

The Financial Conduct Authority is a financial services regulator. It requires us, Forester Life, to give you this important information to help you decide whether our Stocks and Shares Junior ISA 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.

## Key Features

### Its Aims

- To provide the Planholder with a tax-free lump sum benefit at age 18.
- To invest contributions from yourself and other family members, friends and anyone else who wishes to contribute.
- To achieve tax-efficient medium to long-term savings growth in a risk-controlled stakeholder account which invests in a spread of stocks and shares and fixed interest bonds.

### Your Commitment

- All contributions to the Plan are considered a gift to the Planholder and cannot be returned and except in the event of the Planholder's earlier death or terminal illness, can only be accessed by the Planholder at age 18.
- If you are the Registered Contact; to act on behalf of the Planholder until the Planholder decides to take over responsibility for the Plan at age 16 or older.
- To provide the Planholder with the best start in adult life you should aim to make monthly and/or single contributions.
- Monthly contributions will increase automatically each year to keep pace with inflation (within allowable limits).
- As the Plan is invested in stocks and shares, you and the Planholder should aim to invest for at least five years.

### Risk Factors

- The value of the Plan may fluctuate as the value of the investments in the Foresters Stakeholder (Schroders) Managed Funds can go down as well as up. The Planholder may get back less than has been invested.
- The favourable tax treatment of Junior ISAs may change in the future. This could reduce the potential growth of the investment.
- Whilst this Plan meets the standards for a stakeholder Junior ISA this does not necessarily mean that the investment is suitable or that there is any guarantee of performance.
- If the child is aged 13-17 they may choose to access the proceeds at age 18, resulting in an investment term of less than the recommended minimum five years.
- If you transfer in from a Child Trust Fund (CTF) account you will not be able to subsequently transfer back to a CTF.

## Your questions answered

### What is a Stocks and Shares Junior ISA?

- A Stocks and Shares Junior ISA is a 'wrapper' that can be put around a wide range of different savings and investments to enable tax-free savings for the benefit of children.

### What is a Forester Life Stocks and Shares Junior ISA?

- The Forester Life Junior ISA offers a flexible and simple way to invest in stocks and shares, whatever your budget. Designed for low-cost stakeholder savings, you can invest from £10 a month to up to £4,080 in the 2016/2017 tax year (£4,128 in 2017/2018).
- The Foresters Stakeholder (Schroders) Managed Funds aim to achieve medium to long-term growth consistent with stakeholder standards for 'risk-controlled' investment.
- The funds are made up of investments which consist of shares, index linked and other fixed interest securities (stocks).
- The funds can only have up to 60% invested in shares and property in order to meet the risk-controlled standard, with the remainder in more stable assets such as stocks and cash. This approach is designed to provide growth potential without undue risk.

### Which fund will the Junior ISA be invested in?

- All contributions to the Junior ISA Plan will be invested in the Foresters Stakeholder (Schroders) Managed 1 Fund and after 10 years in the Foresters Stakeholder (Schroders) Managed 1A Fund.

### Who is eligible?

- Any child under 18 who is a UK resident for tax purposes and who does not have a Stocks and Shares Junior ISA or a CTF.
- Only one Stocks and Shares Junior ISA (and one Junior Cash ISA) can be held at any one time.
- A child born between 1<sup>st</sup> September 2002 and 2<sup>nd</sup> January 2011 is likely to have a CTF.
- A child with a CTF cannot take out a Junior ISA but may transfer it to a Junior ISA.
- You can check if your child has a CTF via the HM Revenue and Customs (HMRC) website (<https://www.gov.uk/child-trust-funds>).

### How is the Plan opened?

- If your child is under 16, someone with parental responsibility must open the Junior ISA for them.
- Children aged 16 or 17 can open their own Junior ISA but someone with parental responsibility may still open the Plan for them.
- The person who opens the Plan is called the 'Registered Contact'. The person who is the 'Planholder' includes all

children under 16.

- Those aged 16 or 17 who have opened their own Junior ISA Plan are the Registered Contact and Planholder.

#### **What should the Registered Contact do?**

- The Registered Contact is responsible for managing the Plan so should keep all the paperwork, report changes such as a change of address and is the only person who can change the account or provider.
- When the Planholder is 16 they can become the Registered Contact and manage their own account if they want to.

#### **How can contributions be paid?**

- Single contributions can be made by cheque, debit card or direct from your bank (direct credit).
- Monthly contributions are collected monthly by direct debit or standing order.
- Contributions will be accepted in date order up to the maximum contribution limit.

#### **Can contributions be increased?**

- Each year we will automatically increase the amounts received from each monthly contributor to help the Plan keep pace with inflation.
- There is a minimum increase of 2.5% each year which will provide a boost to your Plan when inflation is low.
- Additional increases can be made at any time subject to a minimum of £5 per month for monthly contributions and £20 for single contributions.
- All increases are subject to HMRC maximum limits.

#### **Can contributions be reduced or stopped?**

- Yes. Any person paying a monthly contribution can stop paying or reduce their monthly contributions at any time.
- Reductions are subject to a minimum ongoing contribution of £10.
- If anyone paying a monthly contribution wishes to stop automatic increases to their contribution they should tell us at least 14 days before the increase is due.

#### **How will I keep track of the value of the Plan?**

- Every year we will send the Registered Contact a statement showing the payments received, the number of units held and the value of the Junior ISA Plan.
- The Registered Contact can check unit prices at any time. Simply phone the Unit Price Information line on 0800 99 00 11 or visit [foresters.com](http://foresters.com) or, logon to [myplans.foresters.co.uk](http://myplans.foresters.co.uk) if the product was taken out online.
- The Registered Contact should monitor the value of the Plan and the level of contributions paid.

#### **Can money be withdrawn from the Plan?**

- No. All savings are locked in until the Planholder's 18<sup>th</sup> birthday.
- At that age the accumulated fund can be payable as a cash lump sum to the Planholder, allowing them to spend or reinvest it as they wish or automatically converted to an Adult ISA.

#### **Is there a death benefit?**

- Yes. In the event that the Planholder dies before age 18 we will pay out 101% of the value of units to the Planholder's legal personal representatives.
- Payment may also be made in the event of the Planholder suffering a terminal illness, subject to HMRC approval.

#### **What are the charges?**

- The Forester Life Junior ISA is a medium to long-term stakeholder investment and as such meets the Government

standard for 'capped' charges.

- There is an annual management charge of 1.5% of the value of the funds you accumulate which reduces to 1% after 10 years.
- If your fund is valued at £250 throughout the year, this means that we charge £3.75 that year. If your fund is valued at £500 throughout the year, this means that we charge £7.50 that year. After 10 years these deductions reduce to £2.50 and £5.00 respectively.
- There are no other charges.

#### **What are Stakeholder schemes?**

- Stakeholder products were introduced to provide a straight forward and low-cost way of investing and saving.
- In order to qualify as stakeholder, a medium to long-term investment scheme must satisfy Government standards for minimum subscriptions, a range of payment methods, capped charges of no more than 1.5%pa of fund value (reducing to 1% after 10 years) and a risk-controlled, shares based investment.

#### **What is the tax situation on my Junior ISA?**

- The amount paid to the Planholder at age 18 is completely free from Income and Capital Gains Tax, regardless of individual tax circumstances.
- The tax benefits of a Junior ISA cease from the date of the Planholder's death. Benefits paid out on death form part of the deceased's estate and could be subject to inheritance tax.
- Tax treatment depends on individual circumstances and can be subject to change in the future.

#### **Can Junior ISAs be transferred?**

- Yes, the Junior ISA rules allow the Registered Contact to switch between ISA Managers and any Forester Life Junior ISA can be transferred at no additional cost.
- An existing Stocks and Shares Junior ISA and an existing Cash Junior ISA from other providers may be transferred into a Forester Life Stocks and Shares Junior ISA.
- An existing Stocks and Shares Junior ISA must be transferred in full or in part, to a Forester Life Stocks and Shares Junior ISA.
- CTFs can also be transferred to a Junior ISA.
- For more information about how to transfer into or from your Forester Life Junior ISA, please contact Customer Services on 0333 600 0333.

# What might my child get back from the Plan?

The illustrations below give estimated fund values so you can see what could be available in the future. The table indicates what monthly or single contributions could be worth in years to come, assuming an annual investment growth rate of 5% and an annual management charge of 1.5% reducing to 1% after 10 years. Automatic increases in monthly payments of 2.5% per annum to keep pace with inflation are also assumed, where possible.

Monthly Amount	After 10 years		After 18 years	
	Final Monthly Amount	Value	Final Monthly Amount	Value
£20	£24.98	£3,180	£30.43	£7,470
£50	£62.44	£7,950	£76.08	£18,600
£100	£124.89	£15,900	£152.16	£37,300
£340	£424.61*	£52,900	£517.35*	£122,000

Single Amount	Value after 10 years	Value after 18 years
£250	£350	£477
£500	£700	£955
£1,000	£1,400	£1,910
£4,080	£5,710	£7,790

\*The Government has announced that the maximum Junior ISA limit will rise in line with the Consumer Price Index, assumed to increase by 2% pa.

## Important Notes

- These figures are only examples and are not guaranteed. The actual value could be more or less than shown, and could be less than has been paid in. What you will get back depends on how much the investment grows and on the tax treatment of the investment.
- Inflation would reduce what you could buy in the future.
- These figures assume contributions and investment over 12 or 18 years. Additional gift payments will be invested for a shorter period depending on the age of the child at the time.

## Additional information

### What if I change my mind?

- After we have approved the application, we will issue the Registered Contact with the Plan Document and a notice of the right to cancel.
- They then have 30 days from receipt of this notice in which to change their mind about taking out this Plan.
- If the Junior ISA application is by way of transfer from a CTF account the Registered Contact will have a seven day period in which to withdraw from the transfer. During this period we will not contact the CTF provider to transfer the account. However after this period the transfer will complete and the Junior ISA cannot transfer back to a CTF.
- There is no cancellation period once the Junior ISA is in force.

### What law is the Plan subject to?

- All Forester Life Plans are subject to the law of England and Wales.

- We will always communicate using the English Language.
- Information is based on our current understanding of legislation and tax regulations as at December 2016, which may change in the future.

### How is my personal information used?

- Any personal information which the Registered Contact or Planholder provides to Forester Life will be used to set up and administer the Plan, for claims management, for complaint analysis (if appropriate), for research purposes, for fraud prevention and for marketing purposes.
- To complete our processes we may have to share such information with other companies in the Foresters group (who may be based outside the European Economic Area) and other financial services companies, reinsurers and our service providers. These organisations will not use the information for any other purpose.
- We will not disclose any of the information to any other body or organisation except to prevent fraud or if required by law.
- We may on occasion send the Registered Contact marketing information about products and services of Forester Life and of third parties whose products and services we offer to our customers. The Registered Contact can opt out of receiving this material at any time.

### What if I am unhappy with the service I receive?

- We take the concerns of our customers very seriously. If you are unhappy with any aspect of the service provided by us, please write to the Customer Relations Officer at Foresters House, 2 Cromwell Avenue, Bromley BR2 9BF.
- If we do not deal with your complaint to your satisfaction, you can write to the Financial Ombudsman Service (FOS), Exchange Tower, London, E14 9SR (telephone 0300 123 9123, email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or visit [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). Making a complaint will not prejudice your right to take legal action.
- You can view Forester Life customer complaints procedure at [foresters.com](http://foresters.com) or phone 0333 600 0333 for a copy.

### Are we covered by the Financial Services Compensation Scheme (FSCS)?

- Yes. This means that the Planholder may be entitled to compensation from the FSCS in the unlikely event that we cannot meet our obligations.
- Compensation depends on the type of business and the circumstances of the claim.
- Further information about compensation scheme arrangements is available from the FSCS at [fscs.org.uk](http://fscs.org.uk) or by phone on 0800 678 1100.

### Where can I find out more?

- Full details are set out in the Terms and Conditions which are provided with the Plan Document. A specimen copy is available with this Key Features document.

Customer Services  
Forester Life  
Foresters House  
2 Cromwell Avenue  
Bromley BR2 9BF

T 0333 600 0333  
8:30am to 5:00pm weekdays  
Calls are charged at local rates  
E [service@foresters.co.uk](mailto:service@foresters.co.uk)  
[foresters.com](http://foresters.com)