

FutureProof Individual Pension Plan

Technical details and charges

For information on the Self-Invested Fund, please see the separate 'Charges sheet' (reference X2077).

Minimum contribution amounts (gross of tax)

Initial	
monthly	£50
yearly	£600
single	£2,500
transfer payment	£2,500

Additional*	
monthly	£2
yearly	£24
single	£250
transfer payment	£1,000

No minimum for National Insurance rebates.

*Please note that additional contribution limits only apply where an initial payment of the same contribution type has already been made.

For example, if you set up the plan with monthly contributions of £50 and then you wish to increase your contributions, the minimum increase you must pay is £2. However, if you set up the plan with a £50 per month regular contribution and then wish to add a single contribution, the minimum contribution will still be the initial minimum for single contributions of £2,500.

Maximum contributions

If you are eligible for tax relief, the maximum contributions you or someone on your behalf (but excluding employer contributions, transfers and contracted-out contributions) can make to all registered pension schemes, including this plan, in any year and receive tax relief on, is the higher of the basic amount (currently £3,600) and 100% of your relevant UK earnings. We will only accept contributions where you can get tax relief.

Minimum term

Monthly/yearly contributions: five years.

Single contributions/transfer payments: one month.

Automatic increases: Regular contributions made by direct debit can be increased automatically (or 'indexed') each year. They can increase by either a fixed rate of 5% or 10%, or at a rate linked to an index – either the Retail Prices Index (RPI) or the Average Weekly Earnings (AWE) – subject to a minimum of 5%.

Charges

We charge you for managing investments, administration costs and for any commission paid to your financial adviser for advice they have given you.

Allocation rates

The allocation rate is the percentage of your contributions that are invested in your plan.

Your personal illustration will confirm your allocation rate. It will usually be 100%. However, it could be less than this if you have agreed to pay your financial adviser for the advice you have received by reducing the allocation rate.

Increases to regular contributions under the increase option will receive the same allocation rate as your original contribution.

National Insurance rebates will receive an allocation rate of 100%.

Annual management charge

The annual management charge for your plan is made up from the charges which will be confirmed in your personal illustration from your financial adviser.

The fund management charge

This is reflected daily in the unit prices for the investment funds you choose. The annual management charge for the funds you may invest in varies between 1% and 2.5% across the range of funds available. Details of the current charges for the fund(s) you have selected can be found on our website: www.clericalmedical.co.uk

Where applicable, the charge for with-profits funds is taken into account when we set the bonus rates.

This charge may change if you switch to different investment funds.

The cost of advice

Part of the cost of advice may already be allowed for in the daily fund management charge.

Any additional charge will depend on how you've agreed to pay your financial adviser for the advice you have received, and will be shown in your personal illustration.

We may take units from your plan to pay for any additional charges on one or more of the following (depending on the type of charge you have agreed):

- Where the extra charges are paid over an agreed term, for example 180 months, units are taken at the end of the 12th day of each month.
- Where the extra charges are to pay for a regular payment to your adviser for the advice you have received, units are taken on the yearly anniversary of your contribution.
- Where you have agreed to pay for the entire cost of the advice you have received in the first five years, units are taken on the monthly anniversary of your contribution.

We calculate the number of units to be taken by using the unit price applicable on the next working day. This effectively increases the annual management charge we take. This charge could continue for the whole of your plan's term or for a specific period.

Alternatively, and also dependent on the type of charge you have agreed, we may add extra units to your plan on the monthly anniversary of your contribution. This will effectively reduce the annual management charge we take. Any reduction will be confirmed in your personal illustration.

Where you have agreed to pay your financial adviser for the advice you have received by reducing the allocation rate, your allocation rate could be less than 100%.

Other charges

Depending on the commission option chosen, there may be a charge (sometimes called an exit charge) if you take money out of your plan in the first five years of any initial or additional contribution. The charge applies to each new or additional regular contribution. It will also apply to any increases under the increase option. It won't apply if we take money out of your plan to pay benefits to your dependants if you die.

Your personal illustration will show the charges that apply to your plan. You can also find out more information about charges from your financial adviser.

Large fund bonus (unit adjustment)

Your effective annual management charge may also vary each month depending on the value of your Clerical Medical performance pension funds. Currently, if your plan's value at the end of any month is £10,000 or more, we'll reduce the annual management charge, based on our current rates shown below. We reduce the charge by adding units (large fund bonus) to your plan. As we value monthly, for any month your plan qualifies for a large fund bonus, your plan will receive units equal to one twelfth of the annual calculation rate times your plan value.

Total fund value	Annual calculation rate
Less than £10,000	0%
£10,000 – £19,999	0.05%
£20,000 – £49,999	0.10%
£50,000 +	0.20%

The amount of additional units added may vary each month depending on the size of your fund at the time. The large fund bonus will only apply to Clerical Medical performance pension funds, and only the amount invested in these funds will be used in the bonus calculation above. Any amounts invested in the Self-Invested Fund will not be included when calculating the total fund value.

If, during a plan month, the total value of your Clerical Medical performance pension funds has decreased due to market conditions, the rate of large fund bonus is **guaranteed** not to be less than that applied the previous month.

If the fund value decreases because some funds were transferred out to another pension plan, switched into the Self-Invested Fund, or were used to take benefits, the annual calculation rate used will be based on the new fund value at the end of the plan month and may reduce.

If your circumstances change

If you are paying regular contributions, they can be reduced, missed or stopped without charge.

You can also take your benefits earlier than you originally planned or transfer your plan to another provider, however, depending on the commission option chosen, a charge may apply. For details please refer to the 'other charges' section, and your personal illustration.

With-profits funds

Plans with a start date after 5 April 2005 do not have a with-profits funds option and any new monies (including switches in) are not allowed into this fund.

If you are invested in the With-Profits Fund, what you receive will be affected by a deduction that we are currently making to support the guarantees on policies of other groups of investors, for example because investment returns are below guaranteed levels.

If you take money out of the fund, we may need to apply a market value reduction (MVR) which would reduce the amount you receive. For further information, see our 'With-profits summary' (reference X1332) which is available on request.

Eligibility

The Individual Pension Plan is only available in the UK. You don't have to be living here permanently to apply but the financial advice must be given in the UK and you must be in the UK when you apply for the plan. The Individual Pension Plan is not available to certain foreign nationals or UK citizens living in certain countries. Please speak with your financial adviser for further details.

You are eligible to be a member of this plan provided you are under age 75.

You will be eligible for tax relief provided you:

- have relevant, UK earnings chargeable to income tax for the current tax year
- are a UK resident, or were a UK resident at some time in the previous five tax years when you took out this plan
- or your husband, wife or registered civil partner are a crown servant and have earnings for the current tax year from overseas crown employment that are subject to UK tax.

If you move overseas, you may be able to continue contributing to your plan and receive tax relief for up to five tax years after the last tax year in which you were resident in the UK.

Further information

Full written details of Clerical Medical's Individual Pension Plan are available on request from your financial adviser.

We may change the amount of any charge, but in the case of the annual management charge we aim to give three months' notice of any such change.

The value of an investment can fall as well as rise as a result of market movements. The fund available may be less than the amount originally invested.

Tax treatment will depend upon your individual circumstances. Your circumstances and tax rules may change.

Every care has been taken to make sure that the information given in this leaflet is correct and in accordance with our understanding of current legislation and HM Revenue & Customs practice. The law and HM Revenue & Customs practice are subject to change, which cannot be foreseen.

www.clericalmedical.co.uk

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