



ReAssure

ReAssure Limited

**Guardian Assurance With-Profit Fund**

Conventional Pensions With-Profits Bonus Rates & Estate Distribution

1 January 2021

This document is for you if you have a  
Traditional With-Profits Pension policy with either  
ReAssure Ltd or Countrywide Assured that is written in the  
Guardian Assurance With Profits Fund.



## Guardian Assurance With-Profit Fund Conventional With-Profits Bonus Rates

Bonuses are additions to the benefits payable on with-profits policies. You can find more information about how bonuses are added to different types of policy in our “A guide to how the Guardian Assurance With-Profit Fund is managed (traditional with-profits pensions)” document, which is available to download from our website.

We also have a more detailed guide to our with-profits management strategy called 'Guardian PPFM'. If you would like any of these documents, please ask us or download them from our website [www.reassure.co.uk](http://www.reassure.co.uk).

## Annual Bonus Rates (also known as Regular Bonus or Reversionary Bonus)

The PPFM sets out that annual bonus rates were reduced at the 31st December 2004 declaration to such a level that no further reductions are planned. We anticipate annual bonuses can be maintained at this level in the future, if investment returns are not significantly less than anticipated and mortality experience does not change significantly from that anticipated.

Current Annual Bonus Rates are as follows:

Product	Annual Bonus Rate
Pension Plus (including Versatile Individual Pension, Buy Out Plan, Channel Islands Investment Plan and Channel Islands Retirement Plan)	0.50%
Personal and Participating Pension	1.00%
Chargeable Rates	2.60%

## Final Bonus Rates (also known as Terminal Bonus)

We may pay a final bonus when the policy reaches its end date. We may also pay some final bonus if you take early retirement, cash-in your policy early or transfer to another provider. **Final Bonus is not payable for most traditional with-profits pension policies due to the high level of guarantees offered on the policies.**

Where Final Bonus is payable, the rates depend on the type of product, the date it commenced, the duration and the premiums paid.

We usually review final bonus rates every month and we do not give advance notice when we change them. **Final Bonus rates may vary or be removed at any time and are therefore not guaranteed** The rate is zero for most classes and for certain calendar years, in which case no final bonus will be payable



Final Bonus rates with effect from 1 January 2021 are as follows:

**Pension Plus (including Versatile Individual Pension, Buy Out Plan and Channel Islands Retirement Plan)**

Year of Issue	Final Bonus Rate
1981 and earlier	73%
1982 and later	0%

**Personal Pension**

Year of Issue	Final Bonus Rate
1975 and earlier	72%
1976	72%
1977	72%
1978	49%
1979	49%
1980	49%
1981	49%
1982	49%
1983	16%
1984	16%
1985	16%
1986	16%
1987	16%
1988	16%
1989 and later	0%

**Chargeable Rates**

The Final Bonus Rate is 10% for all years of issue.

**Channel Islands Investment Plan**

The Final Bonus Rate is 0% for all years of Issue.

## Contributions from the Estate

The Estate is the amount by which the fund's investments are more than the amount we believe it will need to pay out to all the policies as they become due. The Estate exists to cover the risk of any unforeseen decrease in the value of the fund's investments or increase in the amounts it needs to pay out to policyholders. Further information can be found in Section 11 of the "A guide to how the Guardian Assurance With-Profit Fund is managed (traditional with-profits pensions)" guide available to download from the ReAssure website.

If there are no unforeseen circumstances, then we intend, over time, to distribute the Estate fairly to customers who have with-profits policies. The Estate distribution is achieved through enhancements to Asset Shares, which improves final bonuses. However, for Buy-Out Plan, Pension Plus and Versatile Individual Pension Plan the high level of guarantees mean that final bonus is generally not paid on these policies despite the distribution of the Estate.

Since the Fund closed to new business, action has been taken to distribute the estate to the with profits policyholders. As part of the bonus setting process each year, ReAssure determines the annual amount of "bonus surplus" that needs to be added to Asset Shares in order to exhaust the estate. The history of estate distributions since the fund was closed in 1998 is shown below:

Year	Increase to asset shares
1998	16.1%
1999	3.0%
2000	6.0%
2001	6.0%
2002	3.0%
2003	3.0%
2004	2.0%
2005	2.0%
2006	2.0%
2007	2.0%
2008	2.0%
2009	2.0%
2010	2.5%
2011	8.0%
2012	3.0%
2013	2.5%
2014	3.0%
2015	3.0%
2016	3.0%
2017	8.0%
2018	3.0%
2019	5.0%