

Important information if your client or member currently invested in our With Profits fund

If your client/member is invested in our With Profits fund you should consider how the fund will be treated if there's to be a transfer to another pension plan for the benefit of your client's/member's spouse.

If some of your clients/member's fund is transferred to their spouse then they may lose guarantees such as Contractual addition and be subject to a Market Value Reduction (see below). The guarantees and Market Value Reduction that apply will depend on the year in which contributions were received.

It's not possible for the benefits transferred to take into account the year in which the contributions were received. Therefore both parties may wish to consider the impact before splitting their pensions benefits.

Market Value Reduction

If a transfer is made to another pension plan, whether it's with Legal & General or another provider, we may reduce the value of the With Profits investment by a market value reduction. We use market value reductions to treat With Profits customers fairly, whether they stay in With Profits, or withdraw from it early. We'll usually apply a market value reduction when investment conditions have been insufficient to support bonuses. However if your client/member remains invested in With Profits until their retirement date, Legal & General guarantee that a market value reduction will NOT be applied to the policy.

Contractual addition

Some of our contracts have a guaranteed minimum amount by which they will grow each year. The amount depends on the year in which we received contributions. If there's a transfer for your client's/member's spouse your client and the receiving spouse will lose this guaranteed growth amount on the portion transferred.

Guaranteed annuity rates

Some plans include a guaranteed rate, which we would use to turn client/member's fund into a pension. This might give them a higher pension than could be bought from another pension provider. If this is applicable, then these guaranteed rates will be lost on the portion transferred out.

Guaranteed Minimum Pensions (Buy Out Plan customers only)

If your client/member currently has benefits known as Guaranteed Minimum Pension (GMP) we guarantee to pay them a set pension from age 60 (if they're female) or from age 65 (if they're male). The guarantee will be lost on the portion transferred out.



About Legal & General

If your client/member moves away from us, they will no longer be invested with one of the UK's leading financial services companies. Here is a reminder of some of the reasons why **Legal & General is a safe place for their investment:**

- o They have one of the UK's largest fund managers looking after their money
- o The With Profits fund evens out the ups and downs of investing, giving your client/member greater certainty when planning for your future, and
- o The With Profits fund invests in a range of assets such as UK and overseas shares, fixed interest securities and UK commercial property and is lower risk than direct investment in the stock market.

If your client/member values these guarantees, you may think it more suitable to keep the pension plan in full for the benefit of your client/member. You may need to talk to a financial adviser about this.