keyfacts®

Stakeholder Pension Plan

Key Features (for non advised sales)

Retirement Planning made easier with Legal & General

Legal & General

About this document

The purpose of this document is to explain the key features of the Stakeholder Pension Plan. The Stakeholder Pension Plan is referred to as the 'plan' throughout this document. When you take out the plan you become a member of the Legal & General Stakeholder Pension Scheme (the Scheme).

It is important that you understand how the plan works and what the risks are before you buy. The full Key Features comprises:

- this document, and
- the 'Choosing your investment fund' brochure, which is available on this website.

Helping you decide

The Financial Services Authority is the independent financial services regulator. It requires us, Legal & General, to give you this important information to help you to decide whether our Stakeholder Pension Plan is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

What is the plan?

The plan is a simple, low cost, tax efficient way to save for your retirement. You will have your own plan that you can access and manage online.

You can invest from as little as £20 gross. You can stop, start, increase or decrease regular contributions and pay in single contributions at any time.

The money you pay into your plan is put into one or more investment funds of your choice. The aim is to build up your pension fund to provide you with a pension income when you take your benefits.

KEY FEATURES OF THE STAKEHOLDER PENSION PLAN

ITS AIMS

- To build up a pension fund in a tax efficient way to provide you with an income when you decide to take your benefits.
- To give you the option of taking part of your pension fund as a tax free cash sum when you take your benefits.
- To provide an income or cash lump sum for your spouse, registered civil partner or your financial dependants if you die before you take your benefits.

YOUR COMMITMENT

- To start a plan you must either:
  – contribute at least £20 (gross) a month or £20 (gross) a year, or
  – pay a minimum single contribution of £20 (gross).

If you require advice on transfers into this plan or on contracting-out of the State Second Pension, you should speak to a financial adviser.

- Any money invested in the plan is tied up until you take your benefits. Benefits can generally be taken between the ages of 55 and 75.
- If contributions are stopped or are lower than shown in the example illustrations (starting on page 8), your actual pension fund could be lower than illustrated.

RISKS

- The value of your investments can go down as well as up, so the value of your pension fund is not guaranteed. It is particularly important to remember this if you are close to taking your benefits.
- We do not guarantee the growth rates used in the example illustrations (starting on page 8).
- Your actual pension fund could be less than shown in the example illustrations because:
  – investment growth could be lower than illustrated,
  – contributions are stopped or are lower than illustrated,
  – the deductions could be more than illustrated.
- The amount of pension income provided by your pension fund will depend on a number of things. These include charges, investment returns and the rates available to buy your annuity when you decide to take your benefits. Please see the ‘What happens when I take my benefits?’ section on page 6.
- The fund or funds you choose to invest in will have specific risks. These risks are described in the ‘Choosing your investment fund’ brochure, which is available on this website.
- Charges can change. Please see the ‘What are the charges?’ section on page 5 for more information.
- You should be aware that joining a pension scheme may not be suitable for you, particularly if small amounts of savings affect your entitlement to any means tested State benefits.
- If you have obtained enhanced protection of your pension benefits from HM Revenue & Customs (HMRC), any contribution to this plan will mean that you lose your protection and your benefits will be subject to the Standard Lifetime Allowance.
- If you decide to cancel within the 30 day cancellation period (please see the ‘Can I change my mind?’ section on page 6) any refund may reflect a reduction in investment values.
- The law and tax rates may change in the future and the value of tax relief will depend on your individual circumstances.

QUESTIONS AND ANSWERS

WHAT WILL THE PLAN PROVIDE FOR ME?

The example illustrations (starting on page 8) show what kind of pension fund you could build up, taking into account charges over the period, and show how much pension income it could provide for you.

We will send you yearly statements showing the value of your plan.

HOW MUCH CAN I PAY INTO MY PLAN?

You can make gross contributions up to 100% of your annual earnings or £3,600 if greater, each tax year, and still get full tax relief. Please see the 'What is the tax position?' section opposite for more information on tax relief and contribution limits. Also, please see the 'What are my investment options?' section on page 5 for information on how your contributions can be invested.

HOW DO I PAY CONTRIBUTIONS?

You can pay regular contributions by Direct Debit on a monthly or annual basis.

Single contributions can be paid by cheque at any time prior to taking your benefits.

CAN I CHANGE MY CONTRIBUTIONS?

You can increase or reduce your regular contributions and also pay in single contributions at any time. However, the amount of any contribution you make must meet our minimum requirements.

For details of the current minimum contribution levels, please see the 'Your commitment' section on page 3.

You can also choose to have contributions automatically increased each year.

WHAT HAPPENS IF I CHANGE MY JOB?

Your plan is not tied to your current job, so you can continue to pay into it if you change employers.

If your new employer has a company pension scheme, it is usually best to join. However, you can still pay into your plan, but you should discuss this with a financial adviser first.

WHAT IF I STOP MAKING CONTRIBUTIONS?

If you stop making contributions to the plan, your pension fund will continue to be invested as before. We will continue to deduct charges as detailed in the 'What are the charges?' section on page 5.

If the charges are greater than any growth on your pension fund, the value of your pension fund will go down.

You can start making contributions again at any time in the future, prior to taking all of your benefits.

WHAT IS THE TAX POSITION?

All gross contributions up to 100% of your annual earnings, or £3,600 if greater, that you make each tax year to all your Registered Pension Schemes qualify for tax relief. You can make payments up to your 75th birthday, even if you are not working.

The amount you pay as a contribution into your plan, after an amount equivalent to basic rate tax relief has been deducted, is called your net contribution. We then add the basic rate tax relief that we reclaim from HMRC to your net contribution and invest the total, called the gross contribution, in your plan.

For example:

Amount taken from your bank account: (called your net contribution)	£100.00
Tax relief claimed (see **Note 1**)	£25.00
Total gross contribution invested:	£125.00

Note 1: This figure assumes a basic rate of tax of 20%.

If you pay higher rate tax you will need to claim the extra tax relief through your tax office.

Your contract is for the gross contribution, so if the basic rate of tax changes, the amount you pay will change.

If contributions to all your Registered Pension Schemes, including any paid by your employer, exceed the Annual Allowance, the excess will be subject to a tax charge of 40%. However, contributions from HMRC arising from you contracting-out of the State Second Pension do not count towards the Annual Allowance.

The amount of the Annual Allowance has been set up to the tax year 2015/2016 as shown below. It will be reviewed on an ongoing basis after that.

Tax year	Annual Allowance
2010/2011 to 2015/2016	£255,000

The Annual Allowance will not apply in the actual tax year when you take all your benefits.

Any growth in your pension fund is free of UK income tax and capital gains tax. However, we cannot reclaim the tax paid on dividends from UK companies.

There are no restrictions on the value of the total benefits payable from all your Registered Pension Schemes. However, anything over a certain level, called the Lifetime Allowance, will be subject to a tax charge of up to 55% on the excess.

For the 2010/2011 tax year, the Standard Lifetime Allowance has been set at £1.8 million and will remain at that level for all tax years up to and including 2015/2016. After that it will be reviewed on an ongoing basis. For most people, the Lifetime Allowance will be the Standard Lifetime Allowance. However, you may be entitled to an increased Personal Lifetime Allowance in certain circumstances. For more information please contact a financial adviser.

The law and tax rates may change in the future and the value of tax relief will depend on your individual circumstances.

WHAT ARE MY INVESTMENT OPTIONS?

Every payment you make into your plan will be invested in accordance with your instructions.

We currently offer 23 investment funds managed by Legal & General and 17 investment funds managed by other fund managers for you to choose from. We also offer a range of Lifestyle Profiles. Please see the 'Choosing your investment fund' brochure, which is available on this website for further details.

Each fund is divided into 'units'; all units in a fund are equal in value. Your share of a fund is the number of units you hold in it. The value of your pension fund is worked out based on the number of units you hold in a fund and the price applicable to those units.

The price of a unit in a fund depends on a number of factors, in particular the value of the underlying assets and whether there is more money going into or coming out of the fund. The value of your pension fund will go up and down in line with the unit price. We value investment funds frequently to enable us to treat all policyholders fairly. For further details please see 'A guide to how we manage our unit-linked funds', which is available on request. Your Member's policy booklet also contains further details about how we value funds. We will send this to you after we have accepted your application, or you can request one at any time.

You can switch between funds at any time. Currently, there is no charge for switching between funds and no limit on the number of switches. We will tell you should this change in the future.

You can choose to invest in up to 10 different funds or one Lifestyle Profile at any one time.

However, if you do not make a choice, we will automatically invest your contributions in the UK Equity Index Lifestyle Profile. This initially invests in the UK Equity Index Fund, offering you the potential for growth over the long term. In the 10 years before your selected retirement age, we steadily switch your investment into two funds that give more protection from a fall in the stock market – the Fixed Interest Fund and the Cash Fund. When you reach your selected retirement age, 75% of your fund will be in the Fixed Interest Fund and 25% will be in the Cash Fund.

WHAT ARE THE CHARGES?

There is a Total Annual Management Charge, which we work out daily and take monthly for the month just passed by cashing in units.

The Total Annual Management Charge is made up of the following two components.

1) Basic Annual Management Charge

This is a tiered Annual Management Charge so the rate of charge reduces for larger pension funds.

Pension fund value bands	Current rate of Basic Annual Management Charge applicable to band
Up to £25,000	1%
£25,000 up to £50,000	0.9%
£50,000 and over	0.8%

The example illustrations starting on page 8 also use these fund value bands and tiered Annual Management Charges.

For example:

If your fund is worth £40,000 throughout the year, the Basic Annual Management Charge would be:
1% for the first £25,000 and 0.9% for the remaining £15,000.

Therefore:
(£25,000 x 1%) + (£15,000 x 0.9%)
which is £250 + £135 = £385

You can ask for a detailed explanation of how we work out the charge. It is also covered in the Member's policy booklet that you will receive after joining and is also available on request. Please note, in the future we may wish to change or remove the fund value bands and/or the tiered Annual Management Charge structure.

2) External Funds Annual Management Charge

For money invested in Legal & General's External Funds, there is an additional External Funds Annual Management Charge, which is currently 0.15% a year. However, the Total Annual Management Charge will not exceed the maximum as set out below.

Total Annual Management Charge

As the Scheme is registered as a Stakeholder scheme with the Pensions Regulator, the Total Annual Management Charge will not be more than the maximum allowed for this type of scheme. The maximum Stakeholder charge is currently 1.5% a year of the value of the pension fund for the first 10 years of your plan and 1% a year after that.

This means that, during the first 10 years, if your pension fund is valued at £500 throughout a year then we would deduct a maximum charge of £7.50 for that particular year. Or, if your pension fund is valued at £7,500 throughout a year, this means that we would deduct a maximum charge of £112.50 for that particular year.

After 10 years, assuming that the fund values remain at the same levels detailed above, these maximum annual deductions would reduce to £5 and £75 respectively.

We can increase our charges from time to time, but we will let you know at least 30 days before we make any such change.

Further details of the charges are included in the Member's policy booklet, which you will receive shortly after joining and is also available on request. Please also see your personal illustration that you will receive once your application has been processed.

The Temporary Annual Management Charge, described in the Member's policy booklet, will not apply to your plan.

CAN I TRANSFER TO ANOTHER PENSION PROVIDER?

You can transfer the value of your plan to another Registered Pension Scheme at any time. We will not apply a charge to the value being transferred.

WHEN CAN I TAKE MY BENEFITS?

You can normally take your benefits between the ages of 55 and 75.

If you are unable to continue working because of ill health, you may be able to take an income from this plan earlier than the minimum age.

WHAT HAPPENS WHEN I TAKE MY BENEFITS?

Your income can be taken as an annuity. An annuity is what most people think of as their pension. In simple terms, some or all of your pension fund is paid to the annuity provider in exchange for a regular income.

You may also be able to take up to 25% of your pension fund as a tax free cash lump sum and use the rest to provide an income.

If you do take part of your pension fund as cash lump sum, this will reduce the amount of pension income that you receive.

The example illustrations, starting on page 8, give you an idea of how much pension fund you might build up (after charges) and what it could provide for you if you take your pension as an annuity.

If you do not tell us how you want to take your benefits by the time you reach age 75, you will be deemed to have chosen an Alternatively Secured Pension with no income. If this happens, your pension fund may be subject to a tax charge which we will deduct from your pension fund and pay to HMRC. There may also be ongoing tax charges. We will tell you nearer the time what will happen to your money.

WHAT WILL AFFECT MY EVENTUAL PENSION INCOME?

The value of your plan will depend principally on the investments you make and on the performance of those investments up to the time when you choose to take your benefits.

If you choose to buy an annuity, the rates available at the time and the options that you select will affect your benefits considerably. The annuity rates can change significantly over short periods of time, both up and down.

HOW CAN I BUY AN ANNUITY?

You can buy an annuity with us, or take your pension fund to another insurer and buy an annuity with them. This is known as the Open Market Option.

Once you have bought an annuity, you cannot change your mind and you will be paid an income for the rest of your life.

WHAT HAPPENS IF I DIE BEFORE I TAKE MY BENEFITS?

If, when you die, you have not bought an annuity and are over 18 years old, the way your benefits can be paid will depend on a number of things. Your Member's policy booklet, which you will receive after joining and which is also available on request, provides you with full details.

You have the choice of setting up a trust, nominating a beneficiary or doing nothing. A trust or nomination can only apply to benefits paid as a lump sum. For advice on how to set up a trust, please speak to a financial adviser.

If you want to make a nomination, you will need to provide us with written details of whom you want the lump sum benefit paid to. Please note, you cannot nominate yourself or your estate. You can change whom you have nominated at any time by telling us in writing. However, once you have made a nomination, you cannot change it later so that the benefit is paid to you or your estate.

We have the discretion to pay any lump sum death benefit to either the person(s) nominated and/or your estate.

If you do nothing, or are under 18 years old and therefore unable to set up a trust or make a nomination, any lump sum death benefit will be paid to your surviving spouse/registered civil partner. If you do not leave a surviving spouse/registered civil partner, it will be paid to the residuary beneficiaries of your estate.

WHAT IF I NEED MORE INFORMATION ON WHETHER A STAKEHOLDER PENSION IS SUITABLE FOR ME?

This Key Features does not provide financial advice.

To help you decide whether a Stakeholder pension is suitable for you, you should read the specially designed 'Stakeholder Pension Decision Trees' which is available on the website:
www.moneymadeclear.gov.uk/trees
Please remember to take account of any other pension plans you already have before deciding what to do.

If you have any questions, want more information, or are unsure if this is the right thing for you to do, please speak to a financial adviser.

CAN I CHANGE MY MIND?

After we have accepted your application we will send you a notice of your right to cancel. By law we must send you this notice. You will then have 30 days to change your mind about starting the plan.

If you decide to cancel within this 30 day period, you should complete the cancellation notice and return it to the address shown on it. You must post it on or before the 30th day after the day when you received the notice. If you do not take this opportunity to cancel and you want to do so at a later stage, you cannot get any money back until you take your benefits.

If there has been a fall in the investment value of the contract during the period prior to receipt of your instructions to cancel, the refund may reflect the reduction in the investment value.

HOW CAN I CONTACT YOU?

Please send all correspondence regarding your plan to:

Legal & General
City Park
The Droveway
Hove
BN3 7PY

Alternatively, you may call us on 03700 106 020. Call charges will vary. We may record and monitor calls.

EXAMPLE ILLUSTRATIONS

Over the following pages, we have included some example illustrations of the benefits you might receive and the charges we make. There are four example illustrations based on the following four scenarios:

1) A 40 year old male, contributing £50 gross each month for 25 years.
2) A 40 year old male, contributing £50 gross each month for 15 years.
3) A 40 year old male, contributing £100 gross each month for 25 years.
4) A 40 year old female, contributing £50 gross each month for 25 years.

Important

The projected figures in the examples illustrate what your pension benefits could be worth in the future. You may get back more or less than this.

The Financial Services Authority set standard growth rates (which are 5% a year for the lower rate, 7% a year for the mid rate and 9% a year for the higher rate) that firms must use in projections unless lower growth rates are more appropriate.

When assessing the figures, it is important you bear in mind that these figures do not make any allowance for the effects of inflation – inflation results in the projected benefits having a lower value, in terms of today's prices than those shown. The rate of inflation varies but, as an example, with inflation at the rate of 2.5% each year, £100 in 10 years time has a value in terms of today's prices of only £78. Using the same rate of inflation, £100 in 25 years time has a value in terms of today's prices of only £54.

When reading the example illustrations, it's important that you consider the following:

- These figures are only examples and are not guaranteed – they are not the minimum or maximum amounts. What is paid depends on how your investment grows and on the tax treatment of the investment. You could get back more or less than this.
- The examples are based on contributions being made into the UK Equity Index Fund using the Financial Services Authority's standard growth rates.
- Legal & General uses lower growth rates for any fund where we feel it gives a more realistic indication of future returns. If you choose not to invest in the UK Equity Index Fund, and therefore choose one or more of the other funds available, different assumed growth rates may apply.
- All firms use the same rates to show how funds may be converted into pension income. The rates used for converting the fund into pension income assume an interest rate in retirement of 1.9% a year for the lower rate, 3.9% a year for the mid rate and 5.9% a year for the higher rate. These assumed interest rates are subject to review every year on 6 April using a method prescribed by the Financial Services Authority to reflect market changes.
- Your pension income will depend on how your investment grows and interest rates at the time you take your benefits.
- The pension incomes illustrated assume they are single life, level and payable monthly in advance for life. They assume that if the member dies in the first five years, the pension income will continue to be paid each month until a total of 60 monthly payments have been made.
- As annuity rates assume longer life expectancies for females than males, this is reflected in the amount of pension income that can be bought.
- The projections are based on our current charges. Changes to our charges will affect the future benefits you receive.
- The illustrations assume the pension funds are within your Lifetime Allowance. For more information on the Lifetime Allowance please refer to the 'What is the tax position?' section on page 4.
- As this promotion is offered directly by Legal & General, no advice costs are payable. If you seek personal investment advice, your adviser will tell you how much this costs and how it is payable.

EXAMPLE ILLUSTRATION OF BENEFITS FOR A MALE PAYING £50 EACH MONTH GROSS FOR 25 YEARS

Prepared for:

Age: **40 exactly** Selected retirement age: **65** Sex: **Male** Salary: **£20,000**

Plan basis:

- A gross monthly level contribution of £50. The monthly cost to you will be £40 assuming a basic rate of tax of 20%.
- The projected benefits depend on the gross contribution continuing at this level until the selected retirement age.
- The plan is invested in the UK Equity Index Fund.
- Please see the 'What are the charges?' section on page 5 for assumptions about our charges.
- All of your contributions will be invested in the plan, that is no charges are deducted before we invest your money.

What might the benefits be worth?

Assumed investment return:	Assuming a 5.0% a year investment growth	Assuming a 7.0% a year investment growth	Assuming a 9.0% a year investment growth
Total projected fund of:	£25,300	£33,600	£45,200
This could provide a full pension for your lifetime of:	£1,310 a year	£2,160 a year	£3,510 a year
OR a tax-free cash sum of:	£6,340	£8,410	£11,300
Plus a pension for your lifetime of:	£985 a year	£1,620 a year	£2,630 a year

Effect of charges

The tables below set out what the value of your pension fund might be if you were to transfer it to a different pension scheme, at the end of the periods shown.

The early years:

WARNING – The charges mean the transfer value could be less than you paid in, particularly if you stop contributions during the early years. The last two columns assume that investments grow at 7% a year.

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
1	£600	£3	£619
2	£1,200	£13	£1,270
3	£1,800	£31	£1,960
4	£2,400	£58	£2,700
5	£3,000	£94	£3,480

The later years:

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
10	£6,000	£465	£8,130
15	£9,000	£1,300	£14,300
20	£12,000	£2,900	£22,600
Final	£15,000	£5,690	£33,600

What are the deductions for?

- The deductions include expenses, charges, and other adjustments.
- The last line in the table shows that over the full term of the contract, the effect of the total deductions could amount to £5,690.
- Putting it another way, this would have the same effect as bringing down the investment growth from 7% a year to 5.9% a year.

EXAMPLE ILLUSTRATION OF BENEFITS FOR A MALE PAYING £50 EACH MONTH GROSS FOR 15 YEARS

Prepared for:

Age: **40 exactly** Selected retirement age: **55** Sex: **Male** Salary: **£20,000**

Plan basis:

- A gross monthly level contribution of £50. The monthly cost to you will be £40 assuming a basic rate of tax of 20%.
- The projected benefits depend on the gross contribution continuing at this level until the selected retirement age.
- The plan is invested in the UK Equity Index Fund.
- Please see the 'What are the charges?' section on page 5 for assumptions about our charges.
- All of your contributions will be invested in the plan, that is no charges are deducted before we invest your money.

What might the benefits be worth?

Assumed investment return:	Assuming a 5.0% a year investment growth	Assuming a 7.0% a year investment growth	Assuming a 9.0% a year investment growth
Total projected fund of:	£12,200	£14,300	£16,800
This could provide a full pension for your lifetime of:	£487 a year	£755 a year	£1,120 a year
OR a tax-free cash sum of:	£3,050	£3,580	£4,210
Plus a pension for your lifetime of:	£365 a year	£566 a year	£843 a year

Effect of charges

The tables below set out what the value of your pension fund might be if you were to transfer it to a different pension scheme, at the end of the periods shown.

The early years:

WARNING – The charges mean the transfer value could be less than you paid in, particularly if you stop contributions during the early years. The last two columns assume that investments grow at 7% a year.

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
1	£600	£3	£619
2	£1,200	£13	£1,270
3	£1,800	£31	£1,960
4	£2,400	£58	£2,700
5	£3,000	£94	£3,480

The later years:

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
10	£6,000	£465	£8,130
Final	£9,000	£1,300	£14,300

What are the deductions for?

- The deductions include expenses, charges, and other adjustments.
- The last line in the table shows that over the full term of the contract, the effect of the total deductions could amount to £1,300.
- Putting it another way, this would have the same effect as bringing down the investment growth from 7% a year to 5.9% a year.

EXAMPLE ILLUSTRATION OF BENEFITS FOR A MALE PAYING £100 EACH MONTH GROSS FOR 25 YEARS

Prepared for:

Age: **40 exactly** Selected retirement age: **65** Sex: **Male** Salary: **£20,000**

Plan basis:

- A gross monthly level contribution of £100. The monthly cost to you will be £80 assuming a basic rate of tax of 20%.
- The projected benefits depend on the gross contribution continuing at this level until the selected retirement age.
- The plan is invested in the UK Equity Index Fund.
- Please see the 'What are the charges?' section on page 5 for assumptions about our charges.
- All of your contributions will be invested in the plan, that is no charges are deducted before we invest your money.

What might the benefits be worth?

Assumed investment return:	Assuming a 5.0% a year investment growth	Assuming a 7.0% a year investment growth	Assuming a 9.0% a year investment growth
Total projected fund of:	£50,800	£67,600	£90,900
This could provide a full pension for your lifetime of:	£2,630 a year	£4,340 a year	£7,050 a year
OR a tax-free cash sum of:	£12,700	£16,900	£22,700
Plus a pension for your lifetime of:	£1,970 a year	£3,250 a year	£5,290 a year

Effect of charges

The tables below set out what the value of your pension fund might be if you were to transfer it to a different pension scheme, at the end of the periods shown.

The early years:

WARNING – The charges mean the transfer value could be less than you paid in, particularly if you stop contributions during the early years. The last two columns assume that investments grow at 7% a year.

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
1	£1,200	£6	£1,230
2	£2,400	£27	£2,540
3	£3,600	£63	£3,930
4	£4,800	£116	£5,410
5	£6,000	£188	£6,970

The later years:

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
10	£12,000	£930	£16,200
15	£18,000	£2,600	£28,600
20	£24,000	£5,730	£45,300
Final	£30,000	£11,100	£67,600

What are the deductions for?

- The deductions include expenses, charges, and other adjustments.
- The last line in the table shows that over the full term of the contract, the effect of the total deductions could amount to £11,100.
- Putting it another way, this would have the same effect as bringing down the investment growth from 7% a year to 6% a year.

EXAMPLE ILLUSTRATION OF BENEFITS FOR A FEMALE PAYING £50 EACH MONTH GROSS FOR 25 YEARS

Prepared for:

Age: **40 exactly** Selected retirement age: **65** Sex: **Female** Salary: **£20,000**

Plan basis:

- A gross monthly level contribution of £50. The monthly cost to you will be £40 assuming a basic rate of tax of 20%.
- The projected benefits depend on the gross contribution continuing at this level until the selected retirement age.
- The plan is invested in the UK Equity Index Fund.
- Please see the 'What are the charges?' section on page 5 for assumptions about our charges.
- All of your contributions will be invested in the plan, that is no charges are deducted before we invest your money.

What might the benefits be worth?

Assumed investment return:	Assuming a 5.0% a year investment growth	Assuming a 7.0% a year investment growth	Assuming a 9.0% a year investment growth
Total projected fund of:	£25,300	£33,600	£45,200
This could provide a full pension for your lifetime of:	£1,200 a year	£2,020 a year	£3,330 a year
OR a tax-free cash sum of:	£6,340	£8,410	£11,300
Plus a pension for your lifetime of:	£903 a year	£1,510 a year	£2,490 a year

Effect of charges

The tables below set out what the value of your pension fund might be if you were to transfer it to a different pension scheme, at the end of the periods shown.

The early years:

WARNING – The charges mean the transfer value could be less than you paid in, particularly if you stop contributions during the early years. The last two columns assume that investments grow at 7% a year.

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
1	£600	£3	£619
2	£1,200	£13	£1,270
3	£1,800	£31	£1,960
4	£2,400	£58	£2,700
5	£3,000	£94	£3,480

The later years:

At the end of year	Total paid in to date	Effect of deductions to date	What the transfer value might be
10	£6,000	£465	£8,130
15	£9,000	£1,300	£14,300
20	£12,000	£2,900	£22,600
Final	£15,000	£5,690	£33,600

What are the deductions for?

- The deductions include expenses, charges, and other adjustments.
- The last line in the table shows that over the full term of the contract, the effect of the total deductions could amount to £5,690.
- Putting it another way, this would have the same effect as bringing down the investment growth from 7% a year to 5.9% a year.

OTHER INFORMATION

ABOUT LEGAL & GENERAL

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. Over 6.5 million people rely on us for life assurance, pensions, investments and general insurance plans. The Legal & General Group is responsible for investing £287 billion worldwide (as at 30 June 2009) on behalf of investors, policyholders and shareholders.

TAX AND ADMINISTRATION

This information is based on our understanding of current law relating to pensions.

LAW AND LANGUAGE

This contract is governed by English law. The terms and conditions and all communications will only be available in English. All communications from us will normally be by letter or telephone.

OUR REGULATOR

We are authorised and regulated by the Financial Services Authority. We are entered on the Financial Services Authority's register under number 117659. You can check this at **www.fsa.gov.uk/register** or telephone them on 0300 500 5000.

COMPENSATION

If Legal & General is unable to meet its obligations, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS). This depends on the type of business and the circumstances of the claim. Currently, 90% of the value of a valid claim will be covered by the scheme. There is no upper financial limit on the claim. You can get further information from the FSCS on their website at **www.fscs.org.uk**

HOW TO COMPLAIN

If you wish to complain about any aspect of the service you have received from Legal & General, or if you would like us to send you a copy of our internal complaint handling procedure, please contact us using the details set out in the 'How can I contact you?' section on page 6.

Complaints regarding our administration that we cannot resolve can initially be referred to:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB
Telephone: 0845 601 2923
Email: enquiries@pensionsadvisoryservice.org.uk
Website: www.pensionsadvisoryservice.org.uk

and may then be referred to:

The Pensions Ombudsman
11 Belgrave Road
London SW1V 1RB
Telephone: 020 7834 9144
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Sales related complaints that we cannot resolve can be referred to the:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Telephone: 08000 234 567
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Making a complaint to The Pensions Advisory Service or the Financial Ombudsman will not prejudice your right to take legal proceedings.

CONFLICTS OF INTEREST

During the term of your plan conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. A conflict of interest is where our duties to you as a customer may conflict with what is best for ourselves. To ensure we treat customers consistently and fairly, we have a policy on how to identify and manage these conflicts.

A copy of the policy is available on request from the address shown in the 'How can I contact you?' section on page 6, or from our website at **www.legalandgeneral.com/legal-security**

CUSTOMER CATEGORY

The financial services regulator requires us to put our customers into groups so that we can treat them according to their level of knowledge about investments. These groups are:

– Retail client,
– Professional client, or
– Eligible counterparty.

We treat all customers who invest in our pensions as retail clients. This gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

If you know a lot about pensions, maybe because you work in the industry, you can be treated as a professional client or eligible counterparty under the regulations. This won't affect the way we deal with you but it may affect your ability to refer complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

This document is a guide to the key features of this product.
You will find full details in your Member's policy booklet.
All information is correct at the time of going to print.

If you would like a copy of this or any other item of our literature in larger print, Braille or in audio format, please contact us at:

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KT20 6EU

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www.legalandgeneral.com

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