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Key Features of the
Prudential Retirement Account

Please read this document along with your personal illustration before you decide to buy this plan. It's important you understand how the Prudential Retirement Account works, the benefits and associated risks.

Contents

This document gives you key information about the Prudential Retirement Account. For more detail on specific points, please read the **Terms and Conditions** or for more details on your investment options please see the **PruFund Fund Guide**. These are available from your financial adviser or you can request them direct from us.

We would like everyone to find it easy to deal with us. All our literature is available in audio, large print or braille versions. Please let us know if you need information about our plans and services in any of these alternative formats.

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 Retirement Account 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.

The information within this document is based on our understanding of current law and HM Revenue and Customs practice. Your individual circumstances and future changes in law and tax practice could affect the amount of tax you pay. For more information about HMRC rules please visit their website at **hmrc.gov.uk**

About the Prudential Retirement Account

The Prudential Retirement Account is a flexible personal pension that lets you save for your retirement and take an income all from the same plan. There are a range of investment options, including self-investment, to match different attitudes to risk and your adviser will recommend the right option for you. The Retirement Account offers different ways to pay money in and take your money out, to suit your needs now and throughout your retirement.

Its aims

What this plan is designed to do

- Help you save for your retirement in a tax- efficient way.
- Give you flexibility with how you take your money out and the option to change this throughout your retirement.
- Ensure any money remaining can be passed onto your loved ones.
- Help grow your money to meet your needs throughout your retirement.

Your commitment

What we ask you to do

- Make at least one contribution, or transfer in, from another pension to open your Retirement Account.
- Regularly review your plan to make sure it is meeting your needs.
- Keep us updated with any changes to your details or circumstances.
- Make sure we've the most recent information on who you would prefer your pension to be left to after you die.

Risks

What you need to be aware of

- As your money is invested, the value of your plan can go down as well as up and so you may not get back the amount you put in.
- If the total charges and costs are higher than any investment growth, your plan will fall in value. Charges may also increase in future.
- Taking out too much money may leave you without enough to live on in your retirement. You need to make sure your money lasts as long as you need it to.
- The amount of income you take from your Retirement Account could push you into a higher tax bracket.
- There may be a delay in the buying, switching or selling of any of your investments. We'll tell you when this happens.
- If you are transferring your pension to us, there is no guarantee that the overall amount you receive will be as high as what you could have received from your previous pension.
- If you change your mind about making a pension transfer, we may not be able to return the transfer to your original pension scheme. Your adviser may also not refund their charges.
- If you choose to take a guaranteed income for life (annuity) in the future, the rates available to you may be lower than they are now.
- Inflation will affect the buying power of the money you get back.

Questions & Answers

An Introduction to the Prudential Retirement Account

What is the Prudential Retirement Account?

It is a personal pension plan with two core elements:

Pension Savings Account

Your Savings Account is where your money is usually paid in.

From age 55 you can take money directly from your Savings Account. 25% of each amount taken will normally be tax-free and the remainder of each withdrawal (75%) will be subject to income tax.

Pension Income Account

From age 55 you can move some or all of your money into your Income Account and withdraw money from there (also known as "drawdown").

With this option, you can usually choose to take some or all tax-free money first (usually up to 25%) and then take the taxable amount (75%) when you need it.

Who can take out a Retirement Account?

It's available to anyone who is a UK resident.

Money can be paid in until you're 75 or you can transfer another pension into the account until age 99.

Is this a Stakeholder Pension?

No. Stakeholder Pensions are a form of personal pension that must meet a number of minimum standards to ensure they offer value for money, flexibility and security.

They are available from a number of pension providers and there is a cap on the maximum charge they can apply. This means they can only invest in funds that are within that cap.

It may be that a Stakeholder Pension would suit your needs just as well as the Retirement Account. If the Retirement Account is recommended to you, your adviser will explain why it is being recommended over a Stakeholder Pension.

Adding money into your pension

How are contributions paid in?

You, your employer, or a third party, can all pay in regular or one-off amounts either by bank transfer, direct debit or cheque until you reach age 75.

Any contributions you make will automatically benefit from basic rate tax relief. For example, a contribution of £100 only costs you £80. And, if you pay tax at any other rate you may be able to claim further relief via your self-assessment tax return.

You can increase, decrease, stop or re-start your contributions at any time. You can also arrange for your contributions to increase automatically each year, either by a fixed rate or in line with the Consumer Prices Index.

Please note however, the government sets limits on how much you can pay into your pension each year and how much you can build up in your lifetime. Your adviser will let you know if this impacts you.

Can I transfer in money from another pension?

Yes, you can transfer other pensions into your Retirement Account although you will not get any tax relief on transfers. This is an important decision you should speak to your adviser about as you may be giving up valuable benefits from your existing scheme by doing this.

If you want to pay in £1 million or more (either as a contribution or a transfer), we will need to agree this and so your adviser will have to contact us.

Investing

Where can I invest my money?

We offer a range of multi-asset funds including:

- Passive funds
- Active funds
- Smoothed funds

You can also put your money in other types of external investments. For example, direct share holdings, investment trusts and other exchange traded investments. To do this you will need to enter into an agreement with a company called Stocktrade.

Your adviser will talk you through the option that suits your needs.

Can I change my investments?

You can have as many investments as you want and you can move money between them.

With the Smoothed funds you can only make one switch in to or out of them every three months and once you've requested this switch you can't cancel it. There's a 28-day waiting period for switches out of these funds and the price used to buy or sell units in the fund will be based on the price at the end of the waiting period.

Will there be delays to buying, switching or selling my investments?

There may be exceptional circumstances that delay the buying, switching or selling of units.

We wouldn't 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. We'll let you know if there's a delay that affects you.

How will I know how my investments are doing?

We will provide you with a statement each year that shows how your investments have performed. If you register your account online at pru.co.uk you can also check this yourself or speak to your adviser.

The Cash Account

Your Retirement Account includes a cash account where any money not invested is held until it is withdrawn or used to pay charges. Money not yet invested may include your contributions, income generated by your investments and dividends received. You will receive interest on money you hold in the cash account.

The money in your cash account will count towards your Financial Services Compensation Scheme (FSCS) limit. We currently use HSBC for the cash account – we can change this at any time but will let you know if we do. If you have savings with HSBC, including any money held in the cash account, that exceed the FSCS limit then this may mean all your money isn't protected in the event of that bank defaulting.

Taking money out

When can I start taking money out?

You can usually take money out of your Retirement Account from age 55 onwards, although you may be able to take it out earlier in certain circumstances, for example, if you're suffering from ill health.

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.

Making my income last

How long your income lasts depends on a number of things. How much you pay in, withdraw and how your funds perform are the main ones. There is a risk if you withdraw too much, you may not have enough left to support you and your loved ones throughout your retirement. You may also want to leave money for your loved ones, which you should factor in when working out your income. You would then need to rely on other sources of income, such as the State Pension, to fund your lifestyle in retirement.

You should shop around

When deciding what to do with your pension pot, it's important to remember that each option might have different tax implications and pension providers offer different products with alternative options or features (including the product terms, rates, funds or charges) that might be more appropriate for your individual needs and circumstances.

This is why it's important you should shop around – so that whatever you decide to do – whether that's a guaranteed income for life, flexible cash or income or something else, it's the right decision for you.

For some products, like annuities, it's important to shop around so you can get the highest possible income. Yours or your partner's health and lifestyle can increase the amount of income you or your partner can get. Different providers might use different criteria to assess yours or your partner's health and lifestyle conditions. This is known as an enhanced annuity. Prudential do not offer enhanced annuities but you might qualify for an enhanced annuity with another provider and get a higher income. That's why it's very important that you should shop around.

We recommend you use Pension Wise, a free and impartial guidance service offered by the Government to help you understand your retirement options. You can speak to them on 0800 280 8880, and book an appointment to meet someone in person. And, you can visit **pensionwise.gov.uk**

What are my options when taking money out?

There are three main ways to take money from your Retirement Account. You can combine some or all of these options or you can leave your money alone.

1. Tax-free money first and taxable money when you need it, (also known as "drawdown")

With this option you can usually choose to take some or all of your tax-free money first, and then take the taxable amount when you need it.

This means you can take some, or all of, your 25% tax-free cash and the other 75% will stay invested. You can take money this way either as single amount or a regular income.

Any money left in your pension pot remains invested, which may give it a chance to grow, but it could go down in value too.

2. Take a combination of tax-free and taxable money at the same time

With this option when you take some, or all of your money, it's taken as a combination of tax-free and taxable money. This means each time you take money out, 25% will usually be tax-free and the remainder of each withdrawal (75%) will be subject to income tax. You can take money out this way as single cash amounts and/or a regular income.

Any money left in your pension pot remains invested, which may give it a chance to grow, but it could go down in value too.

3. Get a guaranteed income for life (also known as an "annuity")

With this option, after you've taken any tax-free cash (usually 25% of your pot), the remainder is used to provide you with a guaranteed regular income for the rest of your life. This income is subject to income tax.

Charges

Your personal illustration shows what the charges are. They may vary in the future and be higher than they are now.

Product charge

This is an annual charge calculated as a percentage of your total Retirement Account value. 1/12th of the yearly charge is deducted each month. The product charge depends on the amount you have invested and is shown in the table below.

Retirement Account value	Product charge
<£99,999	0.45%
£100,000 – £249,999	0.40%
£250,000 – £499,999	0.35%
£500,000 – £749,999	0.30%
£750,000 – £999,999	0.275%
£1,000,000+	0.25%

The charge is taken as follows:

- If you have invested in Smoothed funds, we will deduct units to the value of the charge.
- If you have invested in the Active or Passive funds or those managed by Stocktrade, the charge will be deducted from the cash account. If there isn't enough money in the cash account we will deduct units from the funds you are invested in to the value of the charge.

Fund charges

The fund manager applies a daily charge for the management and administration of your fund which is reflected in the unit price. The charges are detailed in your personal illustration and in the fund factsheet, which your adviser can provide.

If you invest in funds through Stocktrade, they will charge an account fee and an amount for each transaction. Your adviser will be able to give you more details on this or you can contact Stocktrade.

Adviser charges

The charge you pay for advice will be set by your adviser. We can pay your adviser using the money in your Retirement Account or you may be able to pay your adviser directly.

Leaving money to loved ones

Can I leave money to my loved ones?

Yes. Any money left in your Retirement Account when you die can be left yo your loved ones.

Any money left to your loved ones is usually free from Inheritance Tax. If you die before age 75 your money will usually be paid free of income tax. If you die after age 75 then your loved ones will usually have to pay income tax on the amount you leave behind.

We decide who to pay your money to, but we ask you to help us make the decision by completing an

'Expression of Wish' form and keeping it up to date. This is a common way of helping pension schemes choose who benefits from your pension after you die and means your pension doesn't normally form part of your Estate for Inheritance Tax purposes.

If you would like a non-dependant (for example, someone who isn't a spouse or child under 23) to receive your money then you must have them noted on your Expression of Wish form or you should write to us to confirm who they are.

Cancelling your Retirement Account

What if the Retirement Account isn't right for me?

You have 30 days from when you receive notification from us that we've accepted/invested your first contribution/transfer to cancel your Retirement Account. Any future contributions/transfers into your Retirement Account can also be cancelled within 30 days. But, you can only cancel any money going into your Income Account once.

If you decide to cancel a pension transfer into your Retirement Account then we'll return your money to your original provider or you may have to find an alternative provider if they don't accept the return.

If you've withdrawn a cash lump sum direct from your pension and you've received your money then we cannot cancel this.

Please note that your adviser may not refund your adviser charge and that your investments may have fallen in value, so you may get back less than you paid in.

You can also transfer your money out of the Retirement Account to another provider at any time.

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 **pru.co.uk/about_us**, or if you contact us we can post some information to you.

Compensation

The Prudential Assurance Company Limited (PACL) is 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 FSCS coverage if PACL is 'in default'.

- PACL is the operator of the Prudential Retirement Account, so if PACL defaults as operator of the personal pension plan you are protected up to £85,000.
- If you hold the Prudential PruFund funds in the Prudential Retirement Account, then they're protected up to 100% in the event of PACL being 'in default'.

Any further FSCS cover depends on where you invest.

- A collective fund (often called an Open Ended Investment Company or OEIC) – These funds are protected up to £85,000 per person per firm 'in default'.
- Stocks & shares investments (Stocktrade) – Fully protected up to £85,000 per person, per firm 'in default'.
- Cash Account (HSBC) – Fully protected up to £85,000 per person, per deposit group.

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.

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.

Terms and conditions

This Key Features Document gives a summary of your plan. Full details are set out in our Terms and Conditions booklet which is available on request 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 us.

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 or Prudential Regulation Authority using the following details:

The Financial Conduct Authority

The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Telephone: **0800 111 6768** or **0300 500 8082**

Email: consumer.queries@fca.org.uk

The Prudential Regulation Authority

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

Telephone: **020 3461 4444**

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

Communicating with you

All our 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.

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 Or you can contact the Pensions Ombudsman who deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. You can contact them using the following details:

The Financial Ombudsman Service

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: **0800 023 4567**

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

The Pensions Ombudsman

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/our-service/make-a-complaint/**

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

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

Money Advice Service

General guidance on all aspects of pensions is available from the Money Advice Service

Website: **moneyadviceservice.org.uk**

Phone number: **0800 138 7777**

Pension Wise

The government service for people over 50 offers guidance on the options available for your pension savings. You can have a free consultation online, over the phone and face-to-face.

Website: **pensionwise.gov.uk**

Phone number: **0800 280 8880**

The Pensions Advisory Service

If you have general requests for information or guidance concerning your pension arrangements contact::

The Pensions Advisory Service (TPAS)
120 Holborn
London
EC1N 2TD

Website: **pensionsadvisoryservice.org.uk**

Phone number: **0800 011 3797**

How to contact us

If you want to contact us you can do so in the following ways:

Write to: Prudential Lancing BN15 8GB UK

Phone: 0345 268 0488 or +44 203 755 9358 if calling from abroad. Lines are open Monday to Friday from 8.30am to 6pm.

Through your online account: Register at **pru.co.uk** and you can send us a message

If you are deaf and 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.

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