

Please make sure you read this important information before you make a decision.



Thinking about moving to
Prudential Retirement Plan (PRP)?





The information in this leaflet should be considered alongside the benefits stated in Your Guide to the Prudential Retirement Plan.

Following the call regarding your options, this leaflet is designed to help you further understand what's in your current plan, how it compares with PRP and what you may gain or lose.

This information could support your decision-making.

Before you read the rest of this leaflet, it's important to understand:

- Moving to PRP involves taking out a new product and contract.
- Like any investment decision, this changes the benefits and guarantees you currently hold.
- PRP allows you to take your tax-free cash and have flexible access to the remainder of your pension pot, which you can't do in your current plan.



Where can I get more information?

If you have any questions about your current plan, please call us on **0345 640 3000** (8am to 6pm, Monday to Friday).

For more information, visit [mandg.com/pru/prudential-retirement-plan](https://www.mandg.com/pru/prudential-retirement-plan) where you can also view key documents.

PRP only offers a drawdown solution

If you want to keep adding money to your pension savings you won't be able to with this plan.

Charges

Annual charges in PRP may be higher or lower than what you're paying now, depending on your current and future investments and plan value. You can see your current plan charges in your Annual Statement and the charges for PRP in the Illustration.

PRP doesn't include the option to add extra benefits

As an example, additional life cover or waiver of premium benefit. If your current plan includes any additional benefits, switching means you'll lose them, and they may be difficult to replace.

Smoothing

The 'smoothing process' aims to provide you with some protection from the short-term ups and downs of markets. It gives you a more stable rate of growth than you would get if you were directly exposed to changes in the fund's underlying investment performance. So, this means you won't usually see the full impact of market rises or falls.

If you switch from the With-Profits Fund in your current plan, to investing in PruFund within PRP, smoothing will still apply, but it will work differently and will give a different level of protection from market ups and downs. You can find more information about how PruFund smoothing works and how it works in your current plan at [mandg.com/pru/prudential-retirement-plan](https://www.mandg.com/pru/prudential-retirement-plan)

If you bought your plan from Scottish Amicable before 1 October 1997 and are invested in the With-Profits Fund

You have some extra benefits with your current plan:

- Each year, your investment earns an extra 0.25% on top of the usual return, which is called 'miscellaneous surplus credit'.
- When you take money out of your plan, you receive a 12.4% increase, which is included in your final bonus. Any new payments you make into the plan also benefit from the 12.4% increase, which is important to know if you plan to make any future contributions to your pension. As well as not providing these extra benefits, PRP doesn't allow you to pay premiums.
- Your investment includes financial guarantees on the premiums you pay. These guarantees can be valuable during difficult market conditions, particularly for premiums you have paid recently. You can find details of your current guarantees in your Annual Statement, under 'Your current plan value (not including any Final Bonus)' – this shows the guaranteed element. If you switch to PRP, the value of your plan will change based on the performance of your selected investments and will no longer have a guaranteed minimum level.

If you're thinking about switching to PRP, it's important to consider the impact of losing these benefits and if this will make a big difference to your savings.

If you're currently investing in the With-Profits Fund and paying premiums

- PRP doesn't allow you to pay premiums, and guarantees on recent premiums won't apply if you switch. So, it's important to think carefully about whether you need these guarantees before deciding to switch to PRP.

If you're paying premiums into Flexipension 7 or Indepension 5 but aren't invested in the With-Profits Fund

- Your current plan includes a Loyalty Bonus, shown in the 'Plan Charges' section of your Annual Statement.
- This bonus reduces annual charges, helping lower the cost of your investment.
- If you move to PRP, you'll lose this Loyalty Bonus, so consider whether losing this benefit will impact your savings before deciding.

pru.co.uk

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