

# Prudential Guaranteed Income Plan

## Fast Facts

The Prudential Guaranteed Income Plan is for Trustees of UK registered pension schemes, particularly Self-Invested Personal Pension schemes (SIPPs). It allows Trustees to invest on behalf of members.

The Plan is primarily designed for individual members phasing into, or in the early years of retirement looking for a guaranteed income, a guaranteed lump sum, or a combination of both.

<b>Starting the Plan</b>	
Scheme investment	The Plan is a trustee investment within the member's Scheme and can be held within a range of external Schemes.
Member designated plans	All plans will be set up for named individuals at the start, known as member designated plans.
<b>Eligibility (member)</b>	
Min age at entry	40+
Max age at entry	None
Residency	To take out a policy, your client must be a Member of a UK Registered Pension Scheme.
<b>Contributions</b>	
Minimum investment	£10,000.
Maximum investment	The maximum total investment is £1 million. If your client would like to pay in more, please contact us to discuss.
<b>Term</b>	
Minimum term	5 years
Maximum term	15 years Terms can be set up in full years and months for any duration between 5 and 15 years.
<b>Investment</b>	
Investment Fund	Our Guaranteed Income Plan is backed by an investment strategy within our With-Profits Fund, focused on fixed income assets.

<b>Features</b>	
<b>Product options</b>	<p>Members can select from a guaranteed income, guaranteed lump sum or a combination of both.</p> <p>Where a regular income is selected at the start of the Plan, this is guaranteed to be paid throughout the term.</p>
<b>Income frequency</b>	Monthly, quarterly, half-yearly or yearly, in advance or arrears.
<b>Payment date</b>	<p>Income is paid to the Scheme.</p> <p>Payment dates depend on the date funds are received and the payment frequency e.g. the member sets up income monthly in arrears – funds are received and the Plan is set up on 1 March, so the first income payment will be made on 31 March. There is no option to select a specific payment date.</p>
<b>Income changes</b>	<p>The income we calculate at the start of the Plan is guaranteed to be paid each year over the term.</p> <p>We'll never pay less than the starting income, but some years we might be able to pay a little more depending on the declared bonus.</p> <p>Each year at the policy anniversary, we'll look at how the assets used to back the Plan have performed. If they have performed in line with our expectations at the start of the Plan, we'll declare a small increase, as an example, a bonus might be in the range 0 to 0.2%.</p>
<b>Guarantees</b>	
<b>Guaranteed Income</b>	We guarantee that income will never fall below a certain amount, set at the level of the starting income. We'll never pay less than this but some years we might be able to pay a little more if the performance has been in line with our expectations at the start of the Plan.
<b>Guaranteed lump sum</b>	The minimum amount that we guarantee to pay at the end of the term, determined at the start of the Plan. We'll never pay less than this but we might be able to pay a little more if the performance over the term has been in line with our expectations at the start.
<b>Death Benefit</b>	
<b>Inclusive death benefit</b>	<p><b>All Plans have an inclusive death benefit at no additional cost.</b></p> <p>Plans are set up on a single life basis so any income will cease on death.</p> <p>On death, a cash lump sum will be paid to the Scheme. We'll calculate the lump sum payment by placing a value on the remaining benefits payable under the Plan. The lump sum will reflect the value at the time of the claim of the investments we bought when the Plan was taken out.</p>

<b>Withdrawals</b>	
<b>Cash-in Value</b>	<p>A full withdrawal can be requested before the end of the fixed term.</p> <p>A cash lump sum will be paid to the Scheme. We'll calculate the lump sum payment by placing a value on the remaining benefits payable under the Plan. The lump sum will reflect the value at the time of the claim of the investments we bought when the Plan was taken out.</p> <p>Partial withdrawals can't be made.</p> <p>We don't apply a fee for making the withdrawal.</p>
<b>Charges and costs</b>	
<b>Plan Charges</b>	<p>The charges we take are factored into the calculation of the guaranteed benefits, which we confirm at the start of the Plan.</p> <p>These charges cover various costs associated with setting up and looking after the Plan, for example the cost of administration, investment management and providing the guarantees.</p>
<b>Set Up Adviser Charge</b>	<p>Maximum 5% of investment (with an upper limit of £30,000)</p> <p>Any set up advice charge is taken from the investment amount before calculation of the benefits.</p>
<b>Ongoing Adviser Charge</b>	<p>Only available where income is being paid.</p> <p>Maximum of 1% of investment less any set-up adviser charge.</p> <p>OAC is deducted from income and paid before the income is paid to the Scheme.</p> <p>OACs are paid at the same frequency as the income payments.</p> <p>OAC payments can be switched off, reduced, or paid to a different adviser. They can't be increased or added at a later date.</p>
<b>Online Services &amp; Functionality</b>	
<b>Guaranteed Income Plan Calculator</b>	<p>This tool allows you to see the guaranteed income and/or lump sum that can be provided by our Guaranteed Income Plan for a range of different scenarios.</p>
<b>Quotes</b>	<p>You can generate a quote through Adviser Online Services.</p> <p>Alternatively you can use IRESS and Ipipeline to produce a quote, and apply for a Guaranteed Income Plan.</p> <p>You apply by submitting the recommended quote to the Scheme/Trustees.</p> <p>Once the quote is accepted by the Scheme, the Plan will be set up in line with our standard new business application process.</p> <p>Our quotes are guaranteed for 42 days.</p>

## For more information

You'll find more information and Key Documents on our Guaranteed Income Plan [here](#). You can also contact your Prudential Account Manager.

[pruadviser.co.uk](https://pruadviser.co.uk)

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