Key Features of the Prudential Personal Pension Scheme

Please read this document along with your personal illustration (if you have one) before you decide to buy this plan. It's important you understand how the Prudential Personal Pension Scheme works, the benefits and associated risks.
Welcome

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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 on 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 Personal Pension Scheme is right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference.
About our Prudential Personal Pension Scheme

Our Personal Pension Scheme 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:

- payments are flexible, subject to minimum amounts,
- you can make regular or one-off payments, and
- you may be able to choose where to invest your payments from a fund range that we offer.

Your employer can contribute to your scheme too. You can also make one-off or regular payments by direct debit.

Its aims

What this plan is designed to do

- To help you save for retirement in a tax-efficient way.

Your commitment

What we ask you to do

- To make at least one payment into your scheme.
- To allow the money in your scheme to potentially grow until you take your pension benefits.

Risks

What you need to be aware of

- The value of your plan can go down as well as up and may even fall below the amount you invested – what you get back is not guaranteed.

- There are different risks for different funds.

- If money is taken out of the With-Profits Fund at any time other than your selected retirement date or on your death, the amount payable may be reduced to reflect the value of the underlying assets at that time. This is known as a Market Value Reduction (MVR).

- We’ve based this information on our understanding of current law & HM Revenue and Customs practice. Your individual circumstances and future changes in law and tax practice could affect the amount you pay. For more information please visit www.pru.co.uk/tax, visit the HMRC website at www.hmrc.gov.uk or speak to your Financial Adviser.

- Inflation will reduce what you can buy in the future.

- If the total charges taken from your plan 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 the buying, switching or selling of any investment. You will be told if this applies to you.
Other documents you should consider reading

This document gives you key information about the Prudential Personal Pension Scheme. 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.

- **Members Booklet**
  Gives you the full terms and conditions of the contract.

- **Fund Guide**
  This explains your investment choices.

- **Your With-Profits Plan – A guide to how we manage the PruFund range of funds**
  This provides information on how our With-Profits Fund works, and our current approach to managing it, and applies to plans accessing the PruFund range of funds.

- **Market Value Reduction – A clear explanation**
  This explains what Market Value Reduction is, together with information about how and when these may be applied. This document is not relevant in the PruFund range of funds.
How much can I pay into the Prudential Personal Pension Scheme?

There is no limit to the amount that you can pay into your Personal Pension Scheme.

However, there are limits on the tax relief you receive. For more information about tax relief, please read the section “What about tax?”. You can change your regular payments or stop them at any time. If your employer is deducting payments from your earnings, you should tell them of any changes you want to make.

Where is my money invested?

You choose which funds you would like to invest your money in, from a fund range that we offer. You can only choose to invest your regular payment in any of the Unit-Linked funds if you are currently investing regular payments into one or more of these funds. You can only choose to invest your lump sum payment into any of the Unit-Linked funds if you have previously invested into one or more of these funds. 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.

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. Please refer to your Fund Guide for more information.

Can I switch my money between funds?

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 will let you know. We may apply a Market Value Reduction if you switch money out of our With-Profits Fund. For more information about this, please read the section “What is a Market Value Reduction?”. Can I take money out of my scheme?

From age 55, you are able draw all or part of your pension fund as a lump sum (Uncrystallised Funds Pension Lump Sum) – 25% of each payment being tax free with the remaining 75% being added to your income for the year and taxed accordingly. This may affect the rate of tax you pay when added to any other income for that tax year. Tax rules require careful consideration and you should speak to a Financial Adviser on this subject.

Can I transfer my scheme?

You can transfer your fund to another pension arrangement at any time. You may hold pension savings in different categories, such as money purchase and defined benefit pensions. Under new rules you are able to transfer different categories of pension savings separately and to different places, for example, keep a defined benefit pension where it is, but transfer any money purchase pension. If you transfer pension savings within a category, you can still accumulate money within the category once the transfer has taken place.

You can transfer your pension savings in a category at any time as long as you have not purchased an annuity from the same category. For more information, please speak to your Financial Adviser or visit The Pension Advisory service website at www.pensionsadvisoryservice.org.uk.
Can I transfer money from another pension scheme into this one?
If you have a pension scheme with another provider, you can transfer the value of it to this scheme.
If the pension scheme 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.
Transferring funds between pension schemes is an important decision, so we recommend that you speak to a Financial Adviser first.

What about tax?

Tax Relief
You’ll normally receive tax relief on your payments. For every £100 you pay into your scheme, HM Revenue & Customs (HMRC) will pay in another £25. You’ll get this tax relief on up to the higher of £3,600 gross (including tax relief) or 100% of your earnings. If you are a higher rate taxpayer you’ll be able to claim back the extra tax relief you pay through your tax return.

Annual Allowance
The Annual Allowance is a limit to the total amount of payment 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.
Tax is a complicated subject and you may wish to seek advice if you feel this will affect you. For more information please visit www.pru.co.uk/tax or visit the HMRC website at www.hmrc.gov.uk.

Money Purchase Annual Allowance
The Money Purchase Annual Allowance (MPAA) may apply to you if you have flexibly accessed pension benefits on, or after 6th April 2015. Your pension scheme or provider will have informed you if you have flexibly accessed your pension benefits. Examples or drawing benefits flexibly include taking income from flexi-access drawdown or a cash lump sum (Uncrystallised Funds Pensions Lump Sum).
For more information visit www.pru.co.uk/tax.

Lifetime Allowance
The Lifetime Allowance is a limit on the amount of pension benefit that can be drawn from pension schemes, whether lump sums or retirement income, and can be paid without triggering an extra tax charge.
If you think you would like to know more about this, you can find more information by visiting www.pru.co.uk/tax or the HMRC website at www.hmrc.gov.uk.
Tax rules require careful consideration and you should speak to a Financial Adviser if you feel this may affect you.

Capital Gains Tax
You don’t pay capital gains tax on your pension funds.

Income Tax
Any pension income will be taxed as earned income.
We’ve based this information on our understanding of current law & HM Revenue and Customs practice. Your individual circumstances and future changes in law and tax practice could affect the amount you pay. For more information please visit www.pru.co.uk/tax, visit the HMRC website at www.hmrc.gov.uk or speak to your Financial Adviser.

What are the charges?
We make charges for managing your scheme and your investments, such as a fund charge. The fund charge depends on the funds you invest in. For more information, please read your Fund Guide.
For most funds we calculate the charge daily and take it monthly from your scheme by cancelling units. We calculate the charge for the With-Profits Fund differently.
In addition to our Product Charges, there may be some additional costs which may impact the overall performance of the fund.
These costs include trading, dealing costs and property expenses. More information about these may be found in the Fund Guide.
With-Profits Fund charges
The With-Profits Fund’s management charge depends on the performance of the With-Profits Fund, in particular the investment return and our expenses.

If, for example, over time investment returns are higher then we would expect to increase the charges and if investment returns are lower we would expect to reduce the charges. We currently expect this charge to be 1% a year, based on the assumption that future investment returns from the With-Profits Fund will be 5% per year. We deduct this charge through the bonus mechanism.

With-Profits guarantee charges
There is a charge to pay for all the guarantees the With-Profits Fund supports. We guarantee not to apply a Market Value Reduction (MVR) in certain circumstances, for example when payments are made because of death or at your selected retirement date. Our current practice (which is not guaranteed) may include additional circumstances when an MVR is not applied. Please see “What is a Market Value Reduction?” for more details.

You won’t see this charge on your annual statement because we take it by adjusting regular and final bonuses.

The total deduction for guarantee charges over the lifetime of your scheme is not currently more than 2% of any payment made from the fund. Charges may vary if, for example, the long term mix or type of assets held within the With-Profits Fund is changed.

For more information about bonuses and charges, please read “Your With-Profits Plan – a guide to how we manage the fund”.

Please remember that we’ll keep taking these charges even if you stop your regular payments. For details of our other charges, please refer to your illustration. These charges may vary in the future and may be higher than they are now.

The charges per year shown are calculated as a percentage of the value of your investment in the fund. These are the charges we take for administering your plan and investments. If your employer is using your plan for automatic enrolment or qualification purposes, 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 is a Market Value Reduction?
If you take money out of the With-Profits Fund, we may reduce the value of your fund if the value of the underlying assets is less than the value of your scheme including all bonuses. This reduction is known as a Market Value Reduction (MVR). It is designed to protect investors who are not taking their money out and its application means that you get a return based on the earnings of the With-Profits Fund over the period your payments have been invested.

We apply the MVR to your scheme’s value including regular and final bonuses. Please read “Your With-Profits Plan – a guide to how we manage the fund” for more information on bonuses. An MVR will reduce the amount payable on full or partial withdrawals and you may even get back less than you have invested in your scheme.

We guarantee not to apply an MVR at your selected retirement date or on any claims due to death.

Our current practice on applying an MVR
We may apply a Market Value Reduction to full or partial withdrawals as a result of switches, transfers or early retirement on all investments that have been running for less than five years. For investments that have been running for longer periods, we would consider applying an MVR when a withdrawal results in the total amount paid out, including any other payments in the previous 12 months, exceeding £25,000. We would only apply an MVR to the withdrawal amount in excess of £25,000 in these circumstances.

The impact of an MVR will be to reduce the amount payable on a full withdrawal. As schemes approach the selected retirement date, the size of any MVR that would apply could be expected to gradually reduce.

We reserve the right to change our current practice on Market Value Reductions at any time, without prior notice, and this would apply to existing plans and any new plans or top-ups. Examples of reasons for a change would include significant changes in the investment market or because the number of people moving out of the fund increases substantially.
How will I know how my scheme is doing?
We send you an annual statement, which shows how your scheme is doing.
Alternatively, you can email us at contact.us@prudential.co.uk. Or you can phone our Customer Service Centre on 0345 640 1000 and a member of our team will give you an up-to-date valuation.

What if I want to cancel my scheme?
You have 30 days from the date you receive your scheme documents to cancel your scheme. This is called a cooling-off period.
To cancel it, please complete and return the Cancellation Notice that we send you with your scheme documents, or write to us at:
Prudential Customer Services
Prudential
Lancing
BN15 8GB
Please include your reference number.
Once we receive your cancellation instruction, we’ll normally give you all your money back. However, if you start your scheme with a one-off payment, we’ll value your units on the date we receive your cancellation instruction. If the value of your units has fallen, you will get back less than you paid in.
If you do not exercise your right to cancel within the 30 day statutory period, the contract will become binding. We’ll not return any money to you except in the form of a benefit payable in accordance with the rules.

What happens if I move abroad?
Please note Prudential is not able to accept new monies from customers living overseas. If you move abroad and are no longer a resident of the UK this will have an impact on your ability to top up this product.

When can I start taking my benefits?
The Government currently allows people to start taking their benefit from the age of 55, even if you are still working. The minimum age from which you can access your personal or occupational pension is expected to increase from 55 to 57 in 2028 and remain at 10 years below the State Pension age. You may be able to start taking your benefits earlier if you’re in ill health.
State Pension age will increase from age 66 to age 67 for males and females between 6 April 2026 and 5 April 2028. These ages may change in future as result of changes in life expectancy and other factors.

How do I turn the value of my pension scheme into benefits?
The value of your pension scheme includes money you’ve invested, less charges plus any growth. This value is known as your pension fund. Since the 6th April 2015 regulations allowed added flexibility in how you draw your pension savings. There are four main options which may be used in combination:
- Uncrystallised Funds Pension Lump Sum – Take a single or series of cash lump sums from your pension savings.
- Flexi-access drawdown – a form of drawdown which allows you to take an unlimited amount of income or lump sums from your designated defined pension fund. This has replaced flexible and capped drawdown, although existing capped drawdown plans will continue.
- A pension annuity – an investment that guarantees to pay a secure income for the rest of your life, regardless of how long you live.
- Pension directly from a pension scheme – occupational pensions schemes are not changing. You will still be able to draw a pension from any occupational pension scheme you are a member of.
This is subject to the rules of your scheme. Please contact us as you approach retirement and we will let you know which of these options we may be able to offer you.
Whatever you decide to do with your pension pot – you don’t have to stay with us. You should shop around and depending on the choices you make, you may find something more appropriate elsewhere, with alternative features, investment options or charges.
Can I take any of the money invested in my pension scheme as a lump sum?

Since the 6th April 2015, from age 55, you are able to draw all or part of your pension fund as a cash lump sum – 25% of each payment being tax free with the remaining 75% being added to your income for the year and taxed accordingly. This may affect the rate of tax you pay when added to any other income for that tax year.

Tax rules require careful consideration and you should speak to a Financial Adviser on this subject.

How much will my income be?

You can use your pension fund to generate an income. The size of your pension fund, to generate this income 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, and
- the amount of charges you’ve paid.

The size of your income will depend upon many factors including how you draw your pension.

For an example of the income you could receive, please see your illustration.

What happens if I die before I take my benefits?

If you die before you start taking your benefits, we’ll pay the value of your pension fund as a lump sum.

The rules require 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 go to HMRC’s website: [www.hmrc.gov.uk/inheritancetax](http://www.hmrc.gov.uk/inheritancetax).

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

In addition to the support from your adviser, two free and impartial services, set up by the government, are available to give you more information about pensions.

General guidance on all aspects of pensions is available from The Money Advice Service [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk). Telephone 0800 138 7777.

For people over 50, Pension Wise is also available. This government service offers guidance to people with personal pensions on all the options available for their pension savings.

You can have a free consultation online, over the phone and face to face. Find out more at [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk). Telephone 0800 138 3944.
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.

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

**Compensation**
If we get into financial difficulties which may affect our ability to pay your claim, you may be eligible to receive compensation under the Financial Services Compensation Scheme (FSCS).

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 widely referred to as being ‘in default’.

It is important for you to be aware that you may not always be able to make a claim under the FSCS, and there are also limitations in the amount of compensation you may receive.

Any compensation available will depend on your eligibility, the type of financial product or service involved, the investment funds selected (if applicable) and the circumstances of the claim.

You can find out more information on the FSCS and examples of limits in the scope of FSCS cover for your plan at www.pru.co.uk/about_us/fscs, or you can call us.

Information is also available from the Financial Services Compensation Scheme.

Visit their website: www.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

**Terms and conditions**
This Key Features Document gives a summary of your plan. Full details are set out in our Members Booklet which is available on request using our contact information on the last page, and will also be sent to you when your plan starts.

**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 on the contact details on the back page.

**Law**
The law of England and Wales applies to this 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
25 The North Colonnade
London
E14 5HS

Telephone: 0800 111 6768 or 0300 500 8082
Email: consumer.queries@fca.org.uk

Prudential Regulation Authority details:

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

Telephone: 020 7601 4878
Email: enquiries@bankofengland.co.uk

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 ‘How to contact us’ 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: www.financial-ombudsman.org.uk

Help is also available from the following bodies:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB

Telephone: 020 7630 2200

The Pensions Ombudsman is an independent organisation, set up to investigate complaints about pension administration.

The Pensions Advisory Service (TPAS)
11 Belgrave Road
London
SW1V 1RB

Telephone: 0300 123 1047

The Pensions Advisory Service is an independent, government funded body that gives free advice to members of the public about pensions.

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

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 contact us

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 640 1000** Monday to Friday 8am – 6.00pm (we are not open on public holidays).
We may record or monitor calls to improve our service. An answer phone is in operation outside office hours.

If you are 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.

[www.pru.co.uk/contact-us/signvideo](http://www.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.