

FREE STANDING AVC (FSAVC)

Your Leaving Options

This leaflet explains the options when you leave or retire from your employer's scheme.

OPTIONS

YOU INTEND TO CONTINUE CONTRIBUTIONS

You can normally continue paying contributions to your plan after leaving your employer's scheme.

NO FURTHER CONTRIBUTIONS

If you do not intend to pay any more contributions to your plan, you can leave your plan(s) paid up or take a contribution holiday. You can then take the benefits anytime from age 50, (55 from 6 April 2010), earlier if you are incapacitated. The benefits would, in the meantime, remain invested in your chosen funds.

Transfer

- to another UK Registered Pension Scheme.* Any protection* you have registered under your employer's scheme, from pre 6 April 2006 rights, may be lost on transfer.

* See Glossary

If you are considering a transfer to an overseas scheme please contact your financial adviser for guidance.

Early Retirement

If you are over 50 (55 from 6 April 2010), you can take benefits provided by your plan now. The fund can normally be used to provide a tax free cash sum and pension benefits. Any entitlement to tax free cash will be lost if this is not taken before your 75th birthday.

FINANCIAL ADVICE

Before reaching a decision on your benefits, we strongly recommend that you discuss your options with your Financial Adviser.

WHAT NEXT?

We will be happy to let you have information on the current and projected value of your plan benefits. If you want to consider any of the transfer options, you will need this information before deciding whether a transfer is best for you.

Please contact our Personal Pensions Department, at the address below, for more information.

Prudential
STIRLING
FK9 4UE

GLOSSARY

Lifetime Allowance: From 6 April 2006, all benefits provided from registered pension schemes will be subject to a '**Lifetime Allowance**' (LTA) instead of the current contribution and benefit rules. If benefits exceed the LTA (£1.5 million for the 2006/7 tax year) the excess will be subject to a lifetime allowance tax charge.

Protection: Individuals who had earned benefits prior to 6 April 2006 may have taken the opportunity to protect the level of some or all of those benefits. This would be relevant if you have chosen to protect benefits under your employer's scheme including the benefits under this plan. If such protection applies for you, there are some circumstances where it may be lost. You should contact your financial adviser before taking action which might affect your protection.

Examples of the types of protection are:

- **Enhanced Protection:** where you have chosen to protect the level of benefits earned before 6 April 2006. This could be lost on transfer, if the transfer is not a permitted transfer, as defined in legislation, or on transfer to some types of pension scheme.
- **Primary Protection:** where you had benefits in excess of the Lifetime allowance at 5 April 2006 and chose to protect those benefits.
- **Protected Retirement Age:** broadly applies if, before 6 April 2006, you had an absolute right to a selected retirement age before age 50. This right will be lost if you transfer to another scheme unless the transfer is part of a block transfer.
- **Protected Tax Free Cash Sum:** where you have chosen to protect the tax free cash you were entitled to in respect of benefits earned before 6 April 2006 under your employer's scheme, not this plan. Such protection can be lost on transfer unless the transfer is part of a block transfer of more than one individual and is made to the same scheme.

Registered Pension Scheme: a scheme, which is registered under Chapter 2 of Part 4 of the Finance Act 2004. This will include personal and stakeholder pension schemes, occupational pension schemes, (including FSAVCs), and Section 32 buy out contracts.

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