

# Fixed Term Retirement Plan

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## Product Summary

This is not a consumer advertisement. It is intended for professional advisers only and should not be relied upon by private investors or any other person.



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## Section 1

# The Fixed Term Retirement Plan at a glance

### Summary

The Fixed Term Retirement Plan is a fixed term annuity that pays a regular set income over a term between 3 and 40 years for advised sales (3 and 25 for non-advised), with a fixed maturity payment at the end of the term. This maturity payment is subject to survival of the member to the end of the term or selection of the appropriate guarantee period. The plan allows your clients to access their pension fund under the flexi-access drawdown rules, through a Legal & General registered pension scheme.

### Investment Limits

**Minimum investment to start a plan** £10,000 – by transferring the value of an existing personal pension plan(s) and after tax-free cash and payment of any adviser charge.

**Maximum investment to start a plan** Any – any investment above £1m must have acceptance confirmed.

**Top-ups** Additional investments will need to be put in a new Fixed Term Retirement Plan, minimum to start a plan is £10,000.

### Age Limits

**Minimum** 55 attained

**Maximum** 85

### Term

**Plan Term** For advised sales 3 to 40 years.  
For non-advised sales 3 to 25 years.

### Income

**The income amount is set at outset and depends on:**

- The investment amount
- The term of the plan
- The maturity value of the plan
- The income options chosen
- The return we can offer when the plan is started.

**Income can be paid:**

- Monthly, quarterly, half yearly and yearly
- In advance or in arrears.

**For advised sales the income can escalate in payment:**

- Fixed from 0.1% to 10%
- Indexation – in line with the Retail Prices Index or the Limited Price Index.

### Maturity Value

The maturity value is set at outset and will be confirmed in the policy schedule.

**At the maturity date the client has the following options:**

- To purchase another Fixed Term Retirement Plan
- To purchase a lifetime annuity with any provider
- To transfer the funds to another registered pension scheme
- To take the value as a cash payment (subject to income tax).

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## Death Benefits Option

### Guaranteed Payment Period:

- Allows the income payments to continue to be paid to your client's beneficiary(ies) or to their estate until the end of the guaranteed payment period. If the guaranteed payment period is the same as the term of the plan, then the maturity value will also be paid at the end of the plan term.
- For advised sales the guaranteed payment period can be any number of full years or for the full term of the plan.
- For non-advised sales a guaranteed payment period that matches the plan term is included, unless your client chooses otherwise.

### For advised sales – joint life:

- A percentage of the income payments, and if applicable the maturity value, continue to be paid to a spouse, civil partner or financial dependant.
- Percentage between 1 – 100%.
- Paid to the selected individual until the end of the plan or their death, whichever is earlier.

The beneficiary will have the option to take any remaining income and maturity value due, as a lump sum. We'll calculate this in the same way that we calculate a withdrawal, cash in or transfer value. The lump sum value will always be less than the total amount due in income payments and maturity value. For more information please see the Terms and Conditions.

### No death benefits:

- If no death benefits are selected and the client dies before the end of the plan term, then there will be no further income payments and the maturity value will not be paid. Choosing no death benefits will increase the amount of the income payments and maturity value.

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## Withdrawing, cashing in early or transferring to another pension scheme

If a guaranteed payment period has been chosen that is equal to the plan term, the client has the option to take up to 3 withdrawals, cash in their plan early or transfer the value to another registered pension scheme.

We'll calculate these by giving a value to the future income payments and maturity value due and deducting our administration and dealing costs. This value will be affected by the underlying assets and interest rates at the time which will go up and down. For more information please see the Terms and Conditions.

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## Agent remuneration

### Adviser Charge

The amount to be paid can be stated as a percentage or pounds amount of:

- The tax-free cash sum
- The amount after the tax-free cash has been taken off
- A combination of both.

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### Commission

Commission is only available where a personal recommendation has not been given. Please see our 'Commission Schedule' for further details – this is available on the Adviser Centre.

## Section 2

# Target clients and potentially suitable clients

<b>Policy Holder Attribute</b>	<b>Target market</b>	<b>Potential eligibility</b>
<b>Age/ Stage of life</b>	55+	Any age that qualifies as an early retirement age due to ill health or a protected retirement age.
<b>Gender</b>	Equally suitable for males and females.	As per opposite.
<b>Financial expertise</b>	<p>Low. May have built up a pension fund over a long period with minimal monitoring or ongoing changes.</p> <p>Would understand the basics of holding a current account and a savings account.</p> <p>Must be able to understand the terms of the Fixed Term Retirement Plan.</p> <p>In the event of taking a withdrawal, cashing in or transferring out, must be able to understand the fluctuation in value.</p>	<p>Must be able to understand the terms of Fixed Term Retirement Plan.</p> <p>In the event of taking a withdrawal, cashing in or transferring out, must be able to understand the fluctuation in value.</p>
<b>Length of investment</b>	<p>Must be able to commit to hold investment for the chosen term (between 3 and 40 years for advised sales and 3 and 25 years for non-advised sales).</p> <p>Must not be looking for lifetime income or an income that lasts longer than the chosen plan term.</p>	<p>Must be able to commit to hold investment for the chosen term (between 3 and 40 years for advised sales and 3 and 25 years for non-advised sales).</p> <p>Must not be looking for lifetime income or an income that lasts longer than the chosen plan term.</p>
<b>Likely attitude to/ capacity for risk</b>	<p>Does not want the value of their investment to fluctuate. Wants set returns.</p> <p>Must be aware of inflation risk on fixed level of income and maturity value.</p> <p>Clients may wish to increase the amount of their maturity value and income by selecting no benefits to continue to be paid in the event of their death before the end of the term.</p> <p>Clients must not be requiring an income for life from this investment, and understand that income will stop at the end of the term, when they will be paid the maturity value as a lump sum.</p>	<p>Does not want the value of their investment to fluctuate. Wants set returns.</p> <p>Must be aware of inflation risk on fixed level of income and maturity value.</p> <p>Clients may wish to increase the amount of their maturity value and income by selecting no benefits to continue to be paid in the event of their death before the end of the term.</p> <p>Clients must not be requiring an income for life from this investment, and understand that income will stop at the end of the term, when they will be paid the maturity value as a lump sum.</p>
<b>Health</b>	All health statuses although if the customer is in ill health, or has certain risks from their lifestyle (for example being a smoker), they may benefit from an enhanced income through an alternative product (for example annuities with enhanced rates).	All health statuses although if the customer is in ill health, or has certain risks from their lifestyle (for example being a smoker), they may benefit from an enhanced income through an alternative product (for example annuities with enhanced rates).

<b>Policy Holder Attribute</b>	<b>Target market</b>	<b>Potential eligibility</b>
<b>Tax Status</b>	All tax statuses. However, where no tax advantage (i.e. the total value is within their personal allowance – £12,500 for 2019/2020) and proposed term is close to minimum then alternative deposits should be considered first.	All tax statuses. However, where no tax advantage (i.e. the total value is within their personal allowance – £12,500 for 2019/2020) and proposed term is close to minimum then alternative deposits should be considered first.
<b>Other financial products held</b>	<ul style="list-style-type: none"> <li>• Current account</li> <li>• Savings account</li> <li>• Cash ISA</li> <li>• Money purchase pension fund</li> <li>• Stocks and shares ISA</li> <li>• Direct stocks (maybe employer).</li> </ul>	None, although likely to have a bank account. Also may be suitable to hold as part of a wider portfolio of investments.
<b>Income/ Wealth</b>	<p>Must hold sufficient funds for emergency cash first.</p> <p>Sufficient retirement wealth to invest at least £10,000 for a minimum of 3 years.</p> <p>Likely that the sum has been built up over a long period in a pension fund.</p> <p>Current income may be low or nil.</p> <p>See 'Tax status' section above for further information on where alternative deposits should be considered first.</p>	<p>Must hold sufficient funds for emergency cash access first.</p> <p>Sufficient retirement wealth to invest at least £10,000 for a minimum of 3 years.</p> <p>Likely that the sum has been built up over a long period in a pension fund.</p> <p>Current income may be low or nil.</p> <p>See 'Tax status' section above for further information on where alternative deposits should be considered first.</p>
<b>Investment/ Protection aims</b>	<ul style="list-style-type: none"> <li>• Income or growth</li> <li>• Fixed returns</li> <li>• To bridge the gap to another source of income.</li> </ul>	<ul style="list-style-type: none"> <li>• Income</li> <li>• Fixed returns</li> <li>• To bridge the gap to another source of income.</li> </ul>
<b>FRESCO segments</b>	<ul style="list-style-type: none"> <li>• Asset rich greys</li> <li>• Road to retirement</li> <li>• High income professionals</li> <li>• Older working families.</li> </ul>	<ul style="list-style-type: none"> <li>• Asset rich greys</li> <li>• Road to retirement</li> <li>• Low income elderly.</li> </ul> <p>Other segments where a lower retirement age is obtained.</p>

The client segments we use are the ones used by the FRESCO segmentation tool. This describes people in terms of their product holding and demographics as well as attitudes to financial services. If you would like more information about FRESCO segments please go to [caci.co.uk](http://caci.co.uk).

## Section 3

# Unsuitable customers

Policy Holder Attribute	Description of why product may be unsuitable for some customers	
Age/ Stage of life	Under age 55 (apart from where the client has a protected lower retirement age or they are retiring on the grounds of ill health).	
Gender	N/A	
Financial expertise	Clients who do not understand the product.	
Length of investment	Clients unable to commit to an investment of at least 3 years, or those who are looking for a lifetime income through a single product.	
Likely attitude to/ capacity for risk	Clients looking for higher returns through taking higher risks. Clients who are totally risk-averse to any sort of investment.	
Health	None, although if eligible for enhanced rates then should also consider products that offer increased rates first.	
Tax Status	Nil rate tax payers if they can withdraw their pension fund within their personal allowance and are looking to spend over the short term (3 years).	
Other financial products held	N/A	
Income/ Wealth	Clients that do not have at least £10,000 to invest.	
Investment aims	Clients looking for potential capital growth levels that are more likely to be achieved through investment risk. Clients needing instant access to cash. Clients in need of an emergency cash fund.	
FRESCO segments	Segments where the client is unlikely to be of an age at which they can access their pension pot: <ul style="list-style-type: none"> <li>• Still at home</li> <li>• Starting out</li> <li>• Rising metropolitans</li> <li>• Poorer parents</li> <li>• Working singles and couples</li> <li>• Home owning families.</li> </ul>	The client segments we used are the ones used by the FRESCO segmentation tool. This describes people in terms of their product holdings and demographics as well as attitudes to financial services. If you would like more information about FRESCO segments please go to <a href="https://caci.co.uk">caci.co.uk</a> .



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Registered in England and Wales No. 00166055

Registered office: One Coleman Street, London EC2R 5AA

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Q51396 04/19 NON ASD