

# KEY FEATURES.

For customers who are not receiving financial advice.  
This is an important document that you should keep in a safe place.



# ➤ 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 that 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 or to make a personal pension contribution 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 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. Please visit [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) for details.

The Money Advice Service provides lots of free independent information about retirement income products. Please visit [www.moneyadviceservice.org.uk](http://www.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 2017, 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.

# ➤ 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 that in total are higher than the amount of your original pension pot.
- 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

- To start a plan you can either:
  - Transfer the value of an existing pension plan to us, of at least £10,000, or
  - Make a lump sum personal pension contribution of at least £10,000 to us
- 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 will 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 will 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.

# ➤ QUESTIONS AND ANSWERS.

## THE BASICS

### 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 or by making a personal pension contribution.

The total income payable over the term of the plan will be higher than your original amount used to buy the plan but 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.

#### For 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 £10,500\* 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:

$£10,500 \times \text{five years} = £52,500^*$

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 will 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 will 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 or you can make a personal pension contribution.

If you transfer 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.

If you make a lump sum personal contribution, the amount you pay in may be eligible for tax relief and we will add tax relief up to the basic rate, which we'll reclaim from HMRC. Our minimum £10,000 limit is based on your gross contribution, meaning that it includes any basic rate tax relief that you are entitled to. Please see the 'Tax rules and other regulations' section on page 8 for further details.

## HOW MUCH TAX FREE CASH CAN I TAKE?

### For 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.

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 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 will 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 the 'Can I get my money out if my circumstances change?' section below for more information).

## CAN I GET MY MONEY OUT IF MY CIRCUMSTANCES CHANGE?

You should be prepared to keep the plan for the full length of your chosen term. However, if your circumstances change you can cash in the whole of your plan, or transfer the value to another pension scheme.

We will calculate the value due to you based on the rates we are offering at that time together with a deduction for our administration expenses and dealing costs. For details of the calculation please see the 'How is the cash in value or transfer value calculated?' section below.

If you choose to cash in the plan and have the value due paid directly to you, this amount will be subject to income tax.

## HOW IS THE CASH IN VALUE OR TRANSFER VALUE CALCULATED?

To calculate the cash in or transfer value, we add up any remaining income payments due and give them a present day value based on current rates. We then deduct the administration expenses and dealing costs.

**For example**

Helen used £50,000 to buy a plan for a term of five years. She is receiving yearly income payments of £10,500 gross. After three years Helen decides to cash in her plan. She has two income payments that she has not yet received of £10,500 each, the first due in one year, the second due in two years. This makes a total of £21,000 in payments still due.

**The cash in value will always be less than the total amount due in income payments.**

The amount she will actually receive depends on when she requests a cash in value and also the rates we are offering at the time which can be dependent on the underlying assets, such as gilts and bonds. Lower rates will normally result in higher cash values. For example Helen could receive a value of £20,285 if our rates are low, but higher rates will normally mean lower cash in values, so in these conditions Helen might only receive £19,125.

The remaining plan term will also affect the cash in value, with a longer term having a bigger impact on the reduction. If Helen's remaining payments of £21,000 were due over 7 years rather than 3, the same higher rates could result in a cash in value of only £16,800.

The figures stated include deductions for our administration expenses and dealing costs and are for illustrative purposes only. The actual cash in values may differ depending on individual circumstances. For more information please refer to 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 the amount based on the rates we are offering at the time. This could mean the lump sum may be significantly less than the remaining income due. We'll then deduct the administration and dealing costs. 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 2018/2019 is 20%. The amount of tax you pay depends on your individual circumstances.

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.

**YOUR PAYMENT OPTIONS****WHAT OPTIONS DO I HAVE?**

We can make payments:

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

**For 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.

## TAX RULES AND OTHER REGULATIONS

### WILL I GET TAX RELIEF ON MY PERSONAL PENSION CONTRIBUTION?

If you are under age 75 you can make personal pension contributions to Registered Pension Schemes of up to 100% of your annual earnings, or £3,600 if greater, and these amounts would qualify for tax relief.

The amount you pay as a contribution to your plan is called your 'net contribution'. We'll add tax relief up to the basic rate, which we'll reclaim from HMRC.

#### For example

If you make a personal pension contribution of £8,000, we currently add £2,000 as the basic rate of tax is 20%.

$£8,000 + £2,000 = £10,000$  (known as the 'gross contribution')

20% of £10,000 is £2,000, which is the amount of tax relief added.

The maximum amount that qualifies for tax relief is limited to the Annual Allowance. The standard Annual Allowance is £40,000 for the 2018/2019 tax year. If you earn more than £150,000 your Annual Allowance will reduce by £1 for every £2 that you earn over £150,000. The maximum reduction is £30,000 which means your Annual Allowance cannot be less than £10,000.

Regardless of the amount you earn, 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.

Tax relief is not applied to amounts transferred from another pension plan as you will have already benefited from tax relief on this money.

### HOW WILL I KNOW HOW MUCH TAX I'VE PAID ON MY INCOME FROM THE PLAN?

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.

### 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 page 9. We'll also send you a statement each year giving you an update on your plan.

### 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 Assurance Society Limited  
Legal & General Individual 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 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.



## 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 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 8 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.

## HOW CAN I CONTACT YOU?

There are several different ways of getting in touch with us. You can call us:

For general enquiries, on **0800 107 5559**

If you wish to make a complaint, on **0370 050 2616**

Calls to this number 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](mailto:retirement@landg.com)**

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

You can write to us at:

Legal & General  
PO Box 809  
Cardiff  
CF24 0YL

You can also visit our website at:  
**[www.legalandgeneral.com/retirement/](http://www.legalandgeneral.com/retirement/)**

# ➤ 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 telephone.


## WHAT IF THERE IS A CONFLICT OF INTEREST?

During the term of your policy, conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. A conflict of interest is where our duties to you as a customer may conflict with what is best for ourselves. To ensure we treat customers consistently and fairly, we have a policy on how to identify and manage these conflicts.

A copy of the full policy is available on request by writing to us at the address shown in the section 'How can I contact you?'

## 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: [www.pensionwise.gov.uk](http://www.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: [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

 **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:

 [www.fca.org.uk/firms/financial-services-register](http://www.fca.org.uk/firms/financial-services-register)

Or you can call:

 **0800 111 6768**

Alternatively, you can write to:

 The Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

## 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: [www.fscs.org.uk](http://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: [www.legalandgeneralgroup.com/investors/library](http://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 in the 'How can I contact you?' section.

**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 0147**



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

**and may then be referred to the:**



The Pensions Ombudsman  
11 Belgrave Road  
London  
SW1V 1RB



**020 7630 2200**



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

calls to this number are normally free for people ringing from a "fixed line" phone – but charges may apply if you call from a mobile phone



**0300 123 9123**

calls to this number are charged at the same rate as 01 or 02 numbers on mobile phone tariffs



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

Making a complaint to Legal & General, The Pensions Advisory Service, The Pensions Ombudsman or The Financial Ombudsman Service will not affect your legal rights.



[www.legalandgeneral.com](http://www.legalandgeneral.com)

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

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