



Eight Good Reasons  
why you should consider joining your  
employer's Premier Group Personal Pension



# 8 Good Reasons

There could be many reasons why you might not have started planning for your retirement yet. Perhaps you feel that you are too young, that it will cost too much, or that the State will provide for you in your old age. Or perhaps you haven't started thinking about it yet.

Well, you now have the opportunity to do something about a pension. By giving you the opportunity to join our Premier Group Personal Pension Plan your employer is doing most of the work for you.

Here are some of the reasons why you should consider joining your employer's Pension Plan.





## The State won't provide for all your needs

A common reason why people delay setting up a pension is that they think the State will look after their retirement needs. However, pensioners are a growing proportion of the UK population. This means that in the future there will be fewer people working to pay for the benefits of an increasing number of pensioners.

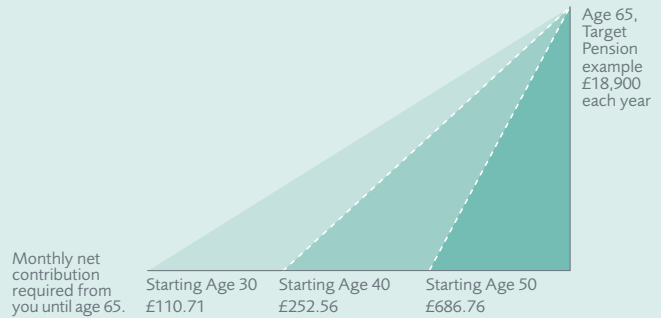


# 2



## The earlier you start the easier it will be

If you leave it too late, the amount you might need to contribute to receive your target benefit could put a significant strain on your income, as the example in the chart below shows.



These figures are only illustrative and are not guaranteed.

The figures are based on an investment return of 7% each year and that the total retirement fund is applied at retirement to buy a single life, level pension with a 5-year guarantee period, payable monthly in advance. The figures are based on investment in the Prudential Managed fund which has an Annual Management Charge of 1%.

The above is designed to demonstrate the effect of delay and should not be taken as a projection of benefits.

Please note that these figures do not include any State benefit. Your investment must be used to purchase a pension at retirement. You may normally take up to 25% of your fund as a lump sum, currently tax-free. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

3



## Your employer will do the work for you

Your employer is offering you membership of a Group Personal Pension Plan. The contributions you make to your pension plan will be deducted, by your employer, from your salary so you don't have to make arrangements with your bank for collection.

By giving you the opportunity to join a Group Personal Pension, your employer is helping to look after your future welfare, working with you to provide pension benefits to help enhance State provision.

4



## It can be cheaper than taking out your own personal pension

Group Personal Pensions may be cheaper than individual personal pensions as we may be able to agree better terms for a group of employees through an employer's group personal pension.

5



## Your employer may contribute

Your employer may be willing to contribute to your pension plan. If so, employer contributions will simply be directed into your plan along with your own payments. In other words, all contributions paid by you and your employer belong to your pension plan.



## A helping hand from the taxman

The Government recognises the importance of pension planning and offers valuable tax incentives to make it easier for you. The favourable tax treatment that pensions enjoy makes them one of the most tax-efficient investments you can make.

The basic rate of tax is 20%. This means that for every £100 you pay into the plan, the actual cost to you will be £80. If you are a higher or additional rate taxpayer, you may benefit from tax relief at a higher rate. Please remember that your pension income will be taxed as earned income.

There is no limit on the contributions you (and/or your employer) can invest. However, there is a limit on the tax relief you may receive. The maximum amount of contributions on which you can claim tax relief is up to £3,600 each year, or 100% of your earnings, if greater. If you pay income tax above the basic rate you'll be able to claim back the extra tax you pay through your tax return.

The government limits the amount that can be contributed every year before incurring tax penalties. This is called the "Annual Allowance". The level of Annual Allowance is currently £50,000. Further details can be found in your Key Features Document, which is available on request.

This is based on our current understanding as at June 2011, of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation (and any tax relief) depends on individual circumstances.



## A flexible and low cost plan

The Government introduced a new form of pension provision in April 2001. These "Stakeholder" pensions provide low cost, flexible and value-for-money benefits. For example, charges cannot exceed 1.5% a year, reducing to 1% after 10 years.

Our Premier Group Personal Pension is not a Stakeholder but meets the key simple charging structure requirements of Stakeholder pensions. The single Annual Management Charge is dependent on the scheme terms and the investment funds you choose. The government currently allows people to start taking their benefits from the age of 55, even if you are still working. You may be able to start taking your benefits earlier if you're in ill health. Under the terms of this contract you are currently required to take your benefits by age 75. You can take up to 25% of your fund as a tax-free cash sum if benefits are taken before age 75, and choose to receive a reduced pension as a result. Please remember that pension income is taxed as earned income.



## Financial strength

We are one of the UK's leading life and pensions providers. We currently have funds under management in excess of £340 billion, as at 31 December 2010, on behalf of over 25 million worldwide customers. We're rated AA for financial strength by Standard & Poor's (as at August 2010), a leading independent credit rating agency.

## Can you afford not to join?

Speak to your employer or scheme financial adviser for further details.

Full written terms and conditions of Premier Group Personal Pensions are available from your financial adviser.



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