Important information

keyfacts®

Key Features of the Prudential OmniPension Plus

PRUDENTIAL

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If you would like a Braille, large print or audio version of this Key Features, please contact us at:

Prudential
Stirling
FK9 4UE

About this booklet

- This booklet is for the Key Features of our Prudential OmniPension Plus Plan.
- If you are thinking about whether our Prudential OmniPension Plus Plan may be right for you, this booklet will help you make that decision.
- Please read it and keep it in a safe place.
- If you still have questions about our Prudential OmniPension Plus Plan after reading this booklet, please call us on 0808 234 3030.
- If you have a financial adviser, please contact them in the first instance.
- This Key Features document gives the main points of the Prudential OmniPension Plus Plan. You should also read the accompanying document "Your With-Profits Plan – a guide to how we manage the Fund", "Policy Document" and "Prudential Fund Guide".

The Financial Services Authority

The Financial Services Authority is the independent financial services regulator. It requires us, Prudential, to give you this important information to help you to decide whether our Prudential OmniPension 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.

Its aims

- To build up a fund, in a tax efficient way, to provide the member with regular income when they take their benefits.
- To give the member the choice when they take their benefits of:
  - either taking the whole fund as taxable income
  - or taking part of their fund as a tax-free cash sum and the balance as a smaller taxable income.
- To enable the trustee to provide extra life cover for the members should they die before they take their benefits.

The trustee's/member's commitment

- To make regular monthly or yearly payments, or to make at least one single payment at the start of the plan.
- To let the member's pension fund grow until they take their benefits.
- To regularly review the member's payments if they want their pension to meet their income requirements when they take their benefits.
- If the trustee has purchased life cover, the member must tell us of any change in their health from the time they sign the application form through to the start of their plan, as this could affect their cover.
- The Trustees will choose a Normal Retirement Date in the range 60 to 75 but, currently benefits can be taken from the minimum retirement age of 55 (or earlier, if in ill-health).

Risks

- What the member might get back is not guaranteed and will depend on our investment performance and interest rates when they take their benefits.
- When the member is ready to take their benefits, they may be lower than illustrated because:
  - investment growth may be lower than illustrated
  - interest rates when the member takes their benefits may be lower than illustrated
  - the cost of buying the member's benefits may be higher
  - the member may start taking their benefits earlier than their normal retirement date
  - our charges may be higher than illustrated
  - tax rules may change without notice
  - the member may stop paying into their plan or take a payment break
  - the member may transfer their plan to another company
- The plan may invest in a range of investment types, including stocks and shares, which carry different levels of risk.
- If the member's plan invests in our With-Profits Fund and they take money out of that fund, we may reduce the value by applying a Market Value Reduction (further details can be found in "Market Value Reduction" on page 7).
- We take most of our charges in the early years of this investment. This means if the member withdraw during this time they may lose money or get back less than they invested.
- If the member or trustee stop their payments, any target benefits within the illustration may not be met and the member may lose their life cover.
- If the trustee provides extra life cover we will not pay out if the member has failed to disclose any information or if a claim arises from a cause not covered by the plan.
- The Government provides a benefit known as Pension Credit. If the member has little or no other retirement provision, the retirement benefits they receive from this plan could reduce the benefits they receive from the Pension Credit. The exact effect will depend on the rules in place when the member retires. For further information please speak to a financial adviser.
- For investments in the With-Profits Funds, the value of this plan depends on a number of factors, including:
  - The return on investments in our underlying With-Profits Fund
  - The way we distribute any profit on the Fund. The company's bonus policy aims to give each policyholder a return which reflects the earnings on the underlying investments, whilst smoothing the peaks and troughs of investment performance
  - Expenses incurred by the Fund and charges applied to the member's plan by us
  - Profits and/or losses from non-profit plans which are also part of the With-Profits Fund
  - The cost of meeting any guarantees including, for example, those under certain annuity plans which guarantee an income for life
  - Factors beyond our control, such as tax, the effect of inflation and levels of mortality.
- The value of an investment may fluctuate and is therefore not guaranteed. You may not get back the full amount of your investment.
- Some of our funds invest in property and land. This can be difficult to sell – so you may not be able to sell/cash in this investment when you want to. We may have to delay acting on your instructions to sell your investment. You should look upon your investment in such funds as being long term. There are large costs when we buy and sell property. The allowance for these costs amongst other factors can lead to short-term falls in the price of units in such funds. The value of property and land is generally a matter of a Valuer's opinion rather than fact.
- Under certain circumstances, in the interest of other investors, we reserve the right to defer any early encashment or switch between funds – this may be for a period of up to 6 months for unit-linked funds that mainly invest in property and land, and up to 1 month for all other funds. This is in exceptional circumstances and if this applies to you, we will let you know.

Questions and Answers

What is the Prudential OmniPension Plus?

The Prudential OmniPension Plus is a money purchase plan with tax advantages designed specifically to enable saving for retirement.

Contributions to the plan are normally eligible for tax relief. Investments in approved pension funds are given important tax benefits. No capital gains tax is payable on the pension funds.

It is a company pension and is legally owned by the Trustees of the scheme, although operated for the benefit of the members and their dependants.

Please note that there is no limit on the number of pension schemes the member can join. We recommend that the member seeks financial advice before joining multiple schemes.

What can the member expect when they take their benefits?

There is no guaranteed amount and the final fund value will depend on many factors such as:

- how much has been paid in
- how long the fund has had to grow
- our investment performance
- our charges
- any Market Value Reduction that we may apply to the value of the member's fund invested in the With-Profits Fund.

The member's pension will depend on their age and annuity rates at the time they convert their fund into a pension. To do this, the trustees will need to buy another plan called an annuity.

Normally a maximum of 25% of the final fund value can be taken as tax free cash.

Where are contributions invested?

The Scheme Trustees usually choose the funds and Fund Managers. The options range from the With-Profits Fund to specialised investment-linked funds to a range of managed funds which invest in a spread of some or all of the funds. For further information please see "Prudential Fund Guide".

For investments in unit-linked funds, the value of the member's account is based on the total number of units held in each fund and the value of these units. If the unit prices rise or fall, so will the value of their account. Money in the various funds may be invested in a wide range of shares and other investments.

The Trustees can invest in more than one fund at a time, up to a maximum of six. They can alter the investment strategy by switching existing investments into different funds. The first two switches in any 12 month period are free of charge. Subsequent switches are subject to a charge of (currently) £25. If this changes in the future we will let you know. Switches out of the With-Profits Fund may be subject to a Market Value Reduction. It is also possible to change, without charge, the funds in which future contributions are invested.

A With-Profits investment is one that invests in a portfolio of stocks and shares and other investments such as fixed interest and property. Any investment growth in the fund would enable bonuses to be added to investor's plans.

We allocate the member's share of the profits of the With-Profits Fund by adding bonuses. There are currently two types of bonus:

- **Regular**, which we add throughout each year. We can change the rate of regular bonus at any time without telling the member beforehand. It is not guaranteed that a regular bonus will be added each year, although once added these bonuses are guaranteed on death and at normal retirement date,
- **Final**, which we may pay when the member takes money out of their plan, although this is not guaranteed.

Because it is largely dependent on prevailing financial conditions, Final Bonus cannot be guaranteed and can be varied or discontinued at any time.

If any plan benefits are cashed in early, the price of units in the With-Profits Fund may have to be reduced to reflect market conditions at that time. This is known as a Market Value Reduction.

Market Value Reduction (MVR)?

If the member takes money out of the With-Profits Fund, we may adjust the value of their fund if the value of the underlying assets is less than the value of the plan including all bonuses. This would also apply if the trustees of the member's plan transferred part, or all, of the scheme. This adjustment is known as an MVR. It's designed to protect investors who are not taking their money out and its application means that the member get a return based on the earnings of the With-Profits Fund over the period the payments have been invested.

We apply the MVR to the member's plan's value including regular and final bonuses. Please refer to"Your With-Profits Plan – a guide to how we manage the Fund" for more information on bonuses. An MVR will reduce the value of your plan and if investment returns have been very poor, the member may get back less than they have invested in the plan.

We guarantee not to apply an MVR at the member's normal retirement date or on any claims due to death.

Our current practice on applying a MVR

We may apply a Market Value Reduction to any withdrawals, switches or transfers out of the With-Profits Fund.

We reserve the right to change our current practice on Market Value Reductions at any time, without prior notice, and this would apply to existing plans and any new plans or top-ups.

Examples of reasons for a change would include significant changes in the investment market or because the number of people moving out of the fund increases substantially.

Can the member pay extra contributions?

Yes. There is no limit on the amount the member can contribute annually to their pension plan. However, there will be a tax charge on the contributions made by the member or on their behalf that exceed an annual allowance set by the government.

Can contributions be stopped?

Depending on the terms of the scheme, contributions can be temporarily or permanently stopped or reduced.

If contributions are stopped altogether the plan will be altered to a paid-up basis. In this case, the fund will remain invested, continuing to benefit from any growth. Any extra life cover will cease when regular contributions stop. The Scheme Financial Adviser can provide the member with further details of the consequences of stopping contributions to the plan.

Can the member take out money from the plan?

The member cannot take any money from the plan other than when they take their benefits.

The fund can also be transferred (see illustration for possible values).

If the member is entitled to more than 25% of their fund as a tax-free cash lump sum when they take their benefits, they may lose this additional entitlement when transferring out the plan.

What are the tax advantages of investing in an OmniPension Plus?

Tax Relief

The trustee will deduct member contributions from the member's earnings before calculating Income Tax.

Tax relief will normally apply to members contributions up to 100% of their earnings.

Trustee contributions qualify as a business expense for tax purposes and do not result in an additional tax expense for the member.

Annual Allowance

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. If you exceed the Annual Allowance, a tax charge of up to 50% of the excess amount will be payable.

However, any unused allowance from 'pension input periods' ending in the previous 3 tax years, may be carried forward to increase your Annual Allowance for the current year (provided you have used the current annual allowance first and you were a member of a registered pension plan).

Your Annual Allowance includes:

- any contributions you, your employer or anyone else makes to all your money purchase pension plans
- any increase in the value of benefits under your main scheme and any other salary related pension schemes, also known as Final Salary, Defined Benefit or Career Average schemes.

Together, these are known as your 'pension inputs'.

Your pension inputs are assessed against the Annual Allowance for the tax year in which the 'pension input period' ends. For information on your pension input period please contact your scheme administrator.

If you are affected by this limit you may wish to contact a Financial Adviser, for which you may be charged.

Lifetime Allowance

If the value across all your pension funds exceeds the Lifetime Allowance at the time you take your benefits, a tax penalty will be payable on the excess amount. The limit for 2011/12 is £1.8 million and with effect from 6 April 2012 will reduce to £1.5 million. The government has introduced protection, which you will need to apply for by 5 April 2012, if you expect the value of all your pension funds to be in excess of £1.5 million when they are taken. If you are affected by this limit you may wish to contact a Financial Adviser, for which you may be charged.

Income Tax

Any pension income will be taxed as earned income.

This information is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, in February 2011. These tax rules could change in the future without notice.

The impact of taxation and any tax relief depends on your individual circumstances. For more information about tax, please go to HMRC's website: www.hmrc.gov.uk/incometax/

What are the charges?

For With-Profits Funds, there are various costs involved with setting up and managing the policy. A charge is deducted from the With-Profits Fund each year to cover these costs.

The charge is not explicit so the member will not see it being taken from their policy. It is deducted from the underlying With-Profits Fund and is already taken into account when we calculate bonus rates for our With-Profits Fund. Our charges may vary in the future and may be higher than they are now. Charges may vary if, for example, the long term mix or type of assets held within the With-Profits Fund is changed.

The charge is currently 0.875% a year.

There is a charge to pay for all the guarantees the With-Profits Fund supports. We guarantee to not take away regular bonuses already added when a payment is made because of death and at the member's normal retirement date and to only apply a Market Value Reduction in certain circumstances (see section on page 7 for more details). This charge will be taken by making a small deduction each year when deciding Regular and Final Bonuses, so the member will not see it on any yearly statement. The total deduction over the lifetime of the plan is not currently more than 2% of any payment made from the fund. The amount of this charge will be reviewed from time to time and is not guaranteed to remain at the current level.

Further information on the operation of the With-Profits Funds is contained in "Your With-Profits Plan – a guide to how we manage the Fund".

For Unit-Linked Funds, we deduct an Annual Management Charge from the Funds. This charge is already deducted when we work out the full value of the member's policy.

The amount of charge we deduct depends on the funds you choose to invest in and the amount of the member's original investment.

The table below shows the Annual Management Charges that apply to each of our funds.

Where the funds invest in underlying Unit Trusts or OEICs, additional expenses will be incurred. These expenses have been included in the figures above. These expenses may increase (or decrease) from time to time.

Further details can be found in your personal illustration.

Our charges may vary in the future and may be higher than they are now. Further details can be found in the Policy Document.

For further information on the charges please see "Prudential Fund Guide".

Prudential Funds	Annual Management Charge (including Unit Trust/OEIC expenses)
Invesco Perpetual Managed	1.475%
Invesco Perpetual Income	1.425%
Newton International Growth	1.275%
Newton Balanced	1.125%
M&G High Yield Corporate Bond	1.125%
M&G Gilt & Fixed Interest Income	1.125%
Newton Managed	1.075%
Newton Higher Income	1.075%
Fixed Interest	1.025%
M&G Managed Growth	1.025%
M&G Corporate Bond	1.025%
Pacific Markets	0.975%
International	0.925%
Japanese	0.925%
European	0.925%
Global Balance (UK View)	0.925%
Ethical	0.925%
FT-SE 100 Tracker	0.775%
All others	0.875%

Deductions

Unit Allocation

The percentage of the contribution which is used to buy units is shown on the enclosed illustration.

Initial Charge

Units are bought at the offer price and sold at the bid price. The bid price is approximately 95% of the offer price.

Installation Charge

Where the Scheme has less than 50 active members (i.e. members for whom regular contributions are being paid) a one-off charge of £57.14 is levied at outset from each plan. If the scheme has 50 or more active members the installation charge is waived.

Increment Charge

A reduced one-off charge of £43.97 is taken for each increment application received (waived where the scheme has 50 or more active members). No increment charge is deducted where an increment occurs on the scheme review date for earnings related increases or where a variable contribution basis applies. Regular and single contribution increments on the same application incur only one increment charge.

Annual Member Charge

On regular contribution plans the charge varies according to the number of active members, as follows:

Number of Active Members	Member Charge
1 to 99	£52.61
100 to 199	£43.97
200 plus	£36.57

In addition, for variable contribution schemes, there is an administrative charge of £12.00 per annum for each active member. An "active member" is one for whom a regular contribution is currently being paid.

For single contribution plans, where there is no regular contribution, the annual charge is £35.33.

Fund Management Charge

This is 0.875% per annum of the value of units held in the investment-linked funds. Where the funds invest in underlying unit trusts, additional expenses will be incurred. For regular contribution plans with terms of 15 or more years, the Fund Management Charge reduces by 0.75% per annum in the last 10 years of the plan. Different rules apply for shorter term plans.

Our charges may vary in the future and may be higher than they are now. Further details can be found in the Policy Document.

For further information on the charges please see "Prudential Fund Guide".

What benefits are paid if the member dies?

We will pay the value of the fund, plus any additional life cover the trustee may have added to the plan.

Lump sum benefits payable on death are not subject to income tax and are not normally subject to Inheritance Tax – but see the Lifetime Allowance section on page 8.

What happens if I move abroad?

Please note Prudential is not able to accept new monies from customers living overseas. If you move abroad and are no longer a resident of the UK this will have an impact on your ability to top up this product.

Other information

How to contact us

We can be contacted by calling our Customer Service Centre on 0808 234 3030. The opening hours are 8.30am to 6pm Monday to Friday. Calls may be monitored or recorded for quality and security purposes.

We can also contacted by:

Post: **Prudential**
Customer Service Centre
Stirling
FK9 4UE

Or via our website: www.pru.co.uk

How to make a complaint

If the trustee's/member's complaint is advice related please contact your financial adviser. If we do anything that they're unhappy about, we'll always try to put it right if we can.

To do this we need to know exactly what the problem is. So please write to us with all the details of what has happened.

Please send your complaint to:
Prudential
Customer Relations Unit
Stirling
FK9 4UE

Copies of our complaint handling procedures are available from this address. If the trustee would rather phone, they can call us on 0808 234 3030. To make sure we have an accurate record of what they tell us, we may monitor or record the call.

We hope that we'll be able to handle your complaint in a way that satisfies you. But if we can't, you can speak to one of the following organisations:

The Financial Ombudsman Service
South Quay Plaza
London E14 9SR
Telephone: 0800 0 234 567

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
Telephone: 020 7630 2200

The Pensions Advisory Service (TPAS)
11 Belgrave Road
London
SW1V 1RB
Telephone: 0845 601 2923.

The Pensions Advisory Service is an independent, government funded body that gives free advice to members of the public about pensions.

These are free services. Using them won't affect your right to take legal action. We can help you find the appropriate organisation to handle your complaint.

Cancellation rights

The Trustees have a right to cancel the plan only if it is the first plan for the scheme. Therefore, there will not be an opportunity to cancel once this plan has started.

Law

The law of Scotland will apply.

How we'll communicate with you

We will communicate with the trustee/member in English by post, by phone or by email.

Terms and conditions

These key features give a summary of the Prudential OmniPension Plus. They don't include all the definitions, exclusions, terms and conditions.

The trustees will have details of the full terms and conditions of the plan. If any of the terms and conditions change in the future, the trustee will be informed of this and how it may affect the member.

Cost of advice

The cost of advice given by the Scheme Financial Adviser will normally depend on the size of the contribution payable and the term of the plan. This cost will be paid for from the deductions.

The Scheme's Financial Adviser will give the Trustees written details about this cost.

Your client category

The Financial Services Authority (FSA) is the independent financial services regulator. It asks companies to categorise their clients based on their involvement in and familiarity with financial services. This helps to make sure we send the right information to the right people. For example, information for an individual customer should assume less knowledge than information for a financial services company.

You're categorised as a "retail client". This means you get the highest level of protection by getting the clearest explanation of what you're buying and more detail about the risks. This means the information we send you is clear, balanced and indicates any relevant risks. Your category does not affect your right to lodge a complaint with the Financial Ombudsman Service.

If you have any questions about your client category, or think your category should be different, please call our Customer Service Team on 0800 000 000.

Conflict of interest

We want to make sure that we uphold our reputation for conducting business with integrity. That's why we have drawn up a policy to deal with any conflicts of interest. If you would like to know the full details of our Conflict of Interest Policy, please contact our Customer Service Team on 0800 000 000.

Divorce and dissolution of a civil partnership legislation

In line with government legislation pension funds and pension annuities are classed as assets and may be taken into account in a divorce settlement or dissolution of a civil partnership. If the member gets divorced or there is a dissolution of a civil partnership and a pension credit is awarded against the pension fund, the member's income will be reduced. If this happens we will write to the trustee.

Compensation

We're covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the Scheme if we can not meet our obligations. This depends on the type of business and the circumstances of the claim. For more information, please contact:

The Financial Services Compensation Scheme
7th floor, Lloyds Chambers
Portsoken Street
London
E1 8BN
Telephone: 0207 741 4100
www.fscs.org.uk

FSA Registration

Prudential Assurance Company Limited is entered on the Financial Services Authority (FSA) Register, FSA Reference Number 139793. The FSA Register is a public record of all the organisations that the FSA regulates.

You can contact the FSA at:

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Telephone: 020 7066 1000

www.pru.co.uk

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