



## Key Features of the Cash-Out Retirement Plan

For customers who are not  
receiving financial advice.

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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 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](https://unbiased.co.uk) and entering your details. 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](https://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.

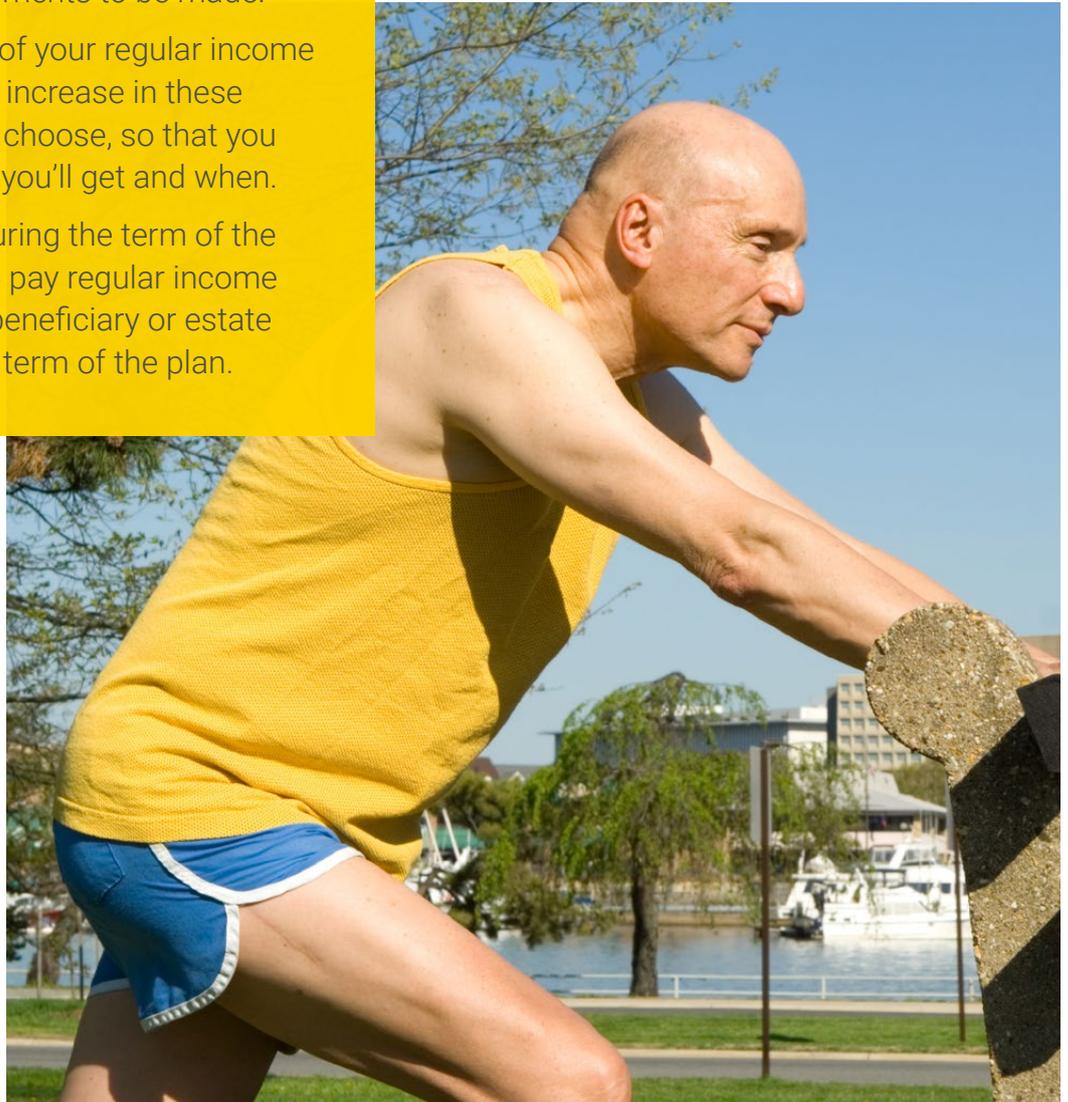




# Key Features of the Cash-Out Retirement Plan

## 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.
- 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.
- To choose between fixed or increasing income payments.

### **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, 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.**

Please see '**Can I get my money out if my circumstances change?**' on page 10 for more information.

## Risks

- If you do not 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.
- If you have chosen 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.
- 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 still change your mind and transfer your pension pot(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 '**Can I get my money out if my circumstances change?**' on page 10 for more information.

- 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.
- 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 fixed income over a term of between three 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.

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 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 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 **£4,215** 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: **£4,215** × ten years = **£42,150**.

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 2024

**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.

## 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 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 lump sum if you haven't already taken one.

The lump sum allowance is the maximum amount you can take in tax-free lump sums across all the pension schemes you belong to. For most people the lump sum allowance will be £268,275 but you may have a protected higher amount. Any lump sums taken that are in excess of the allowance will be taxed at your marginal rate of income tax.

If you want to take a tax-free lump sum, you must do so before your Cash-Out Retirement Plan starts. You can't take a tax-free lump sum from your plan after it's started.

**Example**

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

$$\mathbf{£20,000 \times 25\% = £5,000}$$

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 'Contacting us' section on the back cover. 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](https://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

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

You can choose any term between three 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, 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 income options' on page 12 for more information.

## 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. 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 following 'Can I get my money out if my circumstances change?' section 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.

### 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 **£4,215** before tax. After three years Helen decides to cash in her plan.

She has seven income payments due to her totalling **£29,505**.

Helen receives a cash in value of **£25,052** 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 2024

## 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?

Your plan has a guaranteed minimum payment period that runs until your maturity date. This ensures that your income payments will be made until your maturity date, even if you die before that 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 always take into account any nomination that you make. You can change your nomination at any time by contacting us.

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.

## Tax on death benefit payments

If you die before age 75 any death benefit payment will normally be free of income tax provided the benefits paid under this plan and any other pension you have do not exceed the Lump Sum and Death Benefit Allowance. This is the combined allowance for the total amount that can be paid as tax-free lump sums, both during your lifetime and when you die.

The allowance is normally £1,073,100 but you may have a protected higher amount. Any benefits paid which exceed this allowance will normally be taxed at your dependent or beneficiary's highest rate of income tax.

If you die age 75 or over, this payment will normally be taxed at your dependant or beneficiary's highest rate of income tax. If you die age 75 or over and we pay your estate, any lump sum payment will be subject to the special lump sum death benefit charge of 45%.

## Will I have to pay tax on my income?

Because your payments are treated as earned income, they'll be taxed. The amount of tax you pay will depend on your individual circumstances and may be subject to change in the future.

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

## 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](https://www.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.

# Your income options

## What income options do I have?

### Option 1 A fixed income

A fixed income means your income will always stay the same.

You'll know how much you'll be paid and when. But it comes with the risk that your income won't be worth as much over time because of inflation.

For example, if inflation averaged 2% a year, after 10 years the value of £100 in today's money would only be £82. After 25 years it would be just £61.

### Option 2 An income that increases

If you're worried about inflation affecting your income, we can pay you an income that increases each year by a fixed percentage – anything up to and including 10%.

With this option, your income will be lower to begin with than with a fixed income.

## Payment frequency

You'll also need tell us how often you want us to pay your income.

We can make payments either:

- monthly
- quarterly
- half yearly
- yearly.

We can pay your income either:

- in advance – paid at the start of the payment period
- in arrears – paid at the end of the payment period.

An income paid in arrears will be higher than one paid in advance, but you'll have to wait until the end of the payment period before we make your first payment.

**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.**

# Your quote

## How long is my quote guaranteed for?

The rate used to produce your quote is guaranteed for a limited period. This is shown on your quote.

To secure the rate shown on your quote, we must receive your completed application and the money from your pension pot(s) before this date. If we receive the application or the money after this date, the rates available at the time will apply. This may change the amount of income you will receive.

## 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 you receive our confirmation that your plan has started to change your mind.

Please see **'Can I change my mind?'** on page 11 for more information.

## 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.



# 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, phone or email.

## 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 make sure we treat customers consistently and fairly, we have a policy on how to identify and manage these conflicts.

Further details of our conflict of interest policy are available on request.

## 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). 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 & General Group PLC', can be found on our website at: [group.legalandgeneral.com/en/investors/results-reports-and-presentations](https://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](https://moneyhelper.org.uk/pensions-and-retirement)

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

### **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](mailto:enquiries@pensions-ombudsman.org.uk)

Website:  
[pensions-ombudsman.org.uk](https://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](mailto:complaint.info@financial-ombudsman.org.uk)

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

# 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**

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**Legal & General Assurance Society Limited** is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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