 Fenchurch Street, London EC3M 4BY.

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: 10 Fenchurch Avenue, London EC3M 5AG.