

Fast Facts

Pru Flexible Retirement Plan

The value of any investment can go down as well as up so your customer might not get back the amount they put in.

Personal Pension and Drawdown with SIPP options

We offer a personal pension and drawdown plan under a single product wrapper.

Our Pru Flexible Retirement Plan (FRP) is a flexible account style plan that allows payments to be easily changed, and offers a wide range of investment options. It has a clear charging structure offering a wide choice of Adviser Charges options to suit client needs.

As a single wrapper plan, it can provide for phased retirement, consolidation of existing pension funds and access to a range of annuities.

Our FRP has two drawdown options.

Capped drawdown – restrictions apply to the amount of income that can be withdrawn each year. Capped drawdown can only be taken if transferring from an existing capped drawdown arrangement.

Flexi-access drawdown – a form of drawdown which allows you to take an unlimited amount of income or lump sums from a pension fund.

Eligibility	Personal Pension	Drawdown
Minimum age at entry	17 next birthday.	From age 55, earlier in special circumstances.
Maximum age at entry	75 next birthday.	89 next birthday.
Maximum age at exit	75th birthday.	99th birthday.
Contributions	Personal Pension	Drawdown
Contributor	Member, employer and transfer from existing pension arrangement.	Accepts switches from the FRP personal pension and transfers from other pension arrangements (including drawdown to drawdown transfers).
Payment types (In Specie Transfers can be made if the member decides to self-invest)	<ul style="list-style-type: none"> • single payments • transfers and/or, • regular payments. 	Transfers and single payments.
Initial minimum investment*	£5,000 single/transfer or £100 each month regular contribution.	<p>£25,000 where the drawdown option only is selected.</p> <p>If a transfer is coming from an existing drawdown plan, the minimum amount is £18,750.</p> <p>New FRP clients The Flexible Retirement Plan closed to new customers on 17 September 2018, but existing eligible customers are still able to switch or transfer into Drawdown.</p> <p>Existing clients If at least £50,000 is already invested in FRP (£37,500 if the original investment came from an existing drawdown plan), the minimum amount that can be invested in the drawdown option is £10,000 (£7,500 if coming from another drawdown plan). If a fund value of less than £50,000 is in FRP then the minimum amount that can be invested in the drawdown option is £25,000.</p>
Minimum vesting amount	N/A.	£10,000.
Minimum additional transfers/singles	£200.	£10,000 (£7,500 for drawdown to drawdown transfers).

* Any part of the investment for SIPP can't be less than £10,000.

Investment options	Personal Pension	Drawdown
Extensive fund range	Our FRP offers a wide range of in-house and external funds, including our PruFund range of funds, our With-Profits Fund and five Risk Managed Active Funds. More details can be found in our FRP Fund Guide – INVB11662 which is available on pru.co.uk	
PruFund Protected Funds	A range of guarantee terms for both PruFund Protected Cautious Fund and PruFund Protected Growth Fund, where the guarantee will only apply at the end of the selected term or on the date of the Selected Retirement Age for Personal Pension or the Anticipated Annuitisation Age for Drawdown.	
Risk Managed PruFunds	A choice of four Risk Managed PruFunds, each offering the same established smoothing process as our existing PruFund funds, and investing in our With-Profits Fund. The Prudential Assurance Company Limited (PAC) With-Profits Fund is one of the largest and financially strongest With-Profits funds in the UK. Our funds aim to help you match the results of your client risk assessments to funds that offer a range of potential returns and levels of risk. These funds are managed by our Portfolio Management Group (PMG) in line with each funds' objective and allowable equity parameters.	
Risk Managed Active Funds	Five Risk Managed Active Funds targeting different levels of risk and potential return. We use our M&G Treasury and Investment Office (T&IO) for asset allocation and Morningstar OBSR for fund selection. * When managing these portfolios, T&IO work within M&G Treasury and Investment Office (T&IO), part of the M&G Group.	
Risk Managed Passive Funds	Two Risk Managed Passive Funds using expert active and passive fund management approaches. We aim to give customers access to M&G Treasury and Investment Office's (T&IO), active asset allocation expertise. * When managing these portfolios, T&IO work within M&G Treasury and Investment Office (T&IO), part of the M&G Group.	
SIPP Options	SIPP is accessed through the Self-Invested Fund (SIF) which can be switched on/off at any time when in the personal pension and/or drawdown. It's not possible to self-invest without an FRP contract being in place. One SIF account is held covering all plans within the FRP. There are different fees for the SIPP depending on the range of investments required. Full SIPP option <ul style="list-style-type: none"> • Access to a wide range of investments including stocks and shares, unit trusts and commercial property. FundSIPP option <ul style="list-style-type: none"> • Lower cost option for clients who only want access to the Cofunds range of funds (subject to a maximum of 20). 	
Lifestyle Options	Option to select a pre-defined investment switching strategy for the run up to Selected Retirement Age (SRA).	Lifestyle rebalancing stops on the first plan anniversary on or after your clients' 75th birthday. Drawdown Lifestyle Option can't be selected if clients are aged 74 or over, or within 10 years of their Anticipated Annuitisation Age (AAA).

Income withdrawals	Drawdown
Income frequency	Monthly, quarterly, half-yearly and yearly. Ad hoc income also available.
Income payment date	This can be any day of the month except 29th, 30th and 31st of the month. Ad hoc income may be taken on any day of the month.
Fund choice for income payment	Proportionately across all funds or individually selected fund(s). All income from the SIF is taken from the bank account only. Restrictions apply to the With-Profits Fund and to the PruFund Funds (Capped drawdown only). Where a Lifestyle Option is chosen, income must be taken proportionately across all funds.
Maximum income limit (for Capped Drawdown only)	150% of an annuity value calculated using annuity rate tables produced by the Government Actuary Department (GAD).
Minimum income limit	No minimum.
Income reviews (for Capped Drawdown only)	Three yearly until age 75. Reviews on anniversary may be agreed individually. From age 75, reviews are required every year.

Annuity purchase	Personal Pension	Drawdown
Prior to age 75	Customers can choose to purchase an annuity using some or all of their fund at any time. The minimum amount that can be vested to purchase an annuity plan is £1,000.	
From age 75	If you wish to remain invested beyond your 75th birthday you will need to move to an arrangement with another provider, or you can choose to switch to drawdown or purchase an annuity.	You can remain invested until your 99th birthday. You can choose to purchase an annuity or switch to another drawdown provider at any time.

Death Benefits		
Death before 75	<p>We offer flexible death benefits.</p> <p>There are a few main ways clients' pensions can be passed onto their beneficiaries:</p> <ul style="list-style-type: none"> • Lump sum – clients' pensions are paid out into the beneficiaries bank account. • Personal Pension – a lump sum that is tax free (excluding any Lifetime Allowance charge under the Personal Pension). • Drawdown – the beneficiary 'takes over' the pension and can take out as much or as little as they wish. • Annuity – the beneficiary can buy a secure income for life from an insurance company. <p>The clients expression of wish is important and should be kept up to date as this will be used by us in deciding the beneficiaries and who we might pay income benefits.</p> <p>The beneficiary of the client will normally receive the proceeds of the account tax-free when taken either as a lump sum or by withdrawing income.</p>	
Death after 75	<p>If the client dies at or after age 75 or payment is made two years or more after notification of the death the beneficiary will be taxed on any payments at their marginal rate, or paid two years from date of notification.</p> <p>Where the benefit is paid to a non-individual e.g. to a trust or your clients' estate then we'll deduct 45% tax before payment. The ultimate beneficiary of the payments might be able to reclaim some or all of this tax back depending on their circumstances.</p>	

Adviser Charges	Personal Pension	Drawdown
Set-up charges		
Installation charge	Nil.	
Allocation rate	The allocation rate will always be 100%.	The allocation rate will always be 100%. The allocation rate applies to the contribution less any tax free cash paid prior to investment into drawdown.
Bid-offer spread	No.	
Ongoing charges		
Annual Management Charge (AMC)	Depends on fund size across all FRPs, funds selected and length of time plans held.	
Fund unit type	Accumulation units only.	
PruFund Protected Funds Guarantee Charge	<p>If selecting a Protected PruFund Fund your clients, where available, will be able to select from a range of guarantee terms. Each guarantee has its own charge. The guarantee charge will be payable for the whole of the term.</p> <p>When a guarantee term is chosen to match the date of the Selected Retirement Age or Anticipated Annuitisation Age, the price applied will be based on the number of complete years guaranteed.</p> <p>This charge is taken by cancelling units each month. New guarantees on PruFund are currently suspended as, under current market conditions, the cost of guarantees on PruFund means they would not offer value for money.</p> <p>The guarantee term options available are shown in "The PruFund Range of Funds: Guarantee Options" – INVS11470 which is available from pruadviser.co.uk</p>	
Charge for Guarantees – With-Profits Fund	There is a charge to pay for all guarantees the With-Profits Fund supports. The total deduction for the guarantee charge over the lifetime of the plan is not currently more than 2% of any payment made from the fund. We'll review the amount of the charge from time to time. The charge is taken by making small adjustments to regular and final bonuses.	

Charges	Personal Pension	Drawdown
Discontinuance charges and deductions		
Market Value Reduction (MVR)*	We might apply an MVR if there is any investment in the With-Profits Fund and money is taken out at any time other than the Selected Retirement Age (SRA) or on death. This includes Ongoing or Ad hoc Adviser Charges.	We might apply an MVR if there is any investment in the With-Profits Fund and money is taken out at any time other than at Anticipated Annuitisation Age (AAA) or on death. This includes income withdrawals and Ongoing or Ad hoc Adviser Charges.

* On move from personal pension into drawdown, other than at the Personal Pension Plan SRA or in the month before the plan SRA, we might apply MVR. More details can be found in "MVR – a clear explanation" – PRUS6165 which is available from pruadviser.co.uk

Discounts

Discounts are applied to the basic Annual Management Charges for the amount of time invested in the FRP (Loyalty Discount) and based on the size of the fund (Fund Size Discount). Both discounts can apply at the same time. The total fund value of all units invested in Insurance Funds* across all personal pension and drawdown plans under FRP will determine the fund size discount applicable at any given time.

Loyalty Discount	<ul style="list-style-type: none"> Discount to the AMC will apply to all money invested in Insurance Funds. Based on period of continuous investment in FRP, normally starts from the date the first plan starts. The discount does not apply to investments held under the SIF, however the period of continuous investment includes any period in the SIF. Any period in the FRP holding account does not count towards the periods of continuous investment. 	
	Elapsed time	AMC discount
	0-4.99 years	0.00%
	5-9.99 years	0.05%
	10-14.99 years	0.10%
	15-19.99 years	0.20%
	20 years and over	0.25%
Fund Size Discount	<ul style="list-style-type: none"> Discount to the AMC will apply to all money invested in Insurance Funds. When determining the Fund Size Discount we include the value** of all of your client's FRPs (excluding any SIF value or the FRP holding account or any Final Bonus or MVR applicable to With-Profits Fund investment). 	
	Total non-SIF fund value	AMC discount
	£0-£24,999.99	0.00%
	£25,000-£49,999.99	0.10%
	£50,000-£99,999.99	0.20%
	£100,000-£249,999.99	0.25%
	£250,000 and over	0.30%

* Insurance Funds are all funds excluding the SIF and the FRP holding account or any final bonus or MVR applicable to With-Profits Fund investment.

** The total fund value of all units invested in Insurance Funds (excluding any final bonus or MVR applicable to investments in the With-Profits Fund). The Fund Size Discount is calculated monthly, so will move up and down with changes in the Insurance Fund on a monthly basis.

Investment limits and fund switching	
Switch charge	None, however we do reserve the right to do so in the future.
Number of free switches	Currently unlimited.
Minimum switch amount	No minimum amount, but it must be a whole percentage.
Maximum number of funds which a client can invest in	20.
Switches into PruFund	Investments into PruFund are initially held in a holding account before being switched to the smoothed fund on the next quarter date.

SIPP specific fees (These fees only apply when the SIPP option is used)	
Administration fees	
Establishment Fee	Full SIPP £300 or FundSIPP £150* (this will be applied when the investor first sets up the SIF).
Annual Administration Fee	Full SIPP £425 or FundSIPP £200* (only applies where there is investment held or funds held in the bank account).
Annual Drawdown Fee	£100 (applies regardless of the level of income taken).
Widening the investment requirements	<ul style="list-style-type: none"> • Clients can change from investing in the FundSIPP option to the full SIPP option once in each 12 month period starting from the date the SIF was activated. • If your client wishes to invest in the full SIPP option we'll require written notification from you that this change is to be made. • We'll increase the Establishment Fee to bring it up to the full cost. • We'll increase the Annual Administration Fee to bring it up to the full cost and apply it on a monthly pro-rata basis depending on the date the SIF was activated.
Narrowing the investment requirements	<ul style="list-style-type: none"> • Clients can change from investing in the full SIPP option to the FundSIPP option once in each 12 month period starting from the date the SIF was activated. • If your client wishes to invest in the FundSIPP option we'll require written notification from you that this change is to be made. • No change will be made to the Establishment Fee. • We'll decrease the normal Annual Administration Fee and apply it on a monthly pro-rata basis depending on the date the SIF was activated.
Self-Invested Fund charges	
Annual Management Charge (AMC) [†]	Any AMC will be specific to the individual assets within the fund. We don't apply an AMC on the fund.
Bid-offer spread	Any bid-offer spread will be specific to the individual assets within the fund. We don't apply this on the fund.

* Subject to all of the following conditions:

- The only available assets are the bank account and funds from the Cofunds range.
- Clients hold up to a maximum of 20 funds from the Cofunds range.
- All trading must be done online via pruadviser.co.uk (consequently, the investor must have authorised you to give investment instructions).

We reserve the right to increase these charges appropriately if we become aware of any breach of these conditions.

[†] We'll use a notional AMC for our illustrations. More details can be found in the Key Features Document.

SIPP specific fees	
Investment related fees	
Ad hoc valuations	Valuations of the SIF are available online free of charge and statements are issued each year with detailed investment information. Any requests for additional detailed valuation statements will be charged based on the costs incurred and the time spent producing the statement (minimum £100). Any costs incurred in valuing individual assets within the fund will be deducted from the SIF.
HMRC Valuations	Required when benefits are taken or GAD limits are reviewed. Charged to the SIF as per ad hoc valuations above (applies to capped drawdown only).
Property transactions^{††}	<p>Property Facility Fee: £100 each year, per SIF, per property. Additional Annual Fee for VAT Elected Properties: £150 each year. The £150 each year VAT election fee is per property, so if a group of investors share one property, the £150 relates to the property, not the member. Similarly, where a group of investors own a shared property, the solicitor's fees, etc, apply to the property so are split between the members.</p> <p>The fees for all other property related transactions, including the solicitor's fees, the surveyor's fees, insurance costs, our acquisition fee, our management fees etc, will vary depending on the costs incurred and the time spent on the transaction. Our fees include: Purchase/transfer in specie acquisition fee: principally time cost payable upon completion estimated at around £1,700 to £1,900. Annual property accounting fee: principally time cost payable in arrears (only for properties partly owned by Suffolk Life) estimated at around £600. Annual property management fee: principally time cost payable in arrears (only for properties wholly owned by Suffolk Life) estimated at around £700. Sale, or disposal, or transfer out in specie: principally time cost payable upon completion estimated at around £600 to £800. Variation of proportion of property ownership: principally time cost payable upon completion estimated at around £500 to £700.</p>
Borrowing other than for a property purchase	<p>Borrowing Facility Fee: £100 each year. The establishment fee will vary dependent on the costs incurred and principally the time spent on the transaction.</p>
Paperless investment transactions^{††}	Nil transaction charge.
Quoted paper based dealing and investments held direct with a UK fund provider^{††}	£25 transaction charge.
Investments held direct with an offshore fund provider	£75 transaction charge.
Deals placed via Cofunds fund supermarket	Nil transaction charge (many fund charges at a discounted rate).
Other investment transactions	Will vary depending on the costs incurred and principally the time spent on the transaction.
Appointment of an investment manager	Nil charge.
In specie transfers	<p>Basic fee: £100. Charge per investment: £0-£25. Maximum in specie transfer charge: £300.</p>

We reserve the right to alter the fees that apply to the SIF at any time.

^{††} 3rd party investment charges such as stockbroker's commission, stamp duty etc are payable in addition.

Adviser Charging

Different Adviser Charging instructions may be given each time a personal pension or drawdown plan is set up, including moving from personal pension to drawdown.

Set-up Adviser Charge (Personal Pension)

If you agree a Set-up Adviser Charge, this charge can be taken from the Plan by us and paid to you. It's deducted from the Plan immediately after the contribution is invested. The Set-up Adviser Charge is taken from the gross contribution, after basic rate tax relief has been applied.

Set-up Adviser Charge (Transfer & Drawdown)

If you agree a Set-up Adviser Charge with your client, this charge can be taken from the Plan by us and paid to you. It's deducted from the Plan immediately after the transfer is invested. The Set-up Adviser Charge is taken from the transfer value after the deduction of any tax free cash.

Ongoing Adviser Charge

Adviser Charges will be taken evenly across all funds. For Ongoing Adviser Charges and Ad hoc Adviser Charges where a PruFund Protected Fund and/or the With-Profits Fund is selected with at least one other fund (excluding SIPs), your client can choose not to have these Adviser Charges deducted from the PruFund Protected Fund or the With – Profits Fund. Taking Ongoing or Ad hoc Adviser Charges from the PruFund Protected Fund will reduce the Guaranteed Minimum Fund. Taking Ongoing or Ad hoc Adviser Charges from the With-Profits Fund, a Market Value Reduction may be applied to your fund.

Options and limits		
Regular contributions – Personal Pension only		
	Set-up Adviser Charge	Ongoing Adviser Charges & Ad hoc Adviser Charged
Initial* period up to 12 months	The maximum set-up adviser charge is 5% of the initial investment or 25% of the first 12 monthly premiums,	The Ongoing Adviser Charge is a maximum charge of 1% of the fund value. The maximum Ad hoc charge is 2% of the fund value in a 12 month period.

Single contributions and transfer values – Personal Pension and Drawdown		
Regular contributions – Personal Pension only		
	Set-up Adviser Charge	Ongoing Adviser Charges & Ad hoc Adviser Charged
	Either a percentage of contribution (after deduction of any tax free cash) or a specified monetary amount. The maximum limit to be paid for the adviser charge is the lower of 5% of the initial investment or £20,000.	The Ongoing Adviser Charge is a maximum charge of 1% of the fund value. The maximum Ad hoc charge is 2% of the fund value in a 12 month period.

* The initial period is agreed by you and your client but can't exceed 60 months.

Support for you	
Specialist pension transfer service	Pension Transfer Desk: <ul style="list-style-type: none"> • provides administrative support on transfer business for both personal pension and drawdown. • chases previous providers to ensure prompt payment of funds to plans.
Technical and marketing support	<ul style="list-style-type: none"> • Technical Helpline to provide legislative and generic product and/or fund information. • Our Technical section on PruAdviser under 'Knowledge and literature' has a wide variety of articles on tax, trust, estate planning and pensions legislation.

If you have any questions or queries then please call your Account Manager.

This is a guide only to the technical details of the Flexible Retirement Plan. The value of any investment can go down as well as up so your client might get back less than they put in.

We might change our charges in the future.

The guide is based on our current contract terms as at date of printing, October 2019.

Full terms & conditions are available on request.



The telephone number for illustrations is **0808 234 0808**

We might record your call to make sure our service is up to standard.