






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

If there's anything you're unsure of or you have any queries, then please contact us.

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. If you haven't got a financial adviser you can find one at unbiased.co.uk

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 will 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

Money Advice Service

The Money Advice Service provides lots of free independent information about retirement income products. Please visit moneyadviceservice.org.uk for details.

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.

Further Information

This icon appears where more details are available elsewhere.



Section 1

Key Features of the Fixed Term Retirement Plan

Its aims

- To pay you a fixed regular income, until the term of the plan comes to an end.
- To pay a fixed maturity value at the end of your chosen plan term.
- 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 your maturity value, so you know exactly what you'll get and when.



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 Fixed Term Retirement Plan will run for, this will be between 3 and 25 years.
- How much income you'd like to receive (if any) or how much you would like your maturity value to be. Choosing a higher income will reduce the maturity value, choosing a lower, or nil income will increase the maturity value.
- How often you would like your income payments to be made to you.
- If you would like any payments to be made in the event of your death before the end of the plan term. Choosing for the full income payments and maturity value to be paid will reduce the amount of your payments. Choosing lower or no payments to continue will mean a higher income and maturity value. If you don't select for the payments to continue in full for the plan term after your death, you will not have the option to transfer the value of your plan to another pension scheme, cash it in or make withdrawals. Please see the **'Can I get my money out if my circumstances change?'** section 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 (if any) after the deduction of income tax monthly, quarterly, half yearly or yearly, in arrears or in advance, and a maturity value at the end of the term.

Risks

- ! Your regular income payments and maturity value 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 and your fixed maturity value 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 for certain lifestyle conditions.
- ! You have 30 days from the date your plan starts to change your mind. Once the 30 days have expired, you cannot change your mind and transfer your pension fund(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 and maturity value due. Please see **'Can I get my money out if my circumstances change?'** on page 8 for more details.
- ! The plan does not pay an income for life. If you use the maturity value to provide you with further income, the value may not be enough to provide the same level of income that you were receiving during the plan term.
- ! If your circumstances change during the term of the plan, you will not be able to change your 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 Fixed Term Retirement Plan?



The Fixed Term Retirement Plan is a contract that pays you a regular fixed income (if chosen) over a term of between 3 and 25 years, with a fixed maturity payment at the end of the term. You pay us a lump sum and we then commit to pay you a regular income either monthly, quarterly, half yearly or yearly over a fixed term of your choice. We will then pay a fixed maturity value at the end of the term.

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



Please note – this document does not provide financial advice.

The plan may be suitable for you if:

- ✔ You want your pension pot to provide you with regular income payments over a period of your choice, with a fixed maturity value at the end of the period.
- ✔ 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 will receive back and when.
- ✔ You want a fixed maturity value at the end of the plan term that you can use as you wish, for example:
 - To buy another Fixed Term Retirement Plan.
 - To purchase a lifetime annuity.
 - To transfer to another pension scheme of your choice.
 - To take as a lump sum, that would be subject to income tax.

This 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 Fixed Term Retirement Plan?



You can buy a Fixed Term Retirement Plan if you're aged between 55 and 85.

How much can I use to buy a Fixed Term Retirement Plan?



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

If you transfer from an existing pension pot, 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 Fixed Term Retirement Plan. Once your plan has started, you won't be able to change your decision.

Example



If you transferred a pension pot of £50,000 you can take 25% as tax free cash, which is:

$$£50,000 \times 25\% = £12,500$$

The remaining £37,500 can then be used to buy a Fixed Term Retirement Plan.

How long will my Fixed Term 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 maturity value of your plan.
- The return we can offer you when you start your plan.
- The amount of income tax you pay.

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



We'll show you how much income you will be paid (if any) and what your maturity value will be 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.

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 your application you must write to us at:

Legal & General Retirement
PO Box 809
Cardiff
CF24 0YL

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

If you have transferred an existing pension pot 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 Fixed Term 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.

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.

What are the charges for the plan?



We take account of our charges when we calculate how much income we'll pay you and your maturity value. This includes our costs in providing your plan to you. There are no further charges for you to pay unless you decide to transfer your plan, cash it in or make a withdrawal. Please see **'Can I get my money out if my circumstances change?'** on page 8 for more information.

What will the value of the plan be when it ends?



The value of the plan at the end date will be the fixed maturity value. This value will be shown in your policy schedule that we'll send to you when you start your plan.

What happens when the plan ends?



We'll write to you four months before the plan ends to remind you of your options and what you need to consider. You'll need to decide what you want to do with your fixed maturity value. You can:

- buy another fixed term plan.
- use it to purchase a lifetime annuity.
- transfer it to another pension scheme of your choice.
- take it as a lump sum, that would be subject to income tax.

When your plan ends no further income payments will be made. We'll continue to hold your maturity value until you tell us what you want to do. We won't pay any interest on the maturity value.

What happens if I die before the end date?



Unless you have chosen a guaranteed payment period that has not expired at the date of your death, payments will stop when you die and the maturity value will not be paid. Please see the **'What death benefit options do I have?'** section on page 10 for more details.

Will I have to pay tax on my income?



The income we'll pay you, including any maturity value, will be subject to income tax. The basic rate of income tax for the tax year 2019/2020 is 20%. The amount of tax you pay can vary 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 of tax we've deducted.

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 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 the **'What death benefit options do I have?'** section on page 10) then you will have the following options:

- Cash in or transfer – cash in or transfer the whole of your plan and have the value paid direct to you or a registered pension scheme.
- Withdrawal – take a withdrawal from your maturity value during the term of the plan. Your regular income payments will remain unaffected.

Cashing in or transferring the whole 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 these by giving a value to the future income payments and maturity value due to you 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.

This means that the cash in or transfer value will always be less than the total amount due in income payments and the maturity value. 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.

Withdrawing money from your plan

You can choose to make up to three withdrawals at any time during the term of the plan, subject to a minimum withdrawal of £5,000 each time.

Choosing to make a withdrawal won't have any impact on your regular income payments as we will deduct the withdrawal amount, administration and dealing costs from the maturity value only.

When you ask for a withdrawal, we'll calculate the impact this has on your maturity value. The value of the underlying assets and interest rates at the time will affect this calculation. We'll also deduct our administration and dealing costs.

This means that your maturity value will always be reduced by more than the withdrawal amount. Taking a withdrawal early in your plan term is likely to reduce your maturity value more than taking a withdrawal later.

We'll pay the withdrawal amount direct to you, after we've deducted income tax.

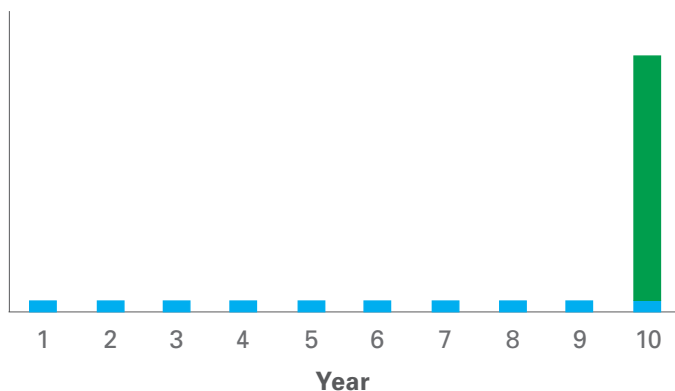
If you do not choose a guaranteed minimum payment period that runs to the end of the plan term, then you will not have the option to take any withdrawals, cash in or transfer the value of your plan.

The following examples are based on a 10 year plan term with yearly income payments.

Current Plan - no withdrawals

- Regular income

- Maturity value

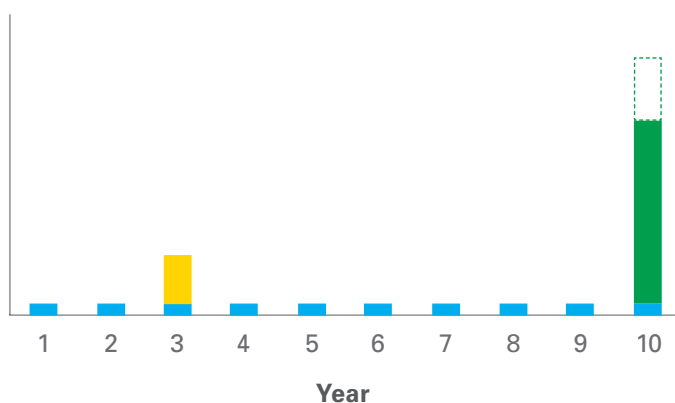


Taking a withdrawal in year 3

- Regular income

- Maturity value reduced by more than withdrawal amount

- Withdrawal amount



For illustrative purposes only. Actual values will depend on individual circumstances.

Case Study



Helen uses £70,000 to buy a Fixed Term Retirement Plan for a term of ten years. She is receiving yearly income payments of £2,900 before tax and is due a maturity value of £50,000.

After three years Helen decides to take a withdrawal of £7,000 to help pay for her daughter’s wedding. Helen will receive the withdrawal amount of £7,000 less income tax, with her maturity now valued at £42,200. This includes deductions for our administration and dealing costs. Helen’s withdrawal of £7,000 reduced her maturity value by £7,800.

Helen also decides to take another withdrawal of £7,000 in year eight to pay for some emergency home repairs. This withdrawal reduced her maturity value by a smaller amount as she is later in the term. Helen’s withdrawal reduced her maturity value by £7,100 and it is now valued at £35,100.

If Helen decides to take the maximum number of three withdrawals over the plan term, the impact on the maturity value will depend on the calculation at the time of each withdrawal.

The case study is for illustrative purposes only. Source: Legal & General November 2018.

Section 3

Your options

What income options do I have?

Income amount



The income amount will be fixed from the start of your plan. You can choose how much this is, or you can choose to receive no income at all during the term with just a maturity amount due at the end of the term.

Payment frequency



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?**') 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.

It is important to think carefully about your options. The options you choose will affect the amount of income you receive and once decided upon they cannot 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.

What death benefit options do I have?

A guaranteed minimum payment period



We will include a guaranteed minimum payment period that matches your plan term, unless you choose otherwise.

This means that if you die, all the payments due within the guaranteed minimum payment period will continue to be paid to a beneficiary or to your estate. Where the guaranteed minimum payment period is the same as the full term of the plan, this will guarantee that the maturity value is paid too.

Your 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 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.

Your beneficiary will be chosen by us but we will take into account any expression of wishes that you notify to us before your death.

Choosing a guaranteed minimum payment period that is less than the full plan term will mean that the maturity value would not be paid in the event of your death before the end of the plan term.

You can choose to reduce the guaranteed minimum payment period, or remove it altogether. This will give you a higher amount of income payments and maturity value if you survive to the end of the plan term. However, it will also mean that the payments won't continue after your death.

It is important that you carefully consider which benefits are most important to you before making a decision. If you are unsure, we recommend that you seek financial advice.

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 complete 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 payments and the maturity value 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 6 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 and maturity value we'll be able to offer you at that time.

Will you pay anything to my financial adviser or intermediary?

We may pay commission to your financial adviser or intermediary for arranging your Fixed Term 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

Contents



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 telephone.

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 will 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 telephone 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](https://www.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 will 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 cannot settle can initially be referred to:

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB

 **0300 123 1047**

 **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**

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**

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 Legal & General's 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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