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.
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, 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 SIPP options). If you are considering whether our Flexible Retirement Transfer 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 Transfer Plan after reading this booklet, your financial adviser will be able to help.

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, 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.

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. 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.

What’s Prudential’s Flexible Retirement Transfer Plan?
Our Flexible Retirement Plan (FRP) offers flexibility and choice as you save for retirement and take retirement benefits. When you transfer your existing retirement arrangement, you’ll be able to choose from our plan’s Personal Pension, Drawdown 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 a benefit 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 form of drawdown which allows you to take an unlimited amount of income or lump sums from a pension fund.
• 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 your financial adviser, as you approach retirement and we will let you know which of these options we may be able to offer you.

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 FRP 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. 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.

**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.

To enable you to take a tax free lump sum and income payments from your fund using the Drawdown Option.

**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.
- There may be times when we need to suspend the smoothing process for one or more of the PruFund Funds. 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.
Other documents you should consider reading

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 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.
How much can I transfer into my Personal Pension 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 on page 15. The maximum you can transfer into your plan is £1,000,000. In some circumstances we may accept transfers larger than £1,000,000. If you would like to invest more than £1,000,000, please speak to your financial adviser. 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. Please also consider the following risks when transferring pensions:
• Not guaranteed a better pension by transferring.
• May be giving up valuable benefits that you have with the existing plan.
• You should compare charges and investment choices on both existing and new plan.
• If you have a final salary or defined benefit pension you would lose the pension based on percentage of salary.
• If the value of the plan is over £30,000, you need to take advice to transfer.
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.

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.
• 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 for 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 0-30 Fund
- PruFund 10-40 Fund
- PruFund 20-55 Fund
- PruFund 40-80 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.

For Personal Pension: 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 Drawdown: You may be able to select a guarantee period which will match the term to your Anticipated Annuitisation Age (AAA), provided the term from the guarantee start date to your AAA 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.

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 into 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.

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 rebalancing stops on your 75th birthday.

We explain more about the Lifestyle Options in our “Fund Guide – Flexible Retirement Plan”.

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

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 see 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)“.

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Key Features of the Flexible Retirement Transfer Plan (Personal Pension and Drawdown with SIPP options)
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, and in certain circumstances we may suspend smoothing. If this happens the unit price will increase or decrease daily in line with the value of the underlying investment.

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 the 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 15.
What if I bring more than one transfer value into the Flexible Retirement Plan?

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. We explain more about this in our Technical Guides. You can ask us for a copy of these.

Can I take money out of my Personal Pension plan?

From the 6th April 2015, from age 55, you will be able draw all or part of your pension fund as a lump sum (Uncrystallised Funds Pension Lump Sum) – 25% of each payment being tax free with the remaining 75% being added to your income for the year and taxed accordingly.

This may affect the rate of tax you pay when added to any other income for that tax year. Tax rules require careful consideration and you should speak to a financial adviser on this subject.

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?

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.

What are the tax advantages of my Drawdown plan?

You have the same tax advantages with the Drawdown plan as you do with the Personal Pension plan.

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

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](http://www.pru.co.uk/tax) or the HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

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

The information in this booklet is based on our understanding of current taxation, legislation and HM Revenue & Customs practice. All of these are liable to change without notice. The impact of taxation and any tax relief depends on individual circumstances.

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 or occupational pension will increase from 55 to 57 in 2028 and is expected to remain at 10 years below the State Pension Age.

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.

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 Guide for more information. This is available on request.
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. Whatever you decide to do with your pension pot – you don’t have to stay with us. You should shop around and depending on the choices you make, you may find something more appropriate elsewhere, with alternative features, investment options or charges.

Taking benefits through drawdown: If you invest in the Drawdown plan, you can use the money in that plan to take a regular income.

You can usually take up to 25% of your Drawdown plan’s value as a tax-free lump sum. This can only be taken at the start of your Drawdown plan – it can’t be taken later. You can take regular payments and/or one-off withdrawals directly from your plan. You choose how much income, if any, to take each year.

Under Capped Drawdown you can take up to a maximum amount set by the Government Actuary’s Department (GAD). We are required to review the maximum allowable income every three years. From age 75, reviews are required every year.

You can use your remaining fund to provide an annuity at any time. On or before your 99th birthday, you must switch to an annuity or to another provider if you wish to remain in Drawdown.

You can make regular withdrawals monthly, every three months, every six months or yearly.

If you make a withdrawal from the With-Profits Fund, we may apply a Market Value Reduction to your fund – please see “What’s a Market Value Reduction?” on page 15.

For capped drawdown we limit the amount of money you can withdraw from the With-Profits Fund and the PruFund funds if you are not wholly invested in these funds. We explain these limits in our Technical Guide, which is available on request.

The income you get from any annuity you buy could be less than the income you took through Drawdown – depending on factors such as income taken, investment performance and annuity rates.

The Money Purchase Annual Allowance (MPAA) may apply to you if you have flexibly accessed pension benefits on, or after 6th April 2015. Your pension scheme or provider will have informed you if you have flexibly accessed your pension benefits. Examples or drawing benefits flexibly include taking income from flexi-access drawdown or a cash lump sum (Uncrystallised Funds Pensions Lump Sum).

For more information visit www.pru.co.uk/tax.

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

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.

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 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%.

**Establishment Charges**

Where your funds are converted to Drawdown and there are outstanding establishment charges under the Personal Pension Plan, where advice was given prior to 31 December 2012, any outstanding establishment charges will be carried over to the Drawdown Plan. These charges will be taken on an ongoing basis while the Drawdown plan remains in force, but will not be taken on subsequent exit of the Drawdown plan, or deducted from any tax free cash taken. This includes money taken out for transfer payments and annuity purchases.

**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 the insured funds, we reserve the right to explicitly charge for the additional Unit Trust/OEIC expenses. Some of our 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 in the Personal Pension, or at your Anticipated Annuity Age in Drawdown. Please see “What’s a Market Value Reduction?” on page 15 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. 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 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 the 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 Set-up 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 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.

Loyalty Discount

<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>

Fund Size Discount

<table>
<thead>
<tr>
<th>Fund Size</th>
<th>Fund size discount from Annual Management Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £24,999</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>

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

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

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 impact 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 0345 640 3000.

Is the Flexible Retirement Transfer Plan a Stakeholder pension?

The Flexible Retirement Transfer 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 Transfer Plan to another pension arrangement?

You can transfer your fund to another pension arrangement at any time.

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 15.

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 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 16.

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.

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 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 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.
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
25 The North Colonnade
Canary Wharf
London
E14 5HS

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

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 bodies:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Telephone: 020 7630 2200

The Pensions Ombudsman is an independent organisation, set up to investigate complaints about pension administration.

The Pensions Advisory Service (TPAS)
11 Belgrave Road
London
SW1V 1RB

Telephone: 0300 123 1047

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

These services are free and using them 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 – 5:30pm (we are not open on public holidays).
We may record or monitor calls to improve our service. An answer phone is in operation outside office hours.

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.