Guide to your annual statement

To be read alongside your Retirement Account annual statement

The annual statement we send you focuses on the key information that's most relevant to you - such as current values and an idea of how much your Retirement Account might be worth at different ages.

This guide gives you more information about the figures quoted in your annual statement, so you can make informed decisions about your retirement.

If you have any questions that aren't answered by your statement or this guide please call using the number in your annual statement.

ReAssure

ReAssure

28 September 2016

Our reference: 000000000000

Mr A N Other
1 High Street
Somewhere
Anyshire
ZY12 9CD

Dear Mr Other

Your Retirement Account annual statement

We've highlighted key information to the right of this page, and broken down the rest of your statement into sections:

- **Your policy activity** – gives you a breakdown of money paid into and taken out of your Retirement Account. It also gives you more information about charges, and explains the importance of reviewing your policy regularly.
- **Your policy at a glance** – All the information you need to review your policy.
- **Your options** – tells you what you can do with the money in your Retirement Account.
- **What your Retirement Account could provide you with** – gives you more detail about your policy, including retirement income projections and an idea of how much your policy could be worth at five-yearly intervals.
- **Our assumptions** – lets you know how we calculated the figures in this statement.

What do I need to do?

Choosing what to do with your pension pot is an important financial decision. We recommend you use the Government's free, impartial guidance service, called Pension Wise, or get financial advice, before making any decision about taking your benefits. You can contact the Pension Wise service on www.pensionwise.gov.uk or call them on 0800 138 3944. Information on Pension Wise can be found in the enclosed letter from the government.

This letter contains important information about your retirement savings. You should read it **in full** and consider all your options – it will help you get the best value from your savings and how to get help if you need it.

It's important you review your policy at least once a year to make sure your current plans are working for you.

You can use our Online Review Tool to track your policy's progress, and see how making changes could affect you – even if you've chosen the Offline version of the Retirement Account.

Review your policy today at www.reassure.co.uk/review

You should also visit **www.reassure.co.uk/your-retirement**, where you'll find lots of information about your retirement options.

If you're absolutely confident that your current arrangements meet your needs, there's nothing else you need to do right now.

If you need to speak to us about your Retirement Account you can call us on 0800 037 1777 between 8.30am and 5.30pm (Monday to Friday).

Yours Sincerely,

ReAssure Pensions Team

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Tel: 0800 073 1777 Fax: 0808 168 3331 Email: customers@reassure.co.uk www.reas
ReAssure Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Authority. Firm reference number 110495. Member of the Association of British Insurers.

Policy number:
ABC123456

Policyholder:
A N Other

Date of birth:
28 September 1950

Policy at a glance

On 28 September 1950:

Fund value:
£123,456.00

Policy activity since your last statement

Paid in:
£10,000

Taken out:
£1,200

Based on your regular policy activity and expected investment performance your fund is unlikely to last beyond age 75

What your policy could be worth

Below is an idea, in today's money, of how much your Retirement Account could be worth at different ages based on your current activity:

age 70	£150,000
age 75	£135,000
age 80	£120,000
age 85	£105,000
age 90	£90,000

You can also find annuity illustrations in **Facts & Figures**. Read **Our assumptions** later in this statement for more information.

Our annual statement has an introductory letter and five main sections:, **Your policy activity**, **Your policy at a glance**, **Your options, What your Retirement Account could provide you with,** and **Our assumptions**.

This guide will explain more about what you'll find in each section of the statement .

Introductory letter

The introductory letter introduces the annual statement and provides key information such as your current fund value and what your policy could be worth in the future.

More information Policy at a glance

The value we quote in your annual statement is your policy's value. This is the amount you have available (from age 55) to withdraw or, if you want, turn into an annuity to provide you with a guaranteed income for life.

More information about Policy activity since your last statement

This shows how much money has been paid into your Retirement Account (either from you, your employer, or transfers from other pensions). If you're taking regular withdrawals we'll also include an indication of what age your money might last until (based on your current pattern of withdrawals).

More information about What your policy could be worth

The amounts quoted include the projected values of the Flexible Pension Pot (FPP) and the Flexible Drawdown Pot (FDP) added together. You can find the separate values for the FPP and the FDP in the section **What your Retirement Account could provide you with**, later in the statement.

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Your policy activity

Your activity since your last annual statement

Flexible Pension Pot	• You've paid in **£10,000** including tax relief • You've withdrawn **£1,200** from your Flexible Pension Pot

Every time you make a withdrawal from your Flexible Pension Pot (FPP), we work out how much Lifetime Allowance (LTA) you use up. This will include any money moved to the Flexible Drawdown Pot following a tax-free withdrawal from your FPP.

Since you opened your Retirement Account your total withdrawals from the FPP have used **1.5%** of the LTA. If you've told us you've registered with HMRC for protection against a lifetime allowance charge, and that protection is still in place, this figure has been worked out taking this into account.

Important: You should call us straight away if:

- You think you're going to exceed your LTA,
- You stop being eligible for a protection you've previously told us about, or,
  You apply for new LTA protection or enhancement factor from HMRC, or if you've been told that you've got a reduced LTA.

Review your investment

You should regularly review the funds you're invested in based on your attitude to risk and your retirement plans. For example:

- If you stay in low risk funds too long you may miss out on strong growth in financial markets and your policy could be more vulnerable to the effects of inflation.
- On the other hand, if you're planning on taking a large proportion of your pension pot soon, being in higher risk funds puts you at risk of sudden movements in the stock markets affecting your retirement income.

You can find out more information about the funds available to you at **www.reassure.co.uk/investments**.

Please see the Your policy at a glance section of this letter to review your policy

Understanding your charges

We deduct an annual charge of 0.65% each year from your fund value for administering your Retirement Account. This means that if your fund value stayed at £10,000 throughout the year you would pay £65 in charges. The funds that you're invested in also have Investment Management Charges (IMC). You can find out more about IMCs in your Key Features Document, or by visiting **www.reassure.co.uk/investments**.

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Your policy activity

This section tells you about the about what you've done with your Retirement Account in the last year.

Your policy activity since your last statement

You can see at a glance what you've done with your Retirement Account since your last statement. If you've had money in both the FPP and FDP since your last statement each pot will be listed separately.

There is also important information about the Lifetime Allowance (LTA). You should make sure that you understand the effect that going over your LTA could have, including the possible tax charge you could get from HM Revenue and Customs (HMRC). If you want to fund out more about the LTA at **www.reassure.co.uk/allowance**

Review your investment

The figures we quote throughout your annual statement assume that your pension pot grows by a fixed percentage each year. The amount we use is based on the mix of investments chosen by you. You should also bear in mind that you can switch funds at any time. If you do, any future illustrations will be based on your new investment fund mix.

Understanding your charges

The projections of what your policy could be worth in the future take into account future charges and expenses. Read this section to find out more information about the specific charges applied to your policy. For more information you should look at the Key Features Document that was sent to you when you opened your Retirement Account .

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Your policy at a glance

The Retirement Account is split into two pots, the **Flexible Pension Pot** and the **Flexible Drawdown Pot**. Each pot has different rules, so you can take advantage of the options available to you under pensions flexibility. You can find out what you can do with your Retirement Account in the **Your Options** section of this statement.

Because of the flexibility available to you and the performance of your investment over the long term, it's more important than ever that you regularly review your policy to make sure it still meets your needs. Our Online Review tool will help you review your policy's progress, and you can use it even if you've chosen the Offline version of the Retirement Account. The Online Review Tool allows you to:

- See how much you would need to pay in to meet your target retirement income
- Check how long your fund could last based on your current regular withdrawals
- See how changing your contributions or withdrawals could affect your policy

Review your policy today at www.reassure.co.uk/review

You should use the information in this statement, together with any you hold for other pension policies, to make sure your current plans still meet your needs.

Flexible Pension Pot

Current value	Your fund value is £123,456.00, of which up to a quarter can be paid tax-free. The current value of your Flexible Pension Pot represents 12% of your lifetime allowance		
Regular contributions	£0 – you can't make regular contributions as you're taking regular withdrawals, but you can still make transfers in from other pensions and make one-off contributions at any time		
Regular withdrawals	£100 every month		
Current Investment mix	Deposit £41,152	Corporate Bond £41,152	UK and Global Equity Tracker £41,152
Investment mix for future contributions	33%	33%	33%

Flexible Drawdown Pot

Current value	Your fund value is £0.		
Regular withdrawals	£0 – your Flexible Drawdown Pot has no funds to withdraw.		
Current Investment mix	£0	£0	£0

Retirement Account Options

Annual Charge / Policy type	0.65% (Standard)

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Your policy at a glance

This section summarises your Retirement Account on the date your statement was prepared, including your current fund value, regular contributions and withdrawals and the funds you're invested in.

Introducing the Online Review Tool

The Retirement Account is special as it allows you to review your policy online. Once you've reviewed your policy and you want to make changes you can use the Online Review Tool to get the necessary forms, and in some circumstances, you can submit your request electronically.

To use the Online review tool all you need are the details on this page, which you key into the tool. Once you've entered your information you can see what might happen if you change your contributions, withdrawals or investments choices.

If you receive a quarterly valuation, this will include all of the same information as this page, and can be used with the Online Review Tool too.

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Your options

Because your policy is flexible, you can pay money in, take it out or leave it invested for when you need it. You should plan ahead as you can do different things at different times in your life to suit your circumstances. Before you decide how to take your retirement benefits you should speak with **Pension Wise** which you can find out more about in the enclosed letter from the government.

ReAssure is unable to provide financial advice or make a personal recommendation. If you're unsure about which retirement option could meet your personal circumstances you should speak with one of:

- An **Independent Financial Adviser** – who can give advice and make a recommendation on a full range of financial products and providers based on the whole of the market.
- A **Restricted Financial Adviser** – who can give advice and make a recommendation based on a limited selection of products and/or providers.

We're introducing customers who would like restricted financial advice to LV=. If you'd like to speak to an LV= Adviser you can call us and we'll transfer you through to them, or you can contact them directly on 0800 756 8009. The LV= Adviser will discuss your advice options, and the costs involved, before you proceed.
Please bear in mind that LV= can only provide advice on products from a restricted number of providers. If you want advice about options available from all providers in the market then you will need to speak with an independent Financial Adviser (FA). If you don't have an independent FA you can find one at **Unbiased.co.uk** or call Unbiased on **0800 020 9430**.

• Pay money into your Flexible Pension Pot

The government encourages you to save for your retirement, and will give you tax relief on up to £40,000. This amount reduces for Defined Contribution schemes to £10,000 if you make flexible withdrawals. Assuming your basic rate of tax is 20%, this means £100 is paid into your pension pot for every £80 you contribute – and you could receive further tax relief if you pay tax at a higher rate. If you earn more than £150,000 the amount that you can pay into a pension and still receive tax relief will be reduced. Search for 'tax relief on pension contributions' at **www.gov.uk/HMRC** to find out more. As you're currently taking regular withdrawals from your Retirement Account, you can't set up a regular contribution, however you can pay in one-off contributions at any time you like.

Remember: The more money you save, the more money you'll have to support your lifestyle when you retire.

• Transfer money into your Retirement Account from elsewhere

It's also possible to transfer money you've got in other pensions or drawdown policies into your Retirement Account. This could make it easier for you to plan for your future, but you should be careful that you don't lose any valuable benefits, such as guarantees, early retirement ages or an increased allowance of tax-free cash. Also, look at the charges you have to pay on any other pensions you have (your pension provider can tell you what these are if you don't know). The Retirement Account has an annual charge of 0.65% (standard), which you can compare with the charges of any other pensions you hold. You should speak with a Financial Adviser if you plan to transfer another pension into your Retirement Account. You will also pay Investment Management Charges (IMC) depending on the funds you're invested in. You can find out more about IMCs in your Key Features Document, or by visiting **www.reassure.co.uk/investments**.

• Make withdrawals

You have several withdrawal options available to you. You should consider which of these are best for you as withdrawals could move you into a higher income tax bracket. You can only have one kind of regular withdrawal at a time, however you can take out one-off withdrawals at any time you like.

- **Take tax-free withdrawals**. You'll be able to take up to a quarter of your **Flexible Pension Pot** as tax-free withdrawals, sometimes known as a Pension Commencement Lump Sum. However much you take out as a tax-free amount, three times the tax-free withdrawal must then be moved into your Flexible Drawdown Pot for you to take as a fully-taxed withdrawal later on. You cannot have regular tax-free withdrawals.
- **Take partially-taxable withdrawals**. You can take withdrawals from your **Flexible Pension Pot** that are a mixture of tax-free and taxable. Any withdrawal using this option will be paid 25% tax-free, with the remaining 75% taxed. This kind of withdrawal can be set up as regular or one-off.
- **Take fully-taxable withdrawals**. All withdrawals you take from your **Flexible Drawdown Pot** will be taxed as you'll have taken your tax-free cash already. This kind of withdrawal can be set up as regular or one-off.

If you make any kind of taxable withdrawal we will pay the tax direct to HM Revenue and Customs (HMRC) for you.

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Your options

This section explains the options that are available to you. This includes changing your contributions or withdrawals, transferring pensions from elsewhere into your Retirement Account or using your Retirement Account to buy an annuity.

This section also explains where you can go to get help if you're not sure what to do.

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What your Retirement Account could provide you with

- Here is an idea in today's money, of how much your Retirement Account could be worth at five year intervals based on your withdrawals continuing at £100 every month. You can see what your fund value might be at each age. You should understand that although we give an indication of how much annuity you could buy at different ages **you only have to buy an annuity if you consider this meets your needs**.

  As our illustrations are not guaranteed we've used three different growth rates so that you can see how different investment returns may affect what you might receive in the future.

Age	Flexible Pension Pot Fund Values		
	3% Growth	5% Growth	7% Growth
70	£125,000	£150,000	£175,000
75	£110,000	£13[illegible],000	£160,000
80	£95,000	£120,00[illegible]	£145,000
85	£80,000	£1[illegible]5[illegible]00	£130,000
90	£65,000	£90,000	£115,000
95	£50,00[illegible]	£75,000	£100,000
100	£3[illegible],00[illegible]	£60,000	£85,000

- It's important to understand that the withdrawals you take will affect how long your money will last. You should make sure that you've got enough money from other sources to support you through retirement.

How long your Retirement Account could last

Based on your current withdrawals your...	Growth Rates		
	3%	5%	7%
Flexible Pension Pot will run out...	past age 110	past age 110	past age 110

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What your Retirement Account could provide you with

This section gives you more details about what your Retirement Account might be worth in the future.

It also gives you an indication of how long your Retirement Account could last (if you're currently taking regular withdrawals), and how much your Retirement Account could be worth if you used it to buy an annuity. We show all of these figures showing a range of ages so that you've got an idea of how your investment can change over time.

We've also provided projections based on a range of growth rates, so you can see what might happen to your investment, depending on different market conditions.

Whether or not you're paying money into your Retirement Account will make a difference to how these illustrations are calculated.

If you're taking money out of your Retirement Account regularly, we use calculation rules given to us by the Financial Conduct Authority (FCA). If you're not making regular withdrawals we have to use a different sent of calculations called Statutory Money Purchase Illustration (SMPI) rules.

How we apply the two sets of rules is very similar. The main difference is that under the FCA rules the assumed future fund growth cannot be more than a set rate. This is the case even if we think the fund will perform better than this.

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Our assumptions

All figures in this statement were calculated on 28 September. These figures are not guaranteed and may go down as well as up. It's not possible to make calculations for every eventuality, so we have made some assumptions:

Your investment	• The growth rates used to calculate possible future income from your Retirement Account is based on your current mix of investments. • We've made assumptions about the investments you hold in your Retirement Account and their likely performance in the future. Your investment choices and their actual performance may not be the same as we have assumed.
Inflation	• Inflation affects the buying power of your money. Think about how much more your weekly grocery shop costs today than it did ten years ago. • We've assumed yearly inflation of 2.5% when working out your illustration. Under this assumption, a yearly retirement income of £10,000 in 20 years' time would only be worth the equivalent of £6,100 in today's money. • We've adjusted your illustrated income and fund values to take inflation into account, so you have an idea of how much you could get in today's money.
Contributions and withdrawals	• We've assumed you pay no further contributions. Let us know if you'd like to start making regular contributions, or make a one-off payment. • We've assumed you continue to make withdrawals of £100 every month from your Flexible Pension Pot. Remember, inflation will reduce the real value of your withdrawals if you don't increase them over time. • Each regular withdrawal payment is taken from all of your investment funds. On the day of withdrawal we work out the proportion that each fund represents of the overall value of your policy. We then use this proportion to work out how much to take from each fund. For example if Fund X represented 50% of the value of your investment on the day of withdrawal, 50% of your income payment would be from Fund X.
Annuity illustrations	• Your actual retirement income will depend on a number of things, such as the performance of your investment and how much it costs to buy an annuity when you retire. These may be different to the rates we've assumed. ○ **Your health and personal circumstances will also have a significant impact on your annuity income.** • We've shown how much annuity income you could receive based on you buying an annuity on 28 September 2020 and 28 September 2030. • Annuity rates available when you come to take your benefits are likely to be different to our assumptions, so make sure you get quotes based on your personal circumstances. • We've assumed that the amount your annuity pays remains the same for the rest of your life. If you want your annuity to increase over time to reduce the effect of inflation you will receive less to begin with, but your buying power would not reduce in the same way. • When you retire you can take a portion of your flexible pension pot as a tax-free lump sum (up to 25%). Our figures assume that you do not take any tax-free lump sum, so if you're not interested in this option your retirement income is likely to be lower than shown. • We've assumed that when you buy an annuity you will not provide an income for your spouse if you were to die before them. This means that when you die your annuity will end and no further benefits will be paid.

You can find out more about the assumptions we've made by downloading our **Guide to your annual statement** from **reassure.co.uk/RA-Guide**. Call us if you'd prefer to receive a written copy of this guide.

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EXAMPLE

Our assumptions

This section explains more about how we've calculated this illustrations in your statement.

Important information for taxpayers at a higher rate

If you pay tax at a higher rate, you may be able to claim extra tax relief on your contributions to your Retirement Account.

You can claim tax relief through your Self-Assessment tax return, or by contacting HM Revenue & Customs (HMRC) for an adjustment to your Pay as You Earn code if you don't complete a tax return. If you're an additional rate taxpayer you'll have to claim the difference through your tax return.

HMRC guidance on the relief available:
www.gov.uk/tax-on-your-private-pension/pension-tax-relief