keyfacts®

PRUDENTIAL

Key Features of the

Flexible Retirement Transfer Plan

(Personal Pension and Drawdown with SIPP options)

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 Transfer Plan (Personal Pension and Drawdown with SIPP options) works, the benefits and associated risks.

Contents

We would like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in audio, large print or braille versions. If you would like one of these please contact us using the details on the last page.

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 Transfer Plan (Personal Pension and Drawdown with SIPP options) 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.

About the Flexible Retirement Transfer Plan

This booklet contains the Key Features of our Flexible Retirement Transfer Plan (Personal Pension and Drawdown with Self-Invested Personal Pension (SIPP) options).

If you still have questions about your Flexible Retirement Transfer Plan after reading this, please look at the "Get in touch" section for our contact details. If you have a financial adviser, please speak to them in the first instance.

Important Information

The PruFund Protected Funds are currently unavailable to new investments.

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.
- Provide the flexibility to allow you to decide when and how to take your retirement benefits as your needs change.
- Provide flexible and tax-efficient options for death benefits.

Your commitment

What we ask you to do

- Stay invested until you decide to take your pension benefits.
- Regularly review your investments and needs over the lifetime of your plan.

Risks

What you need to be aware of

- The value of your investment can go down as well as up so you might get back less than you put in.
- If the total charges and costs 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. Please read your **Fund Guide** for more information.
- 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.
- As the price of everyday goods and services goes up, your money won't stretch as far as the same amount would now. This is called inflation.
- 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 (PruFund range of funds)** for more details on this.
- There may be exceptional circumstances that delay the buying, switching and selling of units in any fund. Please read the section "Where are my payments invested?" for more information.
- You are not guaranteed a better pension by transferring.
- You may be giving up valuable benefits that you have with your existing plan.
- Our charges and costs may be higher than your existing plan.
- If you have a final salary or defined benefit pension you would lose the pension based on percentage of salary.

Other documents you should read

This document gives you key information about the Flexible Retirement Transfer 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 **pru.co.uk/existing-customers/products/flexible-retirement-plan/** or direct from us. Our contact details are on the last page.

- **Fund Guide**
  This explains your investment choices.
- **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.
- **Your With-Profits Plan – a guide to how we manage the Fund (Prudential Unitised With-Profits Plans and Cash Accumulation Plans)**
  This provides information on how our With-Profits Fund works, and our current approach to managing it.
- **Market Value Reduction – a clear explanation**
  This explains what a Market Value Reduction is, together with information about why and when these may be applied.
- **Technical Guides**
  Gives you detail on the terms and conditions of the contract:
  - Pru Flexible Retirement Plan – Personal Pension option
  - Pru Flexible Retirement Plan – Drawdown option

Questions & Answers

Is the Flexible Retirement Transfer Plan right for me?

The FRP may be right for you if you want a plan that offers wider investment options than are generally available for personal pensions, including choosing and managing your own investments in a Self-Invested Personal Pension (SIPP). SIPPs can also have higher charges than other personal pensions or stakeholder pensions. For these reasons, SIPPs tend to be more suitable for large funds and for people who are experienced in investing.

If you are between 16 and 75 years of age, and resident in the UK you can take out the Flexible Retirement Transfer Plan (Personal Pension). If you wish to enter Drawdown, which is explained in the "How flexible is it?" section, you can do this from age 55 to before your 89th birthday.

If you are unsure whether the FRP is right for you, you should speak to your financial adviser. If you don't have one, you can find an adviser at **pru.co.uk/find-an-adviser**

Is this a stakeholder pension?

No, the government has set minimum requirements that companies must meet for a stakeholder pension. These cover things like payments, charges and terms and conditions.

Charges for the plan may be higher than for a stakeholder pension.

A stakeholder pension may meet your needs as well as this plan, and these are widely available.

How flexible is it?

The FRP allows payments to be easily changed and offers a wide range of investment options. It can provide for consolidation of existing pension funds, phased retirement and access to a range of annuities.

The FRP offers three options, which can be used individually or together:

- Personal Pension plan (PPP)
- Self-Invested Personal Pension plan (SIPP)
- Drawdown plan – this plan allows you to transfer pension savings to a drawdown option.

What's a SIPP?

A 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.

What is Drawdown?

You can normally choose to take up to 25% of your pension pot as a tax-free lump sum.

You then move the rest into one or more funds in the drawdown option that allows you to take an income at times to suit you. Some people use it to take a regular income. The income you receive might be adjusted over time depending on the performance of your investments. Once you have moved your funds to a drawdown option you can't then switch them back to an investment only option.

The FRP has two drawdown options:

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

Flexi-access drawdown – a form of drawdown which allows you to take an unlimited amount of income or lump sums from a pension fund.

If you enter drawdown, you need to tell us the age when you intend to end your drawdown option plan and perhaps use the remaining fund to buy an annuity – your Anticipated Annuitisation Age (AAA) – it has to be between 56 and 99 and at least one year after the start of your plan.

You can change your AAA 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 AAA must be at least 5 years and if being reduced, the term from the original date of investment in the With-Profits Fund to the revised AAA must be at least 10 years.

How much can I pay into my plan?

The minimum you can transfer into your pension plan is £5,000.

Any additional transfers into your plan need to be at least £200.

If you choose to invest in a Self-Invested Fund under either of the SIPP options, you need to transfer at least £10,000 into that fund. More information about the SIPP options can be found in the “Can I invest in a SIPP?” section.

The maximum you can transfer into your plan is £1m. In some circumstances we may accept transfers larger than £1m.

You should speak to your financial adviser before transferring.

What size of fund do I need to use the Drawdown option?

If the total transfer is being invested into the Drawdown option only, the transfer needs to be at least £25,000.

If the transfer is coming from an existing Drawdown Plan, the minimum amount must be £18,750.

If you’re investing in our FRP for the first time and are transferring money from another pension arrangement into the Drawdown option, the minimum transfer value into the Drawdown option is £10,000, as long as the total transfer into FRP is £50,000.

If you’ve already invested at least £50,000 in FRP (£37,500 if the original investment came from an existing Drawdown plan), the minimum amount that can be invested in the Drawdown option is £10,000 (£7,500 if coming from another Drawdown plan). If you already have a fund value of less than £50,000 in FRP then the minimum amount that can be invested in the Drawdown option is £25,000.

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 make payments into this plan.

Can I transfer money in?

Yes, you can transfer other pensions into your FRP although you will not get any tax relief on transfers. This is an important decision you should speak to your adviser about as you may be giving up valuable benefits from your existing scheme by doing this.

If the pension plan you are transferring money from allows you to take more than 25% of its value as tax free cash when you take your benefits, you may lose this entitlement and any protected early retirement age you are entitled to, when you make your transfer.

If you are using Drawdown, we will hold all your transfers in our FRP Holding Account until we receive all the documents and payments we need to make the transfers.

We pay interest equivalent to HSBC base rate less 0.75% on what we hold in this account. If the HSBC base rate is 0.75% or below we will pay no interest.

If you are only using the Personal Pension option you have the choice to opt in to the FRP Holding Account as above.

For more information, see the **Technical Guides**.

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.

Where are my payments invested?

With the 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 helps reduce your exposure to investment risk as retirement approaches.
- Three ready-made Drawdown lifestyle strategies – Cautious, Balanced and Adventurous.
- 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 the **Fund Guide** which provides more information on the funds available, including the objective of each fund and its risk profile. Alternatively, you can visit our website **pru.co.uk**. We can also send you a copy of this document on request – our contact details are on the last page.

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 Guides**.

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

* *The PruFund Protected Funds are currently unavailable to new investments. If you have previously invested in these funds, you will continue to be invested in them.*

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. All PruFund Funds can be selected for investment at the start of your plan, or at any time after.

Any PruFund investment will initially be invested in a holding account called a PruFund Account and switched to your chosen fund on the next PruFund Quarter Date.

While the investment is in a PruFund Account, it increases daily in line with the Expected Growth Rate (EGR) applicable to that Account. During this time, product charges will be applied, but the investment will not be subject to any unit price adjustments, unit price resets, or suspension of smoothing. There is an associated PruFund Account for each fund in the PruFund Range of funds.

The PruFund quarter dates are 25 February, 25 May, 25 August & 25 November (or the next working day if the quarter date is a weekend or Bank Holiday).

You cannot choose the With-Profits Fund if you are within 10 years of your Selected Retirement Age (SRA) or in Drawdown when you are within 10 years of Anticipated Annuitisation Age (AAA), or aged 85 or over.

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?"

What's the Personal Pension lifestyle option?

The Personal Pension lifestyle option is designed to move money from funds you choose into generally 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.

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

You can find more information about this option in the **Fund Guide**. Your adviser will give you a copy of this document, or you can get it from our website at **pru.co.uk** or contact us.

The With-Profits fund, the SIF 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.

What are the Drawdown Lifestyle options?

You can choose one of three Drawdown Lifestyle Options: the Cautious, Balanced or Adventurous option. Drawdown Lifestyle Option cannot be selected if you are aged 74 or over, or within 10 years of your AAA.

These three "risk" based investment strategies are set by the mix of investment funds held. The mix is designed to change over time as you approach age 75 and perhaps want to take less risk with your investment.

Lifestyle re-balancing stops on your 75th birthday.

We explain more about the Lifestyle Options in the **Fund Guide**.

If you choose one of our Lifestyle Options, you must invest all of your investment into the selected Lifestyle Option.

How unit-linked funds invest

Some of the Prudential funds listed in your fund guide may invest in 'underlying' funds or other investment vehicles. Have a look at a fund's objective and that will tell you where it invests – including if that's in an underlying fund or funds.

If the Prudential fund is investing in just one underlying fund then it's what's known as a 'mirror' fund, as the performance of the Prudential fund broadly aims to reflect the performance of the underlying fund it invests in. The performance of our Prudential fund, compared to what it's invested in won't be exactly the same. The differences between the underlying fund and our fund can be due to:

- additional charges,
- cash management (needed to help people to enter and leave our fund when they want),
- tax,
- timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).

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 in the unit-linked funds 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 With-Profits Fund

The With-Profits Fund invests in a wide range of assets designed to spread risk and provide smoothed returns. The returns are delivered through the unit price which will reflect the addition of Regular Bonus and cannot go down.

Your plan value depends on how much profit the fund makes and how it's shared out as bonuses. However, the unit price does not show the effect of any Final Bonus or Market Value Reduction that may apply.

What's a Market value Reduction (MVR)?

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 any 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, if investment returns are low, 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, partial or regular 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**.

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).**

The PruFund range of funds

The PruFund funds have an established smoothing process which uses Expected Growth Rates, and where required, Unit Price Adjustments, to deliver a smoothed investment journey. It aims to provide you with some protection from the extreme short-term ups and downs of direct investment. However, the value of your investment can go down as well as up so you might get back less than you put in.

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 the 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)**, and refer to the Technical Guides, which are available on request.

PruFund Protected Fund

If you have already selected a PruFund Protected Fund, a guarantee applies at the end of the selected term (the Guarantee Date). The guarantee has its own charge and this is paid for the whole of this term.

We will calculate the Guaranteed Minimum Fund (GMF) on your existing investment in your PruFund Protected Fund. This is the initial amount you invested 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. You cannot switch back in to any available PruFund Protected Fund.

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.

Can I invest in a SIPP?

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

If you invest in the SIF, 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 SIF. 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 SIF, 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 and costs?”. 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.

Curtis Banks Group Relationship

The SIPP option is available under the Prudential Flexible Retirement Plan through the SIF.

It is provided through reinsurance to Curtis Banks Group. All payments to the SIF will be credited to a bank account opened by Curtis Banks Group for the purposes of the SIF, until they receive your investment instructions.

The SIF is also an Externally-Linked Fund, because we provide it through an external Life Assurance Company. As with our other Externally-Linked Funds, there is no contract between you and Curtis Banks Group; the contract remains with Prudential.

However, Curtis Banks Group also deals with the day to day operation of the SIPP option and the SIF, so in this respect, they are acting as Prudential’s administrator authorised to deal directly with you.

If Curtis Banks Group (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, you would not be able to claim under the Financial Services Compensation Scheme (FSCS). Please see “Compensation” section for more information about FSCS.

Please see the **Technical Guides** for more information about the Curtis Banks Group and how the SIF Operates.

Can I change my investments?

You can switch your money between funds at any time 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 up to 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 from a PruFund Protected Fund on 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 are my payments invested?"

For full details on switching rules and to request a switch, please complete the 'Investment Alteration Form'. You can get a copy of this form from your adviser.

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 currently can't switch back. You can't switch money in to a PruFund Protected Fund if you are already invested in it.

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

If you switch money out of the With-Profits Fund, we may apply a Market Value Reduction. For more information about this, please read "What's a Market Value Reduction?".

You cannot switch into the With-Profits Fund within 10 years of your Selected Retirement Age or in Drawdown within 10 years of the Anticipated Annuitisation Age or after your 84th birthday.

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

What if I stop making payments?

You can stop paying or take a payment break and restart later if your circumstances change. Please note that this will reduce your future benefits and you'll still pay charges.

Can I transfer money out?

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?".

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 your Anticipated Annuitisation Age. Please refer to the **Technical Guides** for further Information.

Finally, we may charge for selling assets in the SIF. Charges will depend on the investments you've chosen. For more information please refer to "What are the charges and costs?" section.

For Drawdown, the following options are available. You can:

- move into a Drawdown Plan with another provider,
- use your Drawdown Plan to buy an annuity,
- under the terms of the contract you can remain in Drawdown until your 99th birthday. At any time up until your 99th birthday, you can use all or part of your remaining fund to buy an annuity. If you wish to remain invested in Drawdown after your 99th birthday you will need to move to an arrangement with another provider.

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

You may be moving some or all of your money as part of a phased drawdown, which is where you take your tax-free cash and income gradually over a period of time.

You can either invest in the same funds or switch to different funds under the Drawdown option. When you move your money out of the Personal Pension plan 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 plan. We won't do this if you move money to the Drawdown plan at your Selected Retirement Age. If you move money in the With-Profits Fund into the Drawdown plan, 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 switched to the appropriate fund on the next quarter date.

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 Guides**.

What are the charges and costs?

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 and costs 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 Guides**.

Allocation rate

The allocation rate will always be I00%.

Annual Management Charges

We take an Annual Management Charge from each of the funds you invest in (except the SIF).

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**, which your adviser will give you.

Annual Management Charge – With-Profits Fund

For With-Profits the annual charge applied will depend 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.

Further costs incurred by the funds

In addition to our charges, there may be further costs incurred, which can vary over time. Where these are applicable, they are paid for by the relevant fund and will impact on its overall performance.

For more information on these further costs, please look at the current **Fund Guide** for this product.

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 in the Personal Pension, or at your Anticipated Annuitisation Age in Drawdown. Please see "What's a Market Value Reduction?" for more details.

We allow for this guarantee charge by making an 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 are already invested in a PruFund Protected Fund, the fund includes a guarantee which has an annual charge. We take this charge by cancelling units each month.

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

There are fixed establishment and administration charges to pay on investments in the SIF.

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 SIF.

SIPP Charges

SIPP charges may be higher than for Personal Pensions and Stakeholder Plans or where the size of the fund is relatively small, that is, 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.

If you choose the Drawdown option whilst invested in a SIPP, we apply an Annual Fee of £100.

While self-investment offers more flexibility than a traditional insurance fund, charges can have a greater impact on smaller funds. In particular, for SIFs 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 SIF each year.

SIPP options – transaction charges

- FundSIPP option: you don't have to pay fees for buying and selling assets in the Cofunds fund range.
- 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, our contact details on the last page.

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 SIF, 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.

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 SIF 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.

Fund Size	Fund Size Discount from Annual Management Charge
Less than £25,000	nil
£25,000 – £49,999	0.10%
£50,000 – £99,999	0.20%
£100,000 – £249,999	0.25%
£250,000 and over	0.30%

Loyalty Discount

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

Investment period	Loyalty Discount from Annual Management Charge
Less than 5 years	nil
5 – 9.99 years	0.05%
10 – 14.99 years	0.10%
15 – 19.99 years	0.20%
20 years or more	0.25%

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

What might I 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,
- any income and tax free cash taken under the Drawdown option.

When can I take my 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.

Once in pension drawdown, under the terms of the contract you can remain in drawdown until your 99th birthday. At any time up until your 99th birthday, you can use all or part of your remaining fund to buy an annuity. If you wish to remain invested in drawdown after your 99th birthday you will need to move to an arrangement with another provider.

If you choose to enter Drawdown, you can select your Anticipated Annuitisation Age (AAA). The AAA is the age when you intend to end your Drawdown plan and perhaps use your remaining fund to buy an annuity. Your AAA must be between 56 and 99 years of age and it must be at least one year after the start date of your plan.

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 five 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.

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 or at your AAA.

Please refer to the **Technical Guides** for more information.

What choices will I have when I want to take my benefits?

You have the flexibility in how you draw your pension savings. There are four main options which may be used in combination:

- **You can take cash in stages** – You can leave your money in your pension pot and take out cash lump sums whenever you need to – until it's all gone, or you decide to do something else with what's left. You decide when and how much to take out. With this option every time you take money from your pension, the first 25% is usually tax-free and the remainder may be subject to income tax. So you can't take the full 25% tax-free from your pension pot at the start. But if you don't need the 25% tax-free sum all at once, this may be another way to minimise the tax you pay when you access your money.
- **You can take flexible cash or income (also known as drawdown)** – In most cases you can take out up to 25% of the money moved into your flexible cash or income plan, in cash, tax-free. You will need to do this at the start. You can then dip into the rest as and when you like. You can also set up a regular income with this option. Any money you take after the first 25% may be subject to income tax.
- **You can get a guaranteed income for life (also known as an annuity)** – You can use your pension pot to buy an income for life. It pays you an income (a bit like a salary) and is guaranteed for life. These payments may be subject to income tax. In most cases you can take up lo 25% of the money you move into your guaranteed income for life, in cash, tax-free. You will need to do this at the start and you need to take the rest as an income.
- **You can cash in your whole pension all at once** – You can take your whole pension pot in one go, as a lump sum. Normally the first 25% is tax-free, but on the remainder, you could lose 20%, 40% or even 45% to income tax, if it pushes you into a higher tax bracket (especially if you're still earning). You'll need to plan how you'll provide an income for the rest of your life.

Please get in touch as you approach retirement and we will let you know which of these options we may be able to offer you. You may have to transfer to another pension arrangement to take advantage of them all.

Whatever you decide to do with your pension pot you should shop around as depending on the choices you make, you may find something more appropriate elsewhere, with alternative features, investment options or charges.

Where can I get guidance about what to do with my pension?

General guidance on all aspects of pensions is available from The Money Advice Service **moneyadviceservice.org.uk**.

Telephone: **0800 138 7777**

For people over 50, Pension Wise is also available. This Government service offers guidance to people with personal pensions on all the options available for their pension savings. You can have a free consultation online, over the phone and face to face. Find out more at **pensionwise.gov.uk**.

Telephone: **0800 280 8880**

If you have general requests for information or guidance concerning your pension arrangements contact:

The Pensions Advisory Service (TPAS)
120 Holborn
London
EC1N 2TD

Telephone: **0800 011 3797**

Website: **pensionsadvisoryservice.org.uk**

These services are free and impartial and using them won't affect your legal rights.

What about tax?

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.

Tax Relief

You'll normally receive tax relief on your contributions. For every £100 you pay into your plan, HM Revenue & Customs (HMRC) will pay in another £25. You'll get this tax relief up to the higher of £3,600 gross (including tax relief) or 100% of your earnings. If you earn above the basic rate you will be able to claim back the extra tax you pay through your tax return.

Annual Allowance

The Government limits the amount that can be contributed every year before paying tax. This is called your Annual Allowance.

The Annual Allowance is a limit to the total amount of payments 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.

Money Purchase Annual Allowance

Taking money out of your pension will sometimes lower the amount you can pay into all the pensions you may have while still benefitting from tax relief. This limit is called the Money Purchase Annual Allowance (MPAA). Your pension scheme administrator or provider will have told you if you are subject to the MPAA at the time they started to pay you.

Lifetime Allowance

The Lifetime Allowance is a limit on the amount of pension benefit that can be drawn from pension schemes, whether lump sums or retirement income, and can be paid without triggering an extra tax charge.

Capital Gains

You don't pay capital gains tax on your pension funds.

Income tax

Any money taken out, excluding any tax-free cash, may be subject to income tax.

Tax rules can change and the impact of taxation (and any tax relief) depends on your circumstances. Before you make a decision you should speak to your financial adviser. They can help you understand the tax rules and how they might affect you.

If you've invested in the SIF, you should talk to your financial adviser about how tax affects your investment.

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

How will I know how my Flexible Retirement Transfer Plan is doing?

We send you an annual statement. If you've chosen either SIPP option, we send you a separate statement about the SIF.

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

What happens to the Flexible Retirement Transfer Plan if I die?

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, if you die, 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 FRP 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.

If you invested in either of the SIPP options, we may take instructions from your beneficiaries on how and when to sell assets in the Self-Invested Fund.

For more information about inheritance tax rules, please contact your financial adviser.

What if the Flexible Retirement Transfer Plan isn't right for me?

You can change your mind within 30 days from when you get your Plan documents. This may not apply to some asset types within the Self Invested Fund that cannot be readily sold.

If you decide, for any reason, within this period that you don't want the Plan, we'll refund the value of your fund to the original provider. However, you should bear in mind that the previous provider may not be willing to take back the transfer fund and you may have to find an alternative arrangement.

If you cancel your Plan within 30 days, the value may be less if the fund 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 decide to cancel your Plan, any Adviser Charges that have been paid by Prudential on your behalf will be

reclaimed from your Adviser and included in your refund. Any outstanding Adviser Charges due to your Adviser may need to be settled directly between you and your Adviser.

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

If you've applied for a Drawdown Plan you must return any income and tax free cash received before we can process the cancellation.

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:

Customer Services Department
Prudential
Lancing
BN15 8GB

How much will the advice cost?

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 or drawdown plan is set-up, including moving from personal pension to drawdown.

Set-up Adviser Charge (Transfer & Drawdown)

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 transfer value, after the deduction of any tax free cash (if applicable).

Set-up charges can be specified and deducted as a percentage of the initial investment, after payment of any tax free cash, or as a fixed monetary amount.

For example, if you are transferring to Drawdown and you have a pension fund of £100,000. You wish to take your maximum tax free cash and ask for a £3,000 Setup Adviser Charge. Your £100,000 is invested, £25,000 tax free cash is paid to you and the remaining £75,000 is used to determine maximum income available. The Set-up Adviser Charges are then deducted leaving £72,000 in the Drawdown Plan.

For example, if you are transferring your Personal Pension to a Flexible Retirement Plan with a £10,000 transfer value and want to pay £500 as a Set-up Adviser Charge, we will invest £10,000 then deduct £500, leaving £9,500 invested in the Plan.

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 SIFs) 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 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 SIF to Curtis Banks Group 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.

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.

Compensation

The products Prudential Assurance Company Limited (PACL) offer are covered by the Financial Services Compensation Scheme (FSCS). If we get into financial difficulties, you may be able to make a claim. 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 referred to as being 'in default'.

Losses, which may result from poor investment performance, are not covered by the FSCS.

Where does FSCS protection apply?

There is full FSCS coverage if PACL is 'in default'.

- Your product is protected up to 100% of the value of your claim.
- Any investments you choose to hold in your product will be included in the value of your claim in the event that PACL is declared 'in default'.
- If you hold the Prudential With-Profits fund or PruFund Funds in your product, they are all protected 100% in the event of the default of PACL.

Other investment options are not protected by the FSCS.

- All the other Prudential funds we offer (you'll know these if the name starts 'Prudential'), apart from those mentioned above, are unit-linked and invest with non-PACL fund managers, so FSCS cover does not apply if that fund manager were to be 'in default'.
- And the FRP Holding Account, and any investment in the Self-Invested Fund, are also not protected.

You can find out more information on the FSCS in your **Technical Guides**, at **pru.co.uk/fscs**, or you can call us.

Information is also available from the Financial Services Compensation Scheme.

Visit their website: **fscs.org.uk**

Or write to:

The Financial Services Compensation Scheme,
PO Box 300,
Mitcheldean
GL17 1DY

Or call the FSCS: Telephone: **0800 678 1100**

Where FSCS coverage does not apply, then other factors can come in

As explained in the 'Where does FSCS protection apply?' section, the FSCS doesn't cover every situation. For example unit-linked funds that Invest in the funds of non-PACL fund managers (often called 'mirror' funds).

But, where FSCS protection does not apply, there are other factors that could help if the worst happened and a provider was 'in default'. For example, the use of custodians or depositories to provide protection for fund assets, where there is separate legal ownership of assets and legal entities that aren't liable for any losses of a fund manager. In so doing, the intention is that the underlying fund will not be liable for any losses the underlying fund management company incurs.

PACL would aim to recover any money invested in an underlying fund where the fund manager has been declared 'in default', but PACL would not be liable for any loss incurred from the default of the non-PACL fund manager.

Financial Strength

Prudential meets EU standards for meeting its financial obligations. You can read our solvency and financial conditions reports at **pru.co.uk/about_us**, or if you contact us using the details on the last page, we can post some information to you.

Terms and conditions

This Key Features Document gives a summary of your plan. Full details are set out in the **Technical Guides** which are 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, please contact our Customer Service Team.

Law

The law of England and Wales applies to your 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

Email: **consumer.queries@fca.org.uk**

Prudential Regulation Authority details:

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

Email: **enquiries@bankofengland.co.uk**

Communicating with you

Our documents and terms and conditions, as well as all other communications, 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 'Get in touch' 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: **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: **pensions-ombudsman.org.uk**

You can also submit a complaint form online:
pensions-ombudsman.org.uk/making-complaint

These services are free and using them won't affect your legal rights.

Get in touch

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 online service at **pru.co.uk**

Phone: **0345 640 3000** Monday to Friday 8am to 6pm. We might record your call for training and quality purposes. To find out more about how we use your personal data please visit **pru.co.uk/mydata**

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.

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.

pru.co.uk

PPPK6140 09/2020