keyfacts®

KEY FEATURES OF THE WORKSAVE PENSION PLAN.

This is an **important document** which you should keep in a safe place.

EVERY DAY MATTERS.®

Legal & General

CONTENTS

USING THIS DOCUMENT.

WHAT ARE KEY FEATURES?

The Financial Conduct Authority is a financial services regulator. It requires us, Legal & General, to give you this important information to help you to decide whether our WorkSave 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.

BEFORE YOU START READING

Throughout this document, we refer to the WorkSave Pension Plan as 'the plan'.

The purpose of this document is to explain to you the aims, commitments, risks and the other key features of the plan.

We've tried to make this document easy to understand by using plain English where we can. Where we have had to use terms that you may not be familiar with (which we've highlighted in blue like this), we have given clear definitions. You'll find these in the 'Terms explained' section on page 15.

You should read this document carefully. If you don't understand something at any point, please ask us for more information.

OTHER DOCUMENTS

To make sure you have all of the information you need about the plan, you should also read the following documents:

- The Example Illustrations that we've included with this Key Features are to help you understand what your pension pot may be worth when you come to retire and what level of pension income you might receive. We'll also send you a personal illustration when you start your plan.
- The WorkSave Pension Investment Options guide, which we've also included with this document, tells you about Legal & General's range of investments. The money that you and your employer pay into your plan can be invested in the option of your choice.

The plan can also offer the option to invest your pension pot in other investments outside of our own range. This is called 'self investment'. Your employer will let you know if this option is available to you. If it is, you should read one of the following documents, whichever is applicable:

- Self Investment Key Facts document. Self Investment gives you greater choice over where you invest.
- Share Contribution Key Facts document. If your employer offers you the option to make share contributions, you'll find a Key Facts document enclosed which explains this option. Share contributions are classed as self investment.

The Member's Booklet contains more detailed information about the plan. We'll send you a copy once you join the plan, but you can ask us for a copy now by calling us on 0845 070 8686. Please note that call charges will vary and we may record and monitor calls.

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FINDING OUT MORE

This icon appears where more detailed information is available elsewhere.

CONTACTING US

You can find our contact details in the 'How can I contact you?' section on page 10.

AT A GLANCE.

Introducing the Legal & General WorkSave Pension Plan (the plan)

The plan is a simple, low cost and tax efficient way to save for your retirement.

When you join, you and your employer can both pay into the plan. The idea is to build up a pot of money (your pension pot) that can be used to provide an income and an optional cash sum when you reach your plan retirement date. When you join the plan, your plan retirement date will be set by your employer. However, you can change this at any time provided the date you choose is not earlier than your 55th birthday.

The joining arrangements have been made for you by your employer. You will have your own, individual plan and you will have control over its management. If you change jobs, you can take your pension plan with you. Alternatively, you can transfer your pension pot to another Registered Pension Scheme at any time.

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 the UK, there may be tax implications for you. If you are not sure, we recommend that you seek financial advice.

ABOUT LEGAL & GENERAL.

The Legal & General Group was established in 1836 and is one of the UK's leading financial services companies. As at 31 December 2012, we were responsible for investing £413 billion worldwide on behalf of investors, policyholders and shareholders. We also had over seven million customers in the UK for our life assurance, pensions, investments and general insurance plans.

AIMS, COMMITMENT AND RISKS.

ITS AIMS

- To build up a pension pot in a tax efficient way to provide you with an income and optional cash sum in retirement. (Although you don't necessarily have to retire when you take this income).
- To provide an income or cash sum for your spouse, registered civil partner or your financial dependants if you die before taking an income from your plan.

YOUR COMMITMENT

- To join the pension plan you and/or your employer will usually need to either:
  - pay in a regular amount. Your employer will let you know what this is.
  - pay in a one-off lump sum. This can include transferring a pension pot that you have built up in another pension plan. Your employer will let you know what the minimum amount is.
- The money that you and your employer pay into your pension pot is tied up until you reach the age of 55.

RISKS

- **The value of your pension pot is not guaranteed.** When you and your employer pay into your plan, the money is usually invested in one or more investment funds. The value of these investments can go down as well as up. To find out more about the risks of investing, please see the accompanying 'WorkSave Pension Investment Options' brochure.
- **The amount of income that your pension pot can provide will depend on many things**. These include charges, how much the investment funds that your pension pot is invested in grow by and the cost of buying a pension income.
- **The law and tax rates may change in the future**. This could affect the value of your pension pot, affect how much you can pay into your plan or alter the age at which you are able to open your pension pot. Tax treatment also depends on your individual circumstances.
- **A pension plan is not necessarily for everyone**. You should be aware that joining a pension scheme may not be suitable for you, particularly if small amounts of savings affect your entitlement to any means tested State benefits.
- If you have Enhanced Protection, Fixed Protection or Fixed Protection 2014, any money paid into this plan will mean that you lose your protection and your benefits will be subject to the Standard Lifetime Allowance.

QUESTIONS AND ANSWERS.

WHAT ABOUT THE STATE PENSION?

BY JOINING THE PLAN, YOU WILL NOT LOSE ANY ENTITLEMENT TO THE STATE PENSION

You need to consider if the State Pension will be enough for you to live on when you retire. The plan is designed to give you an additional income when you retire on top of any State Pension that you're entitled to.

HOW DO I PAY INTO THE PLAN?

Your employer will normally deduct your regular payments from your salary and pass them on to us (usually every month) along with any additional amount that they are paying in for you.

If you want to make any additional one-off payments, you can do this at any time by cheque or from your employer's payroll if they allow this.

Every year, we will send you a statement showing how much has been paid in and what your pension pot is worth.

Your employer may offer you a 'salary sacrifice' scheme. If they do, and you choose to take this option, you effectively 'give up' some of your gross salary and your employer then pays this amount into your pension plan.

The aim of doing this is so that you and your employer pay less National Insurance. Salary sacrifice may also increase your take home pay when compared to making the same payments into your plan yourself.

Please note that the tax assumptions that we've made in this document are based on you making regular payments from your salary into your plan. If your employer offers a salary sacrifice option, they will provide you with full details separately.

WHAT WILL HAPPEN TO MY TAKE-HOME PAY?

When you make regular payments into your plan from your salary, your take-home pay will be reduced. However, it won't normally reduce by the full amount that is paid into your plan.

This is because under current law, the money that people pay into a pension plan receives tax relief from the government. This means that the basic rate income tax that you would normally pay if you took your money as paid salary will be added to your pension pot.

For example, if you are a basic rate taxpayer, for every £25 a month that is paid into your plan your take-home pay would only reduce by £20. This is based on the basic rate of tax for the 2013/14 tax year which is 20%.

HOW DOES TAX RELIEF WORK?

We will automatically claim basic rate tax relief from the government for you and add it to your pension pot. However, if you pay one of the higher rates of income tax, you will need to claim the extra yourself through your annual tax return. If you do not pay income tax because your earnings are below the income tax threshold, we are still able to claim tax relief for you and add this to your pension pot. If you make any one-off payments, we will also claim the tax relief on these payments at the basic rate for you.

HOW MUCH CAN I PAY INTO MY PLAN AND STILL GET TAX RELIEF?

Generally, you can pay the equivalent of your entire annual salary each year (or up to £3,600 if that's more) and still get tax relief.

However, the government has put in place an 'annual allowance' which, for the 2013/14 tax year is £50,000. It includes any money that you pay in and any money that an employer pays in on your behalf to this plan and any other pension plans you may have.

If you exceed the annual allowance you will pay tax on the total amount that is paid above it.

Please note that for the 2014/15 tax year, the annual allowance will be reduced to £40,000.

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For more information about tax relief and the annual allowance, please see your Member's Booklet.

CAN I CHANGE THE AMOUNT THAT I PAY IN?

Yes. You can increase or reduce the amount that you pay in at any time although your employer may restrict the number of times you can do this each year.

It is also possible to stop making payments into your pension plan altogether. However, you should be aware that our charges mean that the value of your pension pot could be less than has been paid in, particularly if you stop paying in during the early years of your pension plan.

You can make one-off lump sum payments into your plan at any time.

WHAT HAPPENS TO THE MONEY I PAY IN?

The money that you (and your employer) pay into your plan builds up your pension pot. We invest your pension pot on your behalf in one or more of our investment funds.

The aim of an investment fund is to grow the value of your pension pot.

Under the plan, there are a variety of Legal & General investment funds that you can choose from. However, if you are not comfortable making decisions about investing, we'll automatically invest your pension pot for you in the 'default option' for your employer's pension scheme.

You can move your pension pot between investment funds at any point. You can do this online or by calling us on the number shown in the 'How can I contact you?' section on page 10. Currently, we don't make a charge for moving your pension pot between investment funds but please bear in mind that this may change in the future.

You will not have to pay any capital gains tax or income tax on any investment growth. However, we cannot reclaim the tax paid on dividends from UK companies.

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To find out more about investing or to see details of the investment funds that you can choose from, please see the accompanying booklet called 'WorkSave Pension Investment Options'.

WHAT HAPPENS WHEN I REACH MY PLAN RETIREMENT DATE?

You'll have many different choices to make when you come to retire about how you want your income to be paid. These options include:

- Buying a pension annuity which will provide you with an income for the rest of your life; or
- Taking an income directly from your pension pot (this is called 'income drawdown').

If you choose to buy a pension annuity, you do not have to buy it from us. It's always best to shop around to get the deal that best meets your needs and circumstances.

In the Example Illustrations document which accompanies this Key Features, we show what kind of income you might get if you choose to buy a pension annuity. Please note that the actual income you get may be higher or lower than the income we've shown.

We will write to you several months before your plan retirement date with more information about the options you have.

WHAT COULD MY PENSION POT BE WORTH AND HOW MUCH INCOME COULD I GET?

How much your pension pot will be worth when you come to retire and what kind of income you will get will depend on a number of factors. These include:

- **How much you and your employer pay into your plan.** The more you pay in, the more money there is likely to be in your pension pot.
- **When you choose to open your pension pot.** In most circumstances, you can't open your pension pot until you reach age 55. However, the longer you leave your pension pot invested, the longer it will have to grow.
- **How the investment fund or funds that your pension pot is invested in perform.** How your pension pot grows depends how well the investment funds you invest in perform.
- **How much it costs to buy a pension income (called an 'annuity') when you retire.** The cost of buying a certain level of income can change over time. This could mean your pension pot may not buy you the income that you hoped for or need.

To help you get an idea of what your pension pot might be worth and what kind of income you could get, please see the accompanying Example Illustrations document.

Under current HMRC rules, when you reach your **plan retirement date**, you can take up to a quarter of the value of your **pension pot** as a tax-free cash sum.

WILL I PAY ANY TAX WHEN I OPEN MY PENSION POT AND TAKE AN INCOME?

You will only pay tax on your pension pot if the total value of this and any other opened pension pots you have are worth more than the lifetime allowance. For the 2013/14 tax year the lifetime allowance is £1.5 million. This means that if the total value of your opened pension pots exceeds £1.5 million you will pay a tax charge of up to 55% on the excess.

Please note that for the 2014/15 tax year, the lifetime allowance is being reduced to £1.25 million.

The income you take from your pension pot is subject to income tax.

i **For more information about the lifetime allowance, please see your Member's Booklet.**

WHAT DO YOU CHARGE FOR RUNNING MY PENSION PLAN?

There is an Annual Management Charge for running your pension plan. For details of the charges we make and how these will affect the value of your pension pot, please see the accompanying Example Illustrations. You will also find more information about the charges and how they work in the Member's Booklet.

i **In certain circumstances we may need to make changes to our charges or introduce new charges. For more information about in what circumstances they could change, please see your Member's Booklet.**

AFTER I'VE JOINED, CAN I CHANGE MY MIND?

Yes. After you have joined the plan, we will send you a letter containing details of what you will need to do if you decide to cancel and ask for any money back that you have paid. The letter includes a form, called a 'cancellation notice'. If you decide to cancel, you will need to complete this notice and post back to us at the address shown on the notice within 30 days of receiving it.

IF I CANCEL, WHAT HAPPENS TO THE MONEY IN MY PENSION POT?

This will depend on how the money in your pension pot was paid in:

Regular payments

If you have made a regular payment from your salary, this will be returned to you in full. Any payment made by your employer will be returned to them.

If you paid into your plan through salary sacrifice your employer will have told you about this separately. Any money paid into your pension pot this way will be returned to your employer in full. If this applies to you, please speak to your employer about what will happen next.

One-off payments

If you have paid in a one-off amount into your plan this will be returned to you. If you have paid in a one-off amount through bonus sacrifice this will be returned to your employer. However, the amount we return will reflect any fall in the value of the investment fund or funds that your pension pot was invested in.

Transfer payments

If you have transferred money from another pension scheme to this plan, we will do everything we can to return this amount to your previous scheme. However, the administrators of your previous scheme don't have to accept it. If they don't, any money that you transferred will remain in this plan. The amount that we will return will reflect any fall in the value of the investment fund or funds that your pension pot was invested in.

If you do not take this opportunity to cancel and you want to do so at a later stage, you won't be able to get any money back until you are able to open your pension pot.

The only exception to this is if you make any further payments by transferring money from another pension plan. Each time you do this, you will have 30 days from the date of us receiving each transfer payment to cancel and ask us to return this transfer payment to your previous scheme.

Please note that this money cannot be returned directly to you and that you will not be able to get back any further regular payments or one-off payments that you make.

Please note that when we return any money to you, to your employer or to a previous pension scheme, we will also return any charges that have been taken.

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For more information about what happens if you choose to cancel, please see the cancellation notice we will send you as well as your Member's Booklet.

WHAT HAPPENS IF I DIE BEFORE I OPEN MY PENSION POT?

The amount that you have built up in your pension pot is yours. If you are aged 18 or over and you die before taking a pension income, the amount can be paid as a lump sum in a number of ways:

- You can set up a trust that is drafted to receive the lump sum. You will need to tell us if you have done this. For advice on how to set up a trust, please speak to a financial adviser.
- You can request that we pay any lump sum to a person(s) you have nominated by completing a nomination of beneficiary form.

For us to be able to act on your wishes, you must complete this form yourself and send it to us. Should you die before we receive this form, we will not be able to act upon it.

If you've not already been given a copy of the 'nomination of beneficiary form', please ask us for one. You will find our contact details on page 10. Alternatively, if your employer has a scheme website, you may be able to download a copy from there.

These two options are only available to those aged 18 and over.

Any lump sum paid as a result of your death will be subject to the lifetime allowance (please see 'Will I pay any tax when I open my pension pot and take an income?' on page 8 for more information about the lifetime allowance).

Please note – The two options we've shown above are suggestions for how you might want to guide us as to who you'd like to receive any death benefit. If you don't give us any guidance we may simply pay any lump sum to your estate. This might mean that it will not be paid until we've received the probate. However, so that we can pay the lump sum free of tax we must always ultimately use our discretion as to whom we pay any lump sum death benefit to.

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Please note that how any money is paid will depend on your own circumstances. Your Member's Booklet, which you will receive after joining (and which is also available on request), provides you with full details.

HOW CAN I GET MORE INFORMATION ABOUT THE PLAN AND WHETHER IT'S SUITABLE FOR ME?

If you have any queries, want more information, or are unsure if this plan is right for you, then we recommend that you speak to a financial adviser. You can find one in your local area at **www.unbiased.co.uk**. Please note that advisers will usually charge for their services.

Alternatively, you can contact us. However, please remember that we can't give financial advice and we can only give information on our own products.

WHAT ABOUT STAKEHOLDER PENSIONS?

Stakeholder pensions are also available. A stakeholder pension may be at least as suitable for your needs as the WorkSave Pension Plan. If you would like further information please contact us or, alternatively, speak to a financial adviser.

You should be aware that your employer may choose to only pay money into the WorkSave Pension Plan.

HOW CAN I CONTACT YOU?

You can write to us at the following address:

Workplace Savings
Legal & General
Knox Court
10 Fitzalan Place, Cardiff
South Glamorgan
CF24 0TL

Or, if you prefer, you can call us on:
0845 070 8686

Please note that call charges will vary. We may record and monitor calls.

OTHER INFORMATION.

LAW AND LANGUAGE

The information that we've included in this document is based on our understanding of current law relating to pensions.

This contract is governed by English law. The terms and conditions and all communications will only be available in English. All communications from us will normally be by letter or phone.

WHO REGULATES YOU?

We are authorised and regulated by the Financial Conduct Authority. Our Financial Services Register number is 146786.

You can check this on the Financial Services Register by visiting the Financial Conduct Authority's website:

www.fca.org.uk/firms/systems-reporting/register

or by contacting the Financial Conduct Authority on

0800 111 6768

HOW DO YOU VALUE INVESTMENT FUNDS?

We value investment funds frequently to enable us to treat all policyholders fairly.

Your Member's Booklet contains further details about how we value funds. We will send this to you after we have accepted your application. For more information please see 'A guide to how we manage our unit-linked funds', which is available on request.

WHAT HAPPENS IF LEGAL & GENERAL RUNS INTO FINANCIAL DIFFICULTIES?

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS is designed to pay customers compensation if they lose money because a firm is unable to pay them what they owe for any reason. Your ability to claim from the scheme and the amount you may be entitled to will depend on the specific circumstances of your claim and how your pension pot is invested.

If we as your WorkSave Pension Plan product provider were to fail, you may be entitled to compensation under the FSCS and could claim up to a maximum of £50,000 compensation for any loss incurred.

If you have invested your pension pot in any of our investment funds and the fund provider was to fail, you may be entitled to compensation under the FSCS if you have suffered a loss as a result. The maximum compensation available from the FSCS is 90% of the value of a valid claim for any loss incurred.

You can find out more about the FSCS (including amounts and eligibility to claim) by visiting its website:

www.FSCS.org.uk

or calling:

0800 678 1100

HOW DO I MAKE A COMPLAINT?

If you wish to complain about any aspect of the service you have received from Legal & General, or if you would like us to send you a copy of our internal complaint handling procedure, please contact us using the details set out in the ‘How can I contact you?’ section on page 10.

Complaints regarding our administration that we cannot resolve can initially be referred to:

The Pensions Advisory Service
1 Belgrave Road
London
SW1V 1RB

0845 601 2923

enquiries@pensionsadvisoryservice.org.uk

www.pensionsadvisoryservice.org.uk

and may then be referred to:

The Pensions Ombudsman
1 Belgrave Road
London
SW1V 1RB

020 7630 2200

enquiries@pensions-ombudsman.org.uk

www.pensions-ombudsman.org.uk

Sales related complaints that we cannot resolve can be referred to:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

0300 123 9123

complaint.info@financial-ombudsman.org.uk

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.

CONFLICTS OF INTEREST

During the term of your plan conflicts of interest may arise between you and us, our employees, our associated companies or our representatives. A conflict of interest is where our duties to you as a customer may conflict with what is best for ourselves. To ensure we treat customers consistently and fairly, we have a policy on how to identify and manage these conflicts.

A copy of the conflicts of interest policy is available on request from the address shown in the 'How can I contact you?' section on page 10.

CUSTOMER CATEGORY

The **financial services regulator** requires us to put our customers into groups so that we can treat them according to their level of knowledge about investments. These groups are:

- Retail client,
- Professional client, or
- Eligible counterparty.

We treat all customers who invest in our pensions as retail clients. This gives you the greatest level of protection under the regulations and ensures you get full information about any products you buy.

If you know a lot about pensions, maybe because you work in the industry, you can be treated as a professional client or eligible counterparty under the regulations. This won't affect the way we deal with you but it may affect your ability to refer complaints to the Financial Ombudsman Service or to make a claim under the Financial Services Compensation Scheme.

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

Workplace Savings
Legal & General Assurance Society Ltd
Knox Court
10 Fitzalan Road, Cardiff
South Glamorgan
CF24 0TL

Or you can call us on
0845 070 8686

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

This document is a guide to the key features of this product. You will find full details in the Member's Booklet which we will send to you when we accept your application. Alternatively, you can request a copy from us at the address shown in the 'How can I contact you?' section on page 10.

All information is correct at the time of going to print.

TERMS EXPLAINED

ANNUITY
An annuity is a product that provides you with a pension income when you come to retire. You can use the value of your pension pot to buy an annuity from us or another annuity provider. You will then receive an income for the rest of your life. How much income you'll get depends on a number of things including how much your pension pot is worth and the annuity rate at the time you come to buy one. Don't forget that you can buy an annuity from whichever provider you choose and it pays to shop around for the right deal for you.

CAPITAL GAINS TAX
This is a tax on financial gain (or profit) that you make when you put your money in things like investment funds. However, if you are investing your money in a pension plan, such as this one, any gain you make in the value of your pension pot is exempt from Capital Gains Tax.

DEFAULT OPTION
The default option is an investment which has been designed to meet the needs of most members. If you don't want (or feel unable) to make your own investment decisions, your pension pot will automatically be invested in the default option. Your employer will be able to tell you what the default investment is for your plan.

INVESTMENT FUND
Your pension pot is invested in one or more investment funds. Investment funds are controlled by a fund manager and invest in a range of different things with the aim of helping your money grow or preserving its value. You can find out more about investment funds in the booklet 'WorkSave Pension Investment Options'.

PENSION POT
Your pension pot is the value of the total amount of money that you have in your plan. When you reach your plan retirement date, you will 'open' your pension pot and use the value at that time of the money you've built up over the years to provide an optional cash sum and an income during your retirement.

REGISTERED PENSION SCHEME
So that you can benefit from the tax advantages of saving in a pension plan, the scheme needs to be registered with HMRC. The Legal & General WorkSave Pension Plan is a Registered Pension Scheme.

PLAN RETIREMENT DATE
Your plan retirement date is when you will be able to open your pension pot and take an income from your plan. However, you can choose to open your pension pot at any time from the age of 55. Please remember, that the earlier you choose to open your pension pot, the less time there will be to build it up. This could have a significant effect on the amount of pension income you receive.

TAX RELIEF
When it comes to your pension plan, tax relief simply means that you won't pay income tax on any money that you pay in. For example, you will usually pay income tax on your salary. However, any salary that you pay into your pension plan instead of taking it in your pay packet will be free of income tax. So if you're a basic rate taxpayer, every £100 that you receive in your pay packet would be worth £125 if you paid it into your pension plan. Even if your earnings aren't high enough for you to pay income tax, we'll claim the basic rate of income tax from HMRC and add this to your pension pot.

Similarly, if you make any lump sum payments into your plan, we'll claim the basic rate tax back for you. So if you made a £200 lump sum payment, we would claim an extra £50 on your behalf so £250 would be paid into your plan (this is based on the current basic rate of tax for 2013/14 which is 20%).

If you're a higher rate tax payer, you will need to claim any additional tax back either through your tax return or by contacting HMRC.

Tax treatment will depend on your individual circumstances.

UNITS
Investment funds are divided up into units. When you choose to invest in a fund, your money is used to buy units in it. The price of units can rise and fall. The total value of your pension pot can be calculated by multiplying the number of units you hold by the price of each unit.

www.legalandgeneral.com/workplacebenefits

Legal & General (Portfolio Management Services) Limited
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We are authorised and regulated by the Financial Conduct Authority.

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