

# ADDING TO YOUR PLAN

## ABOUT THIS DOCUMENT.

This document gives you the important information you need when making additional contributions to your Self-Employed Plan.

You should read this document alongside the **Investment Options** fund brochure, which explains the basics of investing in funds and the important things you need to know about them.

If you need more information to help you make a decision, you should refer to the **Member's Policy Booklet**, which you would have received when your plan started, as well as any notification of changes received since.

Legal & General Assurance Society Limited, as the insurer, is the provider of this product. We are not giving you a personal recommendation as to whether adding to your plan is right for you. If you think you need advice, you should speak to an adviser. If you don't have an adviser you can find one in your local area online at [unbiased.co.uk](http://unbiased.co.uk) or by calling **0800 023 6868**.

## WHAT IS THE PLAN?

Your Self-Employed Plan is a personal pension plan that aims to build up a pension pot in a tax-efficient way. You can take part of your pot as a tax-free cash lump sum when you access it, normally from age 55 onwards, and choose one, or a combination, of the following options:

- Buy a guaranteed income for life (a lifetime annuity).
- Take all of your remaining pension pot as a cash lump sum.

## MANAGING YOUR PLAN.

We'll send you yearly statements to help you keep an eye on your pot. You can ask us for a valuation or additional statements whenever you want.

You can also manage your plan online by registering for, or logging into, **My Account** through our website at [legalandgeneral.com/existing-customers](http://legalandgeneral.com/existing-customers). **My Account** lets you view the current value of your pension pot, gives you access to key information about your plan and allows you to update your personal information.

Your plan is a long-term investment. You should review it regularly to make sure that it continues to meet your needs.

It's important to remember that:

- The value of your investments can fall as well as rise, so the value of your pension pot is not guaranteed. It is particularly important to remember this if you're close to accessing your pension pot.
- The value of your pot when you access it will depend on a number of things. These include charges and investment returns.
- The investments you choose will have specific risks that are described in the **Investment Options** fund brochure, which also includes more information on how the With Profits Fund works.
- If you have registered for protection against Lifetime Allowance charges you would have applied to HM Revenue & Customs (HMRC). Depending on the protection you have, any contribution to this plan may mean that you lose this protection. If you think this might apply to you or are unsure, please speak to your adviser.

## ADDING TO YOUR PLAN.

We can accept:

- Regular monthly or yearly contributions (collected by Direct Debit).
- Single contributions (paid by cheque).

The minimum amounts we can normally accept are:

- £20 for monthly regular contributions,
- £200 for yearly regular contributions and single contributions.

If you also have a life assurance benefit and this is paid for from your pension pot, the minimum regular contribution is £30 for monthly contributions or £300 for yearly contributions.

You can start or increase regular contributions at any time before your selected retirement date. You can also choose to automatically increase your regular contributions each year – this is called indexation.

If you are within five years of your selected retirement date or have gone beyond it you cannot:

- Pay single contributions into the With Profits Fund.
- Switch your existing pot or any on-going contributions into the With Profits Fund.
- Increase regular contributions invested in the With Profits Fund, unless this is as a result of indexation already in place.

It's not possible for your employer to contribute or for you to transfer the value of other pension pots into this plan.

## TAXATION ON YOUR PLAN.

There's no limit on how much you can pay into your pension pot, however, there is a limit on the tax relief available.

If you have no earnings, or earn up to £3,600 in a tax year, you can contribute £3,600 gross across all your pension schemes. If you earn more than £3,600 in a tax year, you can get tax relief on 100% of the earnings you contribute up to the Annual Allowance.

Contributions into your plan are paid gross of tax. This means you will need to claim back any tax relief you are entitled to from HMRC through your yearly Self Assessment tax return.

When you reach age 75 your plan will end and you won't be able to pay any further contributions.

### Annual Allowance

The Annual Allowance for the 2019/2020 tax year is £40,000. If the total gross contributions paid by you, your employer or a third party, into any UK Registered Pension Scheme you've taken out are over the Annual Allowance, you'll be subject to a tax charge. If you're also in a final salary pension scheme (defined benefit), your gross contributions for that scheme will be based on the increase in the value of your benefits during the tax year.

In some circumstances a reduced Annual Allowance may apply:

- A Money Purchase Annual Allowance (£4,000 gross for the 2019/2020 tax year) will apply each tax year once you take money directly out of any money purchase (defined contribution) pension pot you have, unless you:
  - only take your tax-free cash lump sum, or
  - take all of it under the small pension pot rules, or
  - continue taking Capped Income Drawdown.

Not all of these options will be available from every pension pot.

- Your Annual Allowance may also be reduced if your income (including the value of any pension contributions) is over £150,000 and your income (excluding the value of any pension contributions) is over £110,000.

The Annual Allowance will not apply in the tax year in which you die or if you access your pension pot because of serious ill health.



More information is also available at [gov.uk](https://www.gov.uk)

You should contact your adviser if:

- You expect your total gross contributions into all pension schemes to exceed the Annual Allowance in any tax year as unused allowances may be available from previous tax years;
- You have any additional questions, including whether your Annual Allowance will be reduced.

### Lifetime Allowance

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 most people their Lifetime Allowance will be the standard Lifetime Allowance. The standard Lifetime Allowance for the tax year 2019/2020 is £1.055 million. Certain circumstances may mean you have a different personal Lifetime Allowance - for example, if you've registered with HMRC for protection. Depending on the type of protection you have, any contribution to a plan may mean you lose your protection.



The information in this guide is based on our understanding of current law about pensions. The law and tax rates may change in the future and the value of tax relief will depend on your individual circumstances.

## INVESTMENT OPTIONS.

If you increase your regular contributions, unless you tell us otherwise, we'll invest the new amount using your existing investment instructions. Please see the **Adding To Your Plan** section if you're invested in the With Profits Fund and are within five years of your selected retirement date.

If you're investing a single contribution you'll need to tell us where you'd like it invested. If your plan is invested in one of our lifestyle profiles, all additional contributions will also be invested in that profile.

If you want to switch the funds you're invested in, please contact us. Please note that a market value reduction may apply if you switch out of the With Profits Fund.



For more information on the range of investment funds and lifestyle profiles available to you, please read our **Investment Options** fund brochure which is available online at [legalandgeneral.com/pensionoptions](https://legalandgeneral.com/pensionoptions) or by contacting us.

## CHARGES.

The charges on your plan cover set up and management costs. These could include administration, payments to an adviser and day-to-day fund management. The charges can vary depending on when your plan started. Please refer to your **Member's Policy Booklet** and any notifications of changes issued to you.

You may have initial units which were bought with the first two years of your regular contributions. Any increase in your regular contributions made before 6 April 2000 would also have bought initial units for the first two years after the increase applied. If you stopped or reduced your regular contributions during this time, any contributions you make now may still buy initial units. We will contact you if any request to restart regular contributions means you will buy initial units.

In most circumstances other regular contributions and single contributions buy accumulation units. Your annual benefit statement will confirm the type of units you hold.

We'll send you details of the charges that apply to you after we've accepted the additional contribution(s) into your plan. Please contact us if you'd like further information.

### Unit-linked funds

#### Annual Management Charge

For any of your pension pot invested in unit-linked funds, an annual management charge (AMC) is taken into account when calculating the unit price(s) of the fund(s) you invest in.

The AMC will be at the rates applicable when your plan started. If you hold initial units, these have a higher AMC than accumulation units to cover the costs of setting up your plan.

### Additional Expenses

Unit-linked funds also bear additional expenses which are not included in the AMC. These expenses vary depending on the investment fund chosen and they are taken into account when calculating the unit prices.

We review the additional expenses regularly, at least once a year, and as a result may increase or reduce them. Further details can be found in the **Investment Options** fund brochure.

### With Profits Fund

For any of your pension pot invested in the With Profits Fund, the following are taken into account when we decide bonus rates:

- a) the set up and management costs for your plan, including:
  - management of the With Profits Fund,
  - administration,
  - any payment to your adviser, and
- b) any other adjustments, for example to cover the cost of guarantees and options, and
- c) payments to our shareholders.

The bonus rates that apply to initial units may be lower than those that apply to accumulation units to take account of the costs of setting up your plan.

### All plans

#### Bid Offer Spread

You buy units at the offer price and sell them at the bid price. The offer price is generally higher than the bid price. The difference between these is currently 5% of the offer price and will be reflected in the unit prices of the fund(s) you invest in.

#### Allocation

This is the percentage of the contribution that is used to buy units. The allocation rates vary depending on factors such as the type and size of contribution paid and the term to your selected retirement date.

#### Plan Charge

A plan charge of up to £3.00 a month is deducted by cashing in accumulation units. The amount of charge varies depending on when your plan started.

#### Charge Cap

Your plan may benefit from Legal & General's Stakeholder Charge Cap. If this applies to you, we'll compare the charges we deduct each month from your plan against the charges that would have been applied under a Stakeholder pension plan. For the purposes of this comparison the maximum Stakeholder charge is 1% of your pension pot. Where the charges we deduct are higher, we'll refund the difference by adding units to your plan.

If you're invested in the With Profits Fund, please note that when we set the bonus rates we may make other adjustments, for example to cover an increase in the cost of guarantees and options, and these are outside the scope of the charge cap. Please see your annual bonus letter for further information about how we decide how much bonus to pay.

### Additional information on charges

We would have given you information about all the charges applicable to you after you bought the plan. Please refer to your **Member's Policy Booklet** and the **Illustration** that you received when you took out your plan as well as any notification of changes for further details. You may have benefited from reduced charges through sales incentives, an adviser giving up their commission or from buying the plan directly from us.

If you bought your plan through an adviser and they are listed with us as your servicing agent, any additional contributions you make may mean they receive additional payment(s) even though they haven't given you advice.

If you get advice for making additional contributions into your plan, your adviser will tell you how much this will cost.

We review our charges regularly and may introduce charges or change the type and level of charges at any time. We'll let you know in writing at least 30 days before we make any such change. Please contact us if you would like further information about why we might make changes.

### GUARANTEED ADDITION.

A guaranteed addition may be added to your plan when you take your benefits. This means the value of your accumulation units in respect of regular contributions may be increased. Please see your benefit statement for the current value of any guaranteed addition.

### ADDITIONAL BENEFITS.

You may have additional benefits such as:

- **Waiver of premium**

If you're unable to work, and you meet the conditions to claim, we'll make payments to your pension plan. The cost of this benefit is taken from your pension pot.

- **Life assurance benefit**

If you die before taking your benefits, a lump sum will be paid to your spouse, registered civil partner or beneficiary/beneficiaries. The cost of this benefit is either taken from your pension pot or paid for by separate contribution.

Please see your benefit statement to check if either of these apply to you.

It's important you review whether these additional benefits continue to meet your needs. Remember they may be affected by changes to the contributions you pay. Please contact us if you want more information.

### CANCELLATION RIGHTS.

We'll send you a notice of your right to cancel. You will then have 30 days to change your mind about your additional investment.

## 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.

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



**The Pensions Ombudsman**

11 Belgrave Road  
London  
SW1V 1RB



**020 7630 2200**



**[enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)**

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



**The Financial Ombudsman Service**

Exchange Tower  
London  
E14 9SR



**0800 023 4567**  
**0300 123 9123**



**[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)**

Making a complaint to Legal & General, The Pensions Ombudsman or The Financial Ombudsman Service won't affect your legal rights.

## CONFLICTS OF INTEREST.

During your relationship with us a conflict 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 summary of our policy is detailed below and further details are available on request.

We:

- a) will consider the interests of all our customers and treat them fairly;
- b) will manage conflicts of interest to ensure that all customers are treated consistently and to prevent any conflicts of interest from giving rise to a material risk of damage to the interests of our customers;
- c) have in place procedures to ensure that staff identify and report any new conflicts;
- d) will keep a written record of any conflicts or potential conflicts;
- e) will disclose, if appropriate, any relevant conflict to a customer before undertaking business with that customer;
- f) will carry out an annual review to identify any new conflicts;
- g) will ensure new business developments identify any new conflicts of interest.

## SOLVENCY AND FINANCIAL CONDITION REPORT (SFCR).

We are required to publish an annual Solvency and Financial Condition Report (SFCR) describing our business and its performance, our system of governance, risk profile, valuation for solvency purposes and capital management. Our latest SFCR is available on request.

## CONTACT US.

There are several ways to contact us.



Call us on **0345 0260 003**

Call charges will vary. We may record and monitor calls.



Email us at **customer.response@landg.com**

If you're contacting us by email please remember not to send any personal, financial or banking information because email is not a secure method of communication.

You can write to us at:



Legal & General

PO Box 5457

Hove

BN52 9GG

**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 our customer services team on the telephone number above.**



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