

## WORKSAVE PENSION PLAN – MEMBER'S BOOKLET

# INFORMED.

Within the Legal & General Group we have decades of experience managing pensions and we understand it's important to be properly informed about your pension. This booklet will give you all the information you need about your pension with us.

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DAY  
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# INTRODUCTION.

This booklet sets out the terms and conditions of your pension with Legal & General. From the different ways of paying money into your pension to the calculation of your retirement fund, you will find details of your pension inside. You should keep this document for future reference with the other literature we have sent you about your pension with us.

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We know that financial terminology can be confusing. For ease of reference these terms are highlighted in green and their definitions can be found in the 'Terms Explained' section at the back of this booklet.

References to 'you' or 'your' are to you as a member of the scheme.

The information in this booklet is based on Legal & General's understanding of current law relating to pensions at the time of writing. The law and tax rates may change in the future.

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If you would like a copy of this or any other item of our literature in larger print, Braille or in audio format, please contact us at:

**Workplace Benefits: Pensions  
Legal & General  
2nd Floor Knox Court  
10 Fitzalan Place  
Cardiff  
CF24 0TL**

# GENERAL INFORMATION ABOUT YOUR PENSION.

## 1. MEMBERSHIP OF THE SCHEME

Your membership of the **scheme**, and your entitlement to benefit under it, is confirmed by a **membership certificate** (or, if you have more than one **arrangement**, certificates) issued to you with this booklet. You should keep both the booklet and the certificate(s) in a safe place. This booklet sets out the terms and conditions applying to each **arrangement**.

Any enquiries about your pension **arrangement(s)** should be addressed, unless you have been told otherwise in writing, to:

Workplace Benefits: Pensions  
Legal & General (Portfolio Management Services) Limited  
2nd Floor Knox Court  
10 Fitzalan Place  
Cardiff  
CF24 0TL

## 2. NON-UK RESIDENTS AND EARNINGS

The plan has been designed specifically for UK residents whose earnings are assessed by HMRC for tax and National Insurance purposes. If you are not a UK resident, or if any of your earnings come from outside of the UK, there may be tax implications for you. If you are not sure, we recommend that you seek financial advice.

## 3. ARRANGEMENTS UNDER THE SCHEME

The **scheme** provides benefits for many members, of whom you are one. Each member may have one or more pension **arrangements** (of the same or different type), which provide his or her benefits.

If you do have more than one pension **arrangement**, they do not have to have the same **selected retirement date** and you will have more than one **membership certificate**.

Each pension **arrangement** will have a separate membership number. The terms and conditions in this booklet should then be read as applying separately in respect of each **arrangement**.

## 4. CHANGES IN CIRCUMSTANCES

Some of the features described in this booklet apply differently to people in different circumstances. You must tell **Legal & General** if:

- (i) you cease to be resident in the United Kingdom; or
- (ii) you cease to have **relevant UK earnings** or having ceased to have **relevant UK earnings**, you start to have them again;
- (iii) you are in an occupation for which, before 6 April 2006, **HMRC** permitted an early retirement age and you leave that occupation; or
- (iv) you cease to be entitled to receive tax relief on your contributions to the **scheme**.

## 5. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The provisions of this booklet are not intended to be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 (the Act) by anyone who has not effected an **arrangement** under the **scheme**. Furthermore, any power of **Legal & General** to terminate or amend the provisions of the **scheme rules** will not require the consent of a member or any other person who may be or become entitled to benefits under the **scheme** by virtue of the Act unless this booklet or the **scheme rules** expressly provides their consent is required.

# PAYING INTO THE SCHEME.

## 1. PAYING INTO YOUR ARRANGEMENT

Paying into your **retirement fund** for pension benefits may comprise one or more of the following:

- (i) regular contributions;
- (ii) one-off amounts; and/or
- (iii) transfer value amounts.

Regular contributions and one-off amounts may be paid to the **scheme** by you or on your behalf by your employer or another person. They must be paid in a form and by a method acceptable to **Legal & General**. The conditions applying to the different ways to pay in are set out in the following sections.

Unless you choose otherwise, we will invest your money in the default **fund** for your plan.

## 2. REGULAR CONTRIBUTIONS

Regular contributions into an **arrangement** can only be paid from a date which is agreed between you and **Legal & General**. The amount of regular contributions can be changed at any time before your **selected retirement date**. No regular contributions can be paid after your **selected retirement date**. Your **selected retirement date** can be changed at any time, however, it cannot be later than your 99th birthday (see the definition of **selected retirement date** at the back of this booklet for more information on changing that date).

The amount of a regular contribution, and the amount of any increase to such contribution, must meet **Legal & General's** minimum requirements (and, where applicable, the contributions paid by you must meet the minimum requirements under the Pensions Act 2008) at the time contributions start or are changed (as relevant). Regular contributions (other than those made yearly) will be payable at the frequency agreed between you and **Legal & General**.

Yearly contributions will be paid annually on the anniversary of their commencement. Increases in yearly contributions may only be made from such an anniversary. Any contributions, other than regular contributions, paid at any other time will be treated as one-off amounts.

You can stop paying regular contributions at any time. If you do stop you may restart paying regular contributions at any time you agree with **Legal & General**.

Charges will continue to be deducted in respect of an **arrangement** even though you may have stopped paying contributions.

## 3. ONE-OFF AMOUNTS

You may pay in a one-off amount at any date agreed between you and **Legal & General**. Any one-off amount must be at least equal to the minimum acceptable to **Legal & General** at that time. The terms that apply to any future one-off amounts paid into an **arrangement** may be different from those applying when you joined the **scheme** and might differ from one future one-off amount to another.

A one-off amount may be made by you and/or your employer or other person on your behalf.

## 4. TRANSFER VALUE AMOUNTS

Transfer value amounts may be made in accordance with the **scheme rules** from another **registered pension scheme** or from a **qualifying recognised overseas pension scheme**. Transfer value amounts must meet the conditions set out in the first paragraph of provision 3, 'One-off Amounts' above.

## 5. TAX RELIEF ON CONTRIBUTIONS

When making a contribution to the **scheme** before you reach the age of 75, you will receive tax relief on that contribution equal to the basic rate of income tax applicable at the time the contribution is paid. Any contribution you pay will therefore be treated as paid after deduction of this relief. **Legal & General** will claim an amount equal to the basic rate tax relief from **HMRC**.

**Legal & General** will treat your contribution as having been paid in full at the date the net contribution was paid.

If you are a higher rate or additional rate taxpayer you can reclaim further tax relief through your yearly tax return.

**Note:** You are only entitled to claim tax relief in respect of a tax year in which you are a 'relevant UK individual'.

Broadly speaking, this means:

- (i) you must have **relevant UK earnings** chargeable to income tax; or
- (ii) you must be resident in the UK for at least part of the tax year; or
- (iii) you must have been resident in the UK in one of the preceding five tax years and when you joined the **scheme**; or
- (iv) you or your spouse or registered civil partner must have in the tax year general earnings from overseas Crown employment subject to UK tax.

## 6. LIMITS ON TAX RELIEF AND CHARGES ON CONTRIBUTIONS

You are entitled to tax relief on gross personal contributions of up to 100% of your **relevant UK earnings** in each tax year. However, if your **relevant UK earnings** are less than a basic amount (currently £3,600) you will still receive tax relief on contributions you make up to that basic amount.

If the total of all contributions paid into all **registered pension schemes** for you is more than the **annual allowance** plus any unused **annual allowance** carried forward from the previous three tax years, you will be subject to a tax charge. Any excess pension savings over the **annual allowance** will be subject to a tax charge broadly reflecting your marginal rate of income tax. Refunding contributions in accordance with section 7, 'Refund of What's Been Paid In' below, will not stop the tax charge being applied.

**Note:** If you have benefits under a defined benefit **scheme**, it is the increase in value of your benefits over the **scheme** year that counts towards the **annual allowance** and not the actual contribution to that **scheme**.

Any one-off amounts which represent a transfer value from another **registered pension scheme** do not count for the purposes of the **annual allowance**.

**Note:** This section is only intended to summarise the operation of pensions tax legislation. The rules relating to the **annual allowance** and, in particular, the operation of the **annual allowance** carry-forward facility are complex. **Legal & General** suggests that you seek specialist advice if you think that you may be affected by the **annual allowance**.

## 7. REFUND OF WHAT'S BEEN PAID IN

Once an amount has been paid to the **scheme**, it will not be refunded if you were entitled to receive tax relief on it.

If you were not entitled to receive tax relief on all or part of an amount, the part of the amount which was not eligible for tax relief may be refunded to you at **Legal & General's** sole discretion. The amount refunded to you may reflect any change in investment value.

Before any refund is made to you, you will be required to provide proof, satisfactory to **Legal & General**, that the contribution did not qualify for tax relief. Any refund must be made within six tax years following the tax year in which the contribution was made.

# INVESTING THE MONEY THAT IS PAID INTO THE SCHEME.

## 1. INSURED ARRANGEMENTS

In an insured **arrangement**, investments are held in insured **funds**. Money paid into an insured **arrangement** is invested in the **scheme policy** on the basis set out in the section headed 'Insured Arrangements' on page 13.

At least four months before your **selected retirement date** **Legal & General** will send you a pack giving you details of your options.

## 2. SELF INVESTED ARRANGEMENTS

Money paid into a self invested **arrangement** will be invested on your behalf in investments which have been selected by you or by an adviser chosen by you. Any investment under a self invested **arrangement** will only be made if there are sufficient cleared **funds** in the **member's SIPP bank account** held for you under the **scheme**.

Details of the investments allowed, and how to obtain details of the current charges applicable, can be found in the section headed 'Self Invested Arrangements' on page 21.

# YOUR PENSION BENEFITS.

## 1. COMMENCEMENT OF YOUR BENEFITS

You may choose to draw benefits from your **selected retirement date** or from any earlier or later date as long as it is on or after the minimum pension age of 55 and not later than your 99th birthday.

You do not have to take all of your benefits at the same time, nor do you have to take them all in the same form.

It may be possible for you to draw your benefits earlier than the minimum pension age if you provide **Legal & General** with satisfactory medical evidence that you have stopped work because you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment.

## 2. FORM OF PENSION INCOME

Your pension income can be taken as:

- (i) a pension annuity; or
- (ii) income drawn directly from your **retirement fund** (income drawdown); or
- (iii) a combination of both of these.

## 3. ALTERNATIVE CASH BENEFIT

You may, at the date you choose to start taking an income, take part of the **retirement fund** as a lump sum benefit.

The maximum amount which you may take as a lump sum without incurring a tax charge is normally one-quarter of that part of your **retirement fund** which is being used at that time under the **arrangement** to provide benefits for you.



If you choose to take the income drawdown option (as in section 5 headed 'Income Drawdown' below) you will only be able to take the cash benefit described in this section at the time(s) you designate part or all of your **retirement fund** for income drawdown. You will not, in particular, be able to take a cash benefit if you eventually use that part of your **retirement fund** from which you have been taking income drawdown, to buy a pension annuity.

## 4. PENSION ANNUITY

You can choose to buy your pension annuity with an insurance company of your choice, which could be a company within the **Legal & General Group**. If you decide to buy your pension annuity with a **Legal & General Group** company, **Legal & General** will provide you with the full terms and conditions of the annuity contract at that time. Full details of the **Legal & General** pension annuity are available on request.

## 5. INCOME DRAWDOWN

If you choose to withdraw income directly from your **retirement fund**:

- You must designate how much of your **retirement fund** is to be set aside for this purpose. You can choose not to draw income for the time being and just take a cash sum. If you do not take a cash sum when designating your income drawdown **fund**, you will not be able to take cash if you subsequently use the **fund** to buy a pension annuity.
- From your 99th birthday you must, unless **Legal & General** notifies you otherwise in writing, use your **retirement fund** to buy a pension annuity unless you choose to transfer the value of your benefits to another **registered pension scheme** or **qualifying recognised overseas pension scheme**.
- You will be provided with written details of how income drawdown will operate at the time you make a designation. These should be read in conjunction with this booklet, as the terms which apply to your **arrangement** while you are withdrawing income differ in some respects from those described here.

## 6. RETIREMENT FUND

The way your **retirement fund** is calculated depends on the type of pension **arrangement** involved. In the case of an insured **arrangement**, it is calculated as described in 'Calculation of Retirement Fund' on page 15. In the case of a self invested **arrangement**, it is also calculated in accordance with 'Calculation of Retirement Fund' on page 15.

## 7. PURCHASE OF A PENSION FROM ANOTHER INSURANCE COMPANY

If you choose, the amount which would have been applied to provide the pension or pensions described above, (after deduction of any cash sum paid in accordance with section 3 on page 7), will be made available for purchase of any permitted alternative pension or pensions from another insurance company.

Alternatively, you can obtain a pension elsewhere by way of the transfer of your **retirement fund** to another **registered pension scheme** or **qualifying recognised overseas pension scheme** (see section 1 of 'Benefits on Transfer or Death' on page 10).

## 8. ELECTION OF OPTIONS

If you wish to exercise any of the options described in this section, you must tell **Legal & General** in writing at least one month before the date when you want to take your benefits. However, you should bear in mind that some assets (for example property) are not always readily realisable so you should take this into account when exercising any option.





# BENEFITS ON TRANSFER OR DEATH.

## 1. TRANSFER OUT

You may choose, at any time before benefits are first paid from your **retirement fund**, to have a transfer value amount paid from the **scheme** to another **registered pension scheme** or to a **qualifying recognised overseas pension scheme**. So long as the transfer is to another **registered pension scheme** or **qualifying recognised overseas pension scheme**, the transfer should not give rise to any tax charge.

You may also choose to have a transfer value amount made to another **registered pension scheme** or to a **qualifying recognised overseas pension scheme** at any time whilst in income drawdown as described in section 5 of 'Your Pension Benefits' on page 8.

The amount payable as a transfer value amount will be the available **retirement fund** at the transfer date calculated in accordance with section 6 of 'Your Pension Benefits' on page 8.

In certain circumstances a transfer may need to be delayed. (The reason for this is explained in the section 'Calculation of Retirement Fund' on page 15.)

No further benefit will be payable under the **scheme** in respect of the **retirement fund** which has been paid as described above. Once such an amount has been paid, no further contributions may be paid to the **arrangement** by or in respect of you.

## 2. DEATH BEFORE PAYMENT OF A PENSION

If you die before payment of your pension has commenced, or before benefits are first paid from your **retirement fund**, the **retirement fund** will be applied to provide the benefit or benefits described in section 3 or 4 following, or both.

If your **arrangement** is a self invested **arrangement** any payment will be dependent upon assets being realised.

## 3. PENSION FOR A WIDOW(ER), SURVIVING REGISTERED CIVIL PARTNER OR DEPENDANT

### Pension Annuity

You may request in writing before your death that the **retirement fund** be used solely to provide a pension for your **widow(er), surviving registered civil partner** or for another **dependant** named by you. **Legal & General** are not bound by your request and may decide to apply some or all of the **retirement fund** in accordance with section 4 opposite.

Your **widow(er), surviving registered civil partner** or other **dependant** (as applicable) will be able to purchase the permitted pension annuity from **Legal & General** or from another **insurer**. Assuming the pension annuity is purchased from **Legal & General**, the pension payable to the **widow(er), surviving registered civil partner** or other **dependant** will normally be payable by monthly instalments in advance during his or her lifetime. However, the **widow(er), surviving registered civil partner** or **dependant** may choose before it commences:

- (i) that it should be payable in arrear; and/or
- (ii) at quarterly, half-yearly or yearly intervals;

Any pension will be of a level amount unless the **widow(er), surviving registered civil partner** or **dependant** has chosen otherwise.

**Note:** A pension annuity which is paid to your child cannot provide a pension beyond the child ceasing to qualify as a **dependant**.

### Income Drawdown

If a pension becomes payable in accordance with this section, it may be possible for your **widow(er)**, **surviving registered civil partner** or **dependant** to take it in the form of drawdowns of income from the **retirement fund**. Details of the option will be available to your **widow(er)**, **registered civil partner** or **dependant** at the time that the pension would otherwise become payable.

## 4. PAYMENT OF LUMP SUM DEATH BENEFIT

Any part of the **retirement fund** which is not applied to provide a pension under the previous section will be paid as a lump sum in such proportions and to such recipient(s) as **Legal & General** decides.

The class of potential recipients comprises, broadly:

- (i) any trust which you have nominated for inclusion within the class of potential recipients. You may wish to set up a trust for this purpose, in which case **Legal & General** recommends that before doing so you seek appropriate advice in order to manage any inheritance tax issues that might arise;
- (ii) any person(s), charity, association or other body you have nominated for inclusion in the class of potential recipients;
- (iii) your **widow(er)** or **surviving registered civil partner**;
- (iv) your **dependants**;
- (v) your antecedents and descendants;
- (vi) your legal personal representative or any person or body entitled under your will to any interest in your estate; and
- (vii) any person who, or body which, **Legal & General** believes you would have wished to benefit.

If **Legal & General** determines that it has insufficient information to enable it to pay the lump sum under this section, it will not be obliged to pay it.

### Notes

Please note the following in relation to any nomination you make for the distribution of a lump sum death benefit under this section:

- **Legal & General** is not bound to distribute any lump sum death benefit payable under this section in accordance with any nomination you make.
- You may make a nomination at any time when you are a member. You may also make a nomination in your application for membership, to take effect on your becoming a member.
- Any nomination must be made in writing and received by **Legal & General** before your death.
- Where you would like to nominate a trust, you must notify **Legal & General** of the identity of the trustees in your nomination.

If a person you nominated is no longer alive, **Legal & General** may pay part or all of the benefit either to your estate or to that of the person you nominated. Accordingly, if a person you have nominated dies, you should make a new nomination unless you want **Legal & General** to consider paying it to that person's estate.

# TAXATION OF BENEFITS.

**Note:** This section is only intended to summarise the operation of pensions tax legislation which can be complex and is subject to change from time to time.

**(i) Income**

Any income payable under the **scheme** to you or anyone else is taxable as pension income and tax will be deducted at the appropriate rate based on the PAYE coding of the relevant individual as notified by **HMRC**.

**(ii) Lump sums**

Any part of your **retirement fund** taken as a cash sum, in accordance with section 3 of 'Your Pension Benefits' on page 7, will not be subject to a tax charge.

A lump sum benefit described in section 4 of 'Benefits on Transfer or Death' on page 11 is not normally liable to inheritance tax under present legislation. However, if you are aged 75 or older when you die, that lump sum will be subject to a 55% tax charge under pensions tax legislation,

**(iii) Retirement fund**

If, when you take any retirement benefits, the value of those benefits, together with the value of any other benefits provided for you under all **registered pension schemes**, exceeds your **lifetime allowance**, you will be liable to a tax charge on the amount by which the value has exceeded your **lifetime allowance**. The value given to benefits for this purpose is determined by law and depends on the type of benefits which have been paid. In most cases, the value will be the amount of your **funds** which are used for the payment of the benefit.

The amount of the charge will depend on the form in which you take the benefits relating to the excess. At the time of writing, if you take benefits before age 75 as a lump sum the charge will be 55% and if you take them as income it will be 25%. Any income will be taxed as described in (i) above as well.

A similar tax charge will be payable if you die before age 75 and the amount payable as a lump sum on your death in accordance with section 4 of 'Benefits on Transfer or Death' on page 11 exceeds your remaining **lifetime allowance**.

If at age 75 part of your **retirement fund** is being used to provide income drawdown and/or you reach that age and some or all of your **retirement fund** has not been designated for income drawdown or used to provide a pension annuity, there will at that point be a test (which, if you have already taken benefits from your **retirement fund**, may be a second test) against your **lifetime allowance**. Special rules dictate the amount which is tested against your **lifetime allowance** in these circumstances. The excess will be subject to a 25% tax charge.

**(iv) Tax charges**

**Legal & General** will bear no liability in relation to any unauthorised payment (as defined in the **Finance Act**) made by or in respect of the **scheme**, or for any tax charge which is incurred in respect of your **retirement fund**.

**Legal & General** will be entitled to recover any fees or tax charges it incurs in respect of such liability from your **retirement fund**.



# INSURED ARRANGEMENTS.

## APPLICATION OF PENSION CONTRIBUTIONS.

### 1. BUYING UNITS

Each time you pay into your **retirement fund**, your insured **arrangement** will be credited with a number of **units** in one or more of the **funds** described in 'Funds and Their Operation' on page 17. The number of **units** to be allocated will be calculated by applying a percentage of each amount that is paid in at the **unit** price (as described in 'Funds and Their Operation' on page 17) of the relevant **fund**.

At the outset this percentage will be that notified to you in the **key features documents**. However, **Legal & General** may change the percentage in future in accordance with the section headed 'Legal & General's Right to Make Changes' on page 24. **Legal & General** will notify you in writing of any change before any payment is made which is affected by the change.

For amounts paid by direct debit, the **unit** price is that calculated on the **working day** on which the contribution is received by **Legal & General**. For all other contributions and transfer value amounts the **unit** price used is that calculated on the second subsequent **working day** following the **receipt date** of the money by **Legal & General** at the address in the section headed 'General Information about Your Pension' on page 4.

Where the money paid in is not cleared through the bank account of the person from whom it is made, any **units** credited in respect of that amount will be cancelled.

Crediting **units** operates only as a means of linking your **arrangement** to the **funds** for the purpose of calculating the value of your **retirement fund**. However, the legal and beneficial interest in the **units** and the underlying assets of the **fund** do not belong to you.

### 2. SELECTION OF FUNDS

Initially the **fund** or **funds** in which **units** are to be credited to your **arrangement** will be those which you have agreed with **Legal & General** in your application for membership of the **scheme**. If you have selected more than one **fund**, your contributions will be applied towards **units** in each **fund** in the proportions which you have specified.

Allocation of future contributions will continue on the same basis unless you choose otherwise. You may at any time instruct **Legal & General** in writing (or by any other means which has been notified to you by **Legal & General** as being acceptable) that the allocation of contributions between **funds** is to be changed for future contributions.

### 3. MOVING BETWEEN FUNDS

You may instruct **Legal & General** at any time, in writing or any other manner which **Legal & General** has notified to you in writing is acceptable to it, to exchange **units** already credited to your **arrangement** for **units** to an equal value in a different **fund** or **funds** specified by you. This option, which is often called 'switching', is subject to the conditions described below:

- (i) The value of the **units** in the respective **funds** will normally be calculated at the respective **unit** prices (calculated as described in 'Funds and Their Operation' on page 17) at the second subsequent **working day** following the **receipt date** on which your instruction is received by **Legal & General** at the address given on page 4.

However, the **insurer** may delay calculating the value of **units** by up to 48 hours if the number of switches involving one or more of the relevant **funds** (in respect of all policies linked to that **fund**) is, on the second **working day** following the **receipt date** of the switch instruction, higher than the daily average for the previous six months and is, in the opinion of the **actuary**, at such a level as to adversely affect the performance of the **fund(s)** for policyholders who continue to be credited with **units** in that **fund(s)**.

- (ii) In certain circumstances a switch out of a **fund** may be delayed. The reason for this is explained in the section entitled 'Calculation of Retirement Fund' on page 15.
- (iii) The Annual Management Charge due in respect of the period from the last date on which such charges were deducted up to and including the date on which the switch is made, will be deducted on the date of the switch in accordance with section 2 of 'Amount and Deduction of Annual Management Charges' on page 20.
- (iv) The Annual Management Charges to be deducted in accordance with section 2 of 'Amount and Deduction of Annual Management Charges' on page 20 on the next monthly due date following the switch will be those due in respect of the period from the date of the switch to the last day of the normal monthly interval.
- (v) **Legal & General** may restrict or refuse any switch between **funds** if the value of the **units** subject to the switch is less than £100 or if the switch would result in you investing in more than the maximum number of **funds** allowed.
- (vi) No charge is made for switching, nor is there a limit on the number of switches you can make. However, **Legal & General** may introduce such a charge in the future or impose a limit on the number of switches allowed at no charge. See 'Legal & General's Right to Make Changes' section on page 24.

**Note:** Unless and until you tell **Legal & General** that future contributions are to be allocated differently, those contributions will continue to be allocated to the **fund** or **funds** to which contributions were being allocated before the switch (see section 2 on page 13).

# CALCULATION OF RETIREMENT FUND.

## 1. POSSIBLE DELAYS IN CALCULATING CASH IN OR SWITCH VALUES

In order to protect all investors, there are some circumstances where **Legal & General** may need to delay calculating cash in or switch values. This could delay **Legal & General** dealing with your request if the transfer, switch or benefit payment (as applicable) is to be made at any date:

- before your **selected retirement date**; or
- after your **selected retirement date**,

for any reason other than death. Set out below are some of the circumstances in which **Legal & General** may need to delay.

- **Exceptional market conditions.** These include:
  - Situations where it becomes impossible to buy or sell assets such as action by an overseas government that freezes assets invested in that country.
  - Situations where it's not possible to ensure fairness to all investors in the **fund**, for example if by calculating a **unit** price it means paying too much to those leaving the **fund** at the expense of those remaining.
  - Any events listed in the 'Events Beyond Legal & General's Reasonable Control' subsection in the 'Legal & General's Right to Make Changes' section on page 24.
- **Failure of another company Legal & General may rely upon.** This includes:
  - The failure of an **external fund manager** to do something that would normally be expected of them running their business.
  - The failure of a stock exchange (such as the London Stock Exchange).
  - Major power failures or the failure of essential IT or communications systems.
- **Funds with commercial property assets.**
  - If a large number of people want to sell their **units** at the same time it may be necessary to sell properties.
  - The process of selling commercial property (such as office blocks, shopping centres or industrial warehouses) can take a long time. For an internal **fund Legal & General** may need to delay calculating the cash in or switch value for up to six months. For an external **fund** any delay could be indefinite.

- This allows the **fund** manager time to obtain an appropriate price for the properties that may need to be sold. If a quick sale was forced through, the **fund** manager may get an artificially reduced value, which could impact both those leaving the **fund** and those remaining in it.

Where practicable and/or where a delay is likely to be significant, **Legal & General** will do all that it reasonably can to notify you in advance and explain any alternative options that may be available. **Legal & General** cannot possibly foresee every reason why it might need to delay. It will make reasonable efforts to ensure that whenever practicable it will calculate the limit price as soon as possible.

## 2. FUND AT SELECTED RETIREMENT DATE

The amount available to provide benefits at your **selected retirement date** will be the value at that date of the **units** credited to your **arrangement**, once any outstanding management charges have been deducted in accordance with 'Amount and Deduction of Annual Management Charges' on page 20. The value of the **units** will be calculated at their price, as described in section 6 overleaf.

## 3. FUND AFTER SELECTED RETIREMENT DATE

If payment of your benefit or any part of it does not start until after your **selected retirement date**, **units** will remain in those **funds** in which they are invested at your **selected retirement date**. Additional one-off amounts may be paid at any time. At any subsequent date on which benefits become payable, the amount available to provide those benefits will be calculated as in section 2 above, at that date.

## 4. FUND BEFORE SELECTED RETIREMENT DATE

If any benefit becomes payable at any date before your **selected retirement date**, the amount of the **retirement fund** available at that earlier date will be calculated as in section 2 above, at that date.

## 5. FUND WHERE BENEFITS ARE TAKEN AT DIFFERENT DATES

If benefits under your **arrangement** become payable at more than one date, then the amount available to provide benefits at each date will be calculated separately in respect of the benefits payable at each of those dates. This amount will be calculated in accordance with sections 2, 3 or 4 depending on whether the relevant date falls on, before or after your **selected retirement date**.

## 6. CURRENT UNIT PRICE

For the purposes of calculating the value of the **retirement fund** in the above circumstances, the current price of **units** must be established.

Normally, the current **unit** price will be that calculated for the second **working day** following the **receipt date** on which **Legal & General** receives, at the address given in the introduction of this booklet, all the information and/or evidence it requires to pay the particular benefit.

In certain circumstances, the **unit** price used will be that calculated for a different day:

- (i) if benefits become payable after your death **Legal & General** will use the **unit** price calculated for the **receipt date** of evidence, which is acceptable to **Legal & General**, of your death; and
- (ii) where you have requested that benefits be paid from a specified date and the **receipt date** of all the necessary information and/or evidence required by **Legal & General** to pay those benefits is more than two **working days** before that specified date, **Legal & General** will use the **unit** price calculated for that specified date; and
- (iii) where encashment of **units** is delayed in accordance with section 1 on page 15, **Legal & General** will use the **unit** price calculated for the **working day** those **units** are encashed; and
- (iv) if the value of your **retirement fund** is being calculated on or after your 99th birthday, **Legal & General** will use the **unit** price calculated for the **working day** immediately preceding your 99th birthday.



# FUNDS AND THEIR OPERATION.

## 1. FUNDS AND UNITS

Each insured **arrangement** with **Legal & General** under the **scheme** is linked via the **scheme policy** to investment-linked **funds**. Each **fund** is divided into **units**. These **funds** form part of the long-term insurance **fund**. However, the assets underlying them may be managed by the **insurer** and/or its associated companies, or by an **external fund manager**.

## 2. FUNDS AVAILABLE

Your insured **arrangement** may be linked to any one or a combination of **fund** types available at the date your contribution is received by the **insurer**. The **fund** types currently available are as follows:

### (i) Internal **funds**

**Funds** managed by a **Legal & General Group** company.

### (ii) External **funds**

**Funds** maintained by the **insurer** which invest in a **fund** managed by an **external fund manager**.

### (iii) **Blends**

Notional **funds** invest in two or more underlying **funds** managed by a **Legal & General Group** company or an **external fund manager**. **Blends** are valued as internal **funds** (as described in 5A(i) below), and their **fund** charges are calculated as external **funds** (as described in 5B(a)(i) overleaf).

Details of all the **funds** available for investment under your **scheme** are set out in a brochure available from **Legal & General** on request. New **funds** may be made available from time to time.

You cannot invest in more than 50 **funds** at any time.

## 3. CLOSURE OF FUNDS

The **insurer** may decide that a **fund** will cease to be available under the **scheme policy**:

- (i) in the case of an internal **fund**, if, in the **insurer's** opinion, it becomes impractical to maintain a particular **fund**, e.g. where there are very few investors;
- (ii) in the case of an external **fund**:
  - if an **external fund manager** ceases to trade; or
  - if an **external fund manager** closes an investment in which a **fund** is invested; or
  - if an **external fund manager** merges any investment in which a **fund** is invested with another investment; or

- if in the opinion of **Legal & General** it becomes impractical or inappropriate to maintain a particular **fund**.

If this happens, you will, where practical, be given at least three months' notice in writing, except where a standard external **fund** is closed and it is impractical for the **insurer** to provide such notice. In this case the **insurer** will provide as much notice as is practical. You will also be given an opportunity to switch any investment you have in an affected **fund** into another **fund**, or **funds**, in accordance with Section 3 of 'Application of Pension Contributions' on page 14. If you do not specify into which other **fund**, or **funds**, you want **units** to be switched, they will be switched into the **fund**, or **funds**, specified by **Legal & General** in the notice.

## 4. FUNDAMENTAL CHANGE TO AN EXTERNAL FUND

If **Legal & General** becomes aware of a change occurring to any external **fund** in which the **scheme policy** is invested and which it considers to be a fundamental change, you will be notified.

The notice will include details of the change, the options available to you and what action **Legal & General** will take if no instructions are received within a specified period.

A fundamental change will include changes such as:

- (i) a significant change to the risk profile of the **fund**;
- (ii) a significant change in the objective of the **fund**;
- (iii) a significant change of the asset types held by and/or the method of managing the assets of the **fund**;
- (iv) a significant change of the countries of the world in which the **fund** invests; or
- (v) failure of the **external fund manager** to meet its obligations.

## 5. VALUATION OF FUNDS

### A. **Funds**

Each **fund** will normally be valued on each **working day** and the **actuary** will specify the basis of calculation of the maximum and minimum **unit** prices applicable to that **fund** for the purposes of the **scheme policy** according to the following rules:

- (i) Internal **funds** will normally be valued based on the value of the assets held in that **fund** on that **working day**. A different day may be used if it is not possible to value the assets held in a **fund** owing to exceptional market circumstances. See section 'Legal & General's Right to Make Changes' on page 24.

- (ii) External **funds** will normally be valued based upon the latest available price of the investment in which they invest as at **close of business** on the previous **working day**.
- (iii) The **unit** price will be no more than the maximum **unit** price (as in (iv) below) and no less than the minimum **unit** price (as in (v) below). The basis for determining the **unit** price will be set by the **insurer** so as to enable fairness between those who remain in the **fund** and those who withdraw from it.
- (iv) In calculating the maximum **unit** price, the value of a **fund** will be determined by the prices at which the assets held in that **fund** might be bought. The maximum **unit** price will be this value divided by the number of **units** in the **fund**, rounded up by not more than 0.1p.
- (v) In calculating the minimum **unit** price, the value of a **fund** will be determined by the prices at which the assets held in that **fund** might be sold. The minimum **unit** price will be this value divided by the number of **units** in the **fund**, rounded down by not more than 0.1p.

The **insurer** will ensure that, in specifying the calculation basis for determining the value of an investment-linked **fund** for the purpose of the **scheme policy**, due allowance is made for:

- (i) income received or accrued;
- (ii) cash as yet uninvested;
- (iii) any actual, prospective or other liability for taxation or any other levy;
- (iv) expenses, taxes, duties and other charges incurred in acquiring, managing, maintaining, valuing and disposing of assets;
- (v) any reasonable adjustment considered necessary to preserve fairness between **arrangements** and policies which may be linked to the **fund**; and
- (vi) the **fund** charges described in (B) below.

The **insurer** values external **funds** based upon certain information provided by the **external fund managers** (under the terms of the contracts between them and the **insurer**). The valuation of each **fund** is dependent upon the **external fund managers** meeting their obligations under these contracts. The **unit** prices used, for external **funds**, to calculate any benefits payable under the **scheme policy** will be based upon the information provided by the **external fund managers**. (If it is subsequently discovered that this information did not accurately reflect the true value of the underlying assets at the time any benefits were paid, no further benefits will be payable.)

## B. Fund charges

### (a) Fund management charge

The **fund** management charge varies from **fund** to **fund**. The way it is calculated depends on whether the **fund** is managed by the **insurer** (internal **funds**) or by an **external fund manager** (external **funds**).

The published annual percentage rate of the **fund** management charge applicable on the date you joined the **scheme**, for each **fund** you are initially invested in, is as shown in your **key features documents**. The **fund** management charge for all **funds** are shown on the funds factsheets.

The **fund** management charge may change from time to time. See section 'Legal & General's Right to Make Changes' on page 24. At all times the most recently published rates for all **funds** can be found on **Legal & General's** website or it can give you this on request.

#### (i) External funds

The **fund** management charge charged by the **insurer** includes an allowance for what the **external fund manager** charges the **insurer** to cover their day-to-day costs of managing the **fund**.

The **fund** management charge will be deducted from each **fund** on each **working day** by adjusting the **unit** price of the relevant **fund** and will be 1/365th of the annual percentage rate of the **fund** management charge of the **unit** value on the previous **working day**. When the **working day** is a Monday or follows an English public holiday, the deduction made will be a multiple of 1/365th in respect of the current **working day** and the previous non-**working days** for which no deduction has been made. An example for clarification: other than following an English public holiday, 3/365ths will be deducted on a Monday in respect of Saturday, Sunday and Monday.

The external **funds** generally bear additional **fund** expenses. The amount of these expenses may vary and cannot be accurately predicted in advance. The **fund** management charge for each **fund** includes an allowance for these expenses as considered appropriate by the **insurer**. Where the amount of the additional expenses for any **fund** varies, there is likely to be a delay before the **insurer** changes the published annual percentage rate of the **fund** management charge for that **fund**. At all times, the cost (if the additional expenses are higher than what is being allowed for in the **fund** management charge) or benefit (if the additional expenses are lower than what is being allowed for in the **fund** management charge) will accrue to the **fund** and therefore to the policies invested in the **fund**.

**(ii) Internal funds**

On the first **working day** in each calendar month, the **insurer** will deduct 1/12th of the then current annual percentage rate of the **fund** management charge of the **unit** value on the previous **working day**. The charge is applied as an adjustment to the **unit** price of each **fund**.

Internal **funds** may also bear additional expenses such as the costs of buying and selling assets. The amount of these expenses is variable and cannot be accurately predicted in advance. If and when they become due, they are applied by making a deduction from the value of the relevant **fund**.

Where the **fund** name ends in a '3', an allowance for these additional expenses is included in the **fund** management charge. For the **funds** whose names do not end in a '3', the additional expenses are not included in the **fund** management charge, and where the **insurer** believes that such a **fund** is likely to bear such expenses, an appropriate allowance for them is made when calculating the assumed benefits shown in the **key features documents**.

At all times the most recently published rates for additional expenses are available on request from **Legal & General**. Where the amount of the additional expenses for a **fund** varies, there is likely to be a delay before the **insurer** changes the published annual percentage rate of the additional expenses for that **fund**. At all times, the cost (if the additional expenses are higher than what is published) or benefit (if the additional expenses are lower than what is published) will accrue to the **fund** and therefore to the policies invested in the **fund**.

**(b) Dilution levy**

A charge that may be applied to some external **funds**. If the **fund** is invested in an investment that is defined as an open-ended investment company or a single price **unit** trust, the **external fund manager** may apply a charge in certain circumstances to cover the costs of buying into or selling out of that investment. Such circumstances include where a high-value purchase or sale takes place that could affect the value of that **fund** over a long period of time. Any such charge made by an **external fund manager** is reflected in the **unit** price of the external **fund** to which the charge applies.

# AMOUNT AND DEDUCTION OF ANNUAL MANAGEMENT CHARGES.

## 1. AMOUNT OF ANNUAL MANAGEMENT CHARGES

There is an Annual Management Charge which is taken monthly for the month just passed by cashing in **units** within your insured **arrangement**. The Annual Management Charge applicable to you is shown in the documents made available to you before you joined the **scheme**. It is independent of your choice of **fund(s)**.

There are no additional Annual Management Charges to those shown in the documents you received before you joined the **scheme**. **Legal & General** may change or remove the **fund** value bands and/or the percentage rate itself, at any time. See section 'Legal & General's Right to Make Changes' on page 24.

All Annual Management Charges are due and calculated each day based on the value of your **retirement fund** under the insured **arrangement** on that day and will be 1/365th of the appropriate rate of Annual Management Charge. The appropriate rate of Annual Management Charge for a particular day will depend upon the value of your **retirement fund** on the first day of the month in which that day falls.

(**Note:** For this purpose months are counted from the date your insured **arrangement** starts).

**For example:** If your insured **arrangement** started on 6 April and your **retirement fund** under the insured **arrangement** is £40,000 on 6 August then for the period 6 August to 5 September the annual rate would be calculated as follows:

$$\frac{(0.9\% \text{ of } £25,000) + (0.8\% \text{ of } £15,000)}{£40,000} = \frac{£225 + £120}{£40,000} = \frac{£345}{£40,000} = 0.8625\%$$

The above example assumes your Annual Management Charges to be as follows:

Retirement Fund Value Bands	Example rate of Annual Management Charge
£25,000 or less	0.90%
More than £25,000	0.80%

## 2. CONDITIONS APPLYING TO THE DEDUCTIONS FROM UNITS

The number of **units** to be deducted will be the sum of the daily Annual Management Charges calculated as in section 1 immediately above, on the basis of the **unit** price as described in 'Funds and their Operation' on page 17.

The deductions will normally be made by encashing **units** at monthly intervals beginning from the date falling one month after the commencement of your insured **arrangement**. For this purpose the price of **units** will be the latest available on the relevant date.

However, where **units** in one **fund** are switched for **units** in another in accordance with section 3 of 'Application of Pension Contributions' on page 14, or benefits become payable to or in respect of you, the deduction will be made immediately before the switch or calculation of your **retirement fund** as appropriate. In these cases the price of the **units** will be that calculated on the **working day** specified in section 3 of 'Application of Pension Contributions' on page 14 or section 6 of 'Calculation of Retirement Fund' on page 16 as appropriate.

If the day on which a deduction is due is not a **working day**, the deduction will be made on the next working day. If any month has no day corresponding with that on which your insured **arrangement** commenced, the deduction will be due on the last **working day** of that month.



# SELF INVESTED ARRANGEMENTS.

## 1. ADMINISTRATION

The administration of your self invested **arrangement** will (until you are notified otherwise) be carried out by **Legal & General**. Any investments will only be made if there are sufficient cleared **funds** in your **member's SIPP bank account**. Your investment instructions must be in writing, or any other manner notified to you in writing by **Legal & General**.

You will be given a SIPP membership number when you set up the self invested **arrangement**.

## 2. PERMITTED INVESTMENTS

Unless **Legal & General** agrees otherwise or notifies you to the contrary, you may only invest in any of the following:

- (i) Cash;
- (ii) Cash funds;
- (iii) Corporate bonds;
- (iv) Exchange traded commodities;
- (v) Government and local authority bonds and other fixed interest stocks;
- (vi) Investment trusts;
- (vii) Managed pension funds;
- (viii) Open-ended investment companies;
- (ix) Permanent interest bearing shares;
- (x) Real estate investment trusts;
- (xi) Shares listed on: the Alternative Investment Market; the London Stock Exchange; and recognised overseas stock exchanges;
- (xii) Authorised unit trusts.

All transactions in quoted UK or overseas securities should take place through a recognised Stock Exchange.

Your self invested **arrangement** cannot be used:

- (1) to provide loans to any person;
- (2) to invest directly in residential property or land attached to it; or
- (3) to invest in:
  - personal chattels capable in any way of private use;
  - premium bonds;
  - gold bullion;
  - milk or fish quotas;
  - shares traded on OFEX;
  - unlisted shares;
  - futures and options of any sort; or
  - such other investments as **Legal & General** may specify from time to time.

You should make sure that you are aware of any risks associated with any self invested asset that you choose to invest in. You should also ensure that the self invested asset is appropriate for the required need, for example, the asset may need to be sold easily and quickly if you are planning to take your benefits in the near future.

Legal & General will not accept any responsibility for losses, damages, costs and/or legal fees that may be incurred as a result of buying a self invested asset on your behalf unless (ii) applies under General Information on page 26.

Legal & General may add or remove investments from this list. Set out below are some of the reasons Legal & General may do this.

- To introduce new investments to the permitted investments list.
- When Legal & General are no longer able to support administration of certain types of investment.
- Where Legal & General hold a reasonable belief that an investment represents an increased level of risk which could impact upon other members and/or Trustees of the scheme and/or **Legal & General**.

If an investment involves a transaction with you or any person connected with you and the result of that transaction is not the same as it would have been had the transaction been an 'arm's length' transaction, it will give rise to a tax charge.

### 3. INFORMATION AND VOTING RIGHTS

**Legal & General** may receive information from investment managers or **fund** providers notifying it of any corporate actions in respect of investments held in your self invested **arrangement**.

While **Legal & General** will take all reasonable endeavours to send these notices to you in a timely fashion, it will not be responsible for any loss or foregone profit resulting from you not receiving these notices in good time, unless such loss or foregone profit results from fraud, wilful misconduct, misconduct or breach of regulatory duty on the part of any member of the **Legal & General Group** or the fraud, wilful misconduct, misconduct or breach of regulatory duty of any of their employees or agents.

You may choose to exercise your voting rights in respect of certain investments, for example UK securities, held on your behalf by **Legal & General**. Details of how you exercise these rights are available from **Legal & General** on request. **Legal & General** may make a charge for each voting right exercised as detailed in the 'Fees and Charges' document.

### 4. BUYING AND SELLING ASSETS

- (i) Subject to the restrictions on the investments allowed in your self invested **arrangement** (as detailed in section 2 on page 21 and as may be amended from time to time) and subject to (ii) below, **Legal & General** will buy and sell assets in your self invested **arrangement** in accordance with your instructions and in accordance with the **scheme rules**. When buying or selling assets **Legal & General** will follow its Best Execution policy to help get the best possible result for you. You can ask for a copy of the Best Execution policy at any time.
- (ii) Investments held for your self invested **arrangement** will be held by **Legal & General**, or on its behalf by an investment manager, nominee or third-party custodian (being a party that holds investments on behalf of your self invested **arrangement**). Your entitlement as a member of the **scheme** with a self invested **arrangement** is to pension benefits calculated in accordance with the **scheme rules** and this booklet (as they may be amended from time to time) based on the net value of the investments and other assets comprising your self invested **arrangement** after deduction of charges and any liabilities.

## 5. CHARGES

The level of the charges applied to your self invested **arrangement** may depend on the type and value of the assets held.

Details of the charges relating to your self invested **arrangement** are shown in the 'Fees and Charges' document made available to you upon establishment of your self invested **arrangement**. The fees and charges may change. See section 'Legal & General's Right to Make Changes' on page 24. An up-to-date 'Fees and Charges' document can be obtained from the address shown on page 4.

## 6. CALCULATION OF RETIREMENT FUND

The amount available to provide benefits at any date will be the resulting net value of the investments and other assets comprising your self invested **arrangement** after deduction of charges and any liabilities.

## 7. INCOME DRAWDOWN

If you choose to withdraw income directly from your **retirement fund**, then any investment under your self invested **arrangement** will remain unchanged, unless you give **Legal & General** instructions to the contrary.

# LEGAL & GENERAL'S RIGHT TO MAKE CHANGES.

## 1. CHANGES TO THE TERMS OF YOUR PLAN

**Legal & General** may make fair and reasonable changes to the terms of your plan at any time by giving you at least 30 days' prior written notice. **Legal & General** may only make changes in the following circumstances:

- (i) To make **Legal & General's** terms clearer or more favourable to you.
- (ii) To reflect legitimate increases or reductions in the cost of providing your plan, which include:
  - a) Costs associated with changes in staff, support services, technology or systems;
  - b) The costs associated with investing in your selected **funds**,
 provided that any increase is reasonable in amount and reasonably incurred.
- (iii) To reflect any changes to the basis of taxation applicable to your plan or to **Legal & General** in connection with your plan.
- (iv) To comply with applicable law, regulation, the judgment of any court, regulator or ombudsman or any regulatory guidance or codes.
- (v) To reflect a change in **Legal & General's** corporate structure that doesn't have an unfavourable impact on your plan but which does require **Legal & General** to make certain changes to the terms of your plan and doesn't result in it closing your plan.
- (vi) To provide for the introduction of new or improved systems, methods of operation, services or facilities.
- (vii) To correct any mistake that might be found in the future in relation to the written terms of this contract. In making any correction, **Legal & General** will not reduce any liability it may have for that mistake and it will not increase any charges related to the terms agreed.
- (viii) If charges are removed or varied in your favour, **Legal & General** may apply a change without notifying you.

If you're unhappy with any change that **Legal & General** makes to the terms of your plan then you can at any time transfer to another provider. If your employer has been paying contributions on your behalf, they may not be prepared to pay contributions to another provider or **scheme**. **Legal & General** would however, suggest that you speak to a financial adviser and/or your employer before making this decision.

### Events beyond Legal & General's reasonable control

There may be some circumstances that are beyond **Legal & General's** reasonable control. These include the following:

- (i) Strikes, lockouts or other industrial action.
- (ii) Civil commotion, riot, invasion, terrorist attack or threat of terrorist attack, war (whether declared or not) or threat or preparation for war.
- (iii) Fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural disaster.
- (iv) Restrictions imposed by legislation, regulation, or other governmental initiative that are not as a result of **Legal & General's** misconduct.
- (v) Recession or significant economic collapse of a market, company or country that results in a large and sustained reduction in the value of assets.
- (vi) Failure of transport networks or other external utilities (for example telecommunications networks, water or power) leading to an unavoidable disruption.
- (vii) There may be other significant events outside **Legal & General's** control that it is unable to anticipate. If such an event impacts **Legal & General's** ability to perform its obligations under the Plan, **Legal & General** will advise you as soon as it is reasonably able to let you know how it intends to deal with the situation. How quickly **Legal & General** is able to notify you, may depend on the severity of the event.



**If an event (as described on page 24) occurs:**

- (i) **Legal & General** won't be liable or responsible for any resulting failure or delay in performing any of its obligations described in this booklet.
- (ii) Where it becomes necessary to delay performing its obligations, **Legal & General** will use all reasonable efforts to bring things back to normal.
- (iii) If you're being disadvantaged **Legal & General** will let you know as soon as it can, wherever possible.

**If the event continues for a period in excess of 120 days, and Legal & General is unable to complete one or more material obligation described in this booklet:**

- (i) **Legal & General** may make reasonable changes to these terms to overcome the problem, this may include closing the **scheme**.
- (ii) **Legal & General** will only make these changes for a good reason.
- (iii) **Legal & General** will give you 30 days' prior notice of the required change, wherever possible.

## 2. DISCONTINUANCE OR AMENDMENT OF THE SCHEME

**Legal & General** may amend the **scheme rules** or discontinue the **scheme**.

**The reasons it may amend the scheme rules include the following:**

- Changes in legislation and/or taxation applying to the **scheme** and/or **Legal & General**, and/or any other company within the **Legal & General** Group operating any of the **funds** or to their investments.
- Enhancements of the features within the **scheme**.

If **Legal & General** amends the **scheme rules** you will be notified and, insofar as that amendment affects any of the terms or conditions applicable to your plan, a new version of this booklet will be made available.

**The reasons that it may discontinue the scheme include the following:**

- Changes in legislation.
- Where it's no longer cost-effective for **Legal & General** to run the **scheme**.
- If **Legal & General** makes an alternative pension scheme available.
- If the registration of the **scheme** is removed by **HMRC**.
- Any of the events listed under the 'Events Beyond Legal & General's Reasonable Control' section of 'Legal & General's Right to Make Changes' on page 24.

If **Legal & General** discontinues the **scheme** this means that it will discontinue your **arrangements** under the **scheme**. If this happens you will be given at least four months' prior written notice with the option of transferring your **retirement fund** to any **registered pension scheme** or **qualifying recognised overseas pension scheme** of your choice. If you do not make a choice by the date specified in the notice **Legal & General** will transfer your **retirement fund** to a **registered pension scheme** as notified to you at that time.

# GENERAL INFORMATION.

- (i) If **Legal & General** decides to waive a term or condition of this booklet, this does not mean that it has made a permanent change to the terms or conditions. **Legal & General** can still apply the term or condition that it waived on a future or separate occasion.
- (ii) Subject to (iii) below, **Legal & General** accepts responsibility for loss to you arising out of or in connection with the **scheme** solely to the extent that such loss is the direct result of **Legal & General's** fraud, negligence or willful default or that of its directors, officers, employees, contractors or agents.
- (iii) **Legal & General** will not be liable to the Plan holder for indirect losses or unforeseeable losses such as loss of business, loss of goodwill, loss of opportunity, loss of profit; or **Legal & General's** failure to comply with these conditions due to unforeseen circumstances beyond its reasonable control or due to obligations under applicable laws. However, nothing in this booklet will exclude or limit **Legal & General's** liability for personal injury or death caused by its negligence or the negligence of its directors, officers, employees, contractors or agents.
- (iv) Save for (ii) above, **Legal & General** will not be liable for any loss you may suffer in connection with the investments that are made via the **scheme**, including any loss which may be incurred as a result of a reduction in the value of those investments.
- (v) **Legal & General** will not be liable for any omissions or errors it may make as a result of any omissions from or errors in any data, information or evidence so provided by either you or your employer.
- (vi) **Legal & General** gives no warranty or undertaking as to the performance or profitability of the **funds** (or any part of them) or any investments held for your self-invested **arrangement**.
- (vii) **Legal & General** agrees to comply with the Data Protection Act 1998 in connection with your plan and **Legal & General** acts as a data controller in respect of the personal data included in the information provided to it. **Legal & General** agrees to use appropriate technical and organisational measures against unauthorised or unlawful processing or alteration, and against the accidental loss, corruption or destruction of any such personal data.
- (viii) The **scheme** and this agreement between you and **Legal & General** is governed by English law. You and **Legal & General** agree to irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in relation to any dispute or claim arising out of or in connection with your membership of the **scheme** and/or this agreement.

# ABOUT THE SCHEME.

## 1. OPERATION OF THE SCHEME

The **scheme** has been established by a declaration of trust made by **Legal & General** in accordance with **scheme rules**. These rules include provisions, which are required in order for the **scheme** to be a **registered pension scheme**. All scheme assets are held separately to **Legal & General** by the Trustee.

**Legal & General** imposes certain conditions and restrictions on the operation of the **scheme** besides those contained in the **scheme rules**; these are set out in this booklet. If there is any conflict between that agreement and the **scheme rules**, the **scheme rules** prevail.

Benefits under the **scheme** are payable by the trustee of the **scheme**. Any benefits provided under an insured **arrangement** are secured under the **scheme policy**. The **scheme policy** is covered by the Financial Services Compensation Scheme.

You may write to **Legal & General** (at the address on page 4) to see a copy of the formal documents of the **scheme** if you wish. You may also request a copy of the formal documents to keep. In this case, a charge will be payable. **Legal & General** is the present trustee and administrator of the **scheme**. References to '**Legal & General**' in this booklet are to Legal & General (Portfolio Management Services) Limited in either of those capacities.

## 2. SCHEME STATUS

The **scheme** is a **registered pension scheme**. Statements in this booklet about tax treatment of contributions and benefits are dependent on the **scheme** continuing to be a **registered pension scheme**. They also depend on there being no change in the law affecting the tax treatment resulting from such registration.

## 3. CONDITIONS APPLYING TO ALL ARRANGEMENTS

Payment of any benefit will be subject to:

- (i) your having provided, at the date of application for any benefit and at the date of any proposed increase in its amount, any evidence of your good health and insurability which **Legal & General** or the **insurer** may require; and
- (ii) the production of such evidence as **Legal & General** or the **insurer** may reasonably require of the occurrence of the event giving rise to payment of the benefit, and of the identity of the person or persons to whom it is payable.

Where the calculation of any benefit or the cost of any benefit is dependent on the age of any person, payment of the benefit will be subject to the production of such evidence of that person's date of birth as **Legal & General** may reasonably require. If the evidence shows that the date of birth is different from that previously stated, **Legal & General** will be entitled to adjust the amount of benefit payable to that which would have applied if the correct date of birth had been stated at the commencement of your **arrangement**.

Payment or continued payment of any pension under the **scheme** will be subject to the production of such evidence as **Legal & General** or the **insurer** may from time to time require of the identity and survival of the person or persons to whom the pension is payable.

**Legal & General** reserves the right to amend the terms of the **scheme**, if any change occurs in legislation or taxation applying to the **scheme** or to **Legal & General** (and/or any of its associated companies operating any of the **funds** described earlier or to their investments), or if any charge or levy or restriction relating to any of the above is imposed or altered.

## 4. EXTERNAL BODIES

Your attention is drawn to the existence and purpose of three central bodies dealing with occupational and personal pension **schemes** as described below.

### The Pension Tracing Service

Details of this **scheme**, including contact address for the trustees, have been given to the Pension Tracing Agency, which provides a tracing service for ex-members of **schemes** with pension entitlements, and members' **dependants**, who have lost touch with earlier employers.

Enquiries should be addressed to:

Pension Tracing Service, The Pension Service  
Tyneview Park, Whitley Road  
Newcastle upon Tyne  
NE98 1BA  
Telephone: 0845 6002 537  
Website: [www.direct.gov.uk/find-lost-pension](http://www.direct.gov.uk/find-lost-pension)

### The Pensions Advisory Service

The Pensions Advisory Service is available to assist members and beneficiaries of the **scheme** with difficulties which they may have failed to resolve with the trustees or administrators.

The Pensions Advisory Service  
11 Belgrave Road  
London  
SW1V 1RB  
Telephone: 0845 601 2923  
Email: [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk)  
Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

### The Pensions Ombudsman

The Ombudsman has the power to investigate and decide upon complaints and disputes involving occupational and personal pension **schemes**. Any complaints or disputes regarding the administration of the **scheme** should therefore be sent to:

The Office of the Pensions Ombudsman  
11 Belgrave Road  
London  
SW1V 1RB  
Telephone: 020 7630 2200  
Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

Sales-related complaints that Legal & General cannot settle can be referred to:

### The Financial Ombudsman Service

The Financial Ombudsman Service  
Exchange Tower  
Harbour Exchange Square  
London  
E14 9SR  
Telephone: 0300 1239 123  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint to The Pensions Advisory Service or the Financial Ombudsman will not prejudice your right to take legal proceedings.

# TERMS EXPLAINED.

<b>Annual allowance</b>	this is the maximum gross pension saving that can be made without incurring a tax charge. It is £40,000 in the 2014/2015 tax year. It is also deemed to be £50,000 for the three previous tax years for the purposes of carrying forward unused annual allowance. Any future annual allowance amounts can be found by going to <a href="http://www.hmrc.gov.uk/pensionschemes">www.hmrc.gov.uk/pensionschemes</a> .
<b>Actuary</b>	means the actuary (or actuaries) appointed by Legal & General from time to time in accordance with the rules made by the Financial Conduct Authority.
<b>Arrangement</b>	means a part of the scheme which provides benefits for you. You are allowed to have more than one arrangement.
<b>Blends</b>	are investment strategies maintained by the insurer which are available for investment via the scheme policy.
<b>Close of business</b>	means, in normal circumstances, 17:00 on a working day. This time may change in exceptional circumstances, such as a working day prior to an English public holiday or where an external fund manager does not provide a unit price for any fund.
<b>Dependant</b>	means: <ul style="list-style-type: none"> <li>• a person who was married to or in a registered civil partnership with you at the time of your death;</li> <li>• your natural/adopted child provided he/she (i) is under the age of 23 or (ii) was, in the opinion of Legal &amp; General, dependent upon you at the date of your death because of mental or physical impairment; or</li> <li>• a person who falls into neither of the above categories and who at the date of your death was, in the opinion of Legal &amp; General, (i) financially dependent on you or (ii) in a financial relationship of mutual dependence with you or (iii) dependent on you because of mental or physical impairment.</li> </ul>
<b>External fund manager</b>	means an investment manager other than Legal & General Investment Management Limited.
<b>Finance Act</b>	means the Finance Act 2004 and associated regulations as amended from time to time and any statutory re-enactment or modification of it.
<b>Fund(s)</b>	means a fund or funds maintained by the insurer and made available to you for investment under your insured arrangement.
<b>HMRC</b>	means Her Majesty's Revenue & Customs.
<b>Insurer</b>	means Legal & General Assurance Society Limited as insurer of the scheme policy.
<b>Key features documents</b>	means the key features and the key facts, which accompanied the letter entitled 'Your right to change your mind' and the cancellation form, which were issued immediately upon you joining the scheme.
<b>Legal &amp; General</b>	means Legal & General (Portfolio Management Services) Limited which is the trustee and administrator of the scheme and Legal & General (Portfolio Management Services) Nominees Limited.
<b>Legal &amp; General Group</b>	means Legal & General, any of its subsidiaries or any of its holding companies, or any subsidiary of any such holding company.
<b>Lifetime allowance</b>	is the maximum amount you can build up for pension benefit in a tax-efficient manner. For most people it will be the standard lifetime allowance. The standard lifetime allowance is £1.25 million for the 2014/2015 tax year. You will have a higher personal lifetime allowance if you have a certificate from HMRC evidencing this.
<b>Member's SIPP bank account</b>	means the bank account set up for the purpose of the self invested arrangement.



<b>Membership certificate</b>	means the certificate issued to you with this booklet when you joined the scheme or began a new arrangement under it.
<b>Qualifying recognised overseas pension scheme</b>	means an overseas pension scheme to which a transfer may be made from the scheme without triggering a tax charge under the Finance Act.
<b>Receipt date</b>	means in respect of money paid into the scheme, instruction, evidence or information, as appropriate, the working day on which it is received if before 16:00 hours or, if it is received on or after 16:00 hours, the receipt date means the next working day.
<b>Registered pension scheme</b>	means a scheme which is registered under Chapter 2 of Part 4 of the Finance Act.
<b>Relevant UK earnings</b>	<p>have the meaning defined in s.189 of the Finance Act. Broadly, these are:</p> <ul style="list-style-type: none"> <li>• employment income such as salary, wages, bonus, overtime, commission providing it is chargeable to tax;</li> <li>• income derived from the carrying on or exercise of a trade, profession or vocation that is chargeable to tax;</li> <li>• income arising from patent rights and treated as earned income; or</li> <li>• general earnings from an overseas Crown employment which are subject to tax.</li> </ul> <p>Where relevant UK earnings are not taxable in the United Kingdom due to a double taxation agreement, those earnings are not regarded as chargeable to income tax and so will not count towards the annual limit for relief.</p>
<b>Retirement fund</b>	<p>means in respect of each arrangement of the member:</p> <p>(i) the value of all units credited to the member under any insured arrangement they have under the scheme, at their respective unit prices at the relevant valuation date, less any outstanding charges; and</p> <p>(ii) the net value of the investments and other assets held under the member's self invested arrangement after deduction of any charges and any liabilities.</p>
<b>Scheme</b>	means the Legal & General WorkSave Pension Plan.
<b>Scheme policy</b>	means the insurance policy or policies issued to the trustee by the insurer securing the benefits in the scheme under your insured arrangement.
<b>Scheme rules</b>	means the trust deed and rules (as amended from time to time) which govern the scheme.
<b>Selected retirement date</b>	means the date, agreed between you and Legal & General when you join the scheme (and, where applicable, where you set up a new arrangement), on which payment of your benefits is due to begin. It will be shown on your membership certificate. You may, with the agreement of Legal & General, change your selected retirement date to an earlier or later date than that shown on your membership certificate, so long as the new date is one permitted under pensions and tax law. If you do change your selected retirement date then the new date becomes your selected retirement date for all purposes under your arrangement. Consequently, if you subsequently take your benefits at a date other than your new selected retirement date, the conditions set out in section 1 of 'Calculation of Retirement Fund' on page 15 will apply.
<b>Trustee</b>	means Legal & General (Portfolio Management Services) Nominees Limited which is the trustee of the scheme.
<b>Unit(s)</b>	means a notional share of a fund used as a means for calculating the value of a retirement fund in the case of insured arrangements.
<b>Widow(er) or surviving registered civil partner</b>	means the spouse you were married to or the person with whom you were in a registered civil partnership with at the date of your death. If more than one person claims to be your widow(er) or surviving registered civil partner, Legal & General will have absolute discretion to decide which of them will be the surviving partner for the purposes of your plan.
<b>Working day</b>	means any day from Monday to Friday inclusive, excluding English public holidays.

# NOTES.

## CONTACT US



0845 070 8686

Call charges will vary. We may record and monitor calls.



[www.legalandgeneral.com/workplacebenefits](http://www.legalandgeneral.com/workplacebenefits)

### **Legal & General (Portfolio Management Services) Limited**

Registered in England and Wales No. 02457525

**Registered office:** One Coleman Street, London EC2R 5AA

This is also where our head office is in the UK.

We are authorised and regulated by the Financial Conduct Authority.

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