



Key Features of the Cash-Out Retirement Plan

Contents

Using this document	3
Key Features of the Cash-Out Retirement Plan	4
Your questions answered	6
Your options	10
Your quote	13
Further information	14
Contacting us	16

Using this document

What are Key Features?

The Financial Conduct Authority is a financial services regulator. It requires us, Legal & General, to give you this important information to help you to decide whether our Cash-Out Retirement Plan is right for you.

You should read this document carefully so you understand what you are buying, and then keep it safe for future reference.

Other documents

We want you to be confident that you have all the information you need to decide if the Cash-Out Retirement Plan is right for you.

You should also read the following documents:

- Your Personal Quote
- Our Terms and Conditions

Please contact us if you haven't received these.

Important information about your decision

Deciding to transfer an existing pension plan into a Cash-Out Retirement Plan is an important decision. Other providers may offer products, features and terms that we don't offer, or they might be better value for money. You can buy a plan with us or another provider and by shopping around you may be able to improve the income you receive. Once a plan is set up and your cancellation period has expired, changing your mind could have serious financial consequences for you.

Please note, we're not giving you financial advice by sending you this document. It's up to you to decide if this plan is suitable for you.

Further information and help

Financial advice

A financial adviser will be able to help you understand your options and decide what is best for you. If you don't have a financial adviser you can find one in your area by visiting unbiased.co.uk and entering your postcode. An adviser may charge for their services.

Pension Wise from MoneyHelper

Pension Wise is a free and impartial government service from MoneyHelper that offers you:

- Tailored guidance (online, over the telephone or face to face) to explain what options you have and help you think how to make the best of your pension savings.
- Information about the tax implications of different options.
- Tips on getting the best deal, including how to shop around.

Visit moneyhelper.org.uk/pensionwise for more details. If you'd prefer to speak to someone over the phone or book a face-to-face appointment you can call **0800 138 3944**.

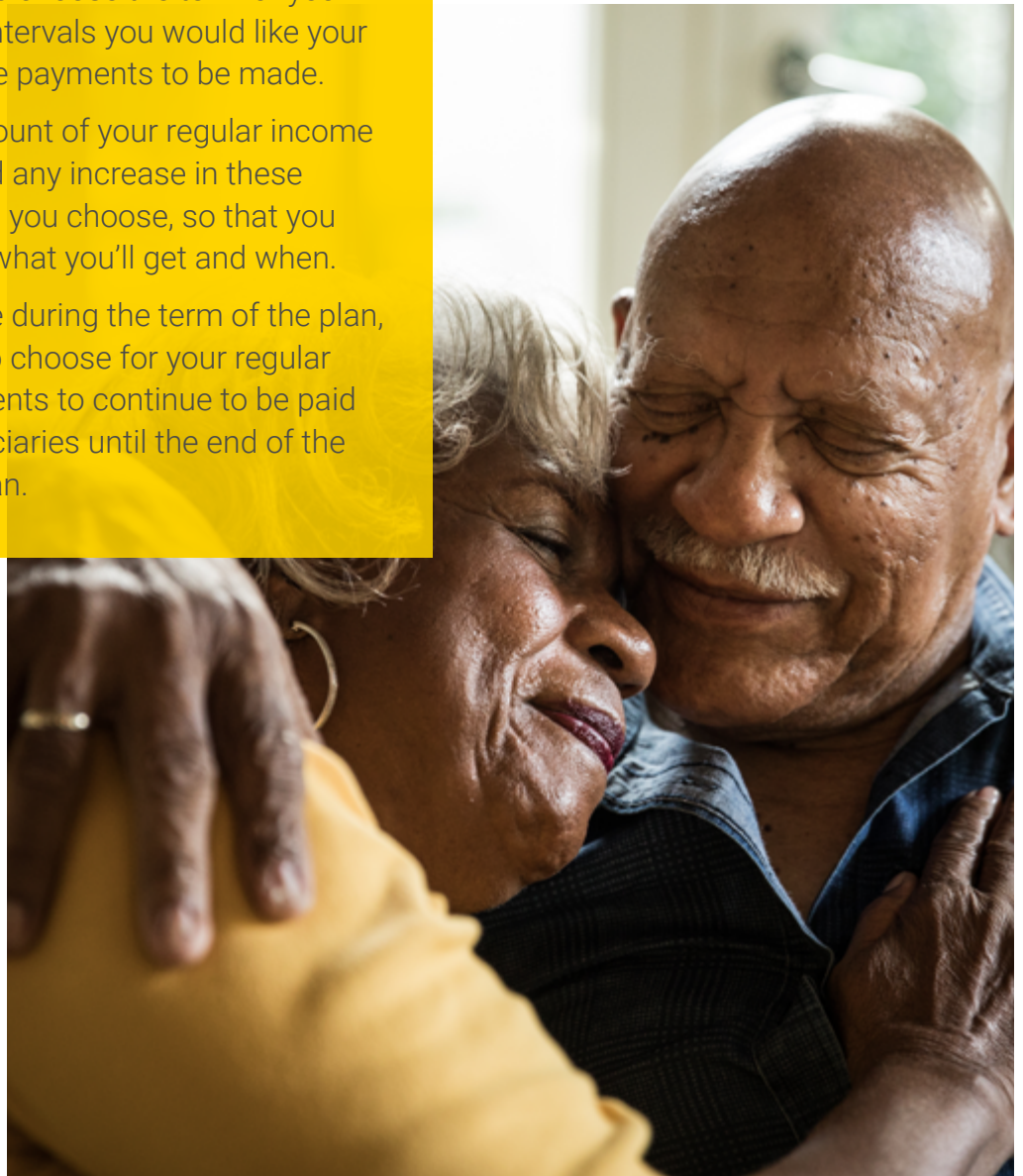
About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia.

Key Features of the Cash-Out Retirement Plan

Its aims

- To pay you a fixed regular income, or an income that increases over time, until the term of the plan comes to an end.
- To allow you to choose the term of your plan and the intervals you would like your regular income payments to be made.
- To set the amount of your regular income payments, and any increase in these payments that you choose, so that you know exactly what you'll get and when.
- Should you die during the term of the plan, to allow you to choose for your regular income payments to continue to be paid to your beneficiaries until the end of the term of the plan.



Your commitment

- Transfer the value of an existing pension plan to us, of at least £10,000.
- You'll need to choose:
 - how long your Cash-Out Retirement Plan will run for,
 - whether you'd like your income payments to be fixed or increasing,
 - how often you would like your income payments to be made to you, and
 - if you would like any income payments to be made in the event of your death before the end of the plan term. Choosing for your full income payments to continue to the end of the plan term will reduce the income you receive.

Choosing payments to be lower or to stop after your death will mean your regular income payments will be higher, but this will also mean that you won't have the option to transfer the value of your plan to another pension scheme or cash it in if your circumstances change.

Please see '**Can I get my money out if my circumstances change?**' on page 8 for more details.

You won't be able to change these options after your plan has started.

- To choose to receive regular income payments, after the deduction of income tax, either monthly, quarterly, half yearly or yearly, in arrears or in advance.

You won't be able to withdraw cash amounts from your plan as and when you choose.

Risks

- If you don't choose an option to increase the amount of your regular income payments they will remain fixed throughout the term. So, over the term of your plan, the effect of inflation on your fixed level of income could leave you less well off than you'd expected.
- You may be able to obtain a higher amount of income through a product that assesses your health or certain lifestyle conditions.
- You have 30 days from the date you receive our confirmation that your plan has started to change your mind. Once the 30 days have expired, you can't change your mind and transfer your pension pot(s) to another pension scheme or cash it in unless you have chosen the option for a guaranteed minimum payment period that runs until the end of the plan. If you do select this option and transfer the value or cash in your plan, the amount you get back will be less than the value of the remaining income payments due.

Please see '**Can I get my money out if my circumstances change?**' on page 8.

- If your circumstances change during the term of the plan you won't be able to change your options.
- The income we pay you may have an impact on any means tested State benefits that you receive.
- For some plans, if you choose a short term (typically less than five years), the total of all the fixed income payments over the term may be less than the amount of money you used to buy your plan.

Your questions answered

What is the Cash-Out Retirement Plan?

The Cash-Out Retirement Plan is a fixed term contract that pays you a regular income over a term of between 3 and 40 years. You pay us a lump sum and we then commit to pay you a regular income monthly, quarterly, half yearly or yearly over a fixed term of your choice.

The minimum you can contribute is £10,000, by transferring your existing pension plan.

Income will be paid to you over the term of the plan, but once the plan comes to an end, there is no maturity value and there'll be no further payments. When you take out the plan you become a member of the Legal & General Retirement Pension Scheme. This is an HM Revenue & Customs (HMRC) UK Registered Pension Scheme.

Is this plan suitable for me?

The plan may be suitable for you if:

- You want to fully withdraw money from your existing pension plan by receiving regular income payments over a period of your choice.
- You don't want the value of your pension pot to go up and down depending on investment performance, and you want to know exactly how much you'll receive back and when.
- You do not want to incur a higher rate of income tax by taking the money out of your pension pot in one lump sum.
- You want to use your pension pot to provide you with an income for a specific period, for example:
 - to bridge the gap to an alternative source of retirement income such as a final salary pension, or
 - if you're deferring your State Pension to increase the amount of income it pays you, or so that it pays you a lump sum.

Case study

Helen has a **£50,000** pot and takes **25%** of it as tax free cash.

Helen then uses the remaining **£37,500** from an existing pension plan and chooses a term of ten years. She then receives a fixed regular income of **£4,560** each year from her Cash-Out Retirement Plan.

This amount is subject to income tax that Legal & General deduct and pay to HMRC on Helen's behalf.

Over the full term of her plan, the total amount of income Helen receives before tax is: **£4,560** x ten years = **£45,600**.

These amounts are confirmed to Helen when she starts her plan.

The figures used above are examples only. Please see your personal quote for details of the actual amount that you would receive.

Source: Legal & General, January 2023

The plan won't be suitable for you if:

- You want to withdraw cash amounts from your plan as and when you choose.
- You want to change the amount of income you receive during the plan term.
- You want the amount you get back to vary depending on investment conditions.
- You want to build up a pension pot by making further single or regular contributions in the future.
- You want an income that lasts for your lifetime and does not end at a set date in the future.

- You or your partner have certain lifestyle health risks or have been diagnosed with a more serious medical condition(s), which could lead to your income being higher through a product that assesses your health.
- You could immediately withdraw the full amount from your pension pot and not pay a higher rate of income tax than you'd normally pay. If you're unsure of your income tax position, we recommend that you seek financial advice.

Example

If you transferred a pension pot of **£20,000** you can take **25%** as tax-free cash, which is:

£20,000 x 25% = £5,000

The remaining **£15,000** can then be used to buy a Cash-Out Retirement Plan.

When can I buy a Cash-Out Retirement Plan?

You can buy a Cash-Out Retirement Plan if you're aged 55 or over.

How much can I use to buy a Cash-Out Retirement Plan?

You can use from £10,000 with no upper limit. This amount can only be paid by transferring money from an existing pension plan.

Our £10,000 minimum limit is after any tax-free cash that you take. Please see the following section for details about tax-free cash.

How much tax-free cash can I take?

You can normally take up to 25% of your pension pot as a tax-free cash sum.

If you would like to take a tax-free cash sum, you'll need to let us know when you apply for your Cash-Out Retirement Plan. Once your plan has started, you won't be able to change your decision.

How much regular income will you pay me?

This depends on:

- the amount of money you use to buy your plan,
- the term of your plan,
- which payment options you choose,
- the return we can offer you when you start your plan, and
- the amount of income tax you pay.

We'll show you how much income you'll be paid in your personal quote.

Please see **'Your options'** on page 10 for more details.

How will you pay me my income?

We'll pay your income directly into your bank or building society account. We won't make payments by cheque.

How can I get an update on my plan?

If you have any questions about your plan, you can contact us using the details shown in the **'Contacting us'** section on the back page. We'll also send you a statement each year giving you an update on your plan.

Can I manage my plan online?

Once you've received your plan number you'll be able to register for My Account at legalandgeneral.com/myaccount

My Account allows you to manage your plan quickly and easily online. You'll be able to:

- View your plan
- Update your address and personal details
- Find answers to Frequently Asked Questions

What are the charges for the plan?

We take account of our charges when we calculate how much income we'll pay you. This includes our costs in providing your plan to you. For plans with a shorter term, this means the overall return may be less than you paid in.

There are no further charges for you to pay unless you decide to cash in or transfer your plan before the end of the term. Please see the **'Can I get my money out if my circumstances change?'** section on this page for more information.

How long will my Cash-Out Retirement Plan run for?

You can choose any term between three years and 40 years. This must be in whole years and months.

Will I receive anything when the plan ends?

No, there is no 'maturity' payment at the end of the plan. The full value of your plan is paid out to you through the regular income payments over the term of the plan.

What happens if I die before the end date?

Unless you choose any death benefit options, payments will stop when you die.

Please see **'What death benefit options do I have?'** on page 11 for more details.

Can I get my money out if my circumstances change?

This depends on the options you choose. If you choose a guaranteed minimum payment period that runs to the end of the plan term (as described in **'What death benefit options do I have?'** on page 11) then you will have the option to cash in or transfer the value of your plan.

If you don't choose a guaranteed minimum payment period that runs to the end of the plan term, then you will not have the option to cash in or transfer the value of your plan.

You can ask us for a cash in or transfer value at any time during the term of your plan. We'll calculate this by giving a value to the future income payments due to you and deducting our administration and dealing costs. This will be affected by the underlying assets and interest rates at the time, which will go up and down.

This means that the cash in or transfer value will always be less than the total amount due in income payments. The earlier in your plan term you choose to do this, the lower the value is likely to be.

If you choose to cash in, we'll deduct any income tax and pay you the money. If you're transferring, we'll pay the money direct to the pension scheme you choose.

Case study

Helen has a **£50,000** pot and takes **25%** of it as tax free cash.

Helen then uses the remaining **£37,500** to buy a plan for a term of ten years. She is receiving yearly income payments of **£4,560** before tax. After three years Helen decides to cash in her plan.

She has seven income payments due to her totalling **£31,920**.

Helen receives a cash in value of **£26,876** which includes a deduction for our administration and dealing costs.

The figures used above are examples only and actual values will depend on individual circumstances. For more information please see the Terms and Conditions.

Source: Legal & General, January 2023

Will my annual allowance be affected?

Your annual allowance is the limit on how much money you can build up in your pension in any one tax year while still benefiting from tax relief.

For most people, the standard annual allowance for the current tax year is £60,000. When you start receiving payments from your plan your limit will reduce to £10,000 a tax year from that point onwards. This is known as the Money Purchase Annual Allowance (MPAA).

If you have flexibly accessed any other pension benefits you will already have triggered the MPAA. Your pension provider will have notified you of this.

For more information visit: gov.uk/tax-on-your-private-pension/annual-allowance

Can I change my mind?

You can cancel your application:

- At any point before your plan starts
- Up to 30 days from the date you receive our confirmation that your plan has started.

If you cancel before any tax-free cash is paid and before your plan has started:

If we've received your pension pot we'll contact your previous pension scheme to see if they're willing to accept it back. If they won't, we'll ask you to choose another provider who will accept the transfer or choose another pension or retirement income product with us.

If you cancel after any tax-free cash is paid or after your plan has started:

We can't return your pension pot to the transferring pension scheme. You can choose to buy a retirement income product with another provider or continue with us. You may be able to select new options for the product you choose.

How do I cancel?

If you wish to cancel, please contact us and your previous pension scheme provider if they are paying you any tax-free cash. Our contact details are on the back cover. If we've paid you any income, you must return this money to us within 30 days of letting us know.

If you decide to cancel and have used part of your pension pot to pay an adviser charge, we will reclaim the charge from your financial adviser. Your financial adviser may then ask you to pay for the services they have provided using another method.

If you decide to cancel and you have paid the adviser charge direct to your financial adviser, we will not reclaim the adviser charge from your adviser.

Will I have to pay tax on my income?

Your payments will be treated as earned income and taxed accordingly. The amount of tax you pay can change from time to time with changes in your circumstances, tax rates and other factors. When these changes happen, the level of income we'll pay you will also change, in line with the instructions that we're given by HMRC.

We'll send you a P60 each year confirming the total amount we've paid you and the total amount of tax we've deducted.

There are no restrictions on how much income you can receive. If the total value of all your pension savings exceeds your 'Lifetime Allowance', as set by the Government, the excess will be subject to a tax charge payable to HMRC. Please visit gov.uk/tax-on-your-private-pension/lifetime-allowance for more information.

If you die during the plan term aged 75 or over, any amounts we pay to your beneficiary or dependant will be subject to the rate of income tax they pay. If you are under age 75 when you die, any amounts we pay to your beneficiary or dependant will usually be tax free.

Your options

What income options do I have?

A fixed income

We can pay you a fixed income, where the level will remain the same for as long as we're paying it to you.

With this option you'll know how much income you'll be paid and when, but there is the danger that your income won't buy as much over time because of inflation.

The rate of inflation will vary but for example, if inflation averaged 2.4% a year, after 10 years the value of £100 in today's prices would be only £79; and after 25 years, just £55.

An income that increases

If you're concerned about the possible effects of inflation, we can pay you an income that increases each year, either:

- by a fixed percentage – anything up to and including 10%, or
- in line with the Retail Prices Index (RPI), or
- in line with RPI capped at 5%, referred to as 'Limited Price Indexation'.

RPI is the index of the average change in the prices of goods and services in the UK. If you choose an income that increases over time, the income we'll pay you to begin with will be lower than if you'd chosen a fixed income.

Payment frequency

When you buy our Cash-Out Retirement Plan, you must tell us how frequently you want us to pay you your income.

We can make payments:

- monthly,
- quarterly,
- half yearly, or
- yearly.

We can pay your income either:

- in advance (at the start of the payment period), or
- in arrears (at the end of the payment period).

The options you choose will affect the amount of income you receive.

If you choose to have your payments made in arrears and also reduce or remove your guaranteed minimum payment period (see **'What death benefit options do I have?'** on page 11) you may decide that you would like a final payment to be made to cover the period between your last payment and your death. This is called a 'proportionate' payment. If you choose a 'proportionate' payment, your starting level of income will be lower.

If you choose a fixed income to be paid yearly in arrears this amount would be higher than if you chose for your income to be paid yearly in advance. However, you would have to wait a year before we pay you your first payment.

What death benefit options do I have?

You can choose one or both of the following death benefits. Choosing a death benefit will reduce the amount of your income payments. It's therefore very important that you discuss this with your adviser to ensure that you choose the options that are more suitable for your needs.

A guaranteed minimum payment period

You can choose to guarantee that your income is paid for a minimum period from the date your plan starts. This means that if you die during your chosen period we'll continue to pay your income to your estate or any other person you specify until the end of this period. Your beneficiary will be chosen by us but we'll always take into account any nomination that you make. You can change your nomination at any time by contacting us.

If you choose a guaranteed minimum payment period for the full length of your plan and no other death benefit:

- If you die before the end of your plan, your income will be paid until the end of your plan.
- Your beneficiary will have the option to cash in or transfer the value of the plan.
- Your beneficiary will have the option to take any remaining income, as a lump sum. For more information please see the Terms and Conditions.

If you choose a guaranteed minimum payment period that is less than the full length of your plan and no other death benefit:

- If you die during the guaranteed minimum payment period your income will continue to the end of the period.
- If you die after the guaranteed minimum payment period but before the end of the plan no income will be paid.
- Your beneficiary will have the option to take any remaining income, as a lump sum. For more information please see the Terms and Conditions.

An income for your dependant

You can choose for a percentage of the income to be paid to your surviving spouse or registered civil partner if you die before they do. Or, if you're not married or in a registered civil partnership, then we can pay an income to a financially dependent partner.

If choose no other death benefit and you die before the end of the plan the percentage of your income selected will be paid to your dependant until the end of the plan or until they die if this is sooner.

- **Named spouse**

The person you're currently married to or in a registered civil partnership with when you start your plan.

- **Unnamed spouse**

The person you're married to or in a registered civil partnership with when you die, if you don't know who this will be.

- **Named financial dependant**

A partner who is, in our opinion, financially dependent on you at the time of death.

If you want an income to be paid to a financially dependent partner then you must name them when you buy your plan. They will need to be able to prove they were financially dependent on you at the time of your death.

As with the guaranteed minimum payment period, choosing this option will reduce the amount of your income payments.



Choosing both

You can choose a guaranteed minimum payment period that is less than the plan term and an income for your dependant.

If you die before the end of the guaranteed minimum payment period:

- Income payments will continue to be paid until the end of this period. Immediately following this period, we'll pay income payments to your dependant. The income payments will be paid until the end of the plan or until your dependant dies if this is sooner.

If you die after the end of the guaranteed minimum payment period but before the end of your plan:

- We'll pay income payments to your dependant from the date of your death. The income payments will stop at the end of the plan or when your dependant dies if this is sooner.

Your quote

How long is my quote guaranteed for?

We can guarantee your quote for a limited period. We must receive the money from your pension pot(s) before the date shown in the 'important information' section in your quote. If we receive the application or the money after this date, we'll have to send you a new quote and the amount of income you receive could be different.

What should I do if I want to accept this quote?

You should complete the application form, and any other accompanying documentation, and return it to us.

Please see **'Can I change my mind?'** on page 9 for more information.

What if the date in the 'Important Information' section of my quote has passed?

We'll send you a new quote that will reflect the amount of regular income payments we'll be able to offer you at that time.

Will you make any payment to my financial adviser or intermediary?

If a financial adviser has given you a personal recommendation to buy this plan, the only way you can pay them for their service is in the form of a fee called an 'adviser charge'. The amount of the charge should be agreed between you and your financial adviser.

You can pay the adviser charge directly to your adviser from your own funds. Alternatively, we can arrange for the adviser charge to be deducted from:

- the amount being used to buy your Cash-Out Retirement Plan provided that the remaining amount still meets the minimum amount; or
- your tax-free cash sum; or
- a combination of both of these and paid to your financial adviser on your instruction.

Once we've set up your plan you won't be able to cancel the adviser charge or pay another one from your pension pot.

If you cancel your plan, you may have to find another way of paying the adviser charge. For more information please see **'Can I change my mind?'** on page 9.

If you choose to pay your adviser charge from your pension pot there will be less money available to buy your plan, so the level of income will be lower.

We can only pay an adviser charge to firms that are authorised and regulated to receive them.

Further information

Which law and language do you work in?

All the information in this document is based on our understanding of current law relating to pensions.

This contract is governed by English Law. All our customer communications will only be available in English. All communications from us will normally be by letter or phone.

- have in place procedures to ensure that staff identify and report any new conflicts.
- will keep a written record of any conflicts or potential conflicts.
- if appropriate, will disclose any relevant conflict to a customer before undertaking business with that customer.
- will carry out regular reviews to identify any new conflicts.

What if there is a conflict of interest?

We provide a wide range of services to many different customers. Sometimes circumstances may arise where our duties to customers differ from what is best for us or for another customer. This is a conflict of interest. We take our responsibility to identify and manage conflicts of interest fairly between us and our customers, or between two or more different customers very seriously. 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:

- will consider the interests of all our customers and treat them fairly.
- will manage conflicts of interest to:
 - ensure that all customers are treated consistently,
 - prevent any conflicts of interest from giving rise to a material risk of damage to the interests of our customers.

Who regulates you?

We're authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. We're entered on the Financial Services Register under number 117659.

You can check this at

fca.org.uk/firms/financial-services-register or you can call **0800 111 6768**.

Alternatively, you can write to The Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.

What if Legal & General runs into financial difficulties?

We're covered by the Financial Services Compensation Scheme (FSCS). If you are a UK resident, you may be entitled to compensation from the FSCS if we can't meet our obligations. This depends on the type of business and the circumstances of the claim. Currently 100% of the value of the valid claim is covered. There is no upper financial limit on the claim.

You can find out more about the FSCS (including amounts and eligibility to claim) by visiting its website [fscs.org.uk](https://www.fscs.org.uk) or you can call **0800 678 1100**. Investor protection legislation and regulation may change in future. If you are resident outside of the UK, you should speak to a financial adviser for clarification of your eligibility.

What is client categorisation?

There are various categories of client set out in the financial regulations. If you buy this Legal & General product, we'll treat you as a 'retail client'. Being a retail client gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

If, under the regulations, you are a professional client or eligible counterparty, we'll still treat you as a retail client, although this wouldn't necessarily mean that you would be eligible to refer any complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

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, which is titled 'SFCR for Legal and General Assurance Society Limited', can be found on our website at group.legalandgeneral.com/en/investors/results-reports-and-presentations

How do I make a complaint?

If you wish to complain about any aspect of our service, or if you'd like us to send you a copy of our internal complaint handling procedure, **please contact us on 0370 050 2616**. Call charges will vary. We may record and monitor calls.

Any complaint regarding our administration that we can't settle can initially be referred to:

MoneyHelper
11 Belgrave Road
London
SW1V 1RB

Tel: **0800 011 3797**

Website:
moneyhelper.org.uk/pensions-and-retirement

This may then be referred to:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Tel: **0800 917 4487**

Email:
enquiries@pensions-ombudsman.org.uk

Website:
pensions-ombudsman.org.uk

Any sales-related complaints that we can't settle can be referred to:

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Tel: **0800 023 4567 or 0300 123 9123**

Email:
complaint.info@financial-ombudsman.org.uk

Website:
financial-ombudsman.org.uk

Making a complaint to any of the above will not affect your legal rights.

Contacting us

You can call us on

0800 048 2446

Lines are open Monday to Friday, 9am to 5pm.
We may record and monitor calls. All our call centres are UK based.

You can email us at

retirement@landg.com

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

You can write to us at

**Legal & General Retirement,
PO Box 809, Cardiff CF24 0YL**

You can visit our website at

legalandgeneral.com/retirement

Additional support and alternative formats

Please contact us if you have any special circumstances you'd like to tell us about as we may be able to provide some additional support.

You can also request this document in Braille, large print or audio.

Legal & General Assurance Society Limited
Registered in England and Wales No. 00166055.

Registered office: One Coleman Street, London, EC2R 5AA.

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Q0050894 04/23 CORP ADV

