

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 Personal 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.

## Key Features

### Its aims

- To provide a straightforward, low cost way for you to save for your retirement using tax concessions.
- To build up a fund that you will be able to convert into a regular income and/or a cash lump sum when you retire.
- To give you the option of taking some of your fund as a tax-free cash lump sum at retirement.
- To achieve tax-efficient medium to long-term investment growth in a risk-controlled fund which meets stakeholder standards.
- To reduce the investment risk as you approach retirement by following a 'lifestyle' investment strategy.

### Your commitment

- To contribute a monthly contribution each month and/or invest lump sums until your intended retirement date. Monthly contributions will increase each year in line with inflation.
- You will not normally be allowed to take any money from your Plan until you are aged at least 55.
- You should review the amount you contribute regularly.
- You may need to increase your monthly contribution and/or make additional single contributions in order to achieve the pension income you want when you retire.

### Risk factors

- The value of your Plan may fluctuate as the value of the investments in the Foresters Stakeholder (Schroders) Funds can go down as well as up. You may get back less than you have invested.
- If you exercise your right to cancel, the amount returned to you may be lower if the price of units bought on your behalf has fallen.
- If you stop paying or reduce your monthly contribution, or retire earlier than you had intended, your benefits may be lower than you had expected.
- If pension rates are lower than expected when you retire your pension income will be reduced.
- You may be subject to a tax charge if you build up total pension funds in excess of the Lifetime Allowance.
- The favourable tax treatment and contribution limits of personal pensions may change in the future. Taxation will depend on individual circumstances.

## Your questions answered

### Am I eligible for a personal pension?

- You are eligible for the Forester Life Personal Pension Plan if you are aged less than 75 and you are UK resident for tax purposes.
- You do not need to have earnings to contribute to this Plan.
- Our Personal Pension is designed to be set up by individuals, not employees. This means we can only offer pensions to the self-employed, sole traders, or if you are the only employee of your own company.

### Can children have a Plan?

- Yes. Children can have their own personal pension. The Plan must be opened by a parent or legal guardian who is responsible for the Plan until the child reaches 16 (18 if in higher education or not working).

### How much can I contribute?

- You can contribute from as little as £20 as a monthly contribution and/or single contribution up to the maximum limits allowed by HM Revenue & Customs.

### How can contributions be paid?

- Single contributions can be made by cheque or direct credit.
- Monthly contributions, which should be made for at least five years, are collected monthly by direct debit or standing order.

### What are the maximum contribution limits?

- You can contribute up to 100% of your annual earnings, and receive tax relief on your contributions, up to a maximum limit known as the Annual Allowance.

### How do I claim tax relief on my contributions?

- Forester Life will automatically claim basic rate tax relief direct from HM Revenue & Customs and add it to your contributions. You obtain this tax relief even if you are a non-taxpayer.
- If you are a higher rate taxpayer you can claim additional tax relief from HM Revenue & Customs as part of your annual tax assessment.
- In addition to the tax relief, your contributions benefit from tax-efficient growth. Forester Life invests your contributions and all the profits from these investments are free from Capital Gains Tax.
- Tax treatment depends on individual circumstances and may be subject to change in the future.

### **How will I know how my investment is doing?**

- Every year we will send you a statement showing how much has been paid into your Plan, how many units you have, and how much your Plan is worth.
- You can check unit prices at any time. Simply visit our website [foresters.com](http://foresters.com) or phone the Unit Price Information Line on 0800 99 00 11.
- You should monitor the value of your Plan, and the level of your contribution, to ensure that it is sufficient to meet your retirement needs.

### **Will I be able to increase the amount I contribute?**

- We will automatically increase the amount of your monthly contribution each year in line with the Retail Price Index to help you 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.
- You can make additional increases to your Plan at any time subject to minimum and maximum contribution limits.

### **Can I stop or reduce my monthly contributions?**

- You can stop and re-start your monthly contributions without penalty.
- You can reduce the amount you contribute monthly, subject to a minimum ongoing saving of £20.
- If you wish to cancel the automatic increases, you should tell us at least 14 days before the increase is due.

### **When can I access my pension fund?**

- You can access the value you have built up in your pension fund any time after your 55th birthday.
- You do not have to retire (stop working) in order to start taking your benefits.
- You can also choose to leave your fund untouched when you reach your original intended retirement date if you do not wish to access it at that time.

### **What are my options when I want to access my pension fund?**

- We will write to inform you of your options prior to your intended retirement date as these could be subject to change, either by Government announcement or by our choice.
- You can take up to 25% of the Plan value as a tax-free lump sum and use the balance to buy a policy that gives you a guaranteed income for life (known as a lifetime annuity) from an annuity provider. This is known as the Open Market Option. This pension is taxed as earned income.
- We also offer you the option to take the Plan value as a cash lump sum, either in full or in parts. 25% of each lump sum is paid tax free with the balance taxed as earned income.
- If you choose to take a partial lump sum payment from your pension fund any subsequent contributions will be subject to the Money Purchase Annual Allowance. For details of the

current Money Purchase Annual Allowance please refer to the Pension Factsheet.

- You also have the option to transfer your entire fund, free of charge, to another pension provider. This may be beneficial if you can obtain better pension rates elsewhere or if you wish to take advantage of the wider range of pension options available in the marketplace.
- A full range of the options that can be offered by pension providers can be found on the Government's Pension Wise website [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk).

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

- The Forester Life Personal Pension Plan is a stakeholder pension scheme 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. If your fund is valued at £500 throughout the year, this means that we charge £7.50 that year. If your fund is valued at £7,500 throughout the year, this means that we charge £112.50 that year. After 10 years these deductions would reduce to £5.00 and £75.00 respectively.
- There are no other charges to you.

### **What are stakeholder schemes?**

- Stakeholder pensions were introduced to encourage more people to save for their retirement by meeting standards to make sure they offer value for money, flexibility and security.
- In order to qualify as stakeholder, a pension scheme must satisfy Government standards including minimum payments from £20, a default investment option, a range of payment methods, and charges of no more than 1.5% pa of fund value (reducing to 1% pa after 10 years).
- Scheme investments must be suitable and take into account the need for diversification, with lifestyling to progressively reduce the investment risk in the run up to your retirement.

### **Does my Plan have to be lifestyled?**

- We will write to tell you when lifestyling is due to commence which will normally be five years before your intended retirement date.
- At that time you can choose whether you wish your Plan to be lifestyled or to continue to be fully invested in the Foresters Stakeholder (Schroders) Managed Funds.

### **Will the pension affect my eligibility for State pension benefits?**

- Depending on your personal circumstances any pension or cash lump sum payment from this Plan may affect your eligibility for means tested pension benefits from the Government.

### **What happens if my circumstances change?**

- You should tell us if there is any change in your employment circumstances or your tax status as this may affect the amount you can contribute or your eligibility for your Plan.

### What happens if I'm automatically enrolled after taking out my plan?

- From 2012 all employers, starting with the largest employers first, enrolled their eligible workers into a workplace pension if they were not already in one.
- Normally this will be the case if you are age 22 or over, but have not reached state pension age, and earn more than a specified minimum each year and are contracted to ordinarily work in the UK.
- All employers should have completed enrolment by 2018 although many will have done so years before this date.
- It's possible to pay into both a Personal Pension Plan and a workplace pension, or you may choose to contribute to just one of them depending on your circumstances.
- However, with your workplace pension you will get a contribution from your employer that you won't get with your Personal Pension Plan.

### Can I transfer my Plan?

- Yes, HM Revenue & Customs rules allow you to switch between approved pension providers and Forester Life will not apply a charge to the amount being transferred.
- You can transfer the value of registered pension schemes you hold elsewhere to your Forester Life Personal Pension Plan and Forester Life will not apply a charge to the amount being transferred.
- For more information about how to transfer into, or from your Plan, please speak to your Financial Adviser or contact Customer Services.

### What happens if I die?

- If you die before you start taking the benefits of your pension we will pay the value of your Plan as a lump sum, usually to your nominated beneficiaries.
- Any lump sum benefit is normally paid free of Inheritance Tax.

## Additional Information

### What if I change my mind?

- After we have approved your application we will issue you with your Plan Document and a notice of your right to cancel. You then have 30 days from receipt of this notice in which you can change your mind about taking out your Plan and have your contributions returned.
- The amount you will have returned may be lower if the value of units bought on your behalf has fallen.

### What law is the Plan subject to?

- All Forester Life Plans are subject to the law of England and Wales.
- We will always communicate with you using the English language.

### 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, Forester Life, Foresters House, 2 Cromwell Avenue, Bromley BR2 9BF.
- If we do not deal with your complaint to your satisfaction, you can complain to: The Financial Ombudsman Service, 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 you 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 but insurance businesses are covered for 100% of the claim without any upper limit.
- 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?

- Your Financial Adviser will be able to explain about the benefits of the Forester Life Personal Pension Plan in more detail and provide you with the Pension Factsheet showing current allowances and limits. The Pension Factsheet can also be found on our website.
- Full details are set out in the Terms and Conditions which will be provided with your Plan Document. This will be sent to you after your application is accepted. A specimen copy is available on request.
- Alternatively, you can telephone us on 0333 600 0333, email us at [service@foresters.co.uk](mailto:service@foresters.co.uk) or visit our website [foresters.com](http://foresters.com).
- For information about the financial planning service offered by Forester Life, and about your data protection rights, please refer to our brochure 'Financial planning service'.

### Important information

- Information is based on our current understanding of legislation and tax practice as at March 2018, which may change in the future.

### How to contact us

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 <a href="mailto:service@foresters.co.uk">service@foresters.co.uk</a> <a href="http://foresters.com">foresters.com</a>
---	--