

Key Features


Retirement Account

keyfacts®


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.

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Information

- The **Retirement Account** was closed to new customers on 1 August 2020
- Words in **bold** are explained in the Definitions section of the Terms and Conditions, which you can access by clicking the below:


[Terms and Conditions](#)

1 ABOUT THE ROYAL LONDON RETIREMENT ACCOUNT

Its aims

- 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 retirement income (annuity);
- 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 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 risks	<ul style="list-style-type: none">• 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; and• your pension is invested into one investment Fund and there are no alternative investment Fund options, including with different risk profiles
Capital & Longevity Risks	<ul style="list-style-type: none">• 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; and• 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	<ul style="list-style-type: none">• 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.

2 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 from their existing pension(s);
- is not a **United States Person**; and,
- agrees to move their pension fund to **Flexi-Access Drawdown**.

What resources are available to help me decide if this product is right for me?

This **Key Features Document** will give you information on the main features, benefits and risks of the **Retirement Account** and the **Fund** that you are 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 **Royal London** using the details provided on the seventh page. 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, provided by MoneyHelper. You can find out more about this service at moneyhelper.org.uk/pensionwise 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 royallondon.com/find-a-financial-adviser.

Can I transfer my other pensions into the Retirement Account?

No, you cannot transfer any of your other pensions into the **Retirement Account**.

Previously you could only transfer in an eligible **Royal London Group** pension scheme, but the **Retirement Account** is now closed to new business.

Can I make payments into my Retirement Account?

No, you cannot make payments in. The **Retirement Account** previously only accepted 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 (Accumulation - Class A Shares). You can find out more information about the **Fund** in the **Key Investor Information Document** ('**KIID**') linked above.

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 **Royal London** using the details provided on the seventh page.

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 £10,000 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?

There are two sets of charges applicable to your **Retirement Account**:

1. the **Product Administration Charge**; and
2. the **Fund Management Fee**.

The **Product Administration Charge** is an annual charge of 0.35%, calculated on the total value of your **Retirement Account** (cash and funds), and is taken monthly in arrears. In other words, 1/12th of 0.35% per month. It's applied by us for setting up and providing ongoing administration.

Part of the **Product Administration Charge** will be paid to **Royal London** for branding, marketing and distributing your **Retirement Account**.

We will keep 0.5% of the value of your **Retirement Account** in cash, which will be used to pay the **Product Administration Charge**. It will be held in a client bank account, which pays interest. You can contact **Royal London** using the details on the seventh page to find out the rate of interest payable on your **Retirement Account**.

If there isn't enough cash in your **Retirement Account** to pay the **Product Administration Charge** we will deduct a further amount to bring the balance of the cash holding back to 0.5% of the value of your **Retirement Account**, and will be held in a client bank account.

The **Fund Management Fee** is an annual charge, it's calculated and taken daily using the **Fund Management Fee** figure below against the value of your **Fund**. For example, 1/365th of 0.74% per day. It's applied by Royal London Unit Trust Managers Ltd (the '**Fund Manager**') for the ongoing management of the assets and structure of the Royal London Cautious Managed Fund, and may vary from time to time. The **Fund Management Fee** is made up of the **KIID** ongoing charge and other charges including:

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

See the below table for more details:

Fund	KIID ongoing charge	Fund Management Fee incl. KIID ongoing charge
<u>Royal London Cautious Managed Fund (Class A Acc)</u>	0.70%	0.74%
Figures correct as at 15/02/2024		

Royal London are not able to notify you in advance of changes to the **Fund Management Fee**, but up to date information is available by contacting **Royal London** on 0345 600 7788.

More information is also available in the **Key Investor Information Document** ('KIID') for the **Fund**.

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.

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.

Can I cancel my Retirement Account?

You could only cancel your **Retirement Account** within the first 30 days of opening it. As the **Retirement Account** is now closed, cancellation is no longer possible.

Instead you can transfer your account to another pension scheme.

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.

How do I contact Royal London?

If you have any queries relating to your **Retirement Account**, please contact **Royal London** using the below details:

Telephone number:

0345 600 7788

Opening hours:

Monday to Friday between 8am-6pm. Please note that telephone calls may be recorded.

Email address:

D2C-CustomerService@royallondon.com

Correspondence address:

Royal London
Trimbridge House
Trim Street
Bath
BA1 1HB

3 OTHER INFORMATION

Client category

We classify you as a 'retail client' under Financial Conduct Authority (FCA) rules. This means you'll receive the highest level of protection for complaints and compensation and receive information in a straightforward way.

Communicating with you

Our documents, reports and other communications will be in English.

Terms and conditions

This **Key Features Document** gives a summary of the **Royal London Retirement Account**. Full details are set out in our **Terms and Conditions**, which can also be requested using the contact details on the seventh page.

Our regulators

Investment Funds Direct Limited is authorised and regulated in the UK by the Financial Conduct Authority. We are registered on the Financial Conduct Authority (FCA) Register, reference number 114432.

Law

The law of England and Wales applies to the **Retirement Account**.

Financial strength

Investment Funds Direct Limited meets regulatory standards for meeting its financial obligations. You can contact **Royal London** for more information.

Tax 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.

Compensation

IFDL is covered by the Financial Services Compensation Scheme (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 [fscs.org.uk](https://www.fscs.org.uk) or by contacting:

Financial Services Compensation Scheme

10th Floor Beaufort House
15 St Botolph Street
London
EC3A 7QU

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.

How to make a complaint

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

- calling 0345 600 7788; or
- writing to: Customer Services Team, Royal London House, Alderley Park, Congleton Road, Nether Alderley, Macclesfield SK10 4EL.

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 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 Ombudsman

10 South Colonnade
Canary Wharf
E14 4PU

Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk

Web: pensions-ombudsman.org.uk

Financial Ombudsman Service

Exchange Tower
London E14 9SR

Tel: 0800 023 4567 or 0300 123 9123

Email: complaint.info@financial-ombudsman.org.uk

Web: 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. Making a complaint to the Ombudsman will not affect your legal rights.

Conflicts of Interest

Conflicts of Interest occur when, in the course of doing business with you, we or another customer of ours have an interest in obtaining a different result than the one that may be best for you.

We establish, operate and maintain effective policies and procedures within our business which are designed to:

- identify potential conflicts of interest which carry a risk of damage to our customers' interests;
- ensure that we take reasonable steps to prevent such conflicts arising; and
- provide a framework for us to follow to manage such conflicts to protect our customers' interests.

An example of a conflict of interest which may arise in connection with our service is when we are buying or selling funds: the timing of these deals and the order in which they are struck could affect the prices that customers get and so create conflicts between customers, and/or make a difference to the administrative workload and so create conflicts between what is easy for us and what is best for the customer. We address these potential conflicts by having an Order Execution Policy. Further details of our Conflict of Interest Policy are available upon request.

If you would like a copy of this document in an alternative format such as large print, braille or audio, please call Royal London on 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.