Prudential Personal Pension Plan top-up

Example Illustrations for monthly and single payments

The Financial Conduct Authority is a financial services regulator. It requires us, Prudential, to give you this important information to help you decide whether our Prudential Pension Plan is right for you. You should read this document carefully along with the covering letter in this pack so that you understand what you are buying, and then keep it safe for future reference. This document should be read in conjunction with the information held in your Key Features Document.

We have used two examples in this document, a £100 additional regular monthly payment, and a £600 additional single payment.

You may choose to pay more or less than these amounts, or decide to do a combination of regular, and/or single top-ups – the choice is yours. If you would like a personalised illustration, please call us on **0800 000 000**. We might record your call for training and quality purposes. To find out more about how we use your personal data please visit **pru.co.uk/mydata**

Please note the figures throughout this document only represent the additional regular or single payment amounts shown and do not take into account the payment(s) you have already made to your plan.

The Government currently allows people to start taking their benefits from age 55 (from 57 by 2028), even if you are still working.

You may be able to start taking your benefits earlier if you're in ill health. Under the terms of this contract you are currently required to take your benefits by age 75.

We will send you annual statements to help you keep track of your investment.

Please note

The purpose of this illustration is to show what you might get back on your plan.

- The figures in the tables in this document are only examples and are not guaranteed – they are not minimum or maximum amounts.
- These figures have been adjusted to allow for inflation using an assumed inflation rate of 2.0% per year. Actual inflation could be more or less than this and could reduce what you can buy in future with all your savings and investments. Inflation will reduce the buying power of what you could get back from your pension in the future.
- The projections show an example of the pension you might get at your selected retirement age of 55, 60 and 65 in today's prices. This means the amounts shown give you an idea of what your pension income could be worth taking into account the effects of inflation. The actual buying power of your pension could be higher or lower than the amount shown. The value of your fund can go down as well as up so you might get back less than you put in.
- The amount you get back depends on how your investment grows, how much is paid in and interest rates at the time when you take your retirement benefits. Charges and costs taken from your plan will also affect its final value.
- Projections are calculated using a middle growth rate, which we believe realistically reflects the investment potential of our products and funds. We are also required by our regulator to provide additional projections using assumed growth rates 3% either side of this middle rate. In some circumstances, the yearly growth rates are limited, as required by our regulator, to 2% (lower rate) 5% (middle rate) and 8% (higher rate), before the effects of inflation. Some of the other funds within our range may however be expected to return less than the middle growth rate used in these illustrations. We have used standard rates to show how funds may be converted into pension income. Charges and costs may vary.
- Your investment in the With-Profits Fund offers a specific guarantee and this projection makes allowance for the effect of this guarantee. You should refer to your product literature or contact us for details of the specific guarantee that applies to this fund. General statements and warnings elsewhere within this illustration may still apply to the displayed values, due to other fund selections or because of the other assumptions used in these calculations.
- The figures shown do not include the value of your existing Prudential Personal Pension plan, which you can find in the last statement you received from us.
- The Government limits the amount you can build up in all your pension plans before incurring a tax charge. This is called the Lifetime Allowance. If you exceed this amount, a tax charge may be payable on the excess. Details of the lifetime allowance limit can be found on **pru.co.uk/tax**
- The Government limits the amount that can be paid each year, to all your pensions, before incurring a tax charge. This is called the Annual Allowance. Details of the annual allowance limit can be found on **pru.co.uk/tax**
- Tax rules can change and the impact of taxation (and any tax relief) depends on your personal circumstances.

Example 1

£100 monthly payment

Plan Summary

Monthly amount you pay	£100
Tax relief added	£25
Total monthly payment	£125
Fund name	Prudential With-Profits*

These payments are made by you. We have assumed tax relief to be at 20%. If you pay tax above the basic rate, the tax relief is even greater, as you can claim back extra money via your self-assessment tax return.

* *For the purpose of this illustration we have assumed your top-up payments will be invested in the Prudential With-Profits Fund. The annual management charge and further costs will vary depending on your fund choice. For further information on charges and costs, see your fund guide.*

What might I get at retirement?

The figures below illustrate what you might get when you start taking your pension. The table assumes that you keep paying into the plan until your payment term ends, after five, ten or fifteen years, depending on your selected retirement date.

For the purpose of this illustration we have assumed that:

- you are aged 50
- you plan to retire at age 55 (for a five year term), 60 (for a ten year term) or 65 (for a fifteen year term)
- you will continue to make a monthly payment of £100 (£125 including tax relief) until your selected retirement date
- your pension income will stay the same from the time you start taking it
- your pension income will be paid at the beginning of each month for as long as you live
- payment of your pension income will be guaranteed for a minimum of five years even if you die after your selected retirement date and before the end of five years

Assumed annual investment growth until the pension starts including the effects of inflation	0.0%			3.0%			6.0%		
and interest rates when you retire are	1.3%			3.3%			5.3%		
Based on a payment term of	5	10	15	5	10	15	5	10	15
Your retirement fund value could be	£6,850	£12,500	£17,400	£7,380	£14,600	£22,000	£7,940	£17,000	£27,800
Which could provide you with a taxable yearly pension of	£250	£516	£823	£362	£782	£1,300	£501	£1,140	£2,020
or a tax-free cash sum of	£1,710	£3,120	£4,350	£1,840	£3,650	£5,500	£1,980	£4,250	£6,950
and a smaller taxable yearly pension of	£187	£388	£619	£272	£587	£980	£376	£856	£1,510

Example 1 (continued)

What are the charges and costs?

Each year we will take approximately 0.95% of your fund value in charges, if the underlying investments grow at the assumed middle growth rate used in this illustration for the With-Profits fund. The actual percentage charged depends on the performance of the With-Profits Fund and may vary over time. These charges cover the costs of any expenses, any profits, implicit costs and other adjustments. There are other costs that aren't covered by the Annual Charge. These can include, for example, maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities, transport and renewable energy.

These can vary over time.

Currently, these further costs are approximately 0.24% annually, which when added to the annual charge for the With-Profits Fund, would give a yearly total of 1.19%. There is also a charge to pay for all the guarantees the With-Profits Fund supports. Each of these charges is already taken into account when we calculate the bonus rates for the With-Profits Fund. Charges and costs may vary in the future. Please read your Key Features Document and fund guide for more information on this.

The table below shows what you could transfer to another plan early assuming that investments will grow at 3.00% after the effects of inflation. Please note, if you transfer during the early years, the value could be less than you've paid in. The last three columns assume that investments will grow at 3.00% per year (after allowing for the effects of annual inflation of 2.00%).

Any difference between the two final columns illustrates the effect of deducting Adviser Charges from your plan. Where the figures are the same, no Adviser Charges are being assumed for this illustration.

At end of year	Total paid into the plan*	Projected transfer value if there were no charges and costs taken	Projected transfer value if only product and investment charges and costs are taken	Projected transfer value after all assumed charges and costs are taken
1	£1,486	£1,510	£1,490	£1,490
2	£2,944	£3,030	£2,980	£2,980
3	£4,373	£4,570	£4,460	£4,460
4	£5,773	£6,130	£5,920	£5,920
5	£7,147	£7,700	£7,380	£7,380
10	£13,619	£15,800	£14,600	£14,600
15	£19,482	£24,600	£22,000	£22,000

** These amounts include your monthly payments and the tax relief added, after the effects of inflation.*

The charges and costs include expenses, profits and other adjustments. The figures shown also demonstrate the effects of inflation. The charges and costs will have the effect of reducing your investment growth. This is called the "Reduction in Yield" and can be a useful means of comparing the charges and costs of similar pension products.

The table shows that over the full five, ten, or fifteen year term of the plan until your selected retirement date, the projected transfer value after all assumed charges and costs are taken could amount to £7,380, £14,600 or £22,000 respectively.

The effect of these charges and costs means that the assumed annual investment growth, after inflation, would be brought down from 3.00% to 1.4%, 1.5% and 1.6% per year respectively.

Example 2

£600 single payment

Plan Summary

Single amount you pay	£600
Tax relief added	£150
Total single payment	£750
Fund name	Prudential With-Profits*

This payment is made by you. We have assumed tax relief to be at 20%. If you pay tax above the basic rate, the tax relief is even greater, as you can claim back extra money via your self-assessment tax return.

* *For the purpose of this illustration we have assumed your top-up payment will be invested in the Prudential With-Profits Fund. The annual management charge and further costs will vary depending on your fund choice. For further information on charges and costs, see your fund guide.*

What might I get at retirement?

The figures below illustrate what you might get when you start taking your pension. The table assumes that you make only one single payment into your plan until your payment term ends, after five, ten, or fifteen years, depending on your selected retirement date.

For the purpose of this illustration we have assumed that:

- you are aged 50
- you plan to retire at age 55 (for a five year term), 60 (for a ten year term) or 65 (for a fifteen year term)
- you make a single payment of £600 (£750 including tax relief) and make no further payments until your selected retirement date
- your pension income will stay the same from the time you start taking it
- your pension income will be paid at the beginning of each month for as long as you live
- payment of your pension income will be guaranteed for a minimum of five years even if you die after your selected retirement date and before the end of five years

Assumed annual investment growth until the pension starts including the effects of inflation	0.0%			3.0%			6.0%		
and interest rates when you retire are	1.3%			3.3%			5.3%		
Based on a payment term of	5	10	15	5	10	15	5	10	15
Your retirement fund value could be	£700	£656	£620	£808	£876	£956	£928	£1,150	£1,440
Which could provide you with a taxable yearly pension of	£25	£26	£29	£39	£46	£56	£58	£77	£105
or a tax-free cash sum of	£175	£164	£155	£202	£219	£239	£232	£287	£360
and a smaller taxable yearly pension of	£19	£20	£21	£29	£35	£42	£43	£58	£79

Example 2 (continued)

What are the charges and costs?

Each year we will take approximately 0.95% of your fund value in charges, if the underlying investments grow at the assumed middle growth rate used in this illustration for the With-Profits fund. The actual percentage charged depends on the performance of the With-Profits Fund and may vary over time. These charges cover the costs of any expenses, any profits, implicit costs and other adjustments. There are other costs that aren't covered by the Annual Charge. These can include, for example, maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities, transport and renewable energy.

These can vary over time.

Currently, these further costs are approximately 0.24% annually, which when added to the annual charge for the With-Profits Fund, would give a yearly total of 1.19%. There is also a charge to pay for all the guarantees the With-Profits Fund supports. Each of these charges is already taken into account when we calculate the bonus rates for the With-Profits Fund. Charges and costs may vary in the future. Please read your Key Features Document and fund guide for more information on this.

The table below shows what you could transfer to another plan early assuming that investments will grow at 3.00% after the effects of inflation. Please note, if you transfer during the early years, the value could be less than you've paid in. The last three columns assume that investments will grow at 3.00% per year (after allowing for the effects of annual inflation of 2.00%).

Any difference between the two final columns illustrates the effect of deducting Adviser Charges from your plan. Where the figures are the same, no Adviser Charges are being assumed for this illustration.

At end of year	Total paid into the plan*	Projected transfer value if there were no charges and costs taken	Projected transfer value if only product and investment charges and costs are taken	Projected transfer value after all assumed charges and costs are taken
1	£750	£772	£761	£761
2	£750	£794	£772	£772
3	£750	£818	£784	£784
4	£750	£842	£796	£796
5	£750	£866	£808	£808
10	£750	£1,000	£876	£876
15	£750	£1,150	£956	£956

** These amounts include the single amount you pay and the tax relief added.*

The charges and costs include expenses, profits and other adjustments. The figures shown also demonstrate the effects of inflation. The charges and costs will have the effect of reducing your investment growth. This is called the "Reduction in Yield" and can be a useful means of comparing the charges and costs of similar pension products.

The table shows that over the full five, ten, or fifteen year term of the plan until your selected retirement date, the projected transfer value after all assumed charges and costs are taken could amount to £808, £876 or £956 respectively.

The effect of these charges and costs means that the assumed annual investment growth, after inflation, would be brought down from 3.00% to 1.6%, 1.6% and 1.6% per year respectively.

The figures used throughout this document only represent the additional regular or single payment amounts shown.

If you would like a personalised illustration, which will take into account the payments you may have already made to your plan, please call us.

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