

# ABC Limited

## Group Personal Pension Plan

May 2024

Workplace Pensions form an important part of retirement savings planning, but as we see the cost of living crisis, and other world affairs, causing life to become more expensive, we need to ensure we are saving enough to maintain our current standards of living throughout retirement.

Therefore, to help you understand your Workplace Pension with ABC Limited, we've put together this resource for you to ensure you are in touch with your workplace pension savings and are thinking about preparing for your retirement.

ABC Limited and our appointed advisors, **Bowmore Financial Planning Ltd**, ensure that your pension with Royal London continues to run with your best interest in mind and are able to offer you support with any further questions you may have. Please contact your HR department in the first instance.



### Default Investment vs Benchmark

#### Performance of the Balanced Tracker Lifestyle Strategy (Drawdown)



The graph highlights the investment performance of ABC's Group Pension default investment arrangement vs a Composite benchmark over the course of 3 years. The % shows the compound annual growth rate over the past 3 years.

A composite benchmark may be used to compare performance when a fund invests in a number of different geographical areas or asset type. A composite benchmark is when a mixture of indices have been used to gauge performance. A mix of these indices will usually reflect the expected asset allocation of the portfolio.

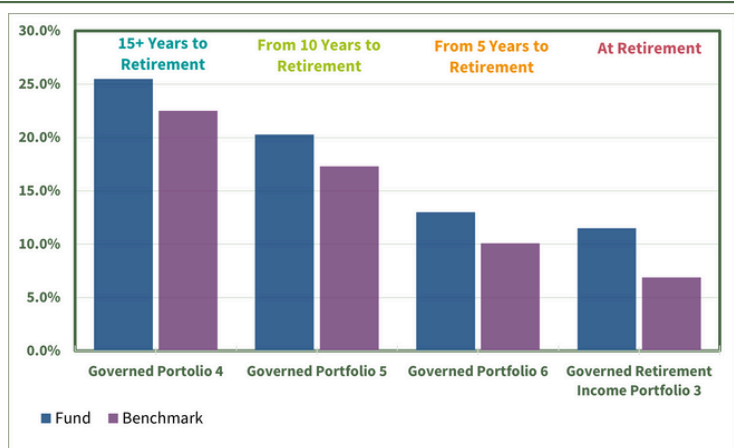
All figures have been calculated net of the fund management charge.

The scheme default investment (**Balanced Tracker Lifestyle Strategy Drawdown**) is known as a 'Lifestyle Profile'. The Lifestyle Profile is designed to reduce your investment risk the closer you get to retirement age. Your investments are gradually switched from higher to lower risk portfolios and begins 15 years before your retirement age and has been designed to support regular income withdrawals when you retire.

Whilst the default fund, and the underlying Governed Portfolios do not carry additional charges, please be aware that other investments may carry additional **Fund Management Charges**. This is important to consider when choosing to select your own investments. You can find the charges for a fund on the corresponding factsheet. These can be found on the Royal London website by typing in the link below:

<https://www.royallondon.com/pensions/investment-options/fund-prices/>

The Annual Management Charge levied by Royal London for the administration of the ABC Group Personal Pension is 0.32% This charge is for use of the default investment option only.



Source: Lipper, Royal London, as at October 2023

*Past Performance is not a guide to future performance. Investments can fall as well as rise*

Royal London are responsible for the suitability and design of the default investment and reviewing the default investment on a regular basis.

Outside of the default arrangement, Royal London offer more than 180 funds to choose from. These funds are not governed in the same way as the ready made portfolios, however, they are carefully selected and monitored to ensure they continue to perform in line with their objectives. You can view all available funds by registering for online services; please see below for more details on how to do this.

It is important to regularly review where your pension fund is invested to ensure that it remains appropriate to your interests and risk appetite.

### Royal London Support & Tools

#### Registering For Online Access & Downloading the App



Play store



App store

You can **register for online access** to your Royal London pension fund by visiting the following site:

<https://www.royallondon.com/secure/customer/registration/contact-details>

You can also access your ABC Group Personal Pension on your smartphone by visiting the **Royal London app**. You can download this by holding your camera over the appropriate QR code for your device.

Via the app, you can manage your pension plan, explore your potential retirement income, read financial guides and articles, transfer other pension pots, view and add your nominated beneficiary's and also view your investments.

## Nominating A Beneficiary

It is very important to ensure that you have **nominated a beneficiary**, to ensure your accrued pension fund goes to your chosen loved ones in the event of your death. You can update your beneficiary for your Group Personal Pension Plan by logging in to your Royal London account or by completing a Nomination Form and sending it via the post.

## Transferring Other Pensions

During your career, you may have built up other pension pots and may wish to consider **amalgamating these with your Royal London pension** so they are all in one place and easier to keep track of. Transferring can be a big decision and you should ensure you have all of the information you need to make an **informed decision** on whether it would be the best choice for you. Some pension plans may have higher charges than others. Combining your pensions in one place will mean you benefit from having just one plan charge.

Royal London are able to facilitate transfers of existing pensions via the online portal on a non-advised basis. To find out more information on this, visit: [www.royallondon.com](http://www.royallondon.com), click 'Pensions' then 'Pension Transfers'.

You may wish to take **professional advice** before transferring, and for some types of pension, you may be **required** to take advice before a transfer can go ahead. Should you have any questions on financial advice, you can contact our Workplace Pension advisers, Bowmore Financial Planning Ltd. Contact details are below. Please note they may charge for their services.

## Current Developments & Key Terms

The Chancellor's Budget statement in March 2023 brought some surprising, but most welcome, news for pension savers. Please see below for summaries of the recent changes and also some Key Terms for you to be aware of and understand.

**Scrapping the Lifetime Allowance (LTA):** The Chancellor has announced he intends to scrap the Lifetime Allowance, but this will not happen until the 2024/25 tax year. In the interim, while certain LTA protocols stay in place, the LTA excess tax charge is now set to 0% (zero) for benefit accessed from 6th April 2023. The LTA limit is/was £1,073,100.

**Annual Allowance (AA):** From 6th April 2023, the annual limit you can pay across your pensions each year is now the lesser of £60,000 or 100% earned income (2023/24). You will still be able to **carry forward unused Annual Allowances** from the previous 3 tax years. The previous annual limit was £40,000.

**Tapered Annual Allowance (TAA):** This reduces the annual allowance for people with an "adjusted income" over £260,000 and a "threshold income" over £200,000. The annual allowance is reduced by £1 for every £2 over £260,000 with a maximum reduction of £50,000, so reducing the maximum tax-allowable contribution to £10,000 per annum for those people whose "adjusted income" exceeds £260,000 per annum. The reduction does not apply to those that have a threshold income of no more than £200,000. Adjusted income includes all annual pension contributions (including employer contributions) and threshold income excludes annual pension contributions.

**Money Purchase Annual Allowance (MPAA):** If you start to draw a 'flexible' income from a Defined Contribution pension scheme, the amount you can pay into a pension and still benefit from tax relief reduces. This limit is called the MPAA and from April 6th 2023 is £10,000 per annum, up from £4,000 per annum.

**State Pension Age (SPA):** The state pension age is currently 66 for both men & woman but is set to increase to 67 in 2026 for those born on or after April 1960. It is likely to increase further still. The full level of State Pension is £203.85 a week (2023/24), and £10,600.20 a year. You can check your State Pension Age at [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age).

*Please note that your Workplace Pension retirement age may not be in line with state pension age. The default retirement age under your Group Personal Pension Plan is 65, and will not rise in line when regulations change regarding state pension. **You can amend your retirement age via your online account to suit your goals.***

**Minimum Pension Age:** Currently, you must be aged 55 or over to start taking money from your personal pensions. This is set by the government. From 6 April 2028, the minimum pension age will increase to 57.

If you have previously chosen not to join the ABC Limited Group Personal Pension because you hold **Individual, Fixed, Primary or Enhanced LTA protection**, you may now wish to review your options, given the budget announcements.

**Bowmore Financial Planning Ltd** can provide individual advice in this area, should you wish to review your options.

Please note that some of the changes made in the 2023 budget announcement will be **subject to legislative change** and may change again if the party in Government changes after the next election.

### Questions on your Group Personal Pension — Useful Contacts — Seeking Advice from a Chartered Planner



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