

PERSONAL PENSION PLAN

Plan Document

WESLEYAN

we are all about you



YOUR PERSONAL PENSION PLAN

This Plan Document has all of the standard terms and conditions of the plan (starting on page 4). The schedule(s) we provide you with show(s) the contributions you have made or have committed to making and/or the transfer amount.

The terms and conditions, schedule(s) and any endorsements we add later on describe the contract we have with you.

We operate the plan in accordance with the law of England. We will administer this plan in line with the rules of the Wesleyan Personal Pension Scheme and any guidance notes issued from time to time by HM Revenue and Customs (HMRC) and the Department for Work and Pensions. The Wesleyan Personal Pension Scheme is registered with HMRC.

If any part of this Plan Document is inconsistent with the rules of the Wesleyan Personal Pension Scheme, the rules will prevail.

The rules are set up by a trust deed. This sets out the name and address of the trustee who makes sure that your plan is administered in line with the rules. You can ask us for a copy of the trust deed.

Taking out this plan may also make you a member of Wesleyan Assurance Society. There are certain conditions you need to meet for membership. For more information, please go to the 'members' section of our website (www.wesleyan.co.uk/about-us/members) or you can ask us to send this information to you.

If the plan was set up based on information you gave us which wasn't correct then this may affect your plan and the benefits you could receive. If this happens, we will make sure any changes are fair and reasonable.

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1. PLAN DEFINITIONS

In this document we use financial words and phrases that not everyone will be familiar with or which have a specific meaning in this document. We've explained what these mean below.

- ▶ **Annual Allowance** – the maximum that can be contributed to money purchase pensions and the value of benefits that can be built up in defined benefit pensions, in a tax year, without having to pay a tax charge.
- ▶ **Annuity** – a guaranteed regular amount of income paid in return for your pension pot by an annuity provider.
- ▶ **Allocation rate** – the percentage of your money that is used to buy units in investment funds. The allocation rate is the mechanism by which we take any Initial Advice Charge (IAC) that applies and may be different for different payments. We will tell you the allocation rate that applies to each payment you make.
- ▶ **Defined benefit pension** – a type of pension where the income you get depends on your salary and how long you have paid into the plan.
- ▶ **Endorsement** – a document which shows any changes to the terms of this plan. We will agree these changes with you.
- ▶ **Flexi-Access Drawdown** – a benefit option where your pension pot remains invested while you take regular income or occasional withdrawals.
- ▶ **Final bonus** – for investments in the Pension With Profits Fund, an amount we might add when you cash in all or some of the units.
- ▶ **Lifetime Allowance** – the amount that you can build up in all of your pension plans over your lifetime without having to pay a tax charge.
- ▶ **Market Value Reduction (MVR)** – an adjustment we make which reduces how much you get back if you cash in any part of your investment in the Pension With Profits Fund at certain times (for example, when share prices are generally low). How much we reduce the value by depends on the value of the Pension With Profits Fund at the time and how long you've invested in the Fund.
- ▶ **Money purchase pension** – a type of pension where the income you get depends on how much you have paid in, or someone else has paid in on your behalf, and how well your investments have performed.
- ▶ **Money Purchase Annual Allowance** – the annual allowance which applies if you start taking taxable cash sums from a money purchase pension.
- ▶ **Ongoing Advice Service (OAS)** – an optional advice service, provided by Wesleyan Financial Services. There is more information about this service in the document 'About Our Services And Costs And How We Do Business With You' that you have been provided with.

- ▶ **Open Market Option** – the facility to buy an annuity from an annuity provider from the open market.
- ▶ **Schedule** – a document which shows specific details about this plan.
- ▶ **Selected benefit date** – the date you have told us you want to take the benefits from this plan.
- ▶ **Unit linked fund** – an investment fund which is divided into units. Your money and money from other investors is used to buy units in the fund. The number of units you have is your share of the fund.
- ▶ **We or us or our** – Wesleyan Assurance Society, the provider of this plan.
- ▶ **Working day(s)** – the days we are open for business, which is Monday to Friday, except bank holidays in England.
- ▶ **You** – a member of the Wesleyan Personal Pension Scheme.

2. PAYING INTO THE PLAN

You or someone else on your behalf, can pay into the plan. How much you agree to pay is shown in the schedule(s).

You or someone else can make monthly or yearly and lump sum contributions into your plan at any time up to age 75. The contributions must be for at least our minimum amount at the time. We won't knowingly accept contributions above the annual allowance or the Money Purchase Annual Allowance.

Regular contributions are due on the same day each month or year (depending on the frequency you have chosen).

You may be able to transfer what you have built up in another pension plan or plans into this plan. Any requests will need to be made through your Specialist Financial Adviser (from Wesleyan Financial Services). The value will need to be for at least our minimum amount at the time.

The terms and conditions in place immediately before the transfer happens will apply.

Changing regular contributions

Regular contributions can be changed at any time up to age 75.

If regular contributions are reduced, they will need to be for at least our minimum contribution amount at the time.

If regular contributions are increased, they need to go up by at least our minimum increase amount at the time.

Increasing regular contributions every year

If you choose this option, we will automatically increase the amount of your regular contributions every year on the anniversary of your plan's start date.

The regular contributions will increase by the same percentage as average weekly earnings (as issued by the Office for National Statistics) for the previous 12 months.

Two months before your plan's anniversary, we will work out how much contributions will go up by. This will be based on how much earnings have gone up by in the previous 12 months. We will increase the contributions by at least 5%, but not more than 15%.

We will collect the increased contribution from the date your next regular contribution is due after the anniversary of your plan's start date. This is known as 'indexation'.

You can write and ask us to add or remove the increase option at any time. If you add this option, the first increased contribution will be on your plan's next anniversary.

Paid-up plans

If you don't start paying into your plan within three months of missing the first contribution then we will make your plan 'paid up'. This means that your plan has a value but we are not expecting any more money to be paid in.

You can start making regular contributions into your plan again as long as you meet the terms and conditions we have in place at the time. You won't need to pay the contributions which you have missed.

3. YOUR PLAN'S START DATE

Your plan's start date depends on how you pay into the plan. The start date is shown in the schedule.

If you set up your plan with a lump sum contribution, your plan's start date is the date we receive this contribution at our Head Office.

If you set up your plan by transferring in a pension, the start date will be the date we receive the money.

If you set up your plan to pay regular contributions, your plan's start date is the date you have requested we first take the money from your bank account.

Where a plan is set up with more than one payment type, the start date will be the date we receive the lump sum or transfer payment or request a regular payment, whichever is the earliest.

4. YOUR INVESTMENT

When you make a contribution, or transfer in a pension pot, we use this to buy units in your chosen investment fund(s).

We work out the number of units which will be allocated to your plan in the following way.

- ▶ We multiply the amount of your contribution or transfer value by the allocation rate shown in the schedule to give the amount of money which is used to buy units (called the investment content).

- ▶ To give the number of units which will be allocated to your plan, we divide the investment content by the unit price which applies on:

- ▶ the next working day after your plan's start date if you start your plan with a single lump sum contribution or transfer (see section 3 – Your plan's start date – for more information), or
- ▶ the next working day after the contributions are due to be paid if you make regular contributions.

The schedule shows the fund allocation percentage. This is how much of your investment content is allocated to each individual investment fund. If you want to change how future regular contributions are invested, please write and tell us. We will apply your requested change from the date your next regular contribution is due.

If you increase your regular contributions or make a lump sum contribution or transfer in a pension pot, we will buy units on the basis set out in the schedule. We may change this basis. We will make sure that any change is reasonable and proportionate and we will tell you as soon as we can.

Our investment funds

There is a range of funds you can invest in. For more information, please read the fund factsheets which are on our website (www.wesleyan.co.uk) or you can ask us to send you copies. We may add to, remove or change the range of funds that you can invest in at any time.

Valuing the funds

We value our Pension With Profits Fund at least monthly under normal circumstances, accounting for both investment performance and Society performance. The change in value of the Pension With Profits Fund is then allocated to the value of your plan over time, through our smoothing process, in order to reduce the effects of short-term fluctuations. Smoothing is where we hold back some of the returns in periods of good investment returns so that we can reduce some of the impact of subsequent periods of poor investment returns. We allocate the returns by increasing the unit price, paying out final bonuses or both.

For more information about the Pension With Profits Fund, please read our leaflet 'How our With Profits Fund works' which can be found on our website, or you can ask us to send you a copy.

We value our other unit linked funds at least once a month.

We calculate the value of our funds as follows.

- ▶ We work out the value of our shareholdings using the latest share prices on an appropriate stock exchange.
- ▶ We value any cash held by the funds at face value.
- ▶ We value any other assets appropriately.
- ▶ We take out the costs of:
 - ▶ buying, selling and maintaining our assets
 - ▶ valuing our assets, and
 - ▶ any expenses, any tax we have to pay, and any other costs linked to the valuation. (We decide what these costs should be but they will be reasonable.)
- ▶ We take an Annual Management Charge (AMC) for managing your investments and running your plan. If you are opted into the Wesleyan Financial Services' Ongoing Advice Service (OAS), the AMC will include the cost of this service. This is a percentage of how much your plan is worth.
- ▶ We take part of the AMC every day over the year from the fund before we set the unit price. Any balance is taken by cashing in units monthly.
- ▶ If we change how we collect the AMC in the future we will write and tell you.

We will only increase the AMC if:

- ▶ the administration and expenses costs linked to this plan go up (the expenses must be reasonable in amount and reasonably incurred), or
- ▶ you are opted into the OAS and the cost of this service increases, or
- ▶ there are tax or regulatory changes which adversely affect the plan.

We will tell you about any changes as soon as we can. However, we may change the charge without giving you advance notice.

The unit linked funds (excluding the Pension With Profits Fund)

- ▶ The unit price at any time is the price at the last valuation.
- ▶ We calculate the unit price by dividing the current value of each fund by the total number of units in that fund.

The Pension With Profits Fund

The latest unit price is calculated by taking the previous unit price and adding any regular bonus that has accrued since.

The unit price will never go down. However, if you cash in units, we may reduce how much the units are worth by applying a market value reduction (MVR).

Units in the funds

Units are created when payments are made into the funds. We only cancel units when we are paying out benefits or taking out our charges.



Switching funds

You can cash in units in one or more of the investment funds to buy units in a different fund or funds.

You can write or call to tell us that you want to switch.

You can make up to 12 fund switches in any 12-month period.

We work out the value of the units you are cashing in, using the unit price which applies the next working day after we receive your written instructions.

If you are switching out of the Pension With Profits Fund we may:

- ▶ reduce the value of your units by applying an MVR if you are switching out of the Pension With Profit Fund, or
- ▶ increase the value by adding a final bonus.

We do not apply an MVR to switches into the Pension With Profits Fund. We will use the rest of the money to buy units in the fund or funds you have chosen to switch to.

Lifestyling

The aim of lifestyling is to reduce the amount of risk your money is exposed to as you approach your selected benefit date.

Lifestyling involves:

- ▶ gradually switching the money you have already built up in certain funds, and
- ▶ redirecting any future contributions into our lowest risk fund.

Five years before your selected benefit date we will make one switch and/or redirection each year. The dates when switching occurs are called 'lifestyling dates'.

The following table shows where your money is invested after each switch or redirected contribution.

Number of years to your selected benefit date	Percentage of your money invested in our Moderate-High or High Risk/Reward range of funds	Percentage of your money invested in our lowest risk fund
5	80%	20%
4	60%	40%
3	40%	60%
2	20%	80%
1	0%	100%

Lifestyling will apply:

- ▶ to all funds which we describe in our fund factsheets as Moderate-High Risk/Reward or High Risk/Reward, and
- ▶ when at least one of these funds has a value of £250 or more.

Your plan has the option of including lifestyling and this can be opt in or out at any time before your selected benefit date.

We may change the funds included for lifestyling in the future. If this happens, we will write and let you know.

If lifestyling applies to your plan, you can switch funds or change your fund allocation percentage at any time. However, lifestyling will still take place on the lifestyling dates.

If lifestyling starts and you decide to change your selected benefit date then the following will happen.

- ▶ If your new selected benefit date is more than five years away then lifestyling will stop. However, your money will stay invested in the funds which it was directed to when lifestyling was previously applied, unless you request a switch.

Future contributions will continue to be directed to the lifestyling funds unless you ask us to redirect them.

- ▶ If your new selected benefit date is earlier than the previous benefit date then we will apply lifestyling as shown in the table.

Lifestyling does not apply to funds that have been moved into Flexi-Access Drawdown.

5. TRANSFERS TO OTHER PENSION PLANS

You may be able to transfer what you have built up in this plan to another pension plan. Any application to transfer your pension plan will need to be made in writing.

How much we transfer out will depend on how much your plan is worth. We value your plan on the day we receive all the documents we need to make the transfer.

If any part of your plan is invested in the Pensions With Profits Fund, we may increase the value with a final bonus or decrease the value by applying an MVR.

If your benefits are over the lifetime allowance and you transfer them to an overseas pension scheme you may have to pay a tax charge. This charge will be taken from your transfer value.

If we transfer all of the money you have built up in this plan to another pension provider, the plan will end.

6. ILL HEALTH

Ill health before age 55

If you become ill before age 55 (this is due to change to age 57 in April 2028) you can ask us to pay the plan's benefits. Your illness will need to be a permanent mental illness or physical problem which means you can't do your job.

You will need to send us medical evidence if you want to take your benefits because you're ill. If you are charged for this evidence, you will have to pay the cost yourself.

How much benefit we pay will depend on how much your plan is worth on the date we agree to pay your plan benefits early.

Serious ill health

If you become seriously ill before taking the benefits and you aren't expected to live more than 12 months, you can take the money in your plan that has not moved into Flexi-Access Drawdown, as a lump sum.

How much we pay will depend on how much this part of your plan is worth on the date we agree to pay the lump sum.

We will only pay the lump sum if an independent medical practitioner confirms in writing that you aren't expected to live for more than 12 months. If you are charged for this evidence, you will have to pay the cost yourself.

We will pay any part of the lump sum that is below the lifetime allowance tax free if you are under age 75. If you are age 75 or over the lump sum will be taxable as income.

7. DEATH

The amount we pay on death is based on the death benefit value, which is calculated as follows.

- ▶ We work out the value of units in your plan using the unit price which applies the next working day after we accept proof of death.
- ▶ If you have money invested in the Pension With Profits Fund, we may add a final bonus but we won't apply an MVR if you die before age 75.
- ▶ If you opened your plan on or after 4 March 2021, we may also apply an MVR, which will reduce the value. If you opened your plan before 4 March 2021, we will not apply an MVR in the event of death.

The death benefit value can be:

- ▶ paid as a lump sum,
- ▶ used by your beneficiaries to invest in their own Flexi-Access Drawdown (FAD), or
- ▶ used to buy an annuity from an annuity provider.

In addition, if some or all of the death benefit value relates to money that you had moved into Flexi-Access Drawdown, it can be used to provide drawdown income.

It is at our discretion who receives the benefits from your plan. We will take into account the rules of the scheme, your personal circumstances and if you wrote and told us who you wanted the money to go to.

If you die before 75, tax is only payable where the death benefit value exceeds the lifetime allowance, or if we pay the death benefit value as a lump sum more than two years after we were informed of your death.

If you are 75 or older when you die, any benefits payable will be taxable.

Before we can pay the death benefit value, we need proof of your death. Normally this will be the original death certificate. We may ask for other documents to establish who is legally entitled to the death benefit.

8. TAKING BENEFITS

There are a number of ways you can take benefits from your plan. On the 6th April 2028, the Government is changing the minimum pension age from 55 to 57. Depending on your circumstances you may be able to access your benefits earlier if you have a protected pension age or if you are unable to work due to ill health or incapacity.

- ▶ You can use some or all of your pension pot to buy an annuity from an annuity provider which provides you with a guaranteed income for life. (See section 8.1 Buying an annuity.)
- ▶ You can take some or all of your pension pot as cash. (See section 8.2 Taking cash.)
- ▶ You can select the Flexi-Access Drawdown Option which allows you to take regular income or occasional withdrawals whilst your pension pot remains invested. (See section 8.3 Selecting the Flexi-Access Drawdown Option.)

Alternatively you can leave your benefits completely untouched during your lifetime.

You will need to write and tell us how you want to take the benefits. Before we pay out the benefits, you will also need to give us certain information so that we can meet our legal obligations and the scheme rules.

If you do not inform us of your choices when you reach your selected benefit date, it will extend by five years or default to age 75, whichever is earlier.

If you have money invested in the Pension With Profits Fund and you take the benefits on your selected benefit date we won't apply an MVR provided your benefit date hasn't changed in the last 12 months.



8.1 Buying an annuity

You can use some or all of your pension pot to buy an annuity from an annuity provider. Up to 25% of the pension pot can be taken as tax-free cash.

How much you get from your annuity will depend on the annuity rate and the options you choose at the time.

A tax charge may be taken if the money you use to buy the annuity is over the lifetime allowance.

8.2 Taking cash

You can withdraw some or all of your pension pot as cash. Up to 25% of each withdrawal is tax free. The balance is taxable as income.

Each withdrawal must be for at least our minimum amount at the time.

If you are under age 75, we will only pay a cash sum up to the level of the lifetime allowance. If you are over age 75, you must have some remaining lifetime allowance in order to withdraw cash. A tax charge may be taken from the cash if it is over the lifetime allowance.

When you withdraw cash, the Money Purchase Annual Allowance may be triggered. We will inform you if this happens.

8.3 Selecting the Flexi-Access Drawdown Option

You can select this option provided your pension meets the minimum pot size at the time.

You can take up to 25% of the money you move into Flexi-Access Drawdown tax free.

A tax charge may be taken if the money you move into Flexi-Access Drawdown is over the lifetime allowance.

When you select the Flexi-Access Drawdown Option, we take an initial charge based on the value of the money moving into Flexi-Access Drawdown. The charge covers the cost of any advice provided by Wesleyan Financial Services, and is taken by cancelling units.

From the money you have moved to Flexi-Access Drawdown, you can take regular income (monthly, quarterly, half yearly or annually) or occasional withdrawals. Regular income and occasional withdrawals need to be for at least the minimum amount at the time, and will be subject to income tax at your highest rate.

The number of occasional withdrawals that you can take must be no more than the maximum number allowed each year at the time. A year is calculated from the date of the first withdrawal.

If you have money invested in the Pension With Profits Fund, an MVR may apply if you take regular income or occasional withdrawals.

The Money Purchase Annual Allowance will be triggered the first time you take regular income or an occasional withdrawal.

9. YOUR RIGHT TO CANCEL THE PLAN

You have the right to change your mind within 30 days following receipt of your plan documentation. For further details please refer to the Key Features Document which you have been provided with.

10. THE LAW APPLICABLE TO THIS PLAN

The plan is governed by the law of England.

11. CHANGES IN THE LAW OR TAXATION

This contract (as set out in these terms and conditions, the schedule and any endorsements) is based on how we understand current English law. We may change the terms and conditions of this plan or adjust the benefits if there are changes in:

- ▶ the law
- ▶ other regulations, or
- ▶ the taxation system which directly or indirectly affects this plan.

Otherwise, we will only change the terms and conditions if we can't carry on with the plan as it is because:

- ▶ it's no longer possible or practical, or
- ▶ it means that some of our plan holders are not being treated fairly in our opinion.

We will tell you about these changes as soon as we can.

We will make sure that any changes we make are reasonable and proportionate.

12. MEMBERSHIP

This plan entitles you to become a member of Wesleyan Assurance Society. As part of that membership, we shall contact you from time to time about the various benefits you are entitled to receive. You can read more about our membership by visiting the 'Mutuality & you' section of our website, www.wesleyan.co.uk/mutuality, or you can ask us to send this information to you.



13. MONEY LAUNDERING

To help protect against financial crime, including identity theft, we will verify your identity and postal address. We will need to see appropriate documentary evidence, or we may check your identity electronically using a credit reference agency. A search to verify your identity and address won't affect your credit rating.

14. PRIVACY NOTICE

The security of your personal data is very important to us and we will never sell your data to other companies. You can read more about how we protect your information and your rights by reading our privacy notice which is available upon request or via our website: www.wesleyan.co.uk/privacy

15. CONFIDENTIALITY

When we are required by law, we will disclose any information we know about your financial affairs to any eligible authority (including the FCA but not limited to them). We will not be liable if we disclose information in good faith in line with this condition. You authorise us to give HMRC information which they ask us for about your plan.

16. ASSOCIATES AND OTHER PARTIES

We may deal with or through associated companies when we get or dispose of investments for this plan (even if these companies don't act as our principal or agent). We will carry these transactions out on a best execution basis. We do not have to account to you for any benefit we or our associates get from these transactions.

17. COMPENSATION

If we cannot meet our financial obligations to you, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) under the Financial Services and Markets Act 2000. You can get details of the scheme from the FSCS at:

FSCS
PO Box 300
Mitcheldean
GL17 1DY

Phone: 0800 678 1100, or 020 7741 4100
Email: enquiries@fscs.org.uk
Website: www.fscs.org.uk

18. COMPLAINTS

We do everything we can to make sure we always give you the best possible service. If you are unhappy with any part of the service we have given you, and wish to complain you can contact us in the following ways.

- ▶ Speak to our Customer Operations Team on 0800 092 1990. Our lines are open from 9am to 5pm, Monday to Friday.
- ▶ Complete the online contact form which can be found by visiting our website www.wesleyan.co.uk
- ▶ Email the Complaints Team at complaints@wesleyan.co.uk
- ▶ Write to:
Complaints Team
Customer Operations – Birmingham
Wesleyan Assurance Society
Colmore Circus
Birmingham
B4 6AR
- ▶ Fax your letter to us on 0121 200 9210

If, after receiving our response, you're still not happy, you can refer your complaint to the Financial Ombudsman Service:

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Phone: 0800 023 4567 or 0300 123 9 123
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

We are all about you.

Since we were founded over 180 years ago, we have cherished our mutual status. It's an integral part of who we are and with no shareholders, our focus is on members and customers. We work to benefit those who invest in our business. Not only today, but also in the future.

It's why 'we are all about you'.

A guide to the many ways in which the Wesleyan Group of companies can help you to plan, prioritise and secure your financial future.

For you



Savings & Investments



Mortgages



Retirement Planning



Insurance



Life & Income Protection

For your business



Finance & Funding



Personal Protection



Equipment Insurance



Premises Insurance

For more information about the Wesleyan Group of companies, visit [wesleyan.co.uk/ourcompanies](https://www.wesleyan.co.uk/ourcompanies)

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'WESLEYAN' is a trading name of the Wesleyan Group of companies.

Wesleyan Assurance Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Advice is provided by Wesleyan Financial Services who is authorised and regulated by the Financial Conduct Authority and is wholly owned by Wesleyan Assurance Society. Incorporated in England and Wales by Private Act of Parliament (No. ZC145). Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0345 351 2352. Fax: 0121 200 2971. Calls may be recorded to help us provide, monitor and improve our services to you.