Leaver's Pack

Group Personal Pension/Group Stakeholder Pension – Options on leaving

Introduction

When you leave your employer, you must decide what to do with your pension plan(s).

You can continue your pension planning either by joining your new employer's scheme or by continuing your existing plan.

If your employer already has a pension scheme for employees and you haven't joined it, you should get information about the scheme before you do anything else. Joining your employer's scheme may be the best way to save for your retirement – especially if your employer contributes. Members can contribute to multiple schemes.

If your new employer does not offer a pension scheme and you want to continue your pension plan, please use the chart in this folder to help you complete the Change of Employment form correctly.

This pack includes:

- A Change of Employment form (P368).
- An options form which shows the other options available to you.

When you have decided how you want your plan changed, we will need:

- If contributions are to stop: You do not need to take any further action. Further details on this option can be found on page 2.
- If contributions are to continue: The Change of Employment form (P368) and completed options form returned within 30 days of the date on the covering letter.

If you have any questions about this pack, and you have a financial adviser, please contact them in the first instance. Otherwise, you can contact us at:

Customer Services
Prudential
Lancing
BN15 8GB

Telephone: 0808 234 3030

Contact Centre Hours:
8.30am to 6pm weekdays.

In an effort to ensure that we constantly improve our service to customers, we may record or monitor telephone conversations with you for staff training purposes.

Please have your reference number handy (shown on the letter sent with this pack) when you call. This will save you some time, as you will need this reference number as part of our security check.

There is a summary of your leaving options inside this folder. Please discuss your options with your Financial Adviser. Your Adviser may charge you for any advice given.

Options

Pension planning will affect your future. You should discuss all of your options with your Financial Adviser, before making any decision.

1. Continuing Pension Contributions

If you want to continue your and/or your employer's contributions, please follow the chart in this folder. Your Financial Adviser can help you with this.

You should be aware that if contributions are reduced, you will not be able to increase them again under your existing plan(s). If you do want to increase your contributions, other Prudential products are available that may suit your needs. Please speak to your Financial Adviser.

Please note that there may be restrictions on continuing any additional life cover you had under your plan.

2. Stopping Contributions

You can stop paying contributions and leave your plans with us. We will continue to invest your contributions in the funds you have chosen. Please note the position regarding fund switching at maturity or any Lifestyling switches will be unaffected by making the plan paid up, unless you advise us otherwise.

You should be aware that if you stop paying contributions, you will not be able to start making contributions again to your existing plan(s). If you do want to start contributions again, other Prudential products are available that may suit your needs. Please speak to your Financial Adviser.

Any cover for separate death benefit* and waiver benefit will cease. Any waiver claim already in payment will continue. We will also continue to deduct any annual charges (if applicable).

Benefits can normally be taken at any time after age 55 (57 from 6 April 2028, unless you have a protected pension age), and you don't have to take them all at once – you can take benefits gradually from age 55 (57 from 6 April 2028, unless you have a protected pension age). Under the terms of this contract you are currently required to take your benefits by age 75. If you wish to remain invested beyond 75 you will need to move to an arrangement with another provider.

3. Transfer to Another Registered Pension Scheme

You can normally transfer the surrender value of your plan(s) to another registered pension scheme (see Glossary).

If you are interested in this option, you should check the new plan can accept the transfer payment and that your transfer will meet any minimum requirement which may apply. Any protection you have registered from earned/transferred pre 6 April 2006 rights, (see Glossary), may be lost on transfer. You should also check the retirement benefits you will get as a result of the transfer and get financial advice on whether or not the transfer would be in your best interests.

If you are considering a transfer to an overseas scheme you should contact your Financial Adviser for guidance.

4. Taking Benefits

If you are aged 55 (57 from 6 April 2028, unless you have a protected pension age) or over, irrespective of whether you have stopped working, you can take benefits immediately. You can take your benefits earlier if incapacitated. You do not have to take all your benefits at once, but can take part now and the rest in stages later.

> If your plan invests in our With-Profits Fund and you take money out of that Fund, we may reduce the transfer value by applying a market value reduction.

* *If any death benefit you had was linked to a mortgage or loan you should talk to your lender about arranging alternative cover.*

Has your new employer agreed to contribute or deduct your contributions from your pay?

YES

Please complete sections A, B, C, D and E of form P368.

Ask your employer to complete section F and the direct debit mandate.

Return the completed form to us within 30 days of the date on the covering letter.

NO

Please complete sections A, B, C, D, E and direct debit mandate of form P368.

Return the completed form to us within 30 days of the date on the covering letter.

If your new employer already has a GPP/GSHP scheme with Prudential we may be able to continue your plan within that scheme. Please contact us for further details.

Glossary

GPP: Group Personal Pension.

GSHP: Group Stakeholder Pension.

P368: Change of Employment – Leaving the Scheme Application form.

Lump Sum Allowances

From 6 April 2024 the lifetime allowance was replaced by two new allowances.

What is the lump sum allowance (LSA)?

This is a limit on the amount of tax-free lump sums that can be taken from pension schemes. For the 2024-25 tax year the standard lump sum allowance is £ £268,275"

What is the 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. For the 2024-25 tax year the standard lump sum and death benefit allowance is £1,073,100, Where the amount exceeds either of these allowances, income tax may be payable on the excess.

Protection: Protection allows an individual to protect pension savings built up before a particular date. If you have protection there are some circumstances where it may be lost. You should speak to your Financial Adviser before taking action which might affect your pension.

If you had built up pension savings before 6 April 2006 when the standard lifetime allowance was first introduced, you could have applied for primary and/or enhanced protection to protect you from the Lump sum allowance and lump sum and death benefit allowance. charge. You would have had to apply to HMRC for this protection by 5 April 2009.

Other forms of protection have been introduced since 2006. You can get more information from the HMRC website at **hmrc.gov.uk**. Alternatively, you may wish to speak to a Financial Adviser, for which you may be charged.

Protected Pension Age: some members may have a protected pension age, which is earlier than the normal minimum pension age (currently 55, increasing to age 57 from 6 April 2028) – this is the earliest age which the member is allowed to take their pension other than where they are suffering from ill-health. This right will be lost if you transfer to another scheme unless the transfer is part of a block transfer.

Protected Tax Free Cash Sum: where you have protected tax free cash in respect of benefits earned/transferred before 6 April 2006. Such protection can be lost on transfer unless the transfer is part of a block transfer of more than one individual and is made to the same scheme.

Registered Pension Scheme: a scheme, which is registered under Chapter 2 of Part 4 of the Finance Act 2004. This will include personal and stakeholder pension schemes, occupational pension schemes and Section 32 buy out contracts.

The above is based on our understanding, as at April 2024, of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation (and any tax reliefs) depends on individual circumstances.

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