






Key Features of the Cash-Out Retirement Plan

For customers who are not receiving
financial advice.

This is an important document that you should keep in a safe place.



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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 buying your plan

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. If you're unsure, we strongly recommend you take financial advice.

Further information and help

Pension Wise

Pension Wise is a free and impartial service provided by the Government to help you understand what your choices are and how they work.

You'll be able to:

-  Get help (on their website, over the phone or face to face) about what you can do with your pension pot;
-  Receive information about the different pension types and how they work;
-  Receive guidance on what's tax-free and what's not.

pensionwise.gov.uk

If you prefer to speak to someone on the phone or book a face-to-face appointment you can call **0800 138 3944**.

Money Advice Service

The Money Advice Service is an independent service set up by the Government to help people make the most of their money by giving free, impartial advice to people across the UK (online, over the phone and face-to-face).

For advice and to access tools and planners visit **moneyadvice.service.org.uk** or for advice on planning your retirement and your future call **0800 138 7777**.

About Legal & General

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies.

As at 30 June 2018, we had over 9.5 million customers in the UK for life assurance, pensions, investments and general insurance plans.

Finding out more

This icon appears where more details are available elsewhere.



Section 1

Key Features of the Cash-Out Retirement Plan

Its aims

- To allow you to choose the term of your plan and the intervals you would like your regular income payments to be made.
- To pay you a fixed regular income until the term of your plan comes to an end.
- To set the amount of your regular income payments, so that you know exactly what you'll get and when.
- To provide you with income payments over the term of the plan.
- If you should die during the term of the plan, to continue to pay regular income payments to your beneficiary or estate 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.
- To choose how long your Cash-Out Retirement Plan will run for and how often you would like your income payments to be made to you. **You won't be able to change these options after your plan has started.**
- To choose to receive fixed regular income payments after the deduction of income tax monthly, quarterly, half yearly or yearly in arrears or in advance. **You'll not be able to withdraw cash amounts from your plan as and when you choose.**

Risks

- ! Your regular income payments are not index-linked or protected against inflation. 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 your plan starts to change your mind. Once the 30 days have expired, you can still change your mind and transfer your pension fund(s) to another pension scheme or cash it in, but the amount you get back will be less than the value of the remaining income payments due. Please see the '**Can I get my money out if my circumstances change?**' section on page 6.
- ! If your circumstances change during the term of the plan you'll not be able to change your payment options.
- ! The income we pay you may have an impact on any means tested State benefits that you receive.

Section 2

Questions and answers

What is the Cash-Out Retirement Plan?



The Cash-Out Retirement Plan is a fixed term contract that pays you a regular fixed income over a term of between 3 and 25 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 pot.

The total income payable over the term of the plan will be higher than your original amount used to buy the plan by once the plan comes to an end there is no maturity value and there will 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.

Example



Helen uses £50,000 from an existing pension plan and chooses a term of five years. She then receives a fixed regular income of £10,300* 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:

£10,300 x five years = £51,500*.

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

*These are example figures only. Please see your personal quote for details of the actual amount that you would receive.

Is this plan suitable for me?



Please note – this document does not provide financial advice.

The plan may be suitable for you if:

- ✔ You want to fully withdraw your money from your pension pot over a period of your choice.
- ✔ You do not 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 want to take the money out of your pension pot without incurring a higher rate of tax but if you take it all at once it may incur a higher rate of income tax than if you spread the withdrawal over several years.
- ✔ 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.

The plan may not 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.

When can I buy a Cash-Out Retirement Plan?



You can buy a Cash-Out Retirement Plan if you're aged between 55 and 85.

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 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.

Example



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

$$£20,000 \times 25\% = £5,000$$

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

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 'How can I contact you?' section on the back cover. We'll also send you a statement each year giving you an update on your plan.

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



You can choose any term between 3 years and 25 years. This must be in whole years and months.

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.
- The amount of income tax you pay.

Please see 'Your payment options' on page 7 for more details.



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

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.

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. 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 below for more information.

Can I get my money out if my circumstances change?



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.

Example



Helen uses £50,000 to buy a plan for a term of five years. She is receiving yearly income payments of £10,300 before tax. After three years Helen decides to cash in her plan.

She has two income payments due to her totaling £20,600.

Helen receives £20,121 which includes a deduction for our administration and dealing costs.

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

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?



If you die before the end date of the plan, we will continue to pay the income to your beneficiary, or to your estate, until the end of the plan term. Your beneficiary will be chosen by us but we'll take into account any expression of wishes you have notified to us before your death.

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

Will I have to pay tax on my income?



The income we'll pay you will be subject to income tax. The basic rate of income tax for the tax year 2019/2020 is 20%.

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

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.

If you die during the plan term, 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.

Will my annual allowance be affected?



If you have flexibly accessed any of your existing pension benefits you will have a reduced allowance of £4,000 each year, known as the Money Purchase Annual Allowance. Your pension provider would have told you if it applies to you. If you haven't already taken benefits flexibly, taking your first income payment from this plan means you will be subject to the Money Purchase Annual Allowance of £4,000 from that point. We'll write to you about this separately if that's the case.

Can I change my mind?



If you apply for the plan, you have 30 days from the date your plan starts to change your mind. If you wish to cancel you must write to us at:

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



We'll then cancel the plan. If you don't take this opportunity to cancel, your plan will continue with us and we'll pay you your income.

If you've transferred an existing pension plan to us and you decide to cancel, we'll make every effort to return the full amount of the original payment to the original source. Some companies however, may not accept the return of this payment. If they won't, you can either arrange to transfer your pension pot to another provider and we'll forward the monies to them, or your Cash-Out Retirement Plan with us will continue.

If we've paid you any income, you must return this money to us within 30 days of letting us know.

Section 3

Your payment options

What options do I have?

We can make payments:

- monthly
- quarterly
- half yearly
- yearly.

We can pay your income in advance (at the start of the payment period) or in arrears (at the end of the payment period).

It's important to think carefully about your options. The options you choose will affect the amount of income you receive and once decided upon they can't be changed.

Example



If you choose your 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.



Section 4

Your quote

How long is my quote guaranteed for?

We can guarantee your quote for 35 days from the quote date. For this to apply, we must receive your completed application form and the money being used to buy the plan 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. You have a period of 30 days from the date your plan starts to change your mind.

Please see **'Can I change my mind'** on page 7 for more details.



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 income we'll be able to offer you at that time.

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

We may pay commission to your financial adviser or intermediary for arranging your Cash-Out Retirement Plan with us. Any such commission would depend on your purchase amount and will be paid for out of the product charges. If we are going to pay commission to your adviser, you can find the details of the amount in your quote.



Section 5

Further information

Which law and language do you work in?

All the information in this document is based on our understanding of current law and regulation 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.

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;
- ✔ 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, we will disclose any relevant conflict to a customer before undertaking business with that customer.
- ✔ will carry out regular reviews to identify any new conflicts.

Where can I go for help?

Pension Wise is a free and impartial service provided by the government to help you understand what your choices are and how they work. You'll be able to get help on their website, over the phone or face to face about what you can do with your pension pot, the different pension types and how they work, what's tax-free and what's not.



For details please visit:
pensionwise.gov.uk



If you prefer to speak to someone on the phone or book a face-to-face appointment you can call:
0800 138 3944

The Money Advice Service provides lots of free independent information about retirement income products.



For details please visit:
moneyadvice.service.org.uk



If you prefer to speak to someone on the telephone or book a face-to-face appointment you can call:
0800 138 7777

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). 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 calling: **0800 678 1100**.

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 will still treat you as a retail client, although this would not 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 is available at [legalandgeneralgroup.com/investors/library](https://www.legalandgeneralgroup.com/investors/library)

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. Our details can be found on the back cover.

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

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

 **0300 123 1047**

 **[pensionsadvisoryservice.org.uk](https://www.pensionsadvisoryservice.org.uk)**

and may then be referred to:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

 **0207 630 2200**

 **enquiries@pensions-ombudsman.org.uk**

 **[pensions-ombudsman.org.uk](https://www.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

 **0800 023 4567 or 0300 123 9123**

 **complaint.info@financial-ombudsman.org.uk**

 **[financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk)**

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



How can I contact you?

There are several different ways of getting in touch with us. For general enquiries, or if you wish to make a complaint about any aspect of the service you've received from Legal & General.



You can call us on
0800 048 2446 for general enquiries
0370 050 2616 to make a complaint

Calls to these numbers will not exceed your fixed line or mobile phone provider's national rate and will be included in any inclusive free minutes plan or discount scheme you may have with your telephone provider. Call charges will vary.

Lines to both numbers 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

Easier to read information

Please call us on **0800 048 2446** if you are visually impaired and would like this document in Braille, large print, audio tape or CD.

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