

# Terms & Conditions and Customer Agreement Prudential Retirement Plan

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## Part 1

These Terms and Conditions are between The Prudential Assurance Company Limited, who acts as administrator for the Prudential Retirement Plan (referred as the Retirement Plan), and you. Where we refer to 'us' or 'we' in these Terms and Conditions this is a reference to The Prudential Assurance Company Limited.

These Terms and Conditions are written as clearly as possible. If we have to use a technical term it is highlighted in **bold** and explained in the Glossary which is at the end of this document.

## Part 2

The Customer Agreement for online and telephone access to the Retirement Plan is between you and Prudential Distribution Limited. Prudential Distribution Limited provides certain online and telephone services. Where we refer to 'us' or 'we', this is a reference to Prudential Distribution Limited.

# Part 1

## Summary of Terms and Conditions – Retirement Plan

These Terms and Conditions form part of your contract with us for your Retirement Plan together with your application form, declaration and Key Features Document (in conjunction with the illustration that we sent to you when you set up your Retirement Plan). It is important that you read them in full. To help you understand your Retirement Plan, we have summarised some of the key terms for you below. However, reading the summary cannot replace reading the actual contract wording.

We have also produced some useful information about things that may impact your Retirement Plan and we would encourage you to read these. These include:

- Your guide to the Prudential Retirement Plan, and
- Prudential Retirement Plan Fund Guide and Key Investor Information Documents.

You can also find these on our website at [mandg.com/pru/prudential-retirement-plan](https://www.mandg.com/pru/prudential-retirement-plan)

### What is my Retirement Plan?

Your Retirement Plan is a personal pension which allows you to invest in different types of assets. It is provided by the Prudential Assurance Company Limited. The plan requires you to use all of the money in your Retirement Plan to provide **drawdown**. You may at a later date use some or all of your Retirement Plan funds to purchase an **annuity** from an insurance company.

You can transfer money in your Retirement Plan to another pension scheme.

### What happens to my fund if I die?

If you die when you still have assets in your Retirement Plan, we will pay this to one or more **beneficiaries** for you. You can let us know who you would like us to pay and we will take account of this, but we do not need to follow your instructions. This means that your pension will not normally form part of your estate for inheritance tax purposes. However, in the Autumn 2024 Budget, the Government announced its intention to include most unused pension funds and death benefits within the value of a person's estate for inheritance tax purposes from 6 April 2027. Please note, if you would like all the different death benefit options to be available to a **non-dependant**, then they will normally have to be named in your expression of wish.

Your **beneficiary** may have a choice of how to receive the money, which would currently include a cash lump sum, taking out their own **drawdown** Retirement Plan or purchasing an **annuity** from an insurance company offering these or a combination of these options.

Any nominated beneficiaries who are non-UK residents when death benefits become payable, will not be able to take drawdown payments. This is because to set up a new Retirement Plan, the nominated beneficiaries need to be UK resident.

### How can payments into my Retirement Plan be made?

You can only make **transfer payments** from another pension scheme at the time you take out the plan. You cannot make **transfer payments** into your Retirement Plan after it has been set up. You cannot pay single or regular contributions to the plan.

## Selecting investments

You can opt to invest in a range of investments in your Retirement Plan. These are currently:

- **PruFund range of funds** – see Part B for more information;
- **Investment pathway options** – see Part C for more information;
- **External funds** – see Part D for more information.

There is a **cash account** where any money not invested elsewhere in your Retirement Plan is held. The **cash account** is also used to receive transfer payments, make withdrawals and pay charges.

If you instruct us to change investments, we will sell your existing investments in accordance with your instructions and buy new investments.

There can sometimes be delays in actioning your instructions, for example because a fund is not trading for a period or to protect other investors.

The **trustee** is the legal owner of the assets and holds them on your behalf.

## What charges do I pay?

There are certain charges which are applied to your Retirement Plan and these are:

- **Product charge:** which is our charge for operating your Retirement Plan;
- **Investment charges:** which apply to each investment you are invested in within the Retirement Plan.

Some **funds** may also apply other charges and costs and we will tell you about these when you invest in that fund. All investment and other charges and costs details for funds can be found in their Key Investor Information Documents, and the Prudential Retirement Plan Fund Guide.

The product charge is paid from the **cash account** in your Retirement Plan for all investments except **PruFunds**. Full details of how this is deducted can be found in the Terms and Conditions at sections 23 and 24 of Part A. The product charge is set out in the Key Features Document and varies according to the amount you have invested in your Retirement Plan.

## How does the PruFund range of funds work?

Investing in a **PruFund** allows you to share in the profits in our With-Profits Fund. **PruFunds** are unitised with-profits funds which issue notional units in the With-Profits Sub-Fund. At least 90% of distributed profits in the With-Profits Fund are allocated to policyholders. You do not own – beneficially or legally – any assets in the With-Profits Sub-Fund.

Returns from **PruFunds** are smoothed to reduce some of the short-term volatility which investments can experience. This aims to provide you with some protection from the short-term ups and downs of direct stock market investment to give a more stable rate of growth than you could get if you were directly exposed to changes in the fund's underlying investment performance. While you won't generally benefit from the full upside of any potential stock market rises, you won't generally suffer from the full effects of any downsides either. In certain circumstances, we can reset the **unit price** as set out in section 7 of Part B.

We can suspend this **smoothing** process for a period of consecutive days as set out in section 8 of Part B. If a suspension of the **smoothing** process happens, the price of the **PruFund units** allocated to you will be the **unsmoothed unit price**.

You will not receive individual notification of a **unit price** reset or any suspension of **smoothing**.

There is a 28-day delay period which applies if you want to switch out of **PruFunds**. This 28-day delay may be applied for some other transactions involving **PruFund** investments.

## Investment pathways

The investment pathway options are designed to help customers in **drawdown** match an investment solution to their plans for their pension savings. You select one of four pathways based on how you intend to use your pension savings during the next five years. Each pathway leads to a different investment solution made up of **PruFunds** and/or **external funds**.

## External funds

You can invest in a wide range of Prudential and third party funds through your Retirement Plan. Information on these funds is available in the Key Investor Information Documents.

## Can I cancel my Retirement Plan?

You are able to cancel your Retirement Plan within 30 days after your initial application. To do this, you must return any **tax-free cash** and/or income that you have been paid from the **Pension Income Account**.

If you cancel your Retirement Plan, we will sell any investments and return funds to your previous scheme if they accept it, or ask you to give us details of the pension scheme you would like the funds to be sent to. If your investments reduce in value before you cancel, then you may get back less than what you put in. Full details of what happens when you cancel can be found at section 27 of Part A.

## No advice implied or given

You are joining this scheme on a non-advised basis, which means you have not received financial or investment advice. The information you have received is not personalised advice or a recommendation. No assessment has been made on whether this product, the investments you have chosen or the services we will provide are suitable for you. The protections you may receive when using a financial adviser do not apply. If you are unsure about transferring into the Retirement Plan, you should seek advice.

## How to find an adviser

If you don't have an adviser, you can find one at [pru.co.uk/find-an-adviser](https://www.pru.co.uk/find-an-adviser) or visit [unbiased.co.uk](https://www.unbiased.co.uk) to search for an independent financial adviser in your area.

Visit [moneyhelper.org.uk](https://www.moneyhelper.org.uk) for a free impartial guidance service from the government to help you understand your options at retirement.

## Advice fees

Financial advisers charge fees for their services. You must agree with your financial adviser how they are to be paid for any advice they give you in relation to your plan.

# Part A: General Terms and Conditions for the Retirement Plan

## Joining the scheme and scheme structure

### 1. Eligibility

- 1.1 You may apply to join the **scheme** if:
  - 1.1.1 you are resident in the UK; or
  - 1.1.2 you are a crown servant (or the spouse/ civil partner of a crown servant), serving overseas.
- 1.2 The maximum age at which you can apply to join the **scheme** is 99, unless we agree otherwise.
- 1.3 We must receive a completed application and any other documents we require for you to apply to join the **scheme**.
- 1.4 To help us service your plan, we will need you to give us valid bank details for a UK Sterling denominated bank or building society account when you apply, and update us about any changes to them during the life of your plan.
- 1.5 We do not have to accept your application to join the **scheme** and you will only become a **scheme** member when we accept your application.
- 1.6 If we receive any money for you prior to receipt of all of the forms and information we require, your money will remain in the **cash account** until those forms and information have been received and you have been accepted as a member of the **scheme**.
- 1.7 If we do not receive all of the forms required and/or if you are not accepted as a member of the **scheme**, we will attempt to return any **transfer payment** to your previous scheme. If the previous scheme trustees decline the returned **payment**, we will ask you to give us details of the pension scheme you would like us to send the **payment** to.

### 2. Scheme structure

- 2.1 If we accept your application you will become a member of the **scheme**. The **scheme** is a registered pension scheme under the Finance Act 2004 and is established and governed by the **trust deed** and **scheme rules** as amended from time to time. You may ask to see a copy of the **trust deed** and **scheme rules** at any time.
- 2.2 These Terms and Conditions detail how your Retirement Plan operates. All of the Terms and Conditions relevant to the **scheme** are included in Part A. Parts B, C and D do not include terms relevant to the **scheme** itself. Instead they set out terms relevant to Part B The PruFund Range of Funds, Part C Investment pathway options and Part D Investment in **External Funds**. These will be relevant to the extent that you choose to invest in those types of investments. If there is any inconsistency between these Terms and Conditions and the **trust deed** or **scheme rules**, the **trust deed** and **scheme rules** will apply.
- 2.3 We are the current administrator for the **scheme** and are responsible for the day to day running of the **scheme**. Queries about the **scheme** should be directed to us.
- 2.4 The **trustee's** role is to hold the **scheme** assets for your benefit and the other members of the **scheme**. The **trustee** legally owns the assets in your Retirement Plan. The **trustee** is not responsible for the day to day operation of the **scheme**.
- 2.5 The value of your Retirement Plan depends on the value of the underlying assets.

### 3. Accounts

- 3.1 You will have one or more **sub-accounts** within your Retirement Plan depending on the choices you make.
- 3.2 Your **transfer payments** will go into your **Pension Savings Account**.

- 3.3 To commence **drawdown**, a **Pension Income Account** will be opened for you.
- 3.4 No additional contributions or **transfer payments** can be made into that **Pension Income Account**.
- 3.5 If you have more than one type of **drawdown** under your Retirement Plan, there will be a separate **Pension Income Account** for each type of **drawdown**.
- 3.6 We will aim to minimise the number of **sub-accounts** operated under the Retirement Plan.

## 4. Cash account

- 4.1 Your **cash account** is held by the **trustee** as part of the **scheme** bank account.
- 4.2 **Tax-free cash**, income payments and non-**PruFund** product charges are paid from your **cash account**.
- 4.3 There is no minimum amount required to be in your **cash account**. If you do not have enough money in your **cash account** to pay a non-**PruFund** product charge or income payment, the process in sections 18.10 and 24.3 (as appropriate) will apply.
- 4.4 If we receive bank interest on the amount in your **cash account**, we will normally add the interest paid by the bank to your **cash account** monthly in arrears, on the 10th of each month. You only receive interest up to the last month at which your Retirement Plan is open. Details of the current rate of interest for the **scheme** bank account can be found on [mandg.com/pru/prudential-retirement-plan](https://www.mandg.com/pru/prudential-retirement-plan)

## 5. Preferred retirement age

- 5.1 We will need your preferred retirement age to be confirmed in your application. We ask for this age so that we can write to you before this date and explain the options available, we will also use it in some projections. You do not need to take benefits from the preferred retirement age and you can change it at any time by contacting us.

## Payments to your Retirement Plan

### 6. Payments

- 6.1 We only accept **transfer payments** at the time you take out the plan. You cannot transfer money into your Retirement Plan from another pension after it has been set up. You cannot pay one-off or regular contributions to the Retirement Plan.
- 6.2 When you set up your Retirement Plan, you must be resident in the UK or a crown servant (or the spouse/ civil partner of a crown servant), serving overseas.

### 7. Maximum payments

- 7.1 There is a maximum amount that we will accept for any **payment**. If more than one **transfer payment** is being made at the same time, then the maximum amount applies to the total of the **transfer payments**.
- 7.2 The maximum limits for **payments** can be found in our Key Features Document.

### 8. Method of payments into your Retirement Plan

- 8.1 If you do not instruct us how to invest any **payments** we receive in respect of your Retirement Plan, or if (in our reasonable opinion) any instruction we receive is unclear, we will not make any investment decisions for you and your **payments** will remain in your **cash account**.

### 9. Transfers in to your Retirement Plan

- 9.1 You can make a **transfer payment** to your Retirement Plan. We will not accept **drawdown transfers** or any transfers which contain safeguarded benefits or arise from a Defined Benefit pension scheme.
- 9.2 You must provide us with the information and documents that we require before we will accept a **transfer payment**.

- 9.3 A **transfer payment** is normally made in cash. Cash transfers must be in Sterling.
- 9.4 Please visit our website [mandg.com/pru/prudential-retirement-plan](https://www.mandg.com/pru/prudential-retirement-plan) for details on when we will process your investment instruction in respect of transfers.
- 9.5 If you do not instruct us how to invest the transfers we receive in respect of your Retirement Plan or if (in our reasonable opinion) any instruction we receive is unclear, we will not make any investment decisions for you and your transfer will remain in your **cash account**.

## 10. HMRC tax limits and charges

- 10.1 Information on current **HMRC** limits and tax charges that may apply to your Retirement Plan can be found on the **HMRC** website.
- 10.2 All **payments** into and withdrawals from your Retirement Plan must be authorised payments for tax purposes unless we agree otherwise.
- 10.3 We may deduct from your Retirement Plan, or any payment made from your Retirement Plan, the amount of any tax or other charge that arises in respect of it.

## 11. Tax-free limits

- 11.1 From 6 April 2024 the lifetime allowance was replaced by two new allowances:

### **The Lump Sum Allowance (LSA)**

This is a limit on the amount of tax free lump sums that can be taken from pension schemes.

### **Lump Sum and Death Benefit Allowance (LSDBA)**

This is a limit on the amount of lump sum death benefits and serious ill health lump sums that can be paid without tax.

Where the amount exceeds either of these allowances, you may be liable to income tax.

When you open a Retirement Plan we must have confirmation of how much **Lump Sum Allowance and Lump Sum and Death Benefit Allowance** you

have already used. We must also have confirmation of how much of these allowances you use each time you take benefits in any other pension scheme, including any other scheme operated by us.

- 11.2 This will allow us to calculate the **Lump Sum Allowance and Lump Sum and Death Benefit Allowance** that you have used up, and work out if any tax charges should apply when you take benefits from your Retirement Plan. We may stop paying your benefits if we believe you don't have enough **Lump Sum Allowance** left. If we have to do this, then we will contact you to discuss your available options.
- 11.3 We should also be told if:
  - 11.3.1 you have any form of protected or enhanced allowances;
  - 11.3.2 you lose this protection or the value of the protection is reduced at any point.
- 11.4 Pensions will not normally form part of your estate for inheritance tax purposes. However, in the Autumn 2024 Budget, the Government announced its intention to include most unused pension funds and death benefits within the value of a person's estate for inheritance tax purposes from 6 April 2027.

## Investments

### 12. Permitted funds and other investments

- 12.1 There are a variety of funds and investments which are available for you to invest in. These may vary from time to time but may include:
  - 12.1.1 **PruFund range of funds** – see Part B;
  - 12.1.2 **Investment pathway options** – see Part C;
  - 12.1.3 **External funds** – see Part D.
- 12.2 Funds and other investments may be added or removed by us at our discretion. A current list of funds and other investments available can be found at [pru.co.uk/funds](https://www.pru.co.uk/funds)
- 12.3 If you are invested in a fund or other investment that we remove from those available, we will inform you of the options available to you.

## 13. Buying and selling investments

- 13.1 Where you are looking to make a transfer out or a payment of benefits, the timescales in 13.6 will not apply. However, we will facilitate the transfer out or payment as soon as reasonably practicable after we have received all of the documentation we require.
- 13.2 Where you are looking to make a transfer in, the timescales in 13.6 will not apply. Please refer to section 9.4 for details.
- 13.3 You or anyone else authorised may instruct us to buy or sell funds and other investments.
- 13.4 If the instruction involves **PruFunds**, please see Part B for more information. If the instruction involves **external funds**, please see Part D. Investment pathways are made up of **PruFunds** and/or **external funds**.
- 13.5 Once we have received the instruction, this can't be altered unless we agree. If there are exceptional circumstances, as detailed in section 14, we will ask you for further instructions.
- 13.6 If we receive the instruction by 12 noon on a **working day**, it will be processed on the same **working day** or as soon as reasonably practicable if this is not possible. If we receive the instruction after 12 noon on a **working day** or on a **non-working day**, it will be processed the next **working day**.
- 13.7 If we are instructed to buy and sell investments in the same instruction, the sell part of the instruction will be processed as described in section 13.6 and the buy part of the instruction will be processed as soon as reasonably practicable, after we have received confirmation of the value of the last sell transaction to be carried out.
- 13.8 The instruction can confirm what investments you are looking for us to sell, how the proceeds are to be invested, or what investments you want to have at the end of the transaction. We will then sell and buy what is needed to achieve that.
- 13.9 If we are instructed to buy and sell a number of different investments, the investments we are instructed to buy must be different from the investments we are instructed to sell.

- 13.10 If, in our reasonable opinion, the instruction is unclear, we will not make any investment decisions for you and your money will remain in your current investments.

## 14. Exceptional circumstances and delays

- 14.1 In some exceptional circumstances, there can be a delay in our ability to process an instruction to buy or sell investments. We will notify you if this is the case, and request further instructions in relation to the part of your instruction subject to the delay. If there is a delay to an instruction to buy, **payments** will be held in the **cash account** until we receive further instructions from you.
- 14.2 These delays may be caused by circumstances outside of our control, or we may need to delay a transaction ourselves where we believe that carrying out the instruction will cause other policyholders to be treated unfairly. Examples include:
  - 14.2.1 where we are not able to sell enough of the investment to meet all instructions (from all policyholders) to sell that particular investment, or that in order to sell that investment, we would have to sell at a price significantly below the value reflected in the current investment price;
  - 14.2.2 where we could only make payments quickly by selling a large amount of one type of asset in an underlying fund, leaving too little of that asset class invested.
- 14.3 We will never use assets or cash from elsewhere to fund a transaction in these circumstances.
- 14.4 We would not ordinarily expect delays to be longer than one month, except in the case of units in funds or investments which hold underlying investments in buildings or land, or whose value depends on or is linked to the value of buildings or land. We will never delay for longer than necessary, but we cannot guarantee that delays will never be longer than the time frames set out in this clause.

## Taking Benefits from your Retirement Plan

### 15. Options available

15.1 At the start of the plan, the following options are available to you:

15.1.1 **tax-free cash plus drawdown;**

15.1.2 **drawdown only;**

In addition to the above, you may at a later date, use some or all of your Retirement Plan funds to purchase an **annuity** from an insurance company.

Any benefits will be paid to your nominated UK bank or building society account.

15.2 The earliest you can take benefits is **normal minimum pension age** unless:

15.2.1 you have a protected pension age. More information can be found in Your guide to the Prudential Retirement Plan;

15.2.2 we have received confirmation from a registered medical practitioner that you are (and will continue to be) incapable of carrying on your occupation because of physical or mental impairment, and you have stopped carrying on that occupation; or

15.2.3 you qualify for a serious ill health lump sum (as explained in section 20.1).

### 16. Tax-free cash

16.1 You can choose to take **tax-free cash** up to the maximum allowed by HMRC. **Tax-free cash** may only be taken when you move some of your **Pension Savings Account** to **drawdown**. More information on **tax-free cash** can be found in Your guide to the Prudential Retirement Plan.

### 17. Moving into Drawdown

17.1 When you move funds from your **Pension Saving Account** into **drawdown**, you can remain invested in the same funds, but the total amount of investments moved into your **Pension Income Account** will be reduced by any **tax-free cash** taken. Each **sub-account** has investments within it, the proportion of investments held in each **sub-account** can differ.

17.2 **Tax-free cash** can be paid when you move into **drawdown** and you can then take taxable income from the balance at any time.

17.3 At the point you join the scheme, all of your money will move into **drawdown**. We will invest your **Pension Income Account** in accordance with the instructions in your application. To change your investments, you will need to provide us with instructions – see Part B section 12 and Part D section 2 for further details.

17.4 If you choose to take **tax-free cash**, we will pay your **tax-free cash** from the **cash account**. If there is not enough money in your **cash account**, we will follow the process described in section 18.9.

17.5 You can choose to take no income, regular income or income as and when you would like it from your **Pension Income Account** as described in section 18. There is no annual limit on the amount of income you can take from this **Pension Income Account**.

17.6 More information on **drawdown** can be found in Your guide to the Prudential Retirement Plan.

### 18. Payments from your Retirement Plan

18.1 The provisions of this section apply to each **sub-account** individually and not to the Retirement Plan as a whole.

18.2 You may choose to receive regular income payments from your **Pension Income Accounts** monthly, quarterly, half-yearly or annually on any date between the 1st and the 28th of the month inclusive. If the payment date you have chosen is not a **working day**, we will make the payment to you on the last **working day** before your payment date.

- 18.3 Different payment types can have different payment dates and different frequencies.
- 18.4 Once we have all the necessary information and a **transfer payment** from another pension scheme, we will process a request to start a regular payment as soon as is reasonably possible.
- 18.5 You may start, stop or amend regular payments at any point. If you wish a change to be effective from your next payment date, we require at least 10 **working days**' notice in a form acceptable to us. We will confirm any changes made to your regular payments.
- 18.6 You may ask for single or regular income payments from your **Pension Income Accounts** at any time. We will process your request as soon as is reasonably possible.
- 18.7 You may ask for your payment to be a fixed monetary amount (before tax) or determined in any other way which is acceptable to us.
- 18.8 You can instruct us which investments and in what proportion you want the payments to come from.
- 18.9 One-off income payments work in the following way:
- 18.9.1 **Step 1:** we will sell investments as previously instructed by you and then move the proceeds to your cash account. If your instruction can't be followed as there is not enough money in the investments you instructed us to sell, or if there is a delay in selling your investments for one of the reasons set out in section 14, we move to step 2.
- 18.9.2 **Step 2:** we will sell a proportionate amount of all of your available investments and move the required amount of money to your cash account.
- 18.10 **Tax-free cash** and regular income payments work in the following way:
- 18.10.1 **Step 1:** seven days before the payment date we will check if there is sufficient money in your **cash account**. If there is enough money, it is ring-fenced for the income payment. If there is not enough money, we move to step 2.
- 18.10.2 **Step 2:** we will sell investments as previously instructed by you and then move the proceeds to your **cash account**. If your instruction can't be followed as there is not enough money in the investments you instructed us to sell, or if there is a delay in selling your investments for one of the reasons set out in section 14, we move to step 3.
- 18.10.3 **Step 3:** we will sell a proportionate amount of all of your available investments and move the required amount of money to your **cash account**.
- 18.10.4 If you have not told us which investments you want the payment to come from, section 18.10.3 will apply.
- 18.11 If you are invested in **PruFunds**, other conditions apply. Please see section 13 Part B for more information.
- 18.12 If there is no money in that **sub-account**, we will not make the payment out and you will need to set up a new instruction for a payment out of another **sub-account**, if available.

- 18.13 We will make your income payments from your **cash account** to your nominated bank account by bank transfer.
- 18.14 All payments will be made after we have deducted any appropriate tax.
- 18.15 If we make an overpayment by mistake from a **Pension Income Account**, we will contact you. We can arrange for the overpayment to be returned and reinvested or you can keep the overpayment.
- 18.16 If any payments are made between your death and when we are told of your death, we will normally ask for this money to be returned before we set up any death benefits or there may be tax for which your estate will be liable.

## 19. Buying an annuity

- 19.1 You can buy an **annuity** from an insurance company with some or all of the money from your **Pension Income Account**.

## 20. Serious ill-health lump sum

- 20.1 If you are under the age of 75 and become seriously ill (you are expected to have less than 12 months to live), you may be able to withdraw any remaining funds in your **Pension Savings Account** as a tax-free lump sum. If you are over the age of 75 in this circumstance, you may take any remaining pension as a cash lump sum which will be added to your income and taxed accordingly.

This is a complicated subject as special tax treatment applies and you should speak to a financial adviser for more information.

## 21. Death Benefits

- 21.1 As soon as reasonably possible after we are told of your death, and have received all of the information and documents that we need to evidence your death, we will sell all of your investments and move the sale proceeds into your **cash account**.
- 21.2. Your **cash account** will continue to earn interest (if any is payable) until we pay out the death benefits.

- 21.3 Until we have paid out the death benefits, product charges will still apply.
- 21.4 You can express a wish as to the **beneficiaries** you would like to receive the death benefits, but we do not need to follow this expression of wish and we will decide who receives benefits. This discretion over who we pay death benefits to means that your pension fund does not normally form part of your estate for inheritance tax purposes. In the Autumn 2024 Budget, the Government announced its intention to include most unused pension funds and death benefits within the value of a person's estate for inheritance tax purposes from 6 April 2027. We can offer lump sum payments to **beneficiaries**, and we may be able to offer **drawdown to dependants, nominees** and/or **successors**. They may also be able to use the value of your Retirement Plan to purchase an **annuity** from an insurance company. We will pay the death benefits as allowed by the law.
- 21.5 If one or more of your **dependants, nominees** or **successors** chooses **drawdown**, a Retirement Plan will be set up for them and money moved from your **cash account** to their **cash account**. They will be required to agree to the current Terms and Conditions of the Retirement Plan at that point.
- 21.6 More information on death benefits can be found in Your Guide to the Prudential Retirement Plan. We will send your personal representatives and **beneficiaries** information at the time of your death.

## 22. Transfers to another scheme

- 22.1 Where legislation and regulation allow, you can transfer some or all of your Retirement Plan to another registered pension scheme or a Qualifying Recognised Overseas Pension Scheme ("QROPS").

A QROPS is a pension scheme based outside the UK, but transfers from the UK can be made. Where the overseas scheme is a QROPS, we will only transfer where the authorities of the relevant country will allow transfers in from UK registered pension schemes. This will be a **drawdown transfer**.

- 22.2 You can't complete a **drawdown transfer** out with part of a **Pension Income Account**.
- 22.3 You must provide us with such information and documents before we make a **drawdown transfer**.
- 22.4 A **drawdown transfer** is normally made in cash. You can ask us to make a transfer of assets (often referred to as an in specie transfer), and we will let you know if the **drawdown transfer** can be transferred from your Retirement Plan in this way.
- 22.5 As the transfer process may involve liaising with the receiving scheme and depend on the transfer method being adopted, the timescales in section 13.6 will not apply. We will facilitate a transfer out as soon as reasonably practicable, after we have received all of the documentation we require.

## Charges

### 23. Charges

- 23.1 The charges that may apply to your Retirement Plan are:
  - 23.1.1 our product charge for operating the Retirement Plan;
  - 23.1.2 investment charges, including the annual management charge on **PruFund**.

We do not charge for buying and selling your investments, but you may incur charges if you are invested in **external funds** from other parties or to cover the expenses of the transaction. See Part D.

### 24. Product charge

- 24.1 The product charge is a percentage of the total value of the investments in each **sub-account** on its **charge date**. Total investments include **PruFunds**, **external funds** and cash in the **cash account**.

Investment pathways are made up of **PruFunds** and/or **external funds**.

- 24.2 The product charge varies depending on the total value of your Retirement Plan as we apply a fund discount to it, which is then applied at **sub-account** level. Details of the product charge and the fund discount can be found in your illustration and Key Features Document. The amount of the product charge or discount can change in future and if we do change the amount of the charge or discount in future, we will inform you.
- 24.3 Non-**PruFunds** product charges are paid from the **cash account**. If there is not enough money in the **cash account** to pay the non-**PruFunds** product charge, then we will take the charge proportionately from all non-**PruFunds**. More information on **PruFund** product charges is in Part B, but note that the **PruFunds** product charge is not taken from the **cash account**.

### 25. Investment Charges

- 25.1 Charges apply for each fund that you are invested in. These charges are investment-specific.
- 25.2 In addition to these charges, there may be further costs incurred, which can vary over time. Where these are applicable, they are paid for by the relevant fund and will impact on its overall performance. More information on these further costs can be found at [pru.co.uk/funds](http://pru.co.uk/funds)
- 25.3 More information on Annual Management Charges and further costs for **PruFund** can be found in the Prudential Retirement Plan Fund Guide at [pru.co.uk/funds](http://pru.co.uk/funds)
- 25.4 Information about charges on other investments can be found in the relevant Key Investor Information Documents at [Fundslibrary.co.uk/FundsLibrary.BrandedTools/PruConsumer/FundCentral/Account](http://Fundslibrary.co.uk/FundsLibrary.BrandedTools/PruConsumer/FundCentral/Account), where they are described as 'ongoing charges'. You will need to select documents in order to view these.

## General

### 26. Changes we can make to the Terms and Conditions

- 26.1 In certain circumstances we are able to make reasonable and appropriate changes to these Terms and Conditions, including the charges that apply to your Retirement Plan as referred to in section 23, at any time. These are:
- 26.1.1 if it becomes impossible or unreasonable to follow the Terms and Conditions because of a change in legislation, regulation or other circumstances beyond our control;
  - 26.1.2 if legal or regulatory requirements applying to us, your Retirement Plan, the **scheme** or the **trustee** change;
  - 26.1.3 if we need to apply any new industry standards or take account of any recommendation, requirement or decision of any court, government body, ombudsman, regulator or similar body;
  - 26.1.4 if the tax treatment applying to us, your Retirement Plan, the **scheme** or the benefits payable, changes or will change in a way that would affect your Retirement Plan;
  - 26.1.5 if there is an increase in our costs associated with providing your Retirement Plan, if those costs are reasonably incurred including but not limited to introducing a charge for buying and selling;
  - 26.1.6 to make these Terms and Conditions clearer or more favourable to you;
  - 26.1.7 to reflect refinements to our service due to changes in technology, service or our proposition; or
  - 26.1.8 if a change is not to your disadvantage, including correcting errors or inaccuracies.
- 26.2 Any changes which are not more favourable to you will be limited to those reasonably necessary to make your Retirement Plan operate in a way consistent with the aims of this product.
- 26.3 If we need to make changes to your Terms and Conditions, we will normally provide you with advance notice. The amount of notice we give you will depend on the circumstances and reasons for the change we are making – for example, if it is an urgent change or something outside of our control. The only time we would not normally give you advanced notice is where we are required by law to make these changes and we don't have time to give advance notice.
- 26.4 If the change is to your advantage or has little or no effect on you, then we may give notice after the change has been made.
- 26.5 Notice may be given by providing a revised set of Terms and Conditions or just the amended terms or by directing you to our website **pru.co.uk**. We will explain the reason for the change and the date on which the change became effective.
- 26.6 We can also make changes to your Retirement Plan for reasons not included in 26.1, if we agree the changes with you.

### 27. Cancellation rights

- 27.1 You can change your mind about setting up a Retirement Plan or taking certain payments out of your Retirement Plan.
- 27.2 You must tell us if you want to exercise your right to cancel.
- 27.3 You have 30 days from the date of our acceptance letter establishing your Retirement Plan, or **transfer payment** being made into your Retirement Plan.
- 27.4 If you cancel your **transfer payment** to your Retirement Plan, the value after cancellation could be less than the amount transferred to us as there could be a fall in the value of the assets.
- 27.5 Any **transfer payments** must be returned to the previous scheme. If it won't accept the **transfer payment** back, you must tell us the name of an alternative registered pension scheme where the **transfer payment** is to go to.

- 27.6 When you first choose to take drawdown, you can cancel this request within 30 days of moving money into drawdown. If you do this, you must return any tax-free cash and/or income we have paid to you. If you do not return these payments made to you, the cancellation is not effective.
- 27.7 Cancellation rights do not apply to **income payments**. You can stop future regular **income**, but you can't change your mind about **income** payments you have already taken.

## 28. Court orders and your Retirement Plan

- 28.1 If we receive a **pension sharing order** or other valid court order in relation to your Retirement Plan, we are required by law to implement it.
- 28.2 Where investments need to be sold to comply with the order, we'll ask you what investments you want to sell but if you don't tell us, we'll sell a proportionate amount of all of your available investments.
- 28.3 If we are asked to provide information in relation to a divorce or dissolution, we may charge for this.

## 29. Complaints

- 29.1 If you would like to complain, please contact us at the address shown at section 35. On receiving your complaint, we will issue you with a formal acknowledgement of receipt and provide you with a copy of our complaints procedure. You can also request a copy of our complaints procedure by using the contact details in section 35.
- 29.2 If we can't resolve your issue, you can contact the organisation mentioned below:
- The Financial Ombudsman Service is an independent service which helps resolve disputes between consumers and businesses providing financial services.

**The Financial Ombudsman Service**  
**Exchange Tower**  
**London**  
**E14 9SR**

**Telephone: 0800 023 4567**

**financial-ombudsman.org.uk**

**Email:**

**complaint.info@financial-ombudsman.org.uk**

This is a free service. Using it does not affect your statutory rights.

## 30. Financial Services Compensation Scheme

- 30.1 If we, or any of the providers of assets or investment services available through your Retirement Plan, cannot meet our financial obligations, you may be able to claim compensation from the Financial Services Compensation Scheme.
- 30.2 The amount of compensation available depends on the type of business and the circumstances of the claim.
- 30.3 More information about the level of cover available can be found in [pru.co.uk/about/financial-services-compensation-scheme](https://www.pru.co.uk/about/financial-services-compensation-scheme)
- 30.4 For more information on the FSCS please contact:
- Financial Services Compensation Scheme**  
**PO Box 300**  
**Mitcheldean**  
**GL17 1DY**
- Telephone: 0800 678 1100**
- fscs.org.uk**

## 31. Personal Data

- 31.1 We will use your personal information to operate your Retirement Plan. To do this, we may pass your information to the **trustee** and any professional advisers involved in the **scheme**.
- 31.2 We may also transfer your personal information to:
- 31.2.1 any companies in our group of companies where appropriate in the context of the operation of your Retirement Plan, and to enable them to provide you with information about other products or services which may be of interest to you;

- 31.2.2 our **Business Partners**;
- 31.2.3 **HMRC** or Government agencies or regulatory bodies where required by law;
- 31.2.4 tracing and monitoring agencies, to verify information and prevent fraud; or
- 31.2.5 a new pension provider, where you wish to take a **transfer payment** from the **scheme**.
- 31.3 If you have requested to use an online authentication process, please note that your information may need to be disclosed to a credit reference agencies in the context of that authentication process, and that your information may continue to be used by those agencies for the purposes of their credit checks.
- 31.4 We, and some of our **Business Partners**, may transfer some of your personal information to countries outside the UK and the **EEA**, some of which may not have data protection laws and standards as comprehensive as those in the UK or countries within the **EEA**. Where information is transferred outside the UK and **EEA**, we will ensure that this is done only where:
- 31.4.1 the destination country has been issued with a data protection 'adequacy' decision by the European Commission and/or the UK Government (as applicable);
- 31.4.2 we have contractual terms in place with the recipient which are in a form that the Information Commissioner (or if applicable, equivalent European data protection supervisory authority) has decided adequately safeguards your data; or
- 31.4.3 the transfer is otherwise made in a manner which the Information Commissioner (or if applicable, equivalent European data protection supervisory authority) considers adequately safeguards your data.
- In more limited circumstances, we may need to rely on a derogation under Article 49 of the **GDPR** e.g. where the transfer is necessary to allow us to perform our contractual obligations to you, or to perform a contract which is in your interest.
- 31.5 To help us make fair, efficient and accurate decisions, we may use automated processes. We also use profiling to enable us to personalise our service offerings and related communications. Automated processes or profiling may be used to:
- **Open Retirement Plans:** undertake checks to ensure you meet the conditions needed. This may include checking residency, nationality and/or financial details.
  - **Tailor our services:** we may place you in groups with similar customers. These are called customer segments. We use these to study and learn about our customers and make decisions on what we learn.
  - **Prevent fraud and other financial crimes:** help to detect possible fraudulent, money-laundering or other financial crime activity or register or mark a Retirement Plan being used in an unusual way.
- If you would like to receive more information about how we use these automated processes and to exercise your rights under data protection law, please contact us using the details in section 35.
- 31.6 You have the right to request a copy of the personal information held about you. To request this information, please contact us at **privacy.team@mandg.com** or using details in section 35. Please also contact us if you want to know more about the above safeguards – like our use of the UK and/or European Commission's Model Clauses when transferring personal data outside the UK and the **EEA**.
- 31.7 The Information Commissioner is the regulator who is responsible for enforcing data protection laws in the UK. If you are not satisfied with the way we handle your personal information, you are entitled to raise a complaint directly with the UK Information Commissioner's Office via the details available on their website **ico.org.uk** or to the data protection authority in the EU member state where you live or work, or where any alleged data protection breach occurred.

## 32. Form of communications

- 32.1 All instructions and notices given by you or (on your behalf) to us must be by phone, in writing or another form which we have notified as being acceptable to us.

## 33. Account closure

- 33.1 We will close your Retirement Plan if we are asked to do this by you. All funds must have been transferred to another scheme, or used to provide benefits and there must be a balance of zero.
- 33.2 If there are no funds in your Retirement Plan, then we will close your Retirement Plan.
- 33.3 If the **scheme** has to be closed or wound up, this will happen in line with the **trust deed** and **scheme rules**.

## 34. Other important information

- 34.1 If any part of these Terms and Conditions is found to be invalid by a court, that invalidity will not mean that the rest of these Terms and Conditions are invalid.
- 34.2 Any failure or delay by us or you to exercise or enforce rights or obligations under these Terms and Conditions is not a waiver of those rights, and will not prevent subsequent enforcement of those obligations.
- 34.3 Headings in these Terms and Conditions are to aid understanding and have no legal effect.
- 34.4 Only you or we can enforce the rights under this agreement. Nothing in these Terms and Conditions allows any third party any benefits or the right to enforce any term or condition under the Contracts (Rights of Third Parties) Act 1999.
- 34.5 You have an obligation to provide us with correct and complete information as part of your application and on an ongoing basis. If you provide us with incorrect or incomplete information in relation to, for example, if you have reached the **Lump Sum Allowance** or other information about you or your tax and pensions affairs that we have requested, which causes us to incur tax or other liabilities on your behalf or directly as a result of you providing

incorrect information, we may deduct amounts to compensate us for these liabilities from your Retirement Plan or claim such amounts from you. We will advise you if we are going to do this and this will only happen if you have provided us with incorrect information, or not supplied us with requested information about you or your tax and pensions affairs.

- 34.6 We need to be able to disinvest all or part of your Retirement Plan, in the event of either (i) your death or (ii) if we find out that any of your investments are "taxable property" under Part 2 of Schedule 29A to the Finance Act 2004. To allow us to do this, you appoint us as your agent with full authority, acting as your agent and on your behalf, to direct the **trustee** to disinvest your investments.

## 35. Contacting Us

- 35.1 If you need to contact us for any reason you should use the details below:

Online:

With the online service, you can check the value of your plan, contact us securely, change personal details and view your documents.

Register at [pru.co.uk/registernow](https://pru.co.uk/registernow)

Write to:

**Prudential  
Prudential Retirement Plan  
Lancing  
BN15 8GB**

Phone us:

**Prudential Retirement Plan Operations  
0345 268 0488**

Lines are open Monday to Friday from 8.30am to 5.30pm.

## 36. Governing Law

- 36.1 These Terms and Conditions are governed by the Law of England and Wales and any disputes will be settled in the Courts of England and Wales.

# Part B: The PruFund Range of Funds

## 1. What are PruFunds?

- 1.1 **PruFunds** are with-profits funds that operate under special rules relating to the sharing of profits, and the **smoothing** of investment returns. They make up part of our With-Profits Sub-Fund, into which the premiums from a number of different types of policies are paid.
- 1.2 We own the With-Profits Sub-Fund and the assets in it in our own right and not as trustees for policyholders.
- 1.3 The **trustee** holds the **PruFund Units** on your behalf.
- 1.4 **PruFund Units** participate in the profits of the With-Profits Sub-Fund in the manner described in our Principles and Practices of Financial Management, which can be found at [pru.co.uk/funds/ppfm](http://pru.co.uk/funds/ppfm) and may be changed from time to time in accordance with regulatory requirements.
- 1.5 Any profits of the **PruFunds** which are distributed are divided between our **PruFund** policyholders and shareholders, with a proportion of not less than 90% going to policyholders.

## 2. How does PruFund work?

- 2.1 **PruFund Units**, in each **PruFund**, receive a smoothed investment return which is called the **expected growth rate**. We set the **expected growth rate** for each **PruFund** separately. The **expected growth rate** can be found at [pru.co.uk/investments/investment-fund-range/prufund-range](http://pru.co.uk/investments/investment-fund-range/prufund-range). Sections 4, 5, 6, 7 and 8 set out how the **unit prices** for **PruFunds** are calculated more fully.
- 2.2 When you buy **PruFund units**, some things work differently until you reach the first **investment date** after you invest in the **holding account**. These differences are explained in section 3.

## 3. Buying PruFund Units

- 3.1 When you invest in **PruFund**, you are allocated **holding account units** until you reach the first **investment date** after you invest in the **holding account**. When you reach the first **investment date**, these **holding account units** are automatically sold and **PruFund units** are purchased in the matching **PruFund**. If you invest on an **investment date**, this process takes place on that day.
- 3.2 We calculate the number of **holding account units** that we allocate to you by dividing the payment into **PruFund** by the **holding account unit price** on the appropriate day of the transaction.
- 3.3 The current **unit prices** for the **PruFunds** and **holding accounts** can be found at [pru.co.uk/funds](http://pru.co.uk/funds).
- 3.4 Whilst you are invested in the **holding account**, some things work differently and sections 5, 6, 7 and 8 do not apply. Your **holding account unit price** will be calculated in line with section 4 only.

## 4. Daily Calculation of Unit Price

- 4.1 Unless the **smoothing** process has been suspended, we will adjust the **unit price** of each of the **PruFunds** by the **expected growth rate** applicable to that **PruFund** each **working day**. Further adjustments may be made if sections 5, 6 or 7 apply.
- 4.2 The **unit price** will also be reduced by the annual management charge on a daily basis.
- 4.3 We review the **expected growth rate** on 25 February, 25 May, 25 August and 25 November or the following **working day** if this date is not a **working day**.

## 5. Monthly Assessment of Unit Price

- 5.1 On each **investment date**, unless section 8 applies, we calculate the **unit price** for each **PruFund** as follows:
- 5.1.1 we compare the **unsmoothed unit price** to the **unit price** calculated in 4.1, and:
    - 5.1.1.1 if the difference is less than the **monthly smoothing limit**, we will not adjust the **unit price**;
    - 5.1.1.2 if the difference is equal to, or more than the **monthly smoothing limit**, then we will set the **unit price** to be the average of the **unsmoothed unit price** and the **unit price** calculated in accordance with section 4 (please see [pru.co.uk/prufund-retirement-account](http://pru.co.uk/prufund-retirement-account) (Series E) for further information);
    - 5.1.1.3 the process in 5.1.1.2 will be repeated until the difference between the **unsmoothed unit price** and the new **unit price** as calculated in the previous calculation each time is less than the **monthly smoothing limit**;
- 5.2 For the avoidance of doubt, nothing in this section 5 would prevent us from resetting the **unit price** of a **PruFund** under section 7.

## 6. Daily Adjustments of Unit Price

- 6.1 If the **unit price** for a **PruFund** is adjusted in line with this section on an **investment date**, then no changes will be made to the **unit price** as a result of the calculation in section 5.
- 6.2 Unless section 8 applies, on each **working day** we calculate:
- 6.2.1 the **unsmoothed unit price** for each **PruFund**; and
  - 6.2.2 the average **unsmoothed unit price** for each **PruFund** over the 5 **working days** ending with the **working day** on which we are carrying out the calculation;

- 6.3 If the **unsmoothed unit price** and the average **unsmoothed unit price** are both above the **unit price** by the **daily smoothing limit** or more, the **unit price** will be increased so that it is below the **unsmoothed unit price** by the **gap after adjustment** on that **working day**.
- 6.4 If the **unsmoothed unit price** and the average **unsmoothed unit price** are both below the **unit price** by the **daily smoothing limit** or more, the **unit price** will be decreased so that it is above the **unsmoothed unit price** by the **gap after adjustment** on that **working day**.
- 6.5 For the avoidance of doubt, nothing in this section 6 would prevent us from resetting the **unit price** of a **PruFund** under section 7.

## 7. Unit Price Reset

- 7.1 In certain circumstances, we may decide to reset the **unit price** of a **PruFund** to protect the With-Profits Sub-Fund, and therefore the interests of all our With-Profits policyholders and shareholders. This is likely to be when there is a large volume of money entering or leaving that **PruFund**. If we decide to reset, the **unit price** would be adjusted to be the same value as the **unsmoothed unit price** on that **working day**. That adjusted **unit price** will then continue to grow in line with the **expected growth rate** (subject to sections 4, 5, 6, 7 and 8) from the **working day** after this **unit price** reset.

The consideration of the criteria which may lead to a **unit price** reset applies separately to each of the **PruFunds** and applies to each fund in its entirety, encompassing all of our products under which units are held in each fund, not just the Retirement Plan.

- 7.2 You will not receive individual notification of a **unit price** reset.

## 8. Suspension of the smoothing process

- 8.1 If **smoothing** is suspended, the **unit price** of the **PruFund** will be the **unsmoothed unit price**.
- 8.2 We can suspend **smoothing** for a period of consecutive days on any **PruFund** to protect the With-Profits Sub-Fund and therefore, the interests of all our With-Profits policyholders and shareholders.
- 8.3 You will not receive individual notification of a suspension of **smoothing**.
- 8.4 We will review the suspension of **smoothing** at least once every 30 days, and will reinstate **smoothing** when we consider it appropriate to do so.
- 8.5 When the **smoothing** process is reinstated, the **unit price** will start at the previous day's **unit price**. The full terms of sections 4 to 7 will then apply. If a date as detailed in section 4.3 has passed while **smoothing** has been suspended, we have the right to change the **expected growth rate** when we reinstate **smoothing**.

## 9. Annual Management Charge

- 9.1 There is an annual management charge for **PruFunds**. This is allowed for in the **unit pricing** and no **PruFund units** are deducted to pay this.

## 10. Product Charge

- 10.1 The part of the product charge which relates to **PruFunds** is deducted by cancelling **PruFund units** monthly in arrears on your **charge date**, which is different to other assets in your Retirement Plan.
  - 10.1.1 Details of the product charge can be found in your illustration and if changed, we will notify you.

## 11. 28-day waiting period

- 11.1 When **PruFund units** are cancelled, there may be a 28-day waiting period from the date of receipt of a request to cancel units before the cancellation takes place. This is to protect the With-Profits Sub-Fund and therefore, the interests of all With-Profits policyholders and shareholders.
- 11.2 The 28-day waiting period automatically applies when you switch out of **PruFunds**.
- 11.3 The 28-day waiting period may also apply if you:
  - 11.3.1 take a **transfer payment** or **drawdown transfer** from your Retirement Plan;
  - 11.3.2 buy an **annuity**;
  - 11.3.3 set up a new regular payment out of your Retirement Plan; or
  - 11.3.4 take an occasional payment from your **Pension Income Account**.

If the 28-day waiting period applies to any of the scenarios in section 11.3, then we will tell you at the time you give us your instruction.

- 11.4 Where a 28-day waiting period applies, the **unit price** used is that at the end of the 28-day waiting period.

## 12. Switching

- 12.1 You may only make a switch request involving any of the **PruFunds** once in every three month period. This period runs for 90 days following receipt of your switch request. Once you have requested a switch, it can't be cancelled.
- 12.2 When you make a switch request, you must specify the amount to be switched out of each **PruFund** and/or non **PruFund** assets (or both) as a monetary amount (these are called the "exit proportions"). You can also specify the amount to be switched into each **PruFund** and/or non **PruFund** asset (these are called "target proportions"). We will convert the monetary amounts to be switched out of a **PruFund** into a percentage when we receive the switch request.
- 12.2.1 When the switch takes place, it will happen in the following order:
- 12.2.1.1 any sales of non-**PruFund** assets are carried out as described in Part A section 13. Proceeds from these switches are allocated in the target proportions
- 12.2.1.2 where a switch is to be made out of a **PruFund**, at the end of the 28-day waiting period referred to in section 11.2, the exit proportions are applied to the relevant **PruFund**; then
- 12.2.1.3 the **PruFund units** are then sold at the **unit price** at the end of the 28-day waiting period, with the sale proceeds allocated in the target proportions.
- 12.3 We reserve the right to refuse, restrict or delay any **switch** into any or all **PruFunds** if we consider that the frequency of such **switches** is excessive and intended to avoid **smoothing** adjustments, while still benefiting from the **expected growth rate**.

## 13. How PruFund units can be cancelled

- 13.1 If you are cancelling **PruFund units** for regular payments out, you may select the **PruFund** from which you wish to cancel **PruFund units**.

## 14. Availability of PruFund

- 14.1 We can withdraw, merge, close or wind-up any of the **PruFunds** at any time, including where **PruFund** customers already hold **units** in a **PruFund**. We may do so if, for example, any of the **PruFunds** become too small for them to be cost-effective for us to operate or for other reasons. We will notify you if we do this and you hold **units** in the affected **PruFund**.
- 14.2 If we decide to wind up a **PruFund**, we will aim to give you three months' notice, but there may be circumstances when we are not able to – for example, because we need to take action to protect policyholders or the With-Profits fund. If you hold **units** in the **PruFund** we are winding up, we will ask you how you would like us to invest the proceeds from your **PruFund units**. If we do not receive any instruction from you during the notice period, we will cancel the relevant **units** and move the proceeds to the **cash account**. This provision is subject to any delay which may be required under Part A section 14.
- 14.3 We can change the name of any of the **PruFunds** at any time. If you have units in the affected **PruFund**, we will notify you when we do this.
- 14.4 We may make new **PruFunds** available from time to time.
- 14.5 If we take any of the actions in this section, we will act fairly and reasonably in the way that we use this right, having regard to our duty to protect your interests, our interests and the interests of other With-Profits policyholders.

# Part C: Investment pathway options

- (a) If you don't want to choose your own investment under Part B and/or D, there are four investment pathway options that we have made available where the investments are chosen to match your **Drawdown** objectives over the next five years.
- (b) The investment pathway options are based on how you want to use the money invested in your **Pensions Income Account** over the next five years. For example, whether:
- you have no plans to touch it i.e. to not disinvest any of it;
  - you want to use it to set up an **annuity**;
  - you plan to start taking it as a long-term income; or
  - you plan to take it all out i.e. disinvest it all.
- You can find details of the investment pathway options in the Prudential Retirement Plan Fund Guide at [mandg.com/pru/prudential-retirement-plan](http://mandg.com/pru/prudential-retirement-plan)
- If your plans change, you should consider if the option you picked is still the right choice for you.
- (c) An investment pathway option can be selected when a **Pension Income Account** is first set up.
- (d) An investment pathway option can also be selected for a **dependant, nominee or successor** that has a **Pension Income Account**.
- (e) You can switch to either a different investment pathway option or select your own investments at any time. For more details, see Part B section 12.
- (f) A different investment pathway option can be selected for each **Pension Income Account** you have.
- (g) You cannot invest in more than one investment pathway option at the same time under a single **Pension Income Account**.
- (h) You can have an investment pathway option for one **Pension Income Account** and select your own investments under Part B and/or D for any separate **Pension Income Account** you have.
- (i) If you request a switch out of an investment pathway option, that investment pathway option will cease for you.
- (j) Where you select an investment pathway option when you join the plan, the payment to the relevant **Pension Income Account** is invested in the fund(s) and proportions specified for that option. Likewise, where you choose to switch into an investment pathway option after joining the plan, the money will be allocated in the proportions specified under the investment pathway option.
- (k) The investment pathway options are made up of **PruFunds** and/or **external funds** subject to the terms and conditions covered in Part B and D. Investment pathways are subject to regular review and their investments can change. In this case, we will only tell you about the changes in advance, if your **Pension Income Account** is invested in an investment pathway option at that time.

# Part D: Investment in External Funds

## External funds

### 1. How external funds are operated

- 1.1 **External funds** are bought, held and sold subject to the Terms and Conditions in the **external fund's** prospectus.
- 1.2 The prospectus will explain what the manager of the **external fund** is allowed to do including what investment decisions they are allowed to make, any restrictions there might be and when delays or suspensions to the **external fund** might take place. It will also explain if the **external fund** can be closed or wound up. You can obtain the prospectus from the **external fund** manager.
- 1.3 From time to time, changes can occur on funds you invest in – for example, changes to charges, fund mergers or changes in objectives. These are called “fund events”.
- 1.4 If you suffer a loss as a result of any action, or inaction of the manager of an **external fund**, we won't make good that loss, but you may have recourse to the manager.
- 1.5 A current list of funds and other investments available can be found at [pru.co.uk/funds](https://pru.co.uk/funds)
- 1.6 Charges apply for each fund that you are invested in. These charges are investment-specific. In addition to these charges, there may be further costs incurred, which can vary over time. Where these are applicable, they are paid for by the relevant fund and will impact on its overall performance. More information on these further costs can be found at [pru.co.uk/funds](https://pru.co.uk/funds)

### 2. Buying and selling external funds

- 2.1 Each **external fund** is divided into units.
- 2.2 The **trustee** owns the units on your behalf.
- 2.3 You will instruct us to buy and sell units from the manager of the **external fund**.
- 2.4 The price of the units is based on values of the underlying assets in each **external fund**.
- 2.5 The manager of the **external fund** will calculate the price at a certain point in time which will be explained in the prospectus. This price will be used at the time of a purchase or sale.
- 2.6 We will send a contract note to you detailing the transaction.
- 2.7 There is no minimum amount for investment in **external funds** in the Retirement Plan imposed by us. However, the manager of the **external fund** may have a minimum value of units that can be bought or sold or left in the **external fund** after a sale.
- 2.8 The money to buy **external funds** will be taken from your **cash account** and the proceeds from a sale will be paid into your **cash account**. If you are switching funds, then this is treated as a sale then a purchase.

### 3. Combining requests

- 3.1 We may combine instructions from you and other Retirement Plan holders, so that bulk instructions are given to managers of **external funds**.
- 3.2 All trade instructions from any and all customers for the same **external fund** will be combined at 9.30am on each **working day**, or as near to this as reasonably possible and submitted together to the **external fund** manager to action.

## General

### 4. Permitted investments and “arm’s length transactions”

- 4.1 There can be investment in a wide range of **external funds**. However, some investments are subject to additional tax charges to discourage their use in a pension and you should seek advice on this.
  - 4.1.1 if we find out that any of your investments are “taxable property” under Part 2 of Schedule 29A to the Finance Act 2004, they will have to be sold. We will contact you if this happens.
- 4.2 There are also **HMRC** tax penalties if you make an investment transaction with someone or a company that is connected with you, unless it is on full – or arm’s length – commercial terms.

### 5. Investment income

- 5.1 If you have transferred your Retirement Plan to another provider or bought an **annuity**, we might still receive some income or interests from your earlier investments.
- 5.2 We will either forward any income or interest to your new scheme administrator (if they will accept it), or we will use it to provide benefits for you.

### 6. Distressed investments

- 6.1 “Distressed investments” are investments where the provider of the fund or investment is in financial or operational difficulty, default or bankruptcy.
- 6.2 If we don’t receive an up to date valuation of an investment or the valuation is more than 3 months old, we will only value the investment at £0.01 even if there is some value left. This is because we don’t want to base charges or other considerations on an unconfirmed and possibly unrealistically high value.
- 6.3 We will not sell the investment if there is no up to date value to anyone apart from the investment provider, as this could cause tax charges.
- 6.4 There will still be investment charges payable.
- 6.5 We may not be able to transfer all assets in your Retirement Plan to another registered pension scheme if you hold a distressed investment, as the other pension scheme may not accept this as part of a **transfer payment**. In these circumstances, we will contact you and explain your options.

# Glossary

“**annuity**” means a contract bought with the proceeds of a registered pension scheme from an insurance company. In exchange the insurance company pays an income to you for life.

“**beneficiary**” means a **dependant, nominee, successor**, a trust or any other person or body allowed under the **scheme rules** who is chosen by us to receive benefits from your Retirement Plan on your death.

“**Business Partners**” means our service providers, accountants, auditors, IT service and platform providers, intermediaries, reinsurers, retrocessionaires, investment managers, agents, pension trustees (and other stakeholders), **scheme** advisors, introducers, selected third party financial and insurance product providers, and our legal advisers.

“**cash account**” is the account forming part of the **scheme** bank account, which holds cash and is used for money movements within your Retirement Plan. Each **sub-account** has its own **cash account**.

“**charge date**” means the date each month when we deduct charges from a **sub-account** in your Retirement Plan. The **charge date** will normally be one month after that **sub-account** is set up, and then on that same date each month. If the **charge date** does not exist in any month, the last day of that month will become the new **charge date**. Each **sub-account** has its own **charge date**.

“**daily smoothing limit**” means a specified limit (expressed as a percentage of the **unit price**) which we may choose to vary from time to time, and that may differ across the range of **PruFund** funds. For further information, please see our guide on how the **PruFund** range of funds is managed at [pru.co.uk/pdf/WPG627603.pdf](https://pru.co.uk/pdf/WPG627603.pdf)

“**dependant**” means your spouse or civil partner and anyone who is financially dependent or inter-dependent on you. A child is a dependant if they are a natural or adopted child who is under 23 when you die, or dependent on you because of a disability.

“**drawdown**” is a way to withdraw money from your Retirement Plan, but keep the balance of your Retirement Plan invested.

“**drawdown transfer**” means a payment made from a **drawdown** arrangement in your Retirement Plan to another pension scheme.

“**EEA**” means the European Economic Area. This includes the countries within the European Union together with Iceland, Lichtenstein and Norway.

“**EU GDPR**” means Regulation 2016/679 of the European Parliament and of the Council of the European Union of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, and any successor laws arising out of the withdrawal of a member state from the European Union.

“**external funds**” means any investments which are not **PruFunds** and may include Prudential branded or sourced funds.

“**expected growth rate**” means the annual rate of return that we expect to earn on each **PruFund**, which may be zero but will never be negative. It is normally applied on a daily basis to **unit prices** in the **PruFunds** and varies between **PruFunds**. These can change each quarter.

“**gap after adjustment**” is the specified gap, expressed as a percentage of the **unsmoothed unit price**, between the **unit price** and the **unsmoothed unit price** immediately after the **unit price** has been adjusted as a result of the **daily smoothing limit** being met or exceeded as set out in Part B sections 6.3 and 6.4. We may choose to vary this percentage from time to time and it may differ across the range of **PruFund** funds. For further information, please see our guide on how the **PruFund** range of funds is managed at [pru.co.uk/pdf/WPG627603.pdf](https://pru.co.uk/pdf/WPG627603.pdf)

“**GDPR**” means the EU GDPR and/or the UK GDPR as applicable.

“**holding account**” means the corresponding account in each **PruFund** where amounts to be invested are held before the automated purchase of **PruFund units** in the matching **PruFund** on an **investment date**. Where specifically units held under the **holding account** are referred to, they are called **holding account units**.

“HMRC” means HM Revenue and Customs.

“investment date” means the 25th of each calendar month or the following **working day**, if the date is not a **working day**.

“The Lump Sum Allowance (LSA)” is a limit on the amount of tax free lump sums that can be taken from pension schemes.

“Lump Sum and Death Benefit Allowance (LSDBA)” is a limit on the amount of lump sum death benefits and serious ill health lump sums that can be paid without tax.

“monthly smoothing limit” means a specified limit (expressed as a percentage of the **unit price**) which we may choose to vary from time to time, and that may differ across the range of **PruFund** funds. For further information, please see our guide on how the **PruFund** range of funds is managed at [pru.co.uk/pdf/WPG627603.pdf](https://pru.co.uk/pdf/WPG627603.pdf)

“nominee” means an individual, who is not a **dependant**, nominated by you or us to receive death benefits from the Retirement Plan.

“normal minimum pension age” means the earliest age at which you can start to take benefits from your Retirement Plan, unless you have a right to take benefits earlier.

“payment” or “payments” means all **transfer payments** into the Retirement Plan.

“Pension Income Account” means a **sub-account** used for **drawdown** under the Retirement Plan.

“Pension Savings Account” means a **sub-account** where your **transfer payment** will initially be paid into.

“pension sharing order” means the legal documents under which your former spouse or civil partner becomes entitled to a share of your Retirement Plan.

“**PruFunds**” means our current unitised with-profits funds which allow access to **smoothing** and the returns of our With-Profits Sub-Fund. There are several **PruFunds**, each with their own fund name, and a reference to **PruFund** in these Terms and Conditions is a reference to all or any of those available in the Retirement Plan (though not necessarily restricted to only that product), as appropriate. The operation of **PruFunds** is detailed in Part B.

“**PruFund unit**” means one of the parts that a **PruFund** is equally divided into for the purpose of recording benefits that are due to you. No one “owns” the **PruFund units**, the **PruFund units** are just a record of the benefits due to you in respect of the **PruFund**.

“**scheme**” means the Prudential Pension Scheme.

“**scheme rules**” means the legal document which together with the **trust deed**, determine how the **scheme** operates.

“**smoothing**” is the mechanism which adjusts the investment returns of the **PruFunds** for some of the ups and downs of short-term investment performance to provide a more stable return. See our Consumer Friendly Principles and Practices of Financial Management or the full Principles and Practices of Financial Management, available on [pru.co.uk/funds/ppfm](https://pru.co.uk/funds/ppfm) for more details.

“**sub-account**” means your **Pension Savings Account(s)** or **Pension Income Account(s)**, as applicable.

“**successor**” means an individual nominated by a **dependant**, **nominee**, a previous **successor** or us to receive death benefits from your Retirement Plan.

“**tax-free cash**” means the lump sum which you can receive when you move money into **drawdown** or purchase an **annuity**. The legal term for this is a pension commencement lump sum (or “PCLS”).

“**transfer payment**” means a payment made into your Retirement Plan from another pension scheme or out of your Retirement Plan to another pension scheme.

“**trust deed**” means the legal document establishing the **scheme** and which, together with the **scheme rules**, determines how the **scheme** operates.

“**trustee**” means Prudential Corporate Pensions Trustee Limited. The **trustee** holds the assets in your Retirement Plan on your behalf. The trustee may change in the future.

“**UK GDPR**” means the implementation of the **EU GDPR** into the laws of England and Wales, Scotland and Northern Ireland, as amended from time to time.

“**unit price**” means the price of a **PruFund unit**.

“**unsmoothed unit price**” means the actual fund value of the relevant **PruFund** divided by the total number of outstanding **PruFund units** for all policies invested in that **PruFund** (this includes **PruFund units** invested in relation to products other than the Retirement Plan).

“**working day**” in relation to **PruFunds** means any day that the London Stock Exchange is open for trading and, where practicable, any day on which it would be normally open but for a temporary closure. In all other cases “**working day**” means any day that we are open for business but excludes weekends, bank holidays or any other public holidays and days which we, or a third party working on our behalf are not open for business.

## Part 2

# Customer Agreement for online and telephone access to the Retirement Plan

### 1. Introduction

This Agreement sets out the terms and conditions for the services that we, as Prudential Distribution Limited (PDL), will provide you. It covers your rights and obligations, as well as those of PDL.

As this is a legally binding contract between us and you, it's important that you read this document carefully and keep it in a safe place for future reference. If you decide to proceed with our services, the terms of this agreement will be deemed to apply from the point at which we provide the service for you.

If after reading this agreement, you have any further questions or if anything is unclear to you, please contact us using the details set out under the heading "Communications" on page 29, section 4.

This is our standard customer agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully. You must let us know if you do not agree with them, as we will otherwise assume you have from the time you start using the services. If you do not understand any point, please ask for further information.

### 2. About us and our services

We can help you manage your Retirement Plan over the telephone or on our website. These services are available to you because you have a Retirement Plan policy with The Prudential Assurance Company Limited (PAC). The services are provided by Prudential Distribution Limited (PDL, we or us).

You can access these services by logging into your online account or by calling us on 0800 640 9166.

Our online and telephone services include:

- confirmation of your current Retirement Plan value, and
- factual information on different options for your investment.

We reserve the right to change, suspend or withdraw these services from time to time. We will try to give you prior notice where possible, but cannot guarantee this. We will not be liable to you if for any reason the services are unavailable at any time or for any period.

You are solely responsible for the use of the services in accordance with any instructions or information we may provide from time to time. We accept no responsibility for any loss or damage that may arise from your use of them.

You should be comfortable using our services and be confident in making your own financial decisions.

The services we offer are different to a financial adviser who will give you tailored advice based on your current circumstances.

Speaking to an adviser will mean you'll have higher protection from the Financial Ombudsman Service (FOS). The FOS is an independent official body, established by Parliament, for settling disputes between UK-based financial companies and their customers. If you don't have a financial adviser, you can find one at [unbiased.co.uk](https://www.unbiased.co.uk).

These will not be the best services to use for everyone. You should consider your own personal circumstances, your health and your understanding of the services provided before proceeding. The decisions you make are your responsibility and any mistakes you make could be costly.

### 3. The charges

There are currently no charges for accessing our services online or over the telephone. However, we reserve our rights to levy a charge for the services, or aspects of them, should circumstances require us to do so in the future, and will provide you with reasonable notice if we do so.

## 4. Communications

You can contact us on the telephone number provided in the correspondence we send you, or on 0800 640 9166 – our lines are open from 8.30am-5.30pm, Monday to Friday. You may also contact us at the following address;

Customer Service Centre  
Prudential  
Lancing  
BN15 8GB

As part of our commitment to quality service, we may record your call for training and quality purposes.

Our correspondence with you will be sent by us to the address that we have on file for you. All information supplied by us, and all communications between us and you will be in English. We will communicate with you either online, by letter or telephone. Where possible we will communicate with you online. If you have any special requirements in terms of how we communicate with you, please let us know and we will make every effort to accommodate those.

## 5. Confidentiality

We keep all personal information you provide confidential. For details on our privacy and security statement, please go to [pru.co.uk/privacy-security](https://pru.co.uk/privacy-security)

## 6. Data Protection

### How we use your personal information

For a copy of our latest Data Protection Notice, please visit [pru.co.uk/mydata](https://pru.co.uk/mydata). This details how and why we use your personal information (including any sensitive personal information), who we may share it with and your rights around your personal information. Alternatively, you can request a copy to be sent to you by writing to The Data Protection Officer, Customer Service Centre, Lancing BN15 8GB.

Please note that we collect personal information from you that is necessary for us to either provide you with the product or service you've requested or to comply with statutory or contractual requirements. Unfortunately if you don't provide all of the information we require, this may mean we are unable to provide our products and services to you.

## 7. Verification of your identity

Our regulator, the Financial Conduct Authority (FCA), requires us to verify the identity of our customers. If you confirm you wish to withdraw money online, in some circumstances we may need to give you a call and ask you to verify you have made the request. If we hold a mobile phone number for you, we will confirm your request via SMS.

You are obliged to provide us with true, accurate and factual information at all times.

## 8. Our responsibility to you

We will act in good faith and with care, skill and diligence when providing you with our services. As a distributor of products, we will provide sufficient information to enable you to make an informed decision.

We shall not be responsible to you:

- (a) in the event of your breach of the terms in this Agreement (except where this was caused by us);
- (b) where we have acted in good faith in accordance with your instructions, the terms of this Agreement and the FCA Rules;
- (c) for the actions or any information given to you about a Product by someone other than Prudential;
- (d) for any failure or delay in providing the services if such a failure or delay is due to any cause that is beyond our reasonable control;
- (e) for the performance of the funds you choose; or
- (f) for giving advice.

We shall not be obliged to undertake any action for you, where to do so would be illegal, unreasonable or otherwise in breach of the FCA Rules.

In the event that we are unable to fulfil your instructions, we shall seek to contact you to inform you of this and to take your further instructions. We shall not be responsible for any loss you may suffer as consequence, except if the loss is caused by our fraud, negligence or default under the terms of this Agreement and/or the FCA Rules.

Nothing in this agreement shall (a) exclude any liability of ours to you under any applicable laws and regulations (including the FCA Rules); or (b) remove or reduce your statutory rights in connection with our provision of the services to you.

## 9. Legal and Tax

We offer non-advised services on your Retirement Plan. You are responsible for the management of your legal affairs and seeking appropriate legal advice. You remain responsible for making your own financial decisions and for the management of your tax affairs, including making any necessary application filings and payments to HM Revenue and Customs.

## 10. Amendments

We may at any time without obtaining your consent, change this Agreement to make it fairer to you or more easily understandable or to correct a mistake (provided that the correction will not adversely affect you).

We will notify you if we make a material change to this agreement, which will have an impact on the services we provide to you.

## 11. Regulation

Prudential Distribution Limited, 10 Fenchurch Avenue, London EC3M 5AG is authorised and regulated by;

The Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN

Our Financial Services Register number is 194709. Our permitted business is arranging investments and insurance. You can check our regulatory status on the FCA's website at [fca.org.uk](https://www.fca.org.uk) or by calling the FCA on its consumer helpline 0800 111 6768.

## 12. Your client category

The Financial Conduct Authority is a financial services regulator. The Financial Conduct Authority asks companies to categorise their clients based on their involvement in and familiarity with financial services. This is a way of making sure the right information is sent to the right people. For example, information for an individual customer should assume less knowledge than information for a financial services company.

We have classified you as a "retail client" under FCA Rules. This means that you will receive the highest level of regulatory protection available under the FCA Rules and you'll receive information in a straightforward way.

## 13. Conflict of interest

A conflict of interest is a relationship or arrangement that is not or appears not to be, in the best interest of the organisation or its customers. We have drawn up a policy to deal with any such conflicts, and ensure that business is conducted with integrity. You can request a copy of this from us using the contact details set out under the heading "**Communications**" on page 29, section 4.

## 14. Complaints and compensation

If you wish to register a complaint, please contact us:

- in writing:  
Customer Relations Unit  
Prudential  
Lancing  
BN15 8GB
- by phone: 0345 268 0488
- website: [pru.co.uk](https://www.pru.co.uk)

Calls may be monitored or recorded for quality and training purposes.

We will always acknowledge that we have received your complaint. Details of our complaints handling procedure can be found at [pru.co.uk/contact\\_us/complaint/](https://pru.co.uk/contact_us/complaint/)

Our lines are open 8am-6pm, Monday to Friday.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service;

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

Telephone: 0800 023 4567

Further information about the Financial Ombudsman Service is available from us on request or on its website at [financial-ombudsman.org.uk](https://financial-ombudsman.org.uk)

Making a complaint will not prejudice your legal rights to pursue a legal claim against us.

Prudential Distribution Limited is covered by the Financial Services Compensation Scheme (FSCS). This means that if we are unable to meet our liabilities to you, you may be eligible for compensation, if you are within the eligibility criteria for the FSCS. This depends on the type of business and the circumstances of your claim.

Establishing the level of protection that the FSCS may provide is not a straightforward task. The FSCS may provide some protection, but it is a 'last resort' arrangement and the FSCS confirm coverage on a case by case basis. Any opinion that we have expressed as to the potential degree of protection provided by the FSCS is based on our understanding of the rules as they currently stand, and should not be relied upon. You should contact the FSCS for advice.

Further details about the FSCS is available from us on request and on the FSCS's website at [fscs.org.uk](https://fscs.org.uk)

## 15. Risks

Specific risk warnings relevant to the Retirement Plan will be explained in the relevant product documentation provided to you.

You will be responsible for deciding if our services are suitable for you and that it meets your demands and needs. It is important that if you have any questions about the risk related to these services, or the product available, you should seek advice before you proceed.

## 16. Governing law

This agreement is governed by and shall be construed in accordance with English law. The English Courts will have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with this Agreement.

The information contained in this Agreement is based on our understanding of current legislation and FCA practice, and could be affected by changes in legislation, regulations and practice.

