

Terms and Conditions  
Prudential Retirement Account

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These Terms and Conditions are between The Prudential Assurance Company Limited, who acts as administrator for the Retirement Account, 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.

# Summary of Terms and Conditions – Retirement Account

These Terms and Conditions form part of your contract with us for your Retirement Account 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 Account). It is important that you read them in full. To help you understand your Retirement Account 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 Account and we would encourage you to read these. These include:

- Your guide to The Prudential Retirement Account, and
- Fund Information – PruFund Fund Guide, Prudential Retirement Account and Key Investor Information Documents.

You can also find these on our website at [pru.co.uk/pensions-retirement/prudential-retirement-account/](https://pru.co.uk/pensions-retirement/prudential-retirement-account/)

## What is my Retirement Account?

Your Retirement Account is a personal pension which allows you to invest in different types of assets. It is provided by the Prudential Assurance Company Limited. You can use your Retirement Account to save for retirement. When you reach the age at which you can access your retirement benefits you can use your Retirement Account to provide **drawdown** or to take lump sums. You can also use the money you save in your Retirement Account to buy an **annuity** from an insurance company. You can also choose a combination of the above options.

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

## What happens to my fund if I die?

If you die when you still have assets in your Retirement Account 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. 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 Account 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 Account, the nominated beneficiaries need to be UK resident.

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

Money can be paid into your Retirement Account by you, your employer or a third party on your behalf by paying money in on a regular basis or by making a one-off **payment**, or **payments**. You can also transfer funds in from another pension scheme.

Regular and one-off **payments** will be eligible for tax relief, provided you have not exceeded the limits which **HMRC** sets on the amount of tax relief you can claim each year. **Transfer payments** and employer **payments** are not eligible for tax relief for you.

## Selecting investments

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

- **PruFund range of funds** – see part B for more information;
- **External funds** – see Part D for more information;
- Stocks and shares – see Part D for more information.
- **Prudential Guaranteed Income Plan** – See Part E for more information.

There is a **cash account** where any money not invested elsewhere in your Retirement Account is held. The **cash account** is also used to receive contributions, 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 to us 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 Account and these are:

- The product charge, which is our charge for operating your Retirement Account;
- Investment charges which apply to each investment you are invested in within the Retirement Account;
- Charges for the services of the stockbroker we make available, if purchasing stocks and shares;
- **Guarantee charges** for **PruFund** guarantees if you have selected these.

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 PruFund Fund Guide Prudential Retirement Account.

If you hold a **Prudential Guaranteed Income Plan** within your Prudential Retirement Account, information on the charges that apply on that plan can be found in the Terms and Conditions of the **Prudential Guaranteed Income Plan**.

The product charge is paid from the **cash account** in your Retirement Account for all investments except **PruFunds**. Full details on how the product charge is calculated and deducted can be found in the Terms and Conditions at sections 28 and 29 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 Account as we apply a discount.

We can also pay your adviser charges, on your behalf, from your Retirement Account if we are instructed.

## 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. For more information please see section 11 of Part B.

**Capital** and/or **minimum income guarantees** may be available on selected **PruFunds**. A **capital guarantee** would protect the capital value of selected **PruFund** investments on a specified date and the **minimum income guarantee** would provide a minimum guaranteed level of income from selected **PruFund** investments. There is an additional charge for these guarantees which you will be told when you select this option. We can withdraw guarantees at any time but this will not impact any guarantees you have in place at that time.

## External Funds

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

## Stocks and Shares

You can invest in stocks and shares through a stockbroker who we have made available. The stockbroker will act on your behalf in investing in stocks and shares and you must enter into a contract directly with the stockbroker.

## Prudential Guaranteed Income Plan

The **Prudential Guaranteed Income Plan** is a trustee investment that allows you to use funds in your Retirement Account to provide a guaranteed level of income for a fixed term and/or a guaranteed lump sum at the end of the fixed term. As a trustee investment, all funds paid from your **Prudential Guaranteed Income Plan** are paid into the **cash account** of your Retirement Account. Please read Part E: **Prudential Guaranteed**

**Income Plan** of these Terms and Conditions for information on how holding this may impact the terms set out in Part A: General Terms and Conditions for the Retirement Account.

## Can I cancel my Retirement Account?

You are able to cancel your Retirement Account within 30 days after your initial application. This period also applies to any initial regular **payments**, single **payments** and top ups received into your **Retirement Account**. If you move from the **Pension Savings Account** to the **Pension Income Account**, you also have 30 days to cancel your first request to do this. This cancellation period will not apply to subsequent instructions to move **Pension Savings Account** to the **Pension Income Account**. To do this you must return any **tax-free cash** and/or income that you have been paid from the relevant **Pension Income Account**.

If you cancel we will sell any investments and return funds to you or your previous scheme (if part of a transfer). 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 34 of Part A.

You cannot cancel an **UFPLS** payment. If you cancel a payment the value returned will exclude any **UFPLS** payment made to you from that investment.

If you exercise your right to cancel a transaction under your **Retirement Account** as detailed above, and you have used funds from that transaction to invest in a **Guaranteed Income Plan**, we may also have to cancel your **Guaranteed Income Plan**.

The **Guaranteed Income Plan** also has its own cancellation terms. Please refer to the **Terms and Conditions** of the **Prudential Guaranteed Income Plan** for more information.

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

## 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 which 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 If this Retirement Account is for a child who is under 18 in England and Wales and under 16 in Scotland, the legal guardian must:
  - 1.5.1 complete all of the required documentation on the child's behalf; and
  - 1.5.2 accept responsibility for the operation of the Retirement Account until the child reaches the age of 18 in England and Wales and age 16 in Scotland.
- 1.6 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.
- 1.7 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**.

- 1.8 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 return any money received to you, or in respect of a transfer we will attempt to return any **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 Account operates. All of the Terms and Conditions relevant to the **scheme** are included in Part A. Parts B, C, D and E 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 **PruFund Guarantees**, Part D Investments in **External Funds** and Stocks and Shares and Part E **Prudential Guaranteed Income Plan**. 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 Account. The **trustee** is not responsible for the day to day operation of the **scheme**.
- 2.5 The value of your Retirement Account depends on the value of the underlying assets.

### 3. Accounts

- 3.1 You will have one or more **sub-accounts** within your Retirement Account depending on the choices you make.
- 3.2 All contributions and **transfer payments** will go into your **Pension Savings Account**. **Drawdown transfers** will be paid into your **Pension Income Account** (see section 3.4).
- 3.3 If you move funds from your **Pension Savings Account** into **drawdown** a **Pension Income Account** will be opened for you.
- 3.4 A new **Pension Income Account** will be set up for each **drawdown transfer** made to your Retirement Account. 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 Account, 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 Account.

### 4. Cash account

- 4.1 Your **cash account** is held by the **trustee** as part of the **scheme** bank account.
- 4.2 **UFPLS**, **tax-free cash**, income payments, adviser charges 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 an adviser charge, non-**PruFund** product charge or income payment, the process in sections 23.11, 29.3 and 31.3 (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 Account is open. Details of the current rate of interest for the **scheme** bank account can be found on [pru.co.uk/pensions-retirement/prudential-retirement-account/#paying-money-in](https://pru.co.uk/pensions-retirement/prudential-retirement-account/#paying-money-in)

### 5. Preferred retirement age

- 5.1 We will need your preferred retirement age to be confirmed in your application. This is the age you think that you are likely to start taking benefits from your Retirement Account. We ask for this age so that we can write to you before this date and explain the options available. You do not need to take benefits from this date and you can change it at any time by contacting us. We will not make any changes to how your Retirement Account is invested when you reach your preferred retirement age unless you ask us to.

## Payments to your Retirement Account

### 6. Payments

- 6.1 Up until your 75th birthday, we can accept regular and single contributions into your Retirement Account made:
  - 6.1.1 by you;
  - 6.1.2 by your employer;
  - 6.1.3 on your behalf by a third party.
- 6.2 We can accept **transfer payments** and **drawdown transfers** before and after your 75th birthday.
- 6.3 We are only able to accept new money into your Retirement Account whilst you are resident in the UK or you are a crown servant (or the spouse/ civil partner of a crown servant), serving overseas.  
  
Regular premiums which have commenced whilst you were resident in the UK can be maintained if you move overseas but cannot be increased.

## 7. Maximum payments

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

## 8. Method of payments into your Retirement Account

- 8.1 All **payments** must be made in Sterling.
- 8.2 Regular contributions can be paid annually or monthly by direct debit.
- 8.3 Single contributions can be paid by cheque, bank transfer or any other method which is acceptable to us from time to time.
- 8.4 All regular and single contributions must be made from a UK Sterling denominated bank or building society account in your name, your employer's name or the name of the third party paying in on your behalf. Contributions from you must be from a personal or business account in your name (sole or joint account) or in the name of a Partnership of which you are a partner of.
- 8.5 Contributions should use the payment reference number, which we will give you at the point of application, so we can identify where the contribution is to go. If we can't identify which Retirement Account a contribution is for, the **payment** will be returned to where it came from within 21 **working days**. No interest will be paid and we will not be liable for any losses which may occur due to the contributions not being invested.
- 8.6 Please visit our website, [pru.co.uk/retirement-account/](https://pru.co.uk/retirement-account/), for details on when we will process your investment instruction in respect of contributions.

- 8.7 If neither you or your financial adviser instructs us how to invest any contributions we receive in respect of your Retirement Account or if (in our reasonable opinion) any instruction we receive is unclear, we will not make any investment decisions for you and your contributions will remain in your **cash account**.

## 9. Auto-increases to regular contributions

- 9.1 Regular contributions made by you, your employer and/or a third party can automatically increase every year. This is called indexation.
- 9.2 The rate at which the contributions increase can be a fixed amount or in line with a recognised index such as the Consumer Prices Index.
- 9.3 We will start collecting the increased contribution amount from the yearly anniversary of setting up that contribution. If you have chosen a recognised index then we will calculate your increase using the most recent update to that index which is available to us. If the index decreases your contribution will stay the same.
- 9.4 You, your employer or a third party can tell us to start, stop or amend indexation at any point. We require at least 10 **working days** notice to do this.

## 10. Transfers in to your Retirement Account

- 10.1 You can make a **transfer payment** or a **drawdown transfer** to your Retirement Account. Any transfers which contain safeguarded benefits or arise from a Defined Benefit pension scheme must be submitted via your adviser. We do not accept any transfers which contain safeguarded benefits or arise from a Defined Benefit pension scheme where your adviser has advised against this course of action.
- 10.2 You must provide us with the information and documents that we require before we will accept a **transfer payment** or a **drawdown transfer**.
- 10.3 A **transfer payment** or **drawdown transfer** is normally made in cash. Cash transfers must be in Sterling.

- 10.4 Please visit our website, [pru.co.uk/retirement-account/](https://pru.co.uk/retirement-account/), for details on when we will process your investment instruction in respect of transfers.
- 10.5 If neither you or your financial adviser instructs us how to invest any transfers we receive in respect of your Retirement Account 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**.

## 11. Tax relief on contributions

- 11.1 You may be entitled to tax relief on contributions to your Retirement Account made by you or by a third party on your behalf in any tax year that you satisfy HMRC's requirements.
- 11.2 Employer contributions, **transfer payments** or **drawdown transfers** will not provide you with any tax relief.
- 11.3 If you, or a third party other than your employer, make a contribution to your Retirement Account, we will add basic rate tax relief to your Retirement Account in respect of that contribution. We will then claim this amount back from HMRC. Your application for membership of the **scheme** is also an application for tax relief.
- 11.4 We will invest your contribution and the tax relief at the same time.
- 11.5 If we are informed by HMRC that you have received more tax relief than you are entitled to, we will repay the appropriate amount of tax to HMRC by deducting it from your Retirement Account. We will deduct this from the **cash account**. If there is not enough money in the **cash account** then we will take the charge proportionately from all funds (excluding stocks and shares). We will refund any contributions which do not qualify for tax relief.
- 11.6 We are not responsible for any losses which you may suffer if we have accepted a contribution which exceeds the tax relief limit.

## 12. HMRC tax limits and charges

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

## 13. Tax-free limits

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.

- 13.1 When you open a Retirement Account 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.
- 13.2 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 Account. 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.

- 13.3 We should also be told if;
  - 13.3.1 you have any form of protected or enhanced allowances
  - 13.3.2 you lose this protection or the value of the protection is reduced at any point

## Investments

### 14. Permitted funds and other investments

- 14.1 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:
  - 14.1.1 **PruFunds** – see Part B and C;
  - 14.1.2 **External funds** – see Part D;
  - 14.1.3 Stocks and shares – see Part D;
  - 14.1.4 **Prudential Guaranteed Income Plan** – See Part E;
- 14.2 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](http://pru.co.uk/funds)
- 14.3 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.

### 15. Buying and selling investments

- 15.1 Where you are looking to make a transfer out, a payment of benefits or looking to purchase a **Prudential Guaranteed Income Plan**, the timescales in 15.6 will not apply. However, we will facilitate the transfer out, payment of benefits or purchase of a **Prudential Guaranteed Income Plan** as soon as reasonably practicable after we have received all of the documentation we require.
- 15.2 Where you are looking to make a contribution or a transfer in, the timescales in 15.6 will not apply. Please refer to section 8.6 and 10.4 for details.
- 15.3 You or anyone else authorised may instruct us to buy or sell funds and other investments.
- 15.4 If the instruction involves **PruFunds**, please see Part B, and C if you have a **PruFund** guarantee, for more information. If the instruction involves **external funds** and stocks and shares please see Part D.

- 15.5 Once we have received the instruction, this can't be altered unless we agree. If there are exceptional circumstances, as detailed in section 16, we will ask you for further instructions.
- 15.6 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**.
- 15.7 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 15.6 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.
- 15.8 The instruction can confirm what investments you are looking for us to sell and how the proceeds are to be invested or what investments you want to have at the end of the transaction and we will sell and buy what is needed to achieve that.
- 15.9 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.
- 15.10 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.

### 16. Exceptional circumstances and delays

- 16.1 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.
- 16.2 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:

- 16.2.1 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;
- 16.2.2 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.
- 16.3 We will never use assets or cash from elsewhere to fund a transaction in these circumstances.
- 16.4 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 timeframes set out in this clause.

## Taking Benefits from your Retirement Account

### 17. Options available

- 17.1 The following options may be available to you:
  - 17.1.1 regular or single lump sum withdrawals from your **Pension Savings Account**. This is also called taking an **UFPLS**;
  - 17.1.2 **tax-free cash** plus **drawdown**; or
  - 17.1.3 **drawdown** only;
  - 17.1.4 **tax-free cash** and using the remaining Retirement Account funds to purchase an **annuity** from an insurance company
  - 17.1.5 using all of your Retirement Account funds to purchase an **annuity** from an insurance company; or
  - 17.1.6 a combination of these options. Any benefits will be paid to your nominated UK bank or building society account.

- 17.2 The earliest you can take benefits is **normal minimum pension age** unless:
  - 17.2.1 you have a protected pension age. More information can be found in Your guide to the Prudential Retirement Account;
  - 17.2.2 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
  - 17.2.3 you qualify for a serious ill health lump sum (as explained in section 25.1).

### 18. Lump sum withdrawals

- 18.1 You can choose to take part or all of your **Pension Savings Account** as an **UFPLS**. Part of each **UFPLS** is tax-free. More information on taking an **UFPLS** can be found in Your guide to the Prudential Retirement Account.

### 19. Tax-free cash

- 19.1 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** or when you buy an **annuity** from an insurance company using the value of your **Pension Savings Account**. More information on **tax-free cash** can be found in Your guide to the Prudential Retirement Account.

### 20. Moving into Drawdown

- 20.1 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.

- 20.2 **Tax-free cash** can be paid when you move into **drawdown** and you can then take taxable income from the balance at any time.
- 20.3 You can choose how much you want to move into **drawdown**. You can choose how you want your **Pension Income Account** to be invested following the move. 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.
- 20.4 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 23.10.
- 20.5 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 23. There is no annual limit on the amount of income you can take from this **Pension Income Account**.
- 20.6 More information on **drawdown** can be found in Your guide to the Prudential Retirement Account.

## 21. Phased Drawdown

- 21.1 You can instruct us to move an amount from your **Pension Savings Account** into your **Pension Income Account** at regular periods, this is referred to as phased **drawdown**.
- 21.2 We will stop these regular movements:
  - 21.2.1 if you ask us to stop;
  - 21.2.2 you have no money left in your **Pension Savings Account**;
  - 21.2.3 where you have no more entitlement to **tax-free cash** and **tax-free cash** is part of your phased **drawdown** instruction the regular movement will cease to include **tax-free cash**;
  - 21.2.4 where we believe you have insufficient **Lump Sum Allowance**.

## 22. Capped Drawdown

- 22.1 If you have a **capped drawdown** arrangement and have transferred it to your Retirement Account, you can take any amount of income up to your **capped drawdown limit**, including taking no income.
- 22.2 Each transfer of **capped drawdown** will have its own **sub-account** with its own **capped drawdown limit**.
- 22.3 You can't move money from your **Pension Savings Account** into **capped drawdown**.
- 22.4 Your **capped drawdown limit** changes from time to time as required by law. We calculate the new limit 30 days before the change is due to take effect. There are times when we may calculate the new limit on another date but if this applies we will let you know.
- 22.5 Any income paid above the **capped drawdown limit** must be returned to us or we will convert the **capped drawdown account** to flexi-access **drawdown**.
- 22.6 You can request that we convert any **capped drawdown accounts** to flexi-access **drawdown**. Once the conversion has taken place, you can't convert back to **capped drawdown**. We will process this request as soon as is possible but it may be delayed if there are outstanding payment instructions in relation to your **capped drawdown account**.
- 22.7 More information on **capped drawdown** can be found in Your guide to the Prudential Retirement Account.

## 23. Payments from your Retirement Account

- 23.1 The provisions of this section apply to each **sub-account** individually and not to the Retirement Account as a whole.
- 23.2 You may choose to receive regular **UFPLS** payments from your **Pension Savings Account** or 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.

- 23.3 Different payment types can have different payment dates and different frequencies.
- 23.4 Once we have all the necessary information and, if applicable, a **transfer payment** or **drawdown transfer** from another pension scheme, we will process a request to start a regular payment as soon as is reasonably possible.
- 23.5 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.
- 23.6 You may ask for one-off or regular series of **UFPLS** payments from your **Pension Savings Account** or single or regular income payments from your **Pension Income Accounts** at any time. We will process your request as soon as is reasonably possible.
- 23.7 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.
- 23.8 You can instruct us which investments and in what proportion you want the payments to come from.
- 23.9 One-off **UFPLS** and income payments work in the following way:
- 23.9.1 **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 16, we move to step 2.
- 23.9.2 **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**.
- 23.10 **Tax-free cash**, regular **UFPLS** and regular income payments work in the following way:
- 23.10.1 **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.
- 23.10.2 **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 16, we move to step 3.
- 23.10.3 **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**.
- 23.10.4 If you have not told us which investments you want the payment to come from, section 23.10.3 will apply.
- 23.11 If you are invested in **PruFunds**, other conditions apply. Please see section 13 Part B for more information.
- 23.12 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.
- 23.13 We will make your income payments from your **cash account** to your nominated bank account by bank transfer.
- 23.14 All payments will be made after we have deducted any appropriate tax.

23.15 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 unless the overpayment is made from a **capped drawdown account** and is also over the **capped drawdown limit**. Payments over the **capped drawdown limit** will normally need to be returned or there will be tax charges but we will explain the options available at the time of the overpayment.

23.16 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.

## 24. Buying an annuity

24.1 You can buy an **annuity** from an insurance company with some or all of the money from your **Pension Savings Account** and/or from your **Pension Income Account**.

## 25. Serious ill-health lump sum

25.1 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.

## 26. Death Benefits

26.1 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**.

26.2 Your **cash account** will continue to earn interest (if any is payable) until we pay out the death benefits.

26.3 Until we have paid out the death benefits, product charges will still apply.

26.4 We will stop paying adviser charges once we have been notified of your death as detailed in section 31.4.5.

26.5 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. 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 Account to purchase an **annuity** from an insurance company. We will pay the death benefits as allowed by the law.

26.6 If one or more of your **dependants, nominees** or **successors** chooses **drawdown**, a Retirement Account 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 Account at that point.

26.7 More information on death benefits can be found in Your Guide to the Prudential Retirement Account. We will send your personal representatives and **beneficiaries** information at the time of your death.

## 27. Transfers to another scheme

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

A QROPS is a pension scheme based outside the UK but to which 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 may be a **transfer payment** or a **drawdown transfer** depending on the account you are transferring the money from.

- 27.2 A **transfer payment** out may include all or part of your Retirement Account. You can't complete a **drawdown transfer** out with part of a **Pension Income Account**. If you hold a **Prudential Guaranteed Income Plan** in a part of your Retirement Account you wish to transfer, you may have to surrender it in order to transfer that part of your Retirement Account. Please refer to the Terms and Conditions of the **Prudential Guaranteed Income Plan** for more information on surrendering these plans.
- 27.3 You must provide us with such information and documents as we may require before we will make a **transfer payment** or a **drawdown transfer**.
- 27.4 A **transfer payment** or **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 **transfer payment** or **drawdown transfer** can be transferred from your Retirement Account in this way.
- 27.5 As the transfer process may involve liaising with the receiving scheme and depend on the transfer method being adopted, the timescales in section 15.6 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

### 28. Charges

- 28.1 The charges that may apply to your Retirement Account are:
- 28.1.1 our product charge for operating the Retirement Account;
  - 28.1.2 investment charges, including the annual management charge on **PruFund**;
  - 28.1.3 **guarantee charges** if you have a **PruFund** guarantee. More information can be found in Part C; and
  - 28.1.4 any adviser charges that you instruct us to pay to your financial adviser from your Retirement Account.

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

If you purchase a **Prudential Guaranteed Income Plan** from funds within your Retirement Account, separate terms will apply to that plan. For details of the charges that may apply, please refer to the Terms and Conditions of the **Prudential Guaranteed Income Plan**.

### 29. Product charge

- 29.1 The product charge is a percentage that varies depending on the value of your Retirement Account. We calculate this percentage for each **sub-account** on its **charge date** using the value of your Retirement Account. The value of your Retirement Account used to determine this percentage includes the value of all **PruFunds, external funds**, stocks and shares, cash in the **cash account** and **Prudential Guaranteed Income Plans** held in your Retirement Account. 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 these we will inform you.

- 29.2 We take the product charge by applying the percentage calculated in 29.1 to the value of relevant investments in the **sub-account** at the **charge date** and taking 1/12th of this as the charge amount in accordance with 29.3. Relevant investments for this purpose exclude **Prudential Guaranteed Income Plans** but include all **PruFunds**, **external funds**, stocks and shares and cash in the **cash account**.
- 29.3 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** (excluding stocks and shares and **Prudential Guaranteed Income Plans**). If the product charge can't be taken due to insufficient non-**PruFunds** then it will be taken from the account held with the stockbroker (if you have one), first using cash in the associated deposit account or by selling stocks and shares proportionally. More information on **PruFund** product charges is in Part B but note that the **PruFunds** product charge is not taken from the **cash account**.

## 30. Investment Charges

- 30.1 Charges apply for each fund that you are invested in. These charges are investment-specific.
- 30.2 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)
- 30.3 More information on Annual Management Charges and further costs for **PruFund** can be found in the PruFund Fund Guide Prudential Retirement Account at [pru.co.uk/funds](http://pru.co.uk/funds)

- 30.4 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.
- 30.5 Details of the charges in respect of investment in stocks and shares can be provided by your adviser or by contacting us using the details in section 42.

## 31. Adviser charges

- 31.1 You must agree with your financial adviser how they are to be paid for any advice they give you in relation to your Retirement Account. You can pay adviser charges directly or you can instruct us to pay adviser charges on your behalf from your Retirement Account. If you request that any ongoing adviser charge is a percentage of your Retirement Account, or any particular **sub-account**, then we will take this as a percentage of the total value of the investments in your Retirement Account or **sub-account**, as applicable, on each **charge date**. The total value of your investments will include the combined value of investments in **PruFunds**, **external funds**, stocks and shares and cash in the **cash account**, and unless we agree otherwise, **Prudential Guaranteed Income Plans**. If you are paying an ongoing adviser charge and choose to top up your plan the charges will also be applied to the top up.
- 31.2 We will pay the amount of adviser charges which we have been instructed to pay. If you are moving funds from your **Pension Savings Account** to your **Pension Income Account** then any initial adviser charges will be taken after the investments have been moved to the **Pension Income Account** and **tax-free cash** deducted. Any regular adviser charge instructions will continue to be taken after **tax-free cash** has been deducted and the investments moved into your **Pension Income Account**. Any dispute about payment of adviser charges is between you and your financial adviser.

31.3 Unless 31.4 applies, adviser charges will be paid from your **cash account** in the following way:

31.3.1 Step 1 – on the date your adviser charge is due we will check if there is sufficient money available in your **cash account**. If there is enough money it will be paid to your adviser. If there is not enough money, we move to step 2.

31.3.2 Step 2 – we will sell funds as previously instructed by you and move the proceeds to your **cash account**. If you have instructed us which investments are to be sold to pay adviser charges and the value of these investments is not enough to pay the full amount of the adviser charge, we will not pay the adviser charge until you have given us a new instruction.

31.4 We will stop paying adviser charges as soon as reasonably practicable after:

31.4.1 we are instructed to;

31.4.2 the full amount of adviser charge can't be deducted as described in section 31.3.2;

31.4.3 we become aware that your financial adviser is no longer authorised to give financial advice;

31.4.4 your financial adviser has been taken over and you do not have an agreement in place for ongoing advice; or

31.4.5 we are notified of your death. We may reclaim any adviser charge which has been paid after your death from your adviser.

31.5 Adviser charges to be paid as part of moving your funds from your **Pension Savings Account** to your **Pension Income Account** will be taken after the investments have been moved to the **Pension Income Account** and **tax-free cash** deducted. They will be paid from your **cash account** in the following way:

31.5.1 Step 1 – we will check if there is sufficient money available in your **cash account**. If there is enough money it will be paid to your adviser. If there is not enough money, we move to step 2.

31.5.2 Step 2 – we will sell funds as previously instructed by you to make regular income payments and move the proceeds to your **cash account**. If there is no instruction or your instruction can't be followed as there is not enough money in the investments you instructed us to sell, we move to Step 3.

31.5.3 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**.

31.6 If you tell us that you have changed financial adviser and now want a new financial adviser to be paid from your Retirement Account, we will stop paying your current financial adviser and start paying your new financial adviser in accordance with your new instruction.

## General

### 32. Taking instructions

32.1 We can take instructions from the financial adviser authorised by you in your application or whom you later authorise in a form acceptable to us. If you change financial adviser and stop instructions from your previous financial adviser, we can't take instructions from your new financial adviser until we have received your authority. We are not responsible for any losses which you may suffer if we haven't acted on your financial adviser's instructions because we didn't have your authority to act.

32.2 Where you have given your adviser authority to act and submit instructions on your behalf as your agent, we can take instructions from your financial adviser in relation to setting up and increasing adviser charges where they submit your initial application form or submit a request to move funds to drawdown within your Retirement Account. We will however require your financial adviser to keep a copy of your authorisation of the agreed adviser charge.

We won't take instructions from your financial adviser to set up or increase adviser charges in any other scenario, for a **transfer payment** or **drawdown transfer** from your Retirement Account to another provider, to use the value of your Retirement Account to purchase an **annuity** from an insurance company or if you have died. These instructions must come from you or your beneficiaries in the case of your death.

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

- 33.1 In certain circumstances we are able to make reasonable and appropriate changes to these Terms and Conditions at any time. These are:
- 33.1.1 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;
  - 33.1.2 if legal or regulatory requirements applying to us, your Retirement Account, the **scheme** or the **trustee** change;
  - 33.1.3 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;
  - 33.1.4 if the tax treatment applying to us, your Retirement Account, the **scheme** or the benefits payable, changes or will change in a way that would affect your Retirement Account;
  - 33.1.5 if there is an increase in our costs associated with providing your Retirement Account, if those costs are reasonably incurred including but not limited to introducing a charge for buying and selling;
  - 33.1.6 to make these Terms and Conditions clearer or more favourable to you;
  - 33.1.7 to reflect refinements to our service due to changes in technology, service or our proposition; or
  - 33.1.8 if a change is not to your disadvantage, including correcting errors or inaccuracies.

- 33.2 Any changes which are not more favourable to you will be limited to those reasonably necessary to make your Retirement Account operate in a way consistent with the aims of this product.
- 33.3 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.
- 33.4 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.
- 33.5 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.
- 33.6 We can also make changes to your Retirement Account for reasons not included in 33.1 if we agree the changes with you.

## 34. Cancellation rights

- 34.1 You can change your mind about setting up a Retirement Account or making single contributions into or taking certain payments out of your Retirement Account.
- 34.2 You must tell us if you want to exercise your right to cancel.
- 34.3 You have 30 days from the date of our acceptance letter establishing your Retirement Account, or any contribution, **transfer payment** or **drawdown transfer** being made into your Retirement Account.
- 34.4 If you cancel a single contribution, setting up a regular contribution, **transfer payment** or **drawdown transfer** to your Retirement Account, the value after cancellation could be less than the

amount paid or transferred to us as there could be a fall in the value of the assets and we may have to pay adviser charges to your financial adviser on your behalf.

- 34.5 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.
- 34.6 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. This cancellation period will not apply to subsequent instructions to move **Pension Savings Account** to the **Pension Income Account**.
- 34.7 Cancellation rights do not apply to **UFPLS** or **income payments**. You can stop future regular **UFPLS** or **income** but you can't change your mind about **UFPLS** or **income** payments you have already taken. If you cancel a **payment** or a pension transfer the value returned will exclude any **UFPLS** payment made to you from that investment.
- 34.8 If you exercise your right to cancel under 34.1 to 34.7 above, and you have purchased a **Prudential Guaranteed Income Plan** from funds relating to a transaction you are cancelling, we may also have to cancel your **Prudential Guaranteed Income Plan**. Please see the Terms and Conditions of the **Prudential Guaranteed Income Plan** for more information.

## 35. Court orders and your Retirement Account

- 35.1 If we receive a **pension sharing order** or other valid court order in relation to your Retirement Account, we are required by law to implement it.
- 35.2 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.

- 35.3 If we are asked to provide information in relation to a divorce or dissolution, we may charge for this.

## 36. Complaints

- 36.1 If you would like to complain, please contact us at the address shown at section 42. 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 42.
- 36.2 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](http://financial-ombudsman.org.uk)**

**Email:**  
**[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)**

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

## 37. Financial Services Compensation Scheme

- 37.1 If we, or any of the providers of assets or investment services available through your Retirement Account, cannot meet our financial obligations, you may be able to claim compensation from the Financial Services Compensation Scheme.
- 37.2 The amount of compensation available depends on the type of business and the circumstances of the claim.

37.3 More information about the level of cover available can be found in [pru.co.uk/about/financial-services-compensation-scheme](https://pru.co.uk/about/financial-services-compensation-scheme)

37.4 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](https://fscs.org.uk)

## 38. Personal Data

38.1 We will use your personal information to operate your Retirement Account. To do this, we may pass your information to the **trustee** and any professional advisers involved in the **scheme**.

38.2 We may also transfer your personal information to:

38.2.1 any companies in our group of companies where appropriate in the context of the operation of your Retirement Account and to enable them to provide you with information about other products or services which may be of interest to you;

38.2.2 our **Business Partners**;

38.2.3 your financial adviser;

38.2.4 **HMRC** or Government agencies or regulatory bodies where required by law;

38.2.5 tracing and monitoring agencies, to verify information and prevent fraud;

38.2.6 a new pension provider, where you wish to take a **transfer payment** from the **scheme**.

38.3 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.

38.4 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:

38.4.1 the destination country has been issued with a data protection 'adequacy' decision by the European Commission and/or the UK Government (as applicable);

38.4.2 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

38.4.3 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.

38.5 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 Accounts: 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 Account 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 42.

- 38.6 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](mailto:privacy.team@mandg.com) or using details in section 42. 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**.
- 38.7 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](http://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.

## 39. Form of communications

- 39.1 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.

## 40. Account closure

- 40.1 We will close your Retirement Account 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.
- 40.2 If there are no funds in your Retirement Account and no regular contribution due then we will close your Retirement Account.
- 40.3 If the **scheme** has to be closed or wound up, this will happen in line with the **trust deed** and **scheme rules**.

## 41. Other important information

- 41.1 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.
- 41.2 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.
- 41.3 Headings in these Terms and Conditions are to aid understanding and have no legal effect.
- 41.4 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.

41.5 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, your eligibility for tax relief on contributions, whether you have other pensions which could impact your eligibility for tax relief, 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 Account 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.

41.6 We need to be able to disinvest all or part of your Retirement Account, 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.

## 42. Contacting Us

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

Online:

With your 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/registeronline](https://pru.co.uk/registeronline)

Write to:

**Prudential  
Retirement Account  
Lancing  
BN15 8GB**

Phone us:

**Retirement Account Operations  
0345 268 0488**

## 43. Governing Law

43.1 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 below.
- 2.3 If you have **guarantee units** these will be segregated within the relevant **PruFund**. Further details on **PruFund** guarantees can be found in Part C.

## 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) 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 Prudential Retirement Account.

- 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 Account.
  - 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** unless you are switching from a **PruFund** where a **capital guarantee** payment has been made on that fund in the previous 28-days.
  - 11.2.1 The 28-day waiting period may also apply if you are switching out of **PruFund** funds as part of purchasing a **Prudential Guaranteed Income Plan**. If the 28-day waiting period applies in this situation we will tell you at the time you give us your instruction.

- 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 Account;
  - 11.3.2 buy an **annuity**;
  - 11.3.3 take an occasional **UFPLS** from your **Pension Savings Account**;
  - 11.3.4 set up a new regular payment out of your Retirement Account;
  - 11.3.5 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"). **Guarantee units** and **non-guarantee units** are treated separately when calculating exit and 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 requested removal of a guarantee from **guarantee units** or the addition of a guarantee to **non-guarantee units** will be carried out; then
  - 12.2.1.2 the target and exit proportions will be adjusted to allow for the addition or removal of guarantees on **PruFund units** in 12.2.1.1; then
  - 12.2.1.3 any sales of non-**PruFund** assets are carried out as described in Part A section 15. Proceeds from these switches are allocated in the target proportions calculated in 12.2.1.2; then
  - 12.2.1.4 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 calculated in 12.2.1.2 are applied to the relevant **PruFund**; then
  - 12.2.1.5 the **PruFund units** in 12.2.1.4 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 calculated in 12.2.1.2.
- 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 one of the following transactions:
- 13.1.1 regular payments out,
  - 13.1.2 ongoing adviser charges; and
  - 13.1.3 adviser charges paid on moving from your **Pension Savings Account** to your **Pension Income Account**,
- you may select the **PruFund** from which you wish to cancel **PruFund units** and whether you wish to cancel **guarantee units**.
- 13.2 If you are cancelling **PruFund units** as part of purchasing a **Prudential Guaranteed Income Plan** and you have both **guarantee units** and **non-guarantee units** in that **PruFund**, we will cancel **non-guarantee units** first. If there are not enough **non-guarantee units**, we will cancel **guarantee units** starting with the youngest **guarantee units** and moving in age order to the oldest.
- 13.3 For other transactions which are not listed in 13.1, if you have both **guarantee units** and **non-guarantee units** in a **PruFund**, you can specify whether the **guarantee units** or **non-guarantee units**, or both, are cancelled. If you wish to cancel **guarantee units** you can specify which **guarantee units** are cancelled. If you do not give us an instruction about which **PruFund units** to cancel or if the transaction is listed in 13.1 above, we will cancel **non-guarantee units** first. If there are not enough **non-guarantee units**, we will cancel **guarantee units** starting with the youngest **guarantee units** and moving in age order to the oldest.
- 13.4 For regular payments out, if you asked that only **non-guarantee units** are cancelled but there are no **non-guarantee units** left then **guarantee units** will be included as part of the deduction of **PruFund units** in accordance with Part A section 23.10.3.

- 13.5 Where section 13.1 applies for Adviser charges paid on moving from your **Pension Savings Account** to your **Pension Income Account**, if you asked that only **non-guarantee units** are cancelled but there are insufficient **non-guarantee units** left then **guarantee units** will be included as part of the deduction of **PruFund units** in accordance with Part A section 31.5.3.
- 13.6 For other adviser charges, if you have asked for only **non-guarantee units** to be cancelled and you have no remaining **non-guarantee units** at the point an adviser charge is due, we will not make the adviser charge payment. If this happens you will still owe the amount to your financial adviser.
- 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.

## 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 16.

# Part C: PruFund Guarantees

## 1. Guarantees available

- 1.1 Guarantees which are available now may not be available in the future.
- 1.2 If you have a guarantee:
  - 1.2.1 this will be detailed in your Retirement Account documentation; and
  - 1.2.2 we will not change how it operates unless one of the reasons detailed in Part A section 33 applies.
- 1.3 You can have more than one type of guarantee at a time and multiple guarantees of the same type for each PruFund.

## 2. Capital Guarantee

- 2.1 If you have a **capital guarantee** you will have a **guaranteed minimum fund** and a **guarantee date**.
- 2.2 For a particular **capital guarantee**, if the **guarantee units** are worth less than the **guaranteed minimum fund** at the **guarantee date**, we will add additional **guarantee units** to your Retirement Account, after any **guarantee charge** has been taken, so that the value of the **guarantee units** is equal to the **guaranteed minimum fund**.
- 2.3 The **guaranteed minimum fund** can be increased in circumstances described in section 6.
- 2.4 The **guaranteed minimum fund** can be reduced in the circumstances set out in section 7.

Once you reach the **guarantee date**, the **PruFund units** become **non-guarantee units** in the same **PruFund**. These **PruFund units** will remain in your Retirement Account unless you choose to switch some or all of them into other investments at the **guarantee date**.

## 3. Minimum Income Guarantee

- 3.1 **Minimum income guarantees** are only available for **PruFund units** in your **Pension Income Account**.
- 3.2 If you have an **income guarantee** you will have an initial **secure income value** which is the same as the total value of the **guarantee units** which relate to that guarantee and can only be increased as described in section 3.8 or 6.2.
- 3.3 The **secure income value** can be reduced in the circumstances set out in section 7.
- 3.4 You will have a **guaranteed income rate** which does not change for that particular guarantee. It is applied to the **secure income value**. This then provides your **monthly income amount**.
- 3.5 The **monthly income amount** is paid from your **guarantee units**. Where there are no **guarantee units** remaining we will continue to pay your **monthly income amount** in accordance with your guarantee.
- 3.6 You must select to:
  - 3.6.1 have the **monthly income amount** paid to your **cash account**; or
  - 3.6.2 leave the **monthly income amount** in the same **PruFund** (but the **monthly income amount** will now be in **non-guarantee units**).
- 3.7 A reduction in the **secure income value**, as described in section 7, will mean that the **monthly income amount** will also reduce.
- 3.8 At each anniversary of the **income guarantee**, if the value of the **guarantee units** is greater than the **secure income value**, the **secure income value** will be increased to the value of those **guarantee units**.
- 3.9 Your **monthly income amount** will be payable until death or your guarantee is stopped in accordance with section 5.

## 4. Guarantee charge

- 4.1 There is a **guarantee charge** for each **capital guarantee** or **income guarantee**. The price you pay is set at the time you take out the relevant guarantee and will apply for the whole period you hold those **guarantee units**. If you take out new **guarantee units** then a new charge may apply.
- 4.2 The **guarantee charge** only applies to the **guarantee units** (or those **guarantee units** that remain) for that particular guarantee.
- 4.3 The **guarantee charge** is taken monthly in arrears on the relevant **charge date** by deducting **units**.
- 4.4 If a **charge date** is not a whole month after the start of the guarantee, then the first amount deducted will be a proportionate amount for the number of days since the start of the guarantee.
- 4.5 For a **capital guarantee** the **guarantee charge** will stop at that **guarantee date**.
- 4.6 If the **guarantee date** is different to the **charge date** a proportionate amount will be taken between the last **charge date** and the **guarantee date**.

## 5. Stopping a guarantee

- 5.1 A guarantee will come to an end if you:
  - 5.1.1 exercise your cancellation rights;
  - 5.1.2 request that we remove the guarantee; or
  - 5.1.3 cancel all **PruFund units** which have the guarantee attached.
- 5.2 You will not be liable for a **guarantee charge** from the date that the guarantee ends.
- 5.3 Guarantees will automatically come to an end on your death and can't be passed onto any **beneficiaries**.

## 6. Increase to the initial guaranteed amount

- 6.1 Once set at the start of a guarantee, your **guaranteed minimum fund** or **secure income value** can't be increased except in line with section 6. Your **secure income value** can also be increased in the circumstances described in section 3.8.
- 6.2 If you set up a guarantee as part of a switch and this results in purchases of **guarantee units** both at the start and at the end of the 28-day waiting period then these will be treated as the same guarantee. This will result in an increase to the **guaranteed minimum fund** or **secure income value**, as applicable. Where a switch has been requested that involves **PruFunds** and non-**PruFunds** and results in an increase in **guarantee units**, the **guaranteed minimum fund** and/or the **secure income value** set up as part of that switch would be increased by the value of the switch into the **PruFund** at the end of the 28-day waiting period.

## 7. Reduction to the guaranteed amount

- 7.1 If **guarantee units** are cancelled for any of the following reasons:
- 7.1.1 switch out (including to buy a **Prudential Guaranteed Income Plan**);
  - 7.1.2 payments out (not including the **monthly income amount**);
  - 7.1.3 buying an **annuity**;
  - 7.1.4 paying adviser charges;
  - 7.1.5 **tax-free cash** when moving money from your **Pension Savings Account** to **Pension Income Account** within your Retirement Account; or
  - 7.1.6 removal of the guarantee from **guarantee units**,

this will reduce your **guaranteed minimum fund** and/or **secure income value**. The reduction will be in the same proportion as the reduction in your **guarantee units**. For example, if 10% of the **guarantee units** are cancelled, then the **guaranteed minimum fund** and/or **secure income value** will be reduced by 10%.

- 7.2 If a **guaranteed minimum fund** or **secure income value** is reduced for one of the reasons detailed in section 7.1 other than to pay an adviser charge, then you cannot purchase another guarantee of the same kind for 12 months.

- 7.3 The restrictions in sections 7.2;
- 7.3.1 mean that where a switch reduces a guarantee you cannot buy a guarantee of the same type in that same switch;
  - 7.3.2 do not apply if you want to add a guarantee to new **payments** into your Retirement Account or you are moving money from your **Savings Account** to **drawdown your Income Account**.
- 7.4 The payment of the product charge or the **guarantee charge** will not reduce the **guaranteed minimum fund** or the **secure income value**.
- 7.5 If you have an **income guarantee** then the **monthly income amount** will not reduce the **secure income value**.
- 7.6 We will notify you of the current value of your **guaranteed minimum fund** and/or the **secure income value** if any changes take place to the value.

# Part D: Investment in External Funds and Stocks and Shares

## 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)

### 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 or your financial adviser 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 and your adviser detailing the transaction.
- 2.7 There is no minimum amount for investment in **external funds** in the Retirement Account 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 Account 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.

## Stocks and Shares

### 4. Stockbroker

- 4.1 We have appointed a stockbroker who will act on your instruction, on an execution-only basis, if you want to invest in stocks and shares.
- 4.2 You will need to enter into a contract with the stockbroker and agree to the stockbroker's execution-only Terms and Conditions.
- 4.3 The only instructions given to us will be in relation to the amount of money which is to be moved to the stockbroker and not in relation to the actual investments made.
- 4.4 The stockbroker does not provide advice but will buy and sell as instructed on an execution-only basis.
- 4.5 The instruction to set up an account with the stockbroker must be made by your financial adviser.
- 4.6 The stockbroker holds the stocks and shares bought as custodian for the **trustee**, as owner of the assets (see Part A, section 2).
- 4.7 There is a charge for dealing and custody service when investing through the stockbroker, details of which can be provided by your adviser or by contacting us using the details in section 42.
- 4.8 You will have a separate account with the stockbroker for each **sub-account** in your Retirement Account in which you invest in stocks and shares.

### 5. Types of investments

- 5.1 The type of investments which can be bought and sold through the stockbroker are UK listed securities which include:
  - 5.1.1 UK equities;
  - 5.1.2 investment Trusts;
  - 5.1.3 UK Government Securities; and
  - 5.1.4 other UK exchange-traded products.
- 5.2 The types of investments offered may change from time to time.

### 6. Dealing

- 6.1 You or your financial adviser must deal directly with the stockbroker using the stockbroker's dealing facility when placing a trade.
- 6.2 You or your financial adviser will tell us how much you want to move to your account with the stockbroker. If there is not enough money in the **cash account** then that transaction will not go ahead.
- 6.3 If you sell investments or any income is paid from investments then the stockbroker will hold this in a deposit account, within the stockbroker account, that you have set up with them in accordance with the stockbroker's Terms and Conditions. You or your financial adviser can request that any money held in this way is moved to the **cash account**.
- 6.4 The stockbroker will send contract notes to you and your adviser where applicable detailing the transaction.
- 6.5 The stockbroker will contact you or your financial adviser if there are any decisions which need to be taken in relation to your investments, for example a rights issue.

## General

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

- 7.1 There can be investment in a wide range of **external funds** and stocks and shares. However, some investments are subject to additional tax charges to discourage their use in a pension and you should seek advice on this.
- 7.1.1 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.
- 7.2 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.

### 8. Investment income

- 8.1 If you have transferred your Retirement Account to another provider or bought an **annuity**, we might still receive some income or interests from your earlier investments.
- 8.2 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.

### 9. Distressed investments

- 9.1 “Distressed investments” are investments where the provider of the fund or investment is in financial or operational difficulty, default or bankruptcy.

- 9.2 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.
- 9.3 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.
- 9.4 There will still be investment charges payable.
- 9.5 We may not be able to transfer all assets in your Retirement Account 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.

# Part E: Prudential Guaranteed Income Plan

## 1. Availability

- 1.1 **The Prudential Guaranteed Income Plan** may not be available as an investment option within the Retirement Account in the future.
- 1.2 An instruction to purchase a **Prudential Guaranteed Income Plan** from your Retirement Account must be made by your financial adviser.
- 1.3 **Prudential Guaranteed Income Plans** funded from your Retirement Account are purchased by the **trustee** who will hold the **Prudential Guaranteed Income Plan** on trust on your behalf.
- 1.4 Money held within the following parts of a Retirement Account can be used to purchase a **Prudential Guaranteed Income Plan**;
  - 1.4.1 Flexi-access drawdown **sub-accounts**
  - 1.4.2 Capped drawdown **sub-accounts**
- 1.5 Money held within the following parts of a Retirement Account cannot be used to purchase a **Prudential Guaranteed Income Plan** unless we agree otherwise;
  - 1.5.1 **Pension Savings Account** – these funds would have to be moved to Drawdown first – see Part A: General Terms and Conditions section 20. Moving to Drawdown for more information.

## 2. How Prudential Guaranteed Income Plans are represented under your Retirement Account

- 2.1 As your **Prudential Guaranteed Income Plan** sits within its own policy outside of your Retirement Account, but still forms part of your overall Retirement Account holdings, we receive the value of this plan on a regular basis, normally daily, so that we can reflect this within your overall Retirement

Account holdings. You may therefore see reference to a unit price of £1 and an associated number of units in certain documentation we send to you, such as your yearly statements, or where you access your Retirement Account online. These units and unit price are for our administration purposes only in order to reflect this value within your Retirement Account. You have no actual unit holdings within your Retirement Account for your **Prudential Guaranteed Income Plan**, therefore there are no actual units available.

## 3. Payments to and from the Prudential Guaranteed Income Plan

- 3.1 A **Prudential Guaranteed Income Plan** purchased from your Retirement Account will be directly related to the **sub-account** from which it was purchased. There must be sufficient cash in the **sub-account** to meet the purchase price required of the **Prudential Guaranteed Income Plan**. Where there is insufficient cash available, your financial adviser will have to tell us which investments should be sold.
- 3.2 Any money paid out of your **Prudential Guaranteed Income Plan**, such as income payments and/or a lump sum payable at the end of the plans term, is paid into your Retirement Account **cash account** and will be held as available cash against the **sub-account** from which the **Prudential Guaranteed Income Plan** was purchased. As available cash in the **cash account** this money is then subject to the terms in Part A: General Terms and Conditions for the Retirement Account.

# 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 Account 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.

“**capital guarantee**” means a guarantee as to the value of part or all of your **PruFund** investment at the **guarantee date**. The value we guarantee is the **guaranteed minimum fund**.

“**capped drawdown**” is a type of **drawdown**. No new **capped drawdown** funds can be established after 6 April 2015.

“**capped drawdown account**” is a drawdown account set up to provide **capped drawdown**.

“**capped drawdown limit**” means the maximum yearly income you can receive from a **capped drawdown** account. This limit changes from time to time.

“**cash account**” is the account, forming part of the **scheme** bank account, which holds cash and is used for money movements within your Retirement Account. 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 Account. 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](http://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 Account but keep the balance of your Retirement Account invested.

“**drawdown transfer**” means a transfer made into your Retirement Account from a **drawdown** arrangement in another pension scheme or a payment made from a **drawdown** arrangement in your Retirement Account 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**, stocks and shares or **Prudential Guaranteed Income Plans** 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.

“**guarantee charge**” means the charge deducted to pay for a guarantee on a **PruFund** investment.

“**guarantee date**” means the date on which your **PruFund** **capital guarantee** will apply.

“**guarantee units**” means the **PruFund** **units** which are subject to a **capital guarantee** or an **income guarantee**. Each guarantee you start has its own set of **guarantee units**.

“**guaranteed income rate**” is the rate applicable to a **PruFund** **income guarantee**.

“**guaranteed minimum fund**” means the minimum amount that any particular set of **guarantee units**, relating to the same guarantee, in your **PruFund** investment will be worth at their **guarantee date**. Initially, this will be equal to the value of the **guarantee units** allocated to provide that **capital guarantee** when it starts.

“**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)**” 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.

“**minimum income guarantee**” means that we guarantee that there is a **monthly income amount** available from part or all of your **PruFund** investment for life, unless you exit the guarantee.

“**monthly income amount**” means the investment income amount allocated monthly under your **PruFund** **income guarantee**.

“**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 Account.

“**non-guarantee units**” means the **PruFund** **units** which are not subject to a **capital guarantee** or an **income guarantee**.

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

“**payment**” or “**payments**” means all contributions, **transfer payments** and **drawdown transfers** into the Retirement Account.

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

“**Pension Savings Account**” means a **sub-account** where you accumulate retirement savings. You can also take an **UFPLS** directly from your **Pension Savings Account**.

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

“**Prudential Guaranteed Income Plan**” is a trustee investment that may be available to you within your Retirement Account. It aims to provide a guaranteed level of income for a fixed period and/or a guaranteed lump sum payable at the end of the fixed period. All money paid out of the plan is paid into the **cash account** of your Retirement Account.

“**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 Account (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.

“**secure income value**” is, initially, the value of **guarantee units** in your **PruFund** investment at the start of an **income guarantee** that have been allocated to provide that **income guarantee**. The **secure income value** can change during the period of your investment.

“**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](http://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 Account.

“**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 (other than a **drawdown transfer**) made into your Retirement Account from another pension scheme or out of your Retirement Account 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 Account 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.

“**UFPLS**” means an uncrystallised funds pension lump sum. This is a cash sum payable from your **Pension Savings Account**.

“**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 Account).

**“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.



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