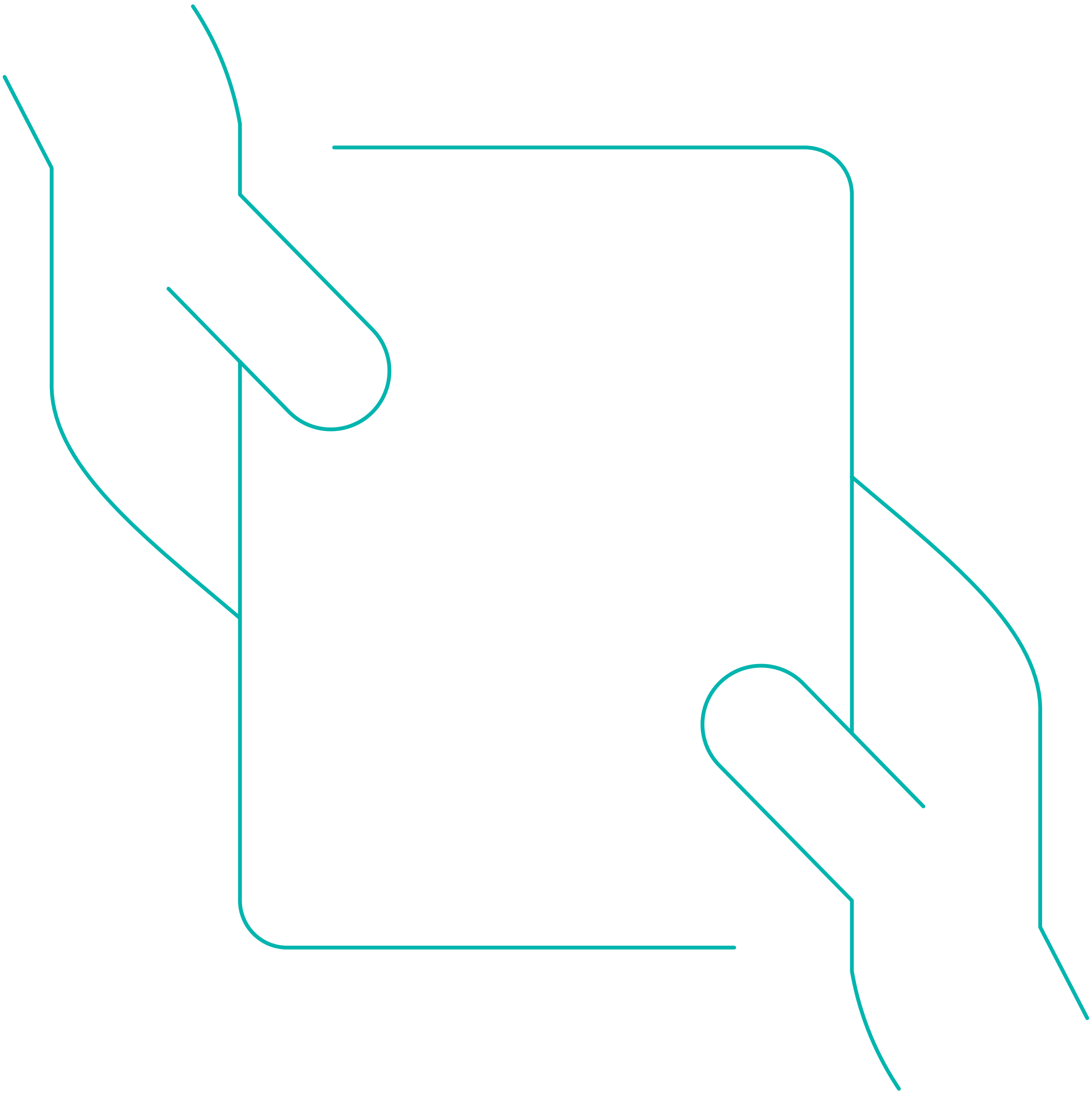
keyfacts®

Pru
part of M&G plc

Key Features of the

Prudential Stakeholder Pension Plan



Please read this document before you decide to buy this plan. It's important you understand how the Prudential Stakeholder Pension Plan works, the benefits and associated risks.

Contents

We would like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in audio, large print or braille versions. If you would like one of these please contact us using the details the last page.

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 Stakeholder Pension 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.

About the Prudential Stakeholder Pension Plan

Our Stakeholder Pension Plan gives you the chance to save for your retirement in a tax-efficient way. It gives you a range of options to help you do this.

If you still have questions about our Prudential Stakeholder Pension Plan after reading this booklet, please look at the “Get in touch” section for our contact details. If you have questions, please contact your employer in the first instance.

Its aims

What this plan is designed to do

- To help you save for your retirement in a tax-efficient way.
- To allow your employer to make payments on your behalf for your retirement.

Your commitment

What we ask you to do

- To make regular payments.
- To allow the money in your plan to remain in your plan until you take your pension benefits. You cannot normally access your benefits until age 55.

Risks

What you need to be aware of

- The value of your investment can go down as well as up so you might get back less than you put in.
- As the price of everyday goods and services goes up, your money won’t stretch as far as the same amount would now. This is called inflation.
- If the total charges are more than any overall growth achieved, your plan will fall in value, possibly to even less than you have invested.
- There may be a delay in buying, selling or switching to, or from certain funds.

Other documents you should read

This document gives you key information about the Prudential Stakeholder Pension Plan. If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document.

They are all available from your adviser, or direct from us. Our contact details are on the last page.

- **Policy Document**
  Gives details on the terms and conditions of the plan.
- **Fund Guide**
  This explains your investment choices.
- **Technical Guide**
  Gives you detail on the terms and conditions of the contract.

Questions & Answers

Is the Prudential Stakeholder Pension Plan right for me?

The Prudential Stakeholder Pension Plan might be right for you if you're looking to save for your retirement in a tax-efficient way.

How flexible is it?

You can change your payments at any time, subject to minimum amounts that we may set. For more information about this, please speak to your employer or call us. Our contact details can be found on the last page.

You and your employer can make regular payments or one-off lump sum payments into the plan. Charges and costs will continue to be deducted and this may reduce your future benefits.

You can arrange for your payments to be automatically increased each year.

What happens if I move abroad?

If you move overseas and are no longer a resident in the UK for UK tax purposes, you will be unable to top up your plan unless you are a crown servant (or the spouse/civil partner of a crown servant), serving overseas.

How much can I pay into my plan?

There's no limit to the amount that you can pay into your plan.

There are limits on the tax relief you receive. For more information about tax relief, please read the section 'What about tax?'.

The Government provide a benefit known as Pension Credit. If you have little or no other retirement provision, the pension you receive from this plan could result in a reduction in the benefit you receive from the Pension Credit when you start taking your pension because of your increased pension. The exact effect will depend on the rules for Pension Credit in place when you retire. You may wish to speak to a financial adviser about Pension Credit before deciding if you want to go ahead.

Can I transfer money in?

If you have a pension plan with another provider, you can transfer the value of it to this plan.

If the pension plan you are transferring money from allows you to take more than 25% of its value as tax free – cash when you take your benefits, you may lose this entitlement when you make your transfer.

Your plan might have valuable guarantees you'd lose if you transfer your pension pot. You should speak to a financial adviser before you make a decision.

Where are my payments invested?

You choose which funds you'd like to invest your money in, from a fund range that we offer. We use your money to buy units in those funds.

The price of each unit depends on the value of the investment in the fund and also whether more money is going into or out of the fund.

Different funds offer different types of investment. Some only invest in property, others invest in a wide range of assets, and others invest directly in the stockmarket. Each fund has its own level of potential growth and risk. Usually, funds with more potential for growth carry more risk.

The performance of the funds isn't guaranteed. The value of your investment can go down as well as up so you might get back less than you put in.

For information about the funds you can choose from, please read the **Fund Guide**.

Your employer may have chosen a default investment arrangement for your plan. If this is the case your money will be directed into this default arrangement unless you make an alternative investment choice. A default investment arrangement does not represent a recommendation on behalf of Prudential. For more information on the charges and costs please refer to the **Fund Guide**.

There may be exceptional circumstances that delay the buying, switching and selling of units in any fund. We would not expect these delays to be longer than six months for units that invest in property or land, and one month for units that invest in other asset types. However, we cannot guarantee that delays will never be longer. If a delay will apply to you, we'll let you know.

How funds invest

Some of the Prudential funds listed in your **Fund Guide** may invest in 'underlying' funds or other investment vehicles. Have a look at a fund's objective and that will tell you where it invests – including if that's in an underlying fund or funds.

If the Prudential fund is investing in just one underlying fund then it's what's known as a 'mirror' fund, as the performance of the Prudential fund broadly aims to reflect the performance of the underlying fund it invests in. The performance of our Prudential fund, compared to what it's invested in won't be exactly the same. The differences between the underlying fund and our fund can be due to:

- additional charges,
- cash management (needed to help people to enter and leave our fund when they want),
- tax,
- timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).

Can I change my investments?

You can switch your money between funds at any time. We currently don't charge you for this. If this changes in the future, we'll let you know.

What if I stop making payments?

It may be possible to stop your payments, but this varies from employer to employer and it will reduce your future benefits. You may be required to pay a minimum payment into this scheme, alongside your employer. Please speak to your employer/scheme adviser for more information.

Can I transfer money out?

You can transfer your pension pot to another pension arrangement at any time before you start to take your pension benefits. We won't charge you for this.

Transferring funds between pension providers is an important decision, so we recommend that you speak to a financial adviser first.

What are the charges and costs?

Annual Management Charge

Charges and costs are deducted for managing your plan and the underlying investments. The amount we charge depends on the funds you invest in.

The Government currently caps charges or stakeholder pensions at 1.5% of your fund value, for the first 10 years then 1% thereafter. Our current maximum charge is 0.75%.

We calculate our charges daily. We take them monthly from your plan, by cancelling units. Please remember that we'll keep taking our charges, even if you stop your regular payments. Charges and costs may vary in the future and may be higher than they are now. Further details can be found in the **Fund Guide**.

Further costs incurred by the funds

In addition to our charges, there may be further costs incurred, which can vary over time. Where these are applicable, they are paid for by the relevant fund and will impact on its overall performance.

For more information on these further costs, please look at the current **Fund Guide** for this product.

In April 2015 the Government introduced new quality standards for defined contribution schemes. This is part of the Government's 'Better Workplace Pensions' initiative to give people confidence to save into good pension schemes. If your employer is using your plan for qualification purposes under this initiative, there is currently a charge cap equivalent to 0.75% per year, excluding transaction costs, on the value of money held in the default arrangement.

What might I get back?

You can use your pension pot to create an income. The size of your pension pot, will depend upon many factors such as:

- the amount that has been paid into the plan
- how long you have been making payments
- the performance of the fund(s) you have invested in
- the age you choose to take your benefits
- the amount of charges you've paid.

When can I take my benefits?

The Government currently allows people to start taking their benefit from the age of 55, even if you are still working. You may be able to start taking your benefits early if you're in ill health.

The minimum age from which you can access your personal or occupational pension will increase from 55 to 57 on 6 April 2028, unless you have a protected pension age. State Pension age will increase from age 66 to age 67 for males and females between 2026 and 2028. These ages may change in future as result of changes in life expectancy and other factors.

What choices will I have when I want to take my benefits?

The value of your pension pot includes money invested, less charges and costs, plus any growth.

There are four main options which may be used in combination.

You can take cash in stages – You can leave your money in your pension pot and take out cash lump sums whenever you need to – until it's all gone, or you decide to do something else with what's left. You decide when and how much to take out. With this option every time you take money from your pension, the first 25% is usually tax-free and the remainder may be subject to income tax. So you can't take the full 25% tax-free from your pension pot at the start. But if you don't need the 25% tax-free sum all at once, this may be another way to minimise the tax you pay when you access your money.

You can take flexible cash or income (also known as drawdown) – In most cases you can take out up to 25% of the money moved into your flexible cash or income plan, in cash, tax-free. You will need to do this at the start. You can then dip into the rest as and when you like. You can also set up a regular income with this option. Any money you take after the first 25% may be subject to income tax.

You can get a guaranteed income for life (also known as an annuity) – You can use your pension pot to buy an income for life. It pays you an income (a bit like a salary) and is guaranteed for life. These payments may be subject to income tax. In most cases you can take up to 25% of the money you move into your guaranteed income for life, in cash, tax-free. You will need to do this at the start and you need to take the rest as an income.

You can cash in your whole pension all at once – You can take your whole pension pot in one go, as a lump sum. Normally the first 25% is tax-free, but with the remainder taxable as earned income. You'll need to plan how you'll provide an income for the rest of your life.

Please get in touch as you approach retirement and we will let you know which of these options we may be able to offer you. You may have to transfer to another pension arrangement to take advantage of them all.

Whatever you decide to do with your pension pot. You should shop around as depending on the choices you make, you may find something more appropriate elsewhere, with alternative features, investment options or charges.

For information about all your options, please speak to a financial adviser, your employer or scheme adviser.

Where can I get guidance about what to do with my pension?

General guidance and information on all aspects of pensions is available from MoneyHelper.

MoneyHelper Pensions Guidance
Money and Pensions Service
120 Holborn
London
EC1N 2TD

Telephone: **0800 011 3797**

Website:
moneyhelper.org.uk/en/pensions-and-retirement

For people over 50, Pension Wise is also available. This Government service from MoneyHelper offers guidance to people with personal or workplace pensions on all the options available for their pension savings. You can have a free consultation online, over the phone and face to face.

Telephone: **0800 280 8880**

Website: **moneyhelper.org.uk/pensionwise**

These services are free and impartial and using them won't affect your legal rights.

What about tax?

Tax Relief

You'll normally receive tax relief on your payments. For every £100 you pay into your plan, HM Revenue & Customs (HMRC) will pay in another £25. You'll get this relief on up to the higher of £3,600 gross (including tax relief) and 100% of your earnings. Subject to the Annual Allowance. If you pay tax above the basic rate you'll be able to claim back the extra tax relief due through your tax return.

Annual Allowance

The Annual Allowance is a limit to the total amount of payments that can be paid to defined contribution pension schemes and the total amount of benefits that you can build up in defined benefit pension schemes each year, for tax relief purposes.

Money Purchase Annual Allowance

Taking money out of your pension will sometimes lower the amount you can pay into all the pensions you may have while still benefitting from tax relief. This limit is called the Money Purchase Annual Allowance (MPAA). Your pension scheme administrator or provider will have told you if you are subject to the MPAA at the time they started to pay you.

Lump Sum Allowances

From 6 April 2024 the lifetime allowance was replaced by two new allowances.

The Lump Sum Allowance (LSA)

This is a limit on the amount of tax free lump sums that can be taken from pension schemes.

Lump Sum and Death Benefit Allowance (LSDBA)

This is a limit on the amount of lump sum death benefits and serious ill health lump sums that can be paid without tax.

Where the amount exceeds either of these allowances, income tax may be payable on the excess.

Capital Gains Tax

You don't pay Capital Gains Tax on your pension funds.

Income Tax

Any money taken out, excluding any tax-free cash, may be subject to income tax. Lump sum benefits payable on death are not normally subject to income tax unless they are over the available lump sum and death benefit allowance, paid out more than 2 years after notification of death or where death occurred after age 75.

> Tax rules can change and the impact of taxation (and any tax relief) depends on your circumstances. Before you make a decision you might want to speak to a financial adviser. They can help you understand the tax rules and how they might affect you.
>
> For more information visit **pru.co.uk/tax** or the HMRC website at **hmrc.gov.uk**.

How will I know how my Prudential Stakeholder Pension Plan is doing?

We send you an annual statement, which shows how your plan is doing.

You can also get an up-to-date valuation of your plan by logging onto and registering on our website at **pru.co.uk/online**.

What happens to the Prudential Stakeholder Pension Plan if I die?

If you die before you start taking your benefits, we'll pay the value of your pension pot as a lump sum. If you die before age 75 this will normally be tax free and after age 75 this will normally be taxed as income.

The Scheme Rules requires us as the Scheme Administrator, to decide who will receive the lump sum death benefit. We have discretion to choose, rather than you, because if you control the benefit it may be liable to inheritance tax. As we choose who to pay the benefit to, the payment will usually be free of inheritance tax. We will take your circumstances and any stated wishes into account before we decide who receives the lump sum. You can let us know your wishes by completing a 'nomination of beneficiaries' form.

For more information about inheritance tax rules, please visit the HMRC website at **hmrc.gov.uk/rates**

What if the Prudential Stakeholder Pension Plan isn't right for me?

You can decide to opt out if you want to.

You can opt out up to one calendar month from the date you receive written information from your employer and our scheme information – whichever is later.

If you opt out in this period, any payments deducted from your pay by your employer will be paid back to you.

If you opt out you may be automatically re-enrolled back into the scheme at a future point (usually every three years), if you meet the eligibility criteria. You can then opt out again if you want to.

Download an opt out form from Prudential by visiting the Literature Library on: **pru.co.uk/shp-gpp**

You can also contact the Stakeholder Customer Service Centre at **0345 070 3333** to request an opt out form.

Complete and return the opt out form using the address given in the information your employer provided you about your workplace pension scheme. If you return it to Prudential your opt out application may be delayed which could result in missing your opt out deadline.

If you do not exercise your right to opt out within the statutory period, the contract will become binding. We will not return any money to you except in the form of a benefit payable in accordance with the rules.

For more information about your opt out rights (if any), please read the information your employer has provided you about your workplace pension scheme.

How much will the advice cost?

If you take advice then you will agree the cost of this with your adviser when you start the plan or contact your financial adviser for further details.

Other information

Client category

We classify you as a 'retail client' under Financial Conduct Authority (FCA) rules. This means you'll receive the highest level of protection for complaints and compensation and receive information in a straightforward way.

Compensation

The products Prudential Assurance Company Limited (PACL) offer are covered by the Financial Services Compensation Scheme (FSCS). If we get into financial difficulties, you may be able to make a claim. The FSCS is an independent body set up by Government to provide compensation for people where their authorised financial services provider gets into financial difficulties and becomes unable, or unlikely to be able, to pay claims against it. This circumstance is referred to as being 'in default'.

Losses, which may result from poor investment performance, are not covered by the FSCS.

Where does FSCS protection apply?
There is full FSCS coverage if PACL is 'in default'.

- Your pension is protected up to 100% of the value of your claim.
- Any funds you choose to hold in your pension will be included in the value of your claim in the event that PACL is declared 'in default'.

All the funds we offer are unit-linked, and invest in other funds managed by non-PACL fund managers. FSCS cover does not apply if the non-PACL fund manager were to be 'in default'.

- There is no FSCS cover for unit-linked funds investing with non-PACL fund managers if that manager were to be 'in default'.
- See 'How funds invest' for further information on these types of fund (often called 'mirror' funds).

You can find out more information on the FSCS at **pru.co.uk/fscs**, or you can call us.

Information is also available from the Financial Services Compensation Scheme.

Visit their website: **fscs.org.uk**

Or write to:

The Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY

Or call the FSCS: **Telephone: 0800 678 1100**

Where FSCS coverage does not apply, then other factors can come in
As explained in the 'Where does FSCS protection apply?' section, the FSCS doesn't cover every situation. For example unit-linked funds that invest in the funds of non – PACL fund managers (often called 'mirror' funds).

But, where FSCS protection does not apply, there are other factors that could help if the worst happened and a provider was 'in default'. For example, the use of custodians or depositories to provide protection for fund assets, where there is separate legal ownership of assets and legal entities that aren't liable for any losses of a fund manager. In so doing, the intention is that the underlying fund will not be liable for any losses the underlying fund management company incurs.

PACL would aim to recover any money invested in an underlying fund where the fund manager has been declared 'in default', but PACL would not be liable for any loss incurred from the default of the non-PACL fund manager.

Financial strength

Prudential meets regulatory standards for meeting its financial obligations. You can read our solvency and financial conditions reports at **pru.co.uk/about_us**, or if you contact us we can post some information to you.

Terms and conditions

This Key Features Document gives a summary of your plan. Terms and conditions are held in the **Policy Document**. If you would like a copy please contact us using the details on the last page.

Conflict of interest

We want to make sure that we uphold our reputation for conducting business with integrity. If we become aware that our interests may conflict with yours we will take all reasonable steps to manage it in an appropriate manner.

We have drawn up a policy to deal with any conflicts of interest. If you would like to know the full details of our Conflict of Interest Policy, please contact our Customer Service Team.

Law

The law of England and Wales applies to your contract.

Our regulators

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Prudential Assurance Company Limited is entered on the Financial Conduct Authority (FCA) Register, FCA Reference Number 139793. The FCA Register is a public record of all the organisations that the FCA regulates.

You can contact the FCA at:

The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Email: **consumer.queries@fca.org.uk**

Prudential Regulation Authority details:
The Prudential Regulation Authority
Bank of England
Threadneedle St
London
EC2R 8AH

Email: **enquiries@bankofengland.co.uk**

Communicating with you

Our plan documents and terms and conditions are in English and all our other communications with you will be in English.

How to make a complaint

If you have a complaint, please get in touch with us and we will do everything we can to resolve it. You can also ask us for details of our complaints handling process. Our contact details are in the 'Get in touch' section at the back of this document.

If you're not satisfied with our response, you can take your complaint to the Financial Ombudsman Service who help settle individual disputes between consumers and businesses providing financial services:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: **0800 023 4567** or **0300 123 9123**

Or visit the website: **financial-ombudsman.org.uk**

Help is also available from The Pensions Ombudsman who deals with complaints and disputes about the administration and management of occupational and personal pension schemes.

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU

Telephone: **0800 917 4487**

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

Website: **pensions-ombudsman.org.uk**

You can also submit a complaint form online:
pensions-ombudsman.org.uk/making-complaint

These services are free and using them won't affect your legal rights.

Get in touch

If you want to contact us before you buy this plan, you can write or phone us:

Write to: **Prudential, Lancing BN15 8GB UK**

Phone: **0345 070 3333** Monday to Friday 9am to 6pm (we are not open on public holidays). 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**

If you're a Deaf customer, who is also a British Sign Language (BSL) user, you can contact us using a Video Relay service. The service, provided by SignVideo, connects customers to fully qualified, registered NRCPD interpreters who will relay your conversation with a member of our customer service team.

pru.co.uk/contact-us/signvideo

There is no cost for using this service to call Prudential and we're available to help you Monday to Friday, 8am to 6pm.

Keep in touch

It's important that we keep in touch so, if you change your address or any of your contact details, please let us know.

AUTK10003 02/2024_WEB