Key Features of the Flexible Retirement Plan

Please read this document along with your personal illustration (if you have one) before you decide to buy this plan. It’s important you understand how the Flexible Retirement Plan works, the benefits and associated risks.
The Financial Conduct Authority is a financial services regulator. It requires us, Prudential, to give you this important information to help you decide whether our Flexible Retirement Plan is right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference.
About the Flexible Retirement Plan

This booklet contains the Key Features of our Flexible Retirement Plan (Personal Pension Plan with SIPP options).

If you are considering whether our Flexible Retirement Plan may be right for you, this booklet will help you make that decision. You should read this with your personal illustration. If you still have questions about our Flexible Retirement Plan after reading this booklet, your financial adviser should be able to help.

About our Flexible Retirement Plan

Who can take out a Flexible Retirement Plan?
If you are between 16 & 75 years of age and resident in the UK you can take out the Flexible Retirement Plan (Personal Pension).

If you wish to enter Drawdown, which is explained on page 4, you can do this from age 55 to before your 89th birthday.

For a Personal Pension, you can select your Selected Retirement Age (SRA) which is the age at which you plan to start taking your retirement benefits. Your SRA must be between 55 and 75 years of age. You can change your SRA after you have set up your plan if you wish to. If you invest in the With-Profits Fund the term from the date of request to the new SRA must be at least 5 years and if you are reducing your SRA, the term from the original date of investment in the With-Profits Fund to the revised SRA must be at least 10 years.

You can transfer your plan to another provider at any time if you wish to do so.

We explain what happens on death in “What happens to my money if I die before I start taking my benefits?” on page 11.

Under the terms of this contract you are currently required to take your benefits by age 75.

What’s Prudential’s Flexible Retirement Plan?
Our Flexible Retirement Plan (FRP) offers flexibility and choice as you save for retirement and take retirement income. You’ll be able to choose from our plan’s Personal Pension and Self-Invested Personal Pension (SIPP) options.

You can choose where to invest your money from a wide range of options and you have the flexibility to decide when and how to take an income as your needs change.

What’s a SIPP?
A Self-Invested Personal Pension (SIPP) is a personal pension plan that allows you to invest pension savings in assets you choose, from an allowable range. These can include stocks, shares and commercial property. With a SIPP you have access to a much wider choice and type of investment than you do with other personal pension plans. You can switch easily between the investment options available, typically with the help of your financial adviser or an investment manager.

How do I turn the value of my pension plan into benefits?
You have flexibility in how you draw your pension savings. There are four main options which may be used in combination:

• Take a single or series of lump sums from your pension savings – Uncrystallised Funds Pension Lump Sum.

• Flexi-access drawdown – a new form of drawdown which allows you to take an unlimited amount of income or lump sums from a pension fund. This will replace flexible and capped drawdown, although existing capped drawdown plans will continue.

• A pension annuity – an investment that guarantees to pay a secure income for the rest of your life, regardless of how long you live.

Please contact us, or speak to your financial adviser, as you approach retirement and we will let you know which of these options we may be able to offer you.

Welcome

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Welcome
What’s Drawdown?
Drawdown lets you take a retirement income from your pension fund and continue to benefit from any investment growth on the remaining fund.

Our Flexible Retirement Plan has two Drawdown options. For new investments flexi-access drawdown is the only drawdown option available.

Capped Drawdown – restrictions apply to the amount of income that can be withdrawn. Capped Drawdown can only be taken if transferring from an existing Capped Drawdown arrangement.

Flexi-access drawdown – a form of drawdown which will allow you to take an unlimited amount of income or lump sums from a pension fund. You can also take tax-free cash and no income which will avoid triggering Money Purchase Annual Allowance (MPAA). This will replace flexible and capped drawdown, although existing capped drawdown plans will continue.

You can normally enter Drawdown under our FRP from age 55. You can invest all of your fund in Drawdown immediately or you can phase the movement of your fund from the Personal Pension option to the Drawdown option.

Your financial adviser can give you more detailed information about Drawdown and help you decide if it’s right for you.

Throughout this document any reference to Drawdown applies to both the Capped and Flexi-access options, unless otherwise stated.

What’s a Pension Annuity?
You can choose to transfer from Drawdown to a pension annuity at any time.

A pension annuity is a contract between you and an annuity provider. In return for some or all of your pension fund, the annuity provider agrees to pay you an income for the rest of your life.

You don’t have to buy your annuity from the same company you have your pension with. You can buy it from another company if you want to.

Its aims
What this plan is designed to do
To give you a wide choice of investment options to help you save for retirement in a tax efficient way.

Your commitment
What we ask you to do
Stay invested until you decide to take your pension benefits.
Risks

What you need to be aware of

- The value of your investment can go down as well as up.
- The value can fall below the amount you invested.
- If the total charges taken from your plan are more than any overall growth achieved, your plan will fall in value, possibly to even less than you have invested.
- There are different risks for different funds.
- In Drawdown if you take more money out of your plan as income than your plan earns in investment growth, the overall value of your fund will fall. As there is no limit on the amount of income you can take from Flexi-access Drawdown, you need to be aware that your fund may be exhausted as a result of the income you take.
- If your plan invests in our With-Profits Fund and you take money out of that fund, including to move from Personal Pension to Drawdown, we may reduce the value by applying a Market Value Reduction.
- Tax rules may change in the future.
- Inflation will reduce what you can buy in the future.
- If you cancel your plan within 30 days, the transfer value returned may be less than you paid in.
- There are a number of charges that are applicable to a SIPP option that depend on the type of investments held.
- For the PruFund range of funds, we may decide to reset the unit price of a PruFund fund to the unsmoothed price on a particular day, to protect the With-Profits Fund. There may also be occasions where we have to suspend the smoothing process for one or more PruFund funds for a period of consecutive days, to protect our With-Profits Fund. Please read Your With-Profits Plan a guide to how we manage the fund – Pru Fund Range of Funds for more details on this.
- There may be a delay in buying, selling or switching to or from certain funds. There’s more information about this on page 9.

The possible impact on your investment if you invest in the Risk Managed Active/Passive Fund Range

With the new investment objective the fund managers will change the underlying investments in the fund, by buying and selling assets as soon as possible from 21 January. There could be an impact for you if you leave the fund during a ‘transition period’ after the fund changes happen. That’s because:

- The costs of buying and selling assets are expenses that your fund pays, and will reduce the fund performance for a while after the change.
- We estimate that this impact on fund performance will last for approximately five to nine months (the transition period), depending on the fund you’re in.
- The transition period will end when the expenses of buying and selling assets are offset by the new lower fund charge.
- If you leave your fund before the transition period finishes you’ll get a lower return than you would have if the investment objective hadn’t changed.
Other documents you should consider reading

This document gives you key information about the Flexible Retirement Plan. If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document. They are all available from your adviser, on our website at www.pru.co.uk/existing-customers/products/flexible-retirement-plan/ or direct from us. Our contact details are on the last page.

- **Your With-Profits Plan – A guide to how we manage the Fund – PruFund range of funds**
  This provides information on how our With-Profits Fund works, and our current approach to managing it, and applies to plans accessing the PruFund range of funds.

- **Fund Guide**
  This explains your investment choices.

- **Your With-Profits Plan – a guide to how we manage the Fund**
  This explains how we manage our With-Profits Fund.
Questions & Answers

How much can be paid into my plan each year?
The maximum contribution you can pay into FRP is £1,000,000. In some circumstances we may accept contributions larger than £1,000,000. If you would like to invest more than £1,000,000, please speak to your financial adviser.

The minimum regular contribution required to start the plan is £100 per month or £1,200 per year after which there is no minimum increase.

The minimum single contribution required to start the plan is £5,000.

Additional single contributions to your plan need to be at least £200.

If you choose to invest in the Self-Invested Fund under either of the SIPP options, you need to invest at least £10,000 into that fund. More information about the SIPP options can be found on page 15.

Where’s my money invested?
With our FRP you have a number of investment choices for your pension fund, including:

- A range of over 130 investment funds from Prudential and other fund managers. This includes the Prudential With-Profits Fund (including our PruFund range), and Unit-Linked Funds from many leading fund managers.
- A ready-made Personal Pension lifestyle option which potentially reduces your exposure to risk as retirement approaches.
- Self-Invested Fund options that allow you to invest in a wide range of asset types other than our funds.

Choosing funds
You can invest in up to 20 funds at any time. Your money buys units in the funds you choose.

Different funds invest in different types of assets. For example, some only invest in property, others invest directly in the stock market, and others invest in a wide range of assets. Each fund has its own level of risk and potential growth. Usually, funds with more potential for growth carry more risk.

Your adviser will give you our “Fund Guide – Flexible Retirement Plan” which provides more information on the funds available, including the objective of each fund and its risk profile. Alternatively, you can visit our website www.pru.co.uk. We can also send you a copy of this document on request.

For any fund, we may delay the buying, selling or switching of units including for the payment of adviser charges. These delays will only apply in exceptional circumstances and, if this applies to you, we will let you know. For more information please refer to your Technical Guide.

The following funds are invested in Prudential’s With-Profits Fund:

- With-Profits Fund
- PruFund Cautious Fund
- PruFund Protected Cautious Fund
- PruFund Growth Fund
- PruFund Protected Growth Fund
- PruFund Risk Managed 1 Fund
- PruFund Risk Managed 2 Fund
- PruFund Risk Managed 3 Fund
- PruFund Risk Managed 4 Fund

Although these funds are invested in the same underlying fund, there are significant differences in the way that returns are delivered. For more information please read “How do you work out the value of my investment?” on page 8.

You cannot choose the With-Profits Fund if you are within 10 years of your SRA or in Drawdown when you are within 10 years of AAA, or aged 85 or over.

The PruFund Cautious Fund and PruFund Growth Fund have corresponding PruFund Protected Funds that have the same unit price and spread of investments.

All PruFund Funds can be selected for investment at outset, or at anytime after. However, you can only invest in one Protected PruFund Fund at any time. If you have previously been invested in a Protected PruFund Fund and switch out before the Guarantee Date, you cannot reinvest in a Protected PruFund Fund for 12 months.

We offer a 10 year guarantee term for both PruFund Protected Funds. The 10 year term, and charge may vary and we may add or withdraw terms. However, once the guarantee has been selected, the charge will remain fixed throughout the guarantee term.
How does the PruFund Guarantee work?
If you select a PruFund Protected Fund, we offer a 10 year guarantee term, where the guarantee will only apply at the end of the selected guarantee term (the Guarantee Date). Each guarantee term has its own charge and this will be payable for the whole of this term.

You may be able to select a guarantee period which will match the term to your Selected Retirement Age (SRA), provided the term from the guarantee start date to your SRA is within the minimum and maximum guarantee terms available.

For full details of the guarantee terms available and the associated charges, please refer to the document “The PruFund Range of Funds: Guarantee Options” – INVS11470. You can get a copy of this from your adviser or from www.pru.co.uk.

Regular payments cannot be accepted into the PruFund Protected Funds. However, switching in may be permitted. Please see “Can I switch money between funds?” on page 9.

On investment into a PruFund Protected Fund we will calculate the Guaranteed Minimum Fund (GMF). This will be the initial amount you invest after allowing for any initial product and adviser charges.

Your GMF will be reduced proportionately for any withdrawals, including adviser charges, or switches out between investment and the Guarantee Date, and will be shown on your annual statement.

Where you are invested in at least one other fund in addition to a PruFund Protected Fund, then you can elect for your PruFund Protected Fund to be excluded from the deduction of any Ongoing or ad hoc Adviser Charges.

The guarantee will only apply at the end of the selected term. If you fully switch out of a PruFund Protected Fund or cancel your plan before the end of the selected guarantee term, then the guarantee will not apply and the charge will stop and you cannot switch back in to a PruFund Protected Fund within twelve months.

We check the value of your investment at the Guarantee Date. If its value has dropped below the GMF, we restore it to that value. We do this by adding units to your plan. We then switch your investment to the fund of your choice, or to the corresponding PruFund Fund.

What’s the Personal Pension lifestyle option?
The Personal Pension lifestyle option is designed to move money from funds you choose into lower-risk funds as you get older.

If you invest in the Personal Pension lifestyle option, you can either:
- choose up to 18 funds to invest in initially, or
- invest all of your money in our default fund, the Prudential Managed Pension Fund.

Ten years before you are due to take your benefits; we’ll start switching your money from the funds you’ve chosen into lower-risk funds. By the time you are due to take your benefits, all of your money will be in lower-risk funds.

You can find more information about this option in our “Fund Guide – Flexible Retirement Plan”. Your adviser will give you a copy of this document, or you can get it from our website at www.pru.co.uk or contact us.

The With-Profits fund, the Self-Invested Fund and the PruFund Protected Funds are excluded from the lifestyle switching described above. The lifestyle option cannot be chosen if you only invest in these funds.

How do you work out the value of my investment?
For most funds the value of your investment is determined by the fund performance. If the underlying investment fund value grows we increase the price of your units. Equally, if the underlying investment fund value falls, we decrease the price of your units. The price of the units will also depend on whether more money is going into or out of the fund (please refer to your Fund Guide for more information).

However, we calculate the growth on some funds differently. The Prudential With-Profits fund invests in a wide range of assets designed to spread risk and provide smoothed returns.

For the With-Profits Fund, returns are delivered through the unit price which will reflect the addition of Regular Bonus and cannot go down. However, the unit price does not show the effect of any Final Bonus or Market Value Reduction that may apply.

For more information about how the With-Profits Fund works, please read “Your With-Profits Plan – a guide to how we manage the Fund (Prudential Unitised With-Profits Plans and Cash Accumulation Plans)”.

8 Key Features of the Flexible Retirement Plan
For the PruFund Funds, we use a smoothing process which aims to give you a more stable rate of growth than you would get if you were directly exposed to the daily changes in the funds’ performance. However the value of your investment can go down as well as up. For the PruFund range of funds, we may decide to reset the unit price of a PruFund fund to the unsmoothed price on a particular day, to protect the With-Profits Fund. There may also be occasions where we have to suspend the smoothing process for one or more PruFund funds for a period of consecutive days, to protect our With-Profits Fund.

For more information about how the PruFund Funds work, please read “Your With-Profits Plan – a Guide to how we manage the Fund (PruFund range of Funds WPGB0031)”, and refer to the technical guide, which is available on request.

Can I switch money between funds?

You can switch your money between funds and we currently don’t charge you for this. If this changes in the future we will let you know. However, you can only invest in 20 funds at a time.

You can switch from PruFund Protected Cautious Fund to PruFund Cautious Fund and from PruFund Protected Growth Fund to PruFund Growth Fund at any time. The switch will be processed on receipt of the request.

All other switches out of any of the PruFund Funds will be made 28 days after we receive the request and using the unit prices on the 28th day. Switch requests at the end of the guarantee date are not subject to the 28 day delay. Only one switch can be made per quarter, where the quarter dates are 25 February, 25 May, 25 August and 25 November, or the next working day if the quarter date is a weekend or a public holiday. This is in addition to any other switching restrictions outlined in “Where do you invest my money?”

For full details on switching rules and to request a switch, please complete the “Investment Alteration Form” – FRPF10149.

Once a request has been made it cannot be cancelled. If you fully switch out of a PruFund Protected Fund before the guarantee date, you cannot switch back in within twelve months.

There are a number of differences for switches involving PruFund funds, more details can be found in the Technical Guide.

If you switch money out of the With-Profits Fund, we may apply a Market Value Reduction. For more information about Market Value Reductions, please read “What’s a Market Value Reduction?” on page 14.

You cannot switch into the With-Profits Fund within 10 years of your Selected Retirement Age.

You cannot switch in to the PruFund Protected Funds if the remaining term to your SRA is less than the minimum guarantee term available.

What if I’m moving money from the Personal Pension option to the Drawdown option?

You may be moving all of your money to Drawdown or only some of it as part of Phased Drawdown, i.e. where you take your tax-free cash and income gradually over a period of time.

If you do this, you can either invest in the same funds or switch to different funds under Drawdown. When you move your money out of the Personal Pension option we sell the units in the funds you were investing in and buy new units for your Drawdown plan on the same day.

If you invested part of your Personal Pension plan in the With-Profits Fund, we may apply a Market Value Reduction when you convert it to the Drawdown option. We won’t do this if you move money to the Drawdown option at your Selected Retirement Age. If you move money in the With-Profits Fund to Drawdown, you must have a minimum term of 10 years until your Anticipated Annuitisation Age.

For the PruFund funds, units are sold in the Personal Pension Plan and new units bought in the Drawdown Plan when you convert. This means that any PruFund investments will start off in the relevant PruFund Account under the new Drawdown plan and will be switched to the appropriate fund on the next quarter date.

For more information on PruFund Accounts, please read “Your With-Profits Plan – a guide to how we manage the Fund (PruFund range of funds)”. Any guarantee from your investment in a PruFund Protected Fund can be carried over into Drawdown but you must keep the same amount invested in that fund across both the Personal Pension and Drawdown plans. Full details can be found in the technical guide.
What happens if I move overseas?
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 impact on your ability to top up this product.

What are the tax advantages of investing in a Personal Pension plan?
Payments in to your plan by employees, self-employed people or anyone without earnings are paid net of basic rate income tax. We claim the tax relief at the basic rate from HM Revenue & Customs (HMRC) and invest it in your plan.

Investments in pension funds in which registered pension schemes are invested are given important tax benefits. They do not pay tax on investment income received or capital gains. Some underlying investments, such as dividends from company shares, will be paid out of taxed profits, and the tax is currently not reclaimable.

When you come to take your benefits, they are subject to income tax.

Your financial adviser can tell you about the taxation effect of any contributions you make.

If you’ve invested in the Self-Invested Fund, you should talk to your financial adviser about how tax affects your investment.

Annual Allowance
The Annual Allowance is a limit to the total amount of contributions that can be paid to defined contribution pension schemes and the total amount of benefits that you can build up in defined benefit pension schemes each year, for tax relief purposes.

Tax is a complicated subject and you may wish to seek advice if you feel this will affect you. For more information please visit www.pru.co.uk/tax or visit the HMRC website at www.hmrc.gov.uk.

Money Purchase Annual Allowance
The Money Purchase Annual Allowance (MPAA) will apply to you if you have flexibly accessed pension benefits on, or after, 6 April 2015. Your pension scheme administrator or provider paying these benefits will have informed you if you are subject to the MPAA at the time they paid the flexible benefits. In any year where you exceed the MPAA you may incur a tax charge and you should seek financial advice if you feel this may affect you.

Examples of drawing benefits flexibly include taking income from flexi-access drawdown or taking a cash lump sum direct from your pension plan as an Uncrystallised Funds Pension Lump Sum.

For more information visit www.pru.co.uk/tax or the HMRC website at www.hmrc.gov.uk.

Lifetime Allowance
There is no limit on how big your pension fund can grow to, however you will have a lifetime allowance in relation to the maximum amount of tax-relieved benefits you can build up over your lifetime.

If you think you are affected by this limit you can get more information visit www.pru.co.uk/tax or the HMRC website at www.hmrc.gov.uk.

Tax rules require careful consideration and you should speak to a financial adviser.

When can I take my retirement benefits?
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 are in ill health.

The minimum age from which you can access your personal pension is expected to increase from 55 to 57 in 2028 and remain at 10 years below the State Pension age.

You can also opt for a phased approach. So you could transfer parts of your pension fund into Drawdown or an annuity over time and leave the rest in your pension plan.

If you wish to remain invested in a Personal Pension beyond age 75 you will need to move to an arrangement with another provider.

For PruFund Funds, we may delay any withdrawal by 28 days, using the unit price on the 28th day. This delay will never apply to withdrawals at your SRA.

Please refer to the Technical Guide for more information.
What benefits can I take?
You can take benefits by buying a pension annuity or by moving into Drawdown. Under the terms of the current contract you will need to buy an annuity or switch to Drawdown on or before your 75th birthday.

Taking benefits as an annuity:
If you choose to buy an annuity, you can usually take up to 25% of your pension fund as a tax-free lump sum. The rest is used to buy your annuity.
You don’t have to buy your annuity from the same provider you invested your pension fund with.

Taking benefits through drawdown:
If you invest in the Drawdown plan you can use the money in that plan to take a regular income without buying an annuity.
You can also choose to move your money to the drawdown option, when you can usually take up to 25% of your pension fund as a tax-free lump sum. You should speak to your adviser to find out more about this.

What might I expect to get back?
The personal illustration you received shows how much you could get back, based on example growth rates. However the actual fund value available to buy benefits will depend on:
• the amount you’ve paid in,
• the length of time your money has been invested,
• the funds you’ve invested in and their performance,
• any guarantees selected and when they apply,
• the age you choose to take your benefits,
• the charges.

What happens to my money if I die before I start taking my benefits?
The benefits from your plan will be paid to whoever you have nominated as your beneficiary. This could be:
• your spouse or civil partner
• another dependant, or
• someone named in your will or your estate
The benefits can be paid in a number of ways. Your beneficiary can:
• Take a lump sum
• Tax-free if you die before age 75
• Less the beneficiary’s marginal rate of tax after the age of 75
• Continue to use drawdown until their 99th birthday
• Use the money in the plan to buy an annuity, or
• Pay a dependant’s income to a child, until the child is 23
Please note: any nomination you make under the drawdown option will be binding if the nominee is a dependant at the date of your death. Also, any money in the holding account at the time of your death, will be treated as if you’d invested it in the personal pension option rather than the drawdown option.
What are the charges?
The charges we may apply to your Plan are:

• Product Charges, including Annual Management Charges and any charges for guarantees.
• Adviser Charges.

How all charges affect your Plan is shown in your illustration.

Our Product Charges may vary in the future and may be higher than they are now. Further details of when we may vary charges can be found in the Technical Guide.

Allocation rate
The allocation rate will always be 100%.

Annual Management Charges
Every year, we take an Annual Management Charge from each of the funds you invest in (except the Self Invested Fund).

The funds have different Annual Management Charges which are already taken into account when we work out the value of your plan. We deduct an Annual Management Charge that covers the cost of setting up your Plan and managing the investment. This charge is taken as a percentage of the fund value. You can find information about how much we charge for each fund in the “Fund Guide – Flexible Retirement Plan”, which your adviser will give you.

Annual Management Charge – With-Profits Fund
The management charge for the With-Profits Funds depends on the performance of the With-Profits Fund, in particular the investment return and our expenses. If, for example, over time investment returns are higher, the charges would be expected to be higher and if returns are lower, the charges would be expected to be lower. Assuming that future investment returns from the With-Profits Fund are 5% a year, the charge would be approximately 1.3% a year. This charge is already taken into account when we calculate the bonus rates for the With-Profits Funds.

Annual Management Charge – PruFund Funds
We take the Annual Management Charge for PruFund Funds by deducting a percentage of the units every month.

If you have only invested in a PruFund Fund for part of a month, we still take a full month’s charge.

Investment expenses
Underlying Unit Trusts/OEIC’s (Open Ended Investment Companies) incur additional investment expenses, which include trustee fees, custodian charges and registrar fees. Whilst we do not currently charge for these in addition to our Annual Management Charge for our insured funds, we reserve the right to explicitly charge for the additional Unit Trust/OEIC expenses. Some of the externally managed insured funds may also apply a “dilution levy”. A dilution levy is a separate, explicit charge that fund managers can choose to apply to specific client deals to cover any dealing or other costs they may incur when buying or selling shares in the fund. We do not currently apply this charge directly to your plan, however we reserve the right to explicitly charge for any dilution levy that applies. We will let you know if we plan to do this.

In addition to our Product Charges, there may be some additional costs which may impact the overall performance of the fund. These costs include trading, dealing costs and property expenses. More information about these may be found in the Fund Guide.

Charges for guarantees – With-Profits Fund
There is a charge to pay for all the guarantees the With-Profits Fund supports. We guarantee not to apply a Market Value Reduction (MVR) when payments are made because of death or at your Selected Retirement Age. Please see “What’s a Market Value Reduction?” on page 14 for more details.

You won’t see this guarantee charge on your annual statement because we take it by making a small adjustment to regular and final bonuses.

The total deduction for guarantee charges over the lifetime of your plan is not currently more than 2% of any payment made from the fund. We will review the amount of the charge from time to time. Charges may vary if, for example, the long term mix or type of assets held within the With-Profits Fund is changed.

PruFund Protected Funds – Guarantee Charge
If you invest in a PruFund Protected Fund, the fund includes a guarantee which has an annual charge. We take this charge by cancelling units each month. For full details of the guarantee terms available and the associated charges, please refer to the document “PruFund Range of Funds: Guarantee Options” – INVS11470. You can get a copy of this from your adviser or from www.pru.co.uk. Details of the charge can also be found in your illustration.
What are Adviser Charges?

You agree with your Adviser how they will be paid for the advice they provide to you. You can choose to pay your Adviser directly or you may ask us to take Adviser Charges from your Plan to pay your Adviser, or a combination of both.

If you have asked us to deduct Adviser Charges from your investment to pay your Adviser, full details will be shown on your personal illustration. There are three different types of Adviser Charges:

- **Set-up Adviser Charges**
- **Ongoing Adviser Charges**
- **Ad hoc Adviser Charges**

Your Adviser can provide further details on these options. Any Adviser Charges paid from your FRP must be made in accordance with HMRC rules to ensure they are not considered unauthorised payments, which would be subject to a tax charge.

Different Adviser Charging instructions may be given each time a personal pension plan is set-up.

**Set-up Adviser Charge**

If you agree a Set-up Adviser Charge, this charge can be taken from your Plan by Prudential and paid to your Adviser. The Set-up Adviser Charge is taken from the gross contribution, after basic rate tax relief has been applied.

For regular contribution plans a Set Up Adviser Charge can be taken as a percentage of the regular contributions. The charge will be deducted from each regular contribution paid for an agreed period. Set Up Adviser Charges can be fixed for the full duration of the plan, or fixed for a specified period (up to 60 months), with the option of continuing at a different rate until SRA.

For each single contribution this one off Set Up Adviser Charge can be specified and deducted as a percentage of the initial investment, or as a fixed monetary amount.

For example, if you want to take out a Personal Pension with a £10,000 gross single contribution and want to pay £500 as a Set-up Adviser Charge, you will send a cheque for £8,000, and we will invest £10,000 (expecting to receive basic rate tax relief from HMRC at a later date). From the gross contribution we will deduct £500, leaving the remaining £9,500 invested in the Plan.

Set Up Adviser charges must be agreed at the start of the plan. Once agreed Set Up Adviser Charges for regular contributions can be reduced or stopped at any time.

**Ongoing Adviser Charge**

If you want Ongoing Adviser Charges to be deducted from your Plan, you will agree with your Adviser the amount you will pay for any ongoing advice. These charges can be taken from the Plan by Prudential and paid to your Adviser. They can be specified as a percentage of the fund value (excluding any investment in Self-Invested Funds) or a specified monetary amount each year. The Ongoing Adviser Charges can be paid monthly or yearly in arrears.

Prudential will pay these charges to your Adviser and full details will be shown on your personal illustration.

You can request any Ongoing Adviser Charges to stop, start, increase or reduce at any time by writing to us.

**Ad hoc Adviser Charges**

You may agree to pay your Adviser Ad hoc Adviser Charges for advice received. These can either be taken from any insured funds you have or from your Self Invested Fund (SIF). These charges can be specified as a percentage of your insured fund value, or a monetary amount from your insured or SIF fund(s).

You can request an Ad hoc Adviser Charge be taken from your plan and paid to your adviser by writing to us or for your Self Invested Fund to Suffolk Life at any time.

**Ongoing and Ad hoc Adviser Charge deductions**

Where Adviser Charges are to be taken from insured funds these will be taken proportionally across all funds, excluding SIF. Where there is investment in a PruFund Protected Fund and/or the With-Profits Fund and at least one other insured fund, you can choose not to have these Adviser Charges deducted from the PruFund Protected Fund or the With-Profits Fund.

If you take Ongoing or Ad hoc Adviser Charges from the PruFund Protected Fund it will reduce the Guaranteed Minimum Fund.

If you take Ongoing or Ad hoc Adviser Charges from the With-Profits Fund, a Market Value Reduction may be applied to your fund.

Where you choose to take an Ad-hoc adviser charge from your SIF fund there must be sufficient funds in your SIF bank account.
Do I receive any discounts?

You may benefit from discounts on the annual management charge. We may give you a Fund Size Discount depending on the size of your fund. Any final bonus or MVR applicable to investments in our With-Profits Fund will be excluded from this calculation of the fund value. We also give you a Loyalty Discount depending on how long you’ve invested in the plan.

Fund Size Discounts don’t apply to investments held under the Self-Invested Fund or the FRP Holding Account.

We apply any fund size or loyalty discount monthly.

**Fund Size Discount**

The discount to the Annual Management Charge will apply to the whole of your investment, not just the portion above the threshold levels shown below.

<table>
<thead>
<tr>
<th>Fund Size</th>
<th>Fund Size Discount from Annual Management Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £25,000</td>
<td>nil</td>
</tr>
<tr>
<td>£25,000 – £49,999</td>
<td>0.10%</td>
</tr>
<tr>
<td>£50,000 – £99,999</td>
<td>0.20%</td>
</tr>
<tr>
<td>£100,000 – £249,999</td>
<td>0.25%</td>
</tr>
<tr>
<td>£250,000 and over</td>
<td>0.30%</td>
</tr>
</tbody>
</table>

**Loyalty Discount**

If both discounts apply to your plan, we add them together.

While the Loyalty and Fund Size Discounts don’t apply to investments in the Self-Invested Fund or FRP Holding Account, if investments are transferred out of the Self-Invested Fund and the money reinvested in other funds within your plan, the period of continuous investment includes the period you were in the Self-Invested Fund.

<table>
<thead>
<tr>
<th>Investment period</th>
<th>Loyalty Discount from Annual Management Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>nil</td>
</tr>
<tr>
<td>5 – 9.99 years</td>
<td>0.05%</td>
</tr>
<tr>
<td>10 – 14.99 years</td>
<td>0.10%</td>
</tr>
<tr>
<td>15 – 19.99 years</td>
<td>0.20%</td>
</tr>
<tr>
<td>20 years or more</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

What’s a Market Value Reduction?

If you take money out of the With-Profits Fund, we may reduce the value of your fund if the value of the assets underlying your plan is less than the value of your plan including all bonuses. This reduction is known as a Market Value Reduction (MVR). It is designed to protect investors who are not taking their money out and its application means that you get a return based on the earnings of the With-Profits Fund over the period your payments have been invested.

We apply the MVR to your plan’s value including regular and final bonuses. Please read “Your With-Profits Plan – a Guide to how we manage the fund – (Prudential Unitised With-Profits Plans and Cash Accumulation Plans)” for more information on bonuses. An MVR will reduce the value of your plan and you may even get back less than you have invested in your plan.

We guarantee not to apply an MVR at your Selected Retirement Age or on any claims due to death.

**Our current practice on applying an MVR**

We may apply a Market Value Reduction to any full or partial withdrawals, including Ongoing or Ad hoc Adviser charges, switches or transfers out of the With-Profits Fund. An MVR may apply if moving funds from a Personal Pension to Drawdown on a date other than your Selected Retirement Age.

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.

For more information on our current practice and when we may apply an MVR, refer to our brochure “Market Value Reduction – a clear explanation” reference PRUS6165.
Can I invest in a SIPP?

You can invest part or all of your plan in a SIPP. You do this by investing in the Self-Invested Fund.

If you invest in the Self-Invested Fund, you have two SIPP options. These are the FundSIPP option, and the Full SIPP option.

The FundSIPP option lets you include investment in up to 20 funds from the fund supermarket offered by Cofunds in your Self-Invested Fund. The Cofunds fund supermarket has a range of around 1,500 funds.

The Full SIPP option allows you to include a much wider range of assets in your Self-Invested Fund, from an allowable range that includes shares, unit trusts and commercial property. See our “SIPP Allowable Investments” factsheet, for more information on the allowable range. Your adviser can give you this document.

You can appoint your own investment manager or broker to carry out transactions for you. Alternatively, we can arrange for you to make transactions using our preferred third-party broker.

The SIPP option you choose affects the charges that we apply to your plan. For more information please see “What are the charges?” on page 12; In some circumstances you may be able to invest in some of the funds we offer at a lower cost through the Cofunds fund supermarket. Your financial adviser can explain the possible options.

Suffolk Life Relationship

The SIPP option has two levels: the “full SIPP” option and the “FundSIPP” option. The full SIPP option allows investment in a wider range of investments, including stocks, shares, unit trusts, the full range of funds on the Cofunds platform and, commercial land and property. Commercial property is managed by Suffolk Life. Please see our “SIPP Allowable Investments” factsheet for more information on the range. The FundSIPP option limits investment to a maximum of 20 funds from the Cofunds platform plus the bank account. A lower level of Self-Invested Fund (SIF) charges applies to the FundSIPP option than to the full SIPP option.

The SIPP option is made available under the Pru Flexible Retirement Plan by means of the Self-Invested Fund (SIF). This applies to both the full SIPP option and the FundSIPP option. The SIF is a fund that is established by Prudential and forms part of the fund options available under the Plan.

It is provided through reinsurance to Suffolk Life.

The SIF is also an Externally-Linked Fund, because we provide it through an external Life Assurance Company, Suffolk Life. As with our other Externally-Linked Funds, there is no contract between the member and Suffolk Life: the member’s contract remains with Prudential. However, Suffolk Life also deals with the day to day operation of the SIPP option and the SIF: in this respect, they are acting as Prudential’s administrator authorised to deal directly with the member.

If Suffolk Life (or other reinsurer) becomes insolvent there is a risk that we will not be able to recover the full value of the investments under the member’s SIF. If this situation arises and we cannot recover the full value of the investments, Prudential will not be liable for the shortfall. Because the SIF is an Externally-Linked Fund, the member would not be able to claim under the Financial Services Compensation Scheme.

What if I already have a SIPP?

It may be possible to transfer your existing SIPP into your Personal Pension Plan without having to sell any of your existing assets. This is called an “in specie” transfer. Your financial adviser can help you decide whether this is right for you.

What if I’ve invested in either of the SIPP options?

There are fixed establishment and administration charges to pay on investments in the Self-Invested Fund.

The charges for investing in the SIPP options depend on:

- The SIPP option you choose,
- The assets you invest in, and
- Whether you buy or sell any assets in the Self-Invested Fund.
SIPP Charges
SIPP charges may be higher than for Personal Pensions and Stakeholder Plans or where the size of the fund is relatively small i.e. under £50,000.

• Special care needs to be taken if you are planning to invest in Commercial property as this can take a long time to sell especially if the monies are required to pay death benefits. If death benefits aren’t paid within two years of notification there is a tax charge.

• If you borrow money to invest the return on the growth may not cover the cost of the borrowing.

• If there are fixed charges these will have a greater proportionate effect on smaller investments than they will on larger ones.

SIPP options - Establishment and Administration Fees
If you choose the FundSIPP option, we apply an Establishment Fee of £150 and an Annual Administration Fee of £200. If you choose the Full SIPP option, we apply an Establishment Fee of £300 and an Annual Administration Fee of £425.

SIPP options - transaction charges
If you choose the FundSIPP option, you don't have to pay fees for buying and selling assets in the Cofunds fund range. If you choose the Full SIPP option, you may have to pay transaction fees depending on the type of assets you buy and sell. More information can be found in “A Schedule of Fees – Self Invested Fund”, which is available on request.

The charges you will incur depend on your actual investment activity. As we do not know which assets you will choose to buy and sell in your Self-Invested Fund, your illustration has been produced as if your transfer value is invested in a fund with an Annual Management Charge (AMC) of 1% each year. The important point you should note is that whilst self investment offers more flexibility than a traditional insurance fund, charges can have a greater proportionate effect on smaller funds. In particular, for Self-Invested Funds less than £50,000, it is anticipated that the impact of the Establishment Fee and the Annual Administration Fee is likely to be more than 1% of the Self-Invested Fund each year.

How do I know how my plan is doing?
We send you an annual statement.
If you’ve chosen either SIPP option, we send you a separate statement about the Self-Invested Fund.

You can get an up-to-date valuation by calling our Customer Services Department on 0845 640 3000.

Is the Flexible Retirement Plan a Stakeholder pension?
The Flexible Retirement Plan is not a Stakeholder pension. Stakeholder pensions are readily available – your financial adviser can help you choose the right pension to suit your needs during retirement.

Can I transfer money from my Flexible Retirement Plan to another pension arrangement?
You can transfer the money in your Flexible Retirement Plan to another pension arrangement at any time before you take your benefits. We don’t charge you for this.

If you transfer money from the With-Profits Fund, we may apply a Market Value Reduction. See “What’s a Market Value Reduction?” on page 14.

If you transfer money from the PruFund Funds, we may make the transfer 28 days after we receive your request and everything we need from you to make the transfer. In these circumstances the transfer value will be the value of the plan on the 28th day.

This delay will never apply to transfers at your Selected Retirement Age or at age 75. Please refer to the Technical Guide for further information.

Finally, we may charge for selling assets in the Self-Invested Fund. Charges will depend on the investments you’ve chosen. For more information please refer to “What if I’ve invested in either of the SIPP options?” on page 15.
Can I change my mind?

You can change your mind within 30 days from when you get your Plan documents.

If you decide, for any reason, within this period that you don’t want the Plan, we’ll give you your money back. If you decide to cancel your Plan, your refund will not include any Adviser Charges that have been paid to your Adviser. What you will get back will only relate to the amount remaining invested in your Plan after deduction of any Adviser Charges.

If you start the Plan with a single payment and cancel within 30 days, you may get back less than you paid in if the value has fallen as a result of investment performance, except where you’ve invested in our With-Profits Fund or PruFund Range of Funds.

If you do not exercise your right to cancel within the 30 day statutory cancellation period, the contract will become binding. We will not return any money to you except in the form of a benefit payable in accordance with the rules.

If any of your fund value is allocated to non-readily realisable or non-publicly quoted assets in the Self-Invested Fund you have waived your rights to cancel these.

If you wish to exercise your right to cancel, you should complete and return the Cancellation Notice you will receive or write to us at:

Prudential
Lancing
BN15 8GB
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.

Financial Strength
Prudential meets EU standards for meeting its financial obligations. You can read our solvency and financial conditions reports at www.pru.co.uk/about_us, or if you contact us we can post some information to you.

Compensation
If we get into financial difficulties which may affect our ability to pay your claim, you may be eligible to receive compensation under the Financial Services Compensation Scheme (FSCS).

The FSCS is an independent body set up by Government to provide compensation for people where their authorised financial services provider gets into financial difficulties and becomes unable, or unlikely to be able, to pay claims against it. This circumstance is widely referred to as being ‘in default’.

It is important for you to be aware that you may not always be able to make a claim under the FSCS, and there are also limitations in the amount of compensation you may receive.

Any compensation available will depend on your eligibility, the type of financial product or service involved, the investment funds selected (if applicable) and the circumstances of the claim.

You can find out more information on the FSCS and examples of limits in the scope of FSCS cover for your plan at www.pru.co.uk/about_us/fscs, or you can call us.

Information is also available from the Financial Services Compensation Scheme.

Visit their website: www.fscs.org.uk

Terms and conditions
This key features document gives a summary of your plan. Full details are set out in our terms and conditions booklet which is available on request using our contact information on the last page, and will also be sent to you when your plan starts.

Conflict of Interest
We want to make sure that we uphold our reputation for conducting business with integrity. If we become aware that our interests may conflict with yours we will take all reasonable steps to manage it in an appropriate manner.

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 the contact details on the back page.

Law
The law of England and Wales applies to this contract.

Our regulators
We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Prudential Assurance Company Limited is entered on the Financial Conduct Authority (FCA) Register, FCA Reference Number 139793. The FCA Register is a public record of all the organisations that the FCA regulates.

You can contact the FCA at:

The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Telephone: 0800 111 6768 or 0300 500 8082

Email: consumer.queries@fca.org.uk

Prudential Regulation Authority details:

The Prudential Regulation Authority
Bank of England
Threadneedle St
London
EC2R 8AH

Telephone: 020 7601 4878

Email: enquiries@bankofengland.co.uk
Communicating with you
Our plan documents and terms and conditions are in English and all our other communications with you will be in English.

How to make a complaint
If you have a complaint, please get in touch with us and we will do everything we can to resolve it. You can also ask us for details of our complaints handling process. Our contact details are in the ‘How to contact us’ section at the back of this document.
If you’re not satisfied with our response, you can take your complaint to the Financial Ombudsman Service who help settle individual disputes between consumers and businesses providing financial services:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Telephone 0800 023 4567 or 0300 123 9123
Or visit the website: www.financial-ombudsman.org.uk
Help is also available from the following:
The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU
Telephone: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk
You can also submit a complaint form online: www.pensions-ombudsman.org.uk/our-service/make-a-complaint/
These services are free and using them won’t affect your legal rights.

Further guidance
If you have general requests for information or guidance concerning your pension arrangements contact:
The Pensions Advisory Service (TPAS)
11 Belgrave Road
London
SW1V 1RB
Telephone: 0800 011 3797
Website: www.pensionsadvisoryservice.org.uk/
This service is free and using it won’t affect your legal rights.
How to contact us

If you want to contact us before you buy this plan, you can write, email or phone:

Write to: Prudential Lancing BN15 8GB UK

Online, including secure messages: register for MyPru at www.pru.co.uk

Phone: 0345 640 3000 Monday to Friday 8am to 6pm. We may record or monitor calls to improve our service.

If you are a Deaf customer, who is also a British Sign Language (BSL) user, you can contact us using a Video Relay service. The service, provided by SignVideo, connects customers to fully qualified, registered NRCPD interpreters who will relay your conversation with a member of our customer service team.

www.pru.co.uk/contact-us/signvideo

There is no cost for using this service to call Prudential and we’re available to help you Monday to Friday, 8am to 6pm.

Keep in touch

It’s important that we keep in touch so, if you change your address or any of your contact details, please let us know.