Your Key Features Document

All you need to know about your company's pension plan

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Fidelity INTERNATIONAL

About this Key Features Document

Here you'll find all the important information you need to help you decide whether the Direct Line Group Personal Pension Plan (the Plan) is right for you. The Plan is provided by the Fidelity Investments Personal Pension Scheme.

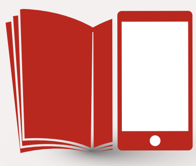
This document is quite detailed and covers, for example, the aims of the Plan, the risks involved and the investment choices available to you. We also let you know how you can access your pension savings when you decide to take them, and give you some examples of what your pension might be worth. We have had to use a few technical words but we've provided explanations through this document.

Please read this document carefully – it's very important that you understand what you are committing to. We also recommend you keep it safe for future reference.

You should read this document along with your 'Policy Conditions'. If you select your own investments within your Plan, this document should be read along with the factsheets for your chosen funds, which can be found online on PlanViewer (your secure web service for you to view and manage your pension online).

Let's keep it simple...

We try to use plain English wherever possible but sometimes we have to use industry terms or names. We've included definitions of these wherever you see this icon.



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A little about Fidelity

We will be taking care of the administration of your Plan. As well as this, we will also provide you with any support you need while you are saving in the Plan. We are an investment specialist and experienced pension administrator. Our goal is to make investing for your retirement as easy as possible for you.

When you save with us, you have the reassurance of knowing your pension savings are in experienced hands. Fidelity International was founded in 1969 as an independent asset management company and we look after the investments and pensions of savers around the world. We were set up with the simple objective of achieving outstanding investment returns for our customers. Today, 50 years on, our considerable knowledge and expertise of both UK and international markets has made us one of the world's most successful long-term investment managers.

Contents

Something to note...

If you find this document difficult to read, we provide alternative formats including large print, braille and audio versions. You can request one by:

- Calling our **Workplace Investing Service Centre** on **0800 3 68 68 68** It is open on business days from 8am to 6pm. You can also leave a message on our confidential answering service outside of these hours and we will contact you on the next business day.
- Emailing **pensions.service@fil.com**

About your Plan

This Plan is a company personal pension plan, which provides a way to save for your retirement. It allows you to build a pot of money that you can normally access at any time after age 55.

How much your pension savings will be worth if and when you decide to take them, largely depends on how much is contributed to your Plan over the years. It is therefore important that you think about how much is paid into your pension account through Salary Sacrifice (this is where, with your agreement, your salary is reduced and your employer pays this money into your pension). For more details please see 'What is Salary Sacrifice? in the Q&A section.

When contributions are made to your pension account, your money is invested into funds. There are different fund choices available and each one invests in different types of investment. For example, one fund may buy the shares of UK companies while another may hold cash investments. You can choose any fund from the range provided and you can move your money from one fund to another at any time. More information on the fund choices available can be found in the 'Your investment choices explained' section.

When you first join the Plan, the contributions made to your pension account will automatically be invested in the Plan's default option – Direct Line Drawdown Lifestyle Option However, you can select alternative funds if you want to.

When you decide to take your pension savings, you will also need to decide how to use them as there are a number of ways you can use your money to support yourself throughout your later life. Some of these options are explained in more detail in the Q&A section of this document.

Its aims

To help you save for your retirement in a tax-efficient way.

Your commitment

When you become a member of the Plan you may need to:

- Make contributions to your pension account in line with any conditions set by your employer (please see the Contributions Explained leaflet for more on how you can contribute to your Plan).
- In most instances, wait until you are at least age 55 before you can begin taking benefits from your pension account (please see the Q&A section for more details).
- Tell Fidelity if your circumstances change.

Let's keep it simple...

Salary Sacrifice: with your agreement, your employer can reduce your salary and then pay this amount into your pension account. This is known as Salary Sacrifice Your income will be reduced and tax and National Insurance will be calculated on your reduced salary.

Risks

The pensions industry is highly regulated and so you can be confident that your money will be managed to high professional standards. However, all pension plans come with some general risks, which we describe below.

You should be aware that:

- We can't guarantee what your Plan will be worth when you decide to start taking the benefits from your pension account, or what your actual retirement income will be.
- The value of any investment you make can go down as well as up. This means you could get back less than the amount you invest. The exact level of risk will depend on the fund(s) your savings are invested in.
- The tax relief you receive on your contributions depends on your individual circumstances and may change over time.
- The charges for the funds you invest in may increase.
- Some of the funds we offer deposit cash with other financial institutions. If any of these institutions suffer insolvency or other financial difficulties the value of your fund may be affected.
- Fidelity monitors the underlying fund providers and their funds with the aim of safeguarding your savings. The circumstances in which you will not receive the full value of your savings are, in Fidelity's opinion, very unlikely. You bear the risk in the event of a default on the part of any service provider, including any companies in the same group of companies as Fidelity. If one of the underlying fund managers becomes insolvent or cannot otherwise pay the full amount due, Fidelity would seek to recover any shortfall, but your savings may fall in value if Fidelity is unable to recover the full amount.
- The amount you can accumulate across all of your pensions without potentially incurring an additional tax charge is restricted to the 'lifetime allowance'. This allowance has been reduced over recent years, although the government has allowed you to apply for 'protection' if your pension savings are close to or already above the reduced allowance. **If you have applied for enhanced or fixed protection then becoming a member of this Plan may invalidate that protection and lead to possible tax charges on your benefits.**
- If you transfer other pensions to this Plan, your pension benefits may not be as great as they would be if you decided to keep them where they are. On the other hand, moving another pension to this Plan may mean your pension benefits end up being greater.

In addition to these general risks, each fund option will have its own risks. These are shown in 'The Plan's default option' section later in this document.

Your investment choices explained

Any contributions made to your pension account, are invested into a fund or range of funds. You can choose which funds you are invested in, although, unless you tell us otherwise, your contributions will be invested in the Plan's default option. Here we explain the default option in more detail and let you know how you can find information about the other fund choices available to you. Firstly, we explain how funds work.

Quick Read...

- A fund pools together money from a wide range of individual savers.
- When you join the Plan, your contributions will automatically be invested in the Plan's default option, which is often a Lifestyle Strategy.
- A Lifestyle Strategy aims to make planning for your retirement as easy as possible. It is designed for members who prefer to rely on an investment strategy that has already been set out for them.
- If you prefer to make your own investment choice, you can select any fund or mix of funds from the range available to you. Further details on all the fund choices are available on PlanViewer.
- When the time comes to take money from your pension, you will have access to a range of investments designed for specific retirement income objectives.
- Details of the charges for all the funds available in the Plan, can be found on the fund factsheets on PlanViewer.
- The total expense ratio adds together the annual management charge and other charges for a fund.

What is a fund?

A fund pools together money from a wide range of individual savers. A professional manager then uses this money to invest in a range of investments on behalf of all the savers in the fund.

When you invest in a fund, your money is used to buy units which represent a share of that fund. For example, if you invest £500 and the price of units is £5, you will receive 100 units in the fund. When you come to sell and if the price has risen to £10, then your investment will be worth £1,000 (100 x £10). On the other hand if the price falls to £2.50, your investment will be worth £250 (100 x £2.50).

How do FIL Life funds work?

The funds available to you within the Plan are known as FIL Life funds. These funds invest into other 'underlying' funds that are managed by other Fidelity companies or external fund providers. This is achieved either through an investment contract or reinsurance agreement between FIL Life and the underlying fund provider.

How do the underlying funds work?

The underlying funds usually invest in lots of different securities. For example, a UK equity fund might hold the shares of perhaps 100 different companies either based in the UK or listed on the UK stock market. A UK balanced fund might hold shares in perhaps 50 UK companies as well as some government bonds. A big advantage of investing in a fund is investment risk is spread over a variety of assets – you are not keeping all your eggs in one basket.

Which funds can I choose from?

You can select any fund or mix of funds from the range available to you.

When you join the Plan, your contributions will automatically be invested in the Plan's default option, Direct Line Drawdown Lifestyle Option If you wish to make your own investment choice you can do this once you have joined the Plan. Selecting a different fund is covered in the question below.

The default option, Direct Line Drawdown Lifestyle Option is covered in more detail later in this document. Once you start taking money from your pension, you will also have access to four Investment Pathways, which are designed around specific objectives for retirement income. Information on the full range of funds, including their investment objectives, risk ratings and charges, is available on PlanViewer.

Can I change my fund choice?

Yes, you can do this at any time either by:

- Using PlanViewer at planviewer.co.uk

or

- Calling our Workplace Investing Service Centre on 0800 3 68 68 68

Please be aware that switching funds may result in your money not being invested for a short time. Market movements during this period may affect the number of units you buy in your new fund choice. Please note we are not able to give you any advice on which funds you should invest in. If you do require any help making your choices, please consult a financial adviser.

What charges will I pay?

There are no entry or exit charges on the contributions made to your pension account. However, each of the available funds has charges that are deducted from the fund before the value of your fund is calculated:

- The total expense ratio combines a fund's annual management charge and other expenses, such as fees for auditors, registrars and regulators.
- Transaction costs occur when a fund manager buys and sells investments, either to achieve their investment objective or to raise or invest cash for clients.

Details of these charges can be found in the fund factsheets on PlanViewer.

What happens if there are any changes to the funds?

We will let you know of any material changes to the funds in which your pension contributions are invested. If a fund closes for any reason, your investments may be switched to another fund on your behalf (subject to any other instructions you may give us).

The Plan’s default option

The Plan’s default option is Direct Line Drawdown Lifestyle Option which is designed to target drawdown. Unless you request otherwise, all your pension contributions will be invested into this. This option is often known as a Lifestyle Strategy and below we explain more about this and how it is managed.

What is a Lifestyle Strategy?

A Lifestyle Strategy is an automated investment approach that changes as you get older. When your retirement is still many years ahead, it invests in a fund or funds that aim for growth. However, as your retirement age draws nearer, it moves your contributions (those made in the past as well as those to be made in the future) into funds that aim to preserve that growth. It’s an approach which makes managing your pension account as easy as possible, and has been designed for those who do not want to play an active role in managing their pension savings. The Lifestyle Strategy is driven by your intended retirement age and so it is important to let us know what this is and if it changes.

How does a Lifestyle Strategy change over time?

Direct Line Drawdown Lifestyle Option invests in a number of underlying funds and the mix automatically changes over time. The chart on the next page shows how the allocation to more cautious funds is increased as you approach your intended retirement age. Further information on Direct Line Drawdown Lifestyle Option is available on PlanViewer. You may wish to seek advice from an independent financial adviser for help with your investment choice.

Lifestyle Strategy Target Explained:

Your default lifestyle strategy is designed for members wishing to keep money invested in their pension plan at retirement. Please note that whilst there may be the facility to take ad-hoc withdrawals from this plan at retirement there may not be the facility to take regular income payments.

Note: Visit planviewer.co.uk for details of any other lifestyle strategies and funds available under your Plan.

To see more information about the options available to you at retirement please see page 21 of this booklet.

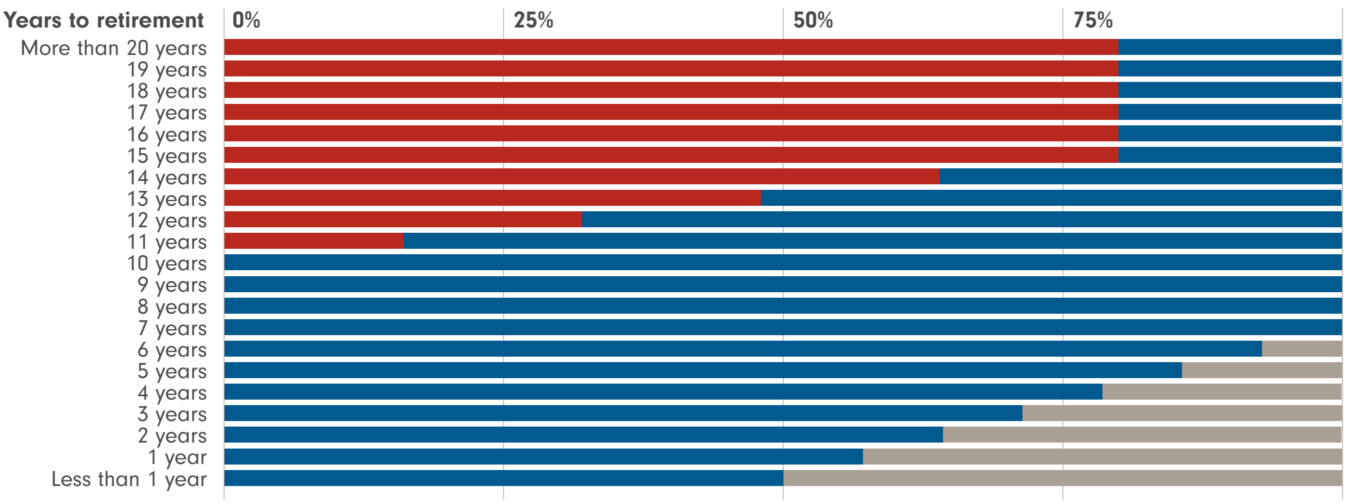
The chart is a simplified illustration of how the changes occur and the actual switching between funds may be on a more frequent basis. Switching may not be necessary in some circumstances, for example if changes in the values of the funds mean that the actual mix of funds is already very close to the intended target when a change is due.

As this is an automated process driven by your normal or selected retirement age, it is important to advise Fidelity if you decide to change your retirement age.

Your default funds

Here is a list of funds used in Direct Line Drawdown Lifestyle Option which is the default option for your Plan. Full information including the objectives, charges and risks of these funds can be found on PlanViewer.

Fund	
DL Group Diversified Equity Fund	DL Group Low Volatility Fund
DL Group Diversified Growth Fund	



What are the advantages and disadvantages of a Lifestyle Strategy?

We have summarised the main advantages and disadvantages to help you to decide whether or not a Lifestyle Strategy might be a suitable choice for you.

The ADVANTAGES of Direct Line Drawdown Lifestyle Option

- You do not need to actively manage your pension account.
- The Lifestyle Strategy aims to preserve the value of your pension savings as you near your intended retirement age. It does this through investing a higher proportion of your savings in safer, less risky investments as you get older. This approach helps to protect you from a significant drop in the stock market just before your retirement age.
- The switching of the fund's underlying investments (i.e. the move to more cautious investments as you get older) is carried out automatically.
- There is no additional charge for investing in a Lifestyle Strategy, although charges are made by the funds in which the Lifestyle Strategy invests.

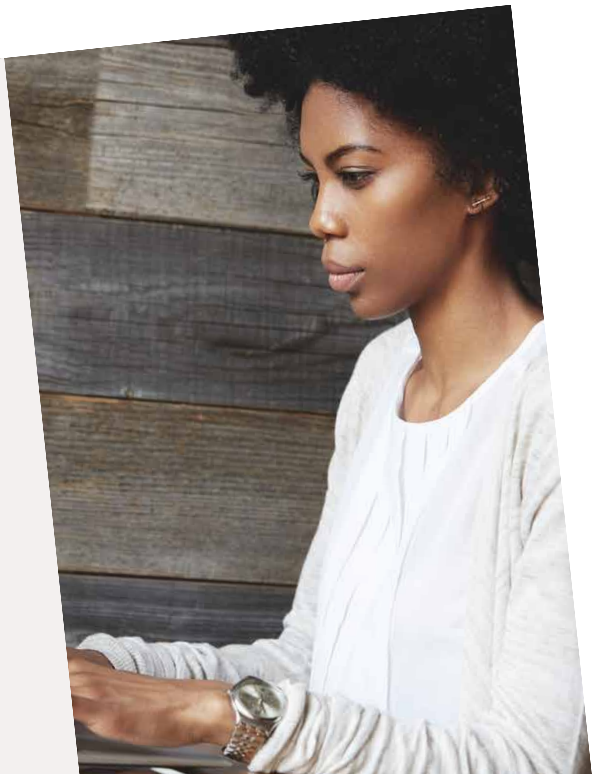
The DISADVANTAGES of Direct Line Drawdown Lifestyle Option

- The strategy is based on moving into lower-risk investments as you get older, such as bond and Gilts funds. These funds are expected to be less volatile than funds that invest in shares, for instance, but they can also suffer falls in value. In addition, the effects of inflation could mean that Gilts funds produce negative returns in real terms.
- By moving out of funds that invest in shares (equities) as you get older, you could potentially miss out on higher levels of growth. Shares have historically delivered higher returns than cash or bonds over the long term.
- All the investment decisions are taken out of your hands. If you want to be more involved in planning for your retirement, a Lifestyle Strategy is probably not for you. It is an automated strategy that does not react to market conditions.

Let's keep it simple...

Reinsurance: an arrangement which allows a pension provider to offer you funds from another insurance company.

Total expense ratio: the total annual charge you pay on a fund (it includes the annual management charge and other charges).



The objectives and risks of the underlying funds

Fidelity Life Funds	Class	Annual management charge	Other charges	Total expense ratio
DL Group Diversified Equity Fund	-	0.306%	0.004%	0.31%

The fund aims to achieve long-term capital growth by primarily investing in the shares of companies around the world. The fund may invest in or reinsure into underlying funds managed by Fidelity or our Fund Partners.

Risk Factors: 2,3,4,6,16,17

Fidelity Life Funds	Class	Annual management charge	Other charges	Total expense ratio
DL Group Diversified Growth Fund	-	0.33%	0.037%	0.367%

The fund aims to achieve long-term capital growth by investing or reinsuring into underlying funds managed by Fidelity or our Fund Partners, which invest into a range of asset classes including UK and overseas equities, bonds, property and cash.

Risk Factors: 2,3,4,6,8,11,13,14,16,17,18

Fidelity Life Funds	Class	Annual management charge	Other charges	Total expense ratio
DL Group Low Volatility Fund	-	0.301%	0.05%	0.351%

The Fund aims to provide a total return based on income, but with some element of capital growth, by investing in bonds, money market instruments and similar debt investments issued by companies and governments throughout the world.

Risk Factors: 2,3,4,6,8,16,17,18

(please see the following page for more on these particular risks)

Fund specific risk factors

A description of each of the risks detailed in the previous section is shown in the table below. You should refer to this table when reviewing your fund choices and looking at each fund's risk factors.

Risk factor	Description of risk
1	**Concentrated portfolio** The fund may invest in a relatively smaller number of stocks. This stock concentration may carry more risk than funds spread across a larger number of companies.
2	**Derivative exposure** The fund invests in derivatives as part of its investment strategy, over and above their use for efficient portfolio management. Investors should be aware that the use of these instruments can, under certain circumstances, increase the volatility and risk profile of the fund beyond that expected of a fund that only invests in equities. The fund may also be exposed to the risk that the company issuing the derivative may not honour their obligations which in turn could lead to losses arising.
3	**Efficient portfolio management** The fund may use other investment instruments apart from or in place of the actual underlying securities. This is done in order to manage the fund in a more efficient fashion. Examples of these other instruments could be options, derivatives or warrants. The process of using these instruments in the fund is referred to as efficient portfolio management. These instruments can be used to effectively take a position (or reduce an existing position) in a share or index, allowing positions to be altered more quickly and cost effectively than dealing directly in the underlying investment, but are not generally used to try and magnify returns. However, investors should be aware that the use of these instruments can, under certain circumstances, increase volatility and risk beyond that expected of a fund that only invests in conventional equities.
4	**Emerging markets** The fund invests in emerging markets. There is an increased chance of political and economic instability with less reliable custody, dealing and settlement arrangements. The market(s) can be less liquid. If a fund investing in markets is affected by currency exchange rates, the investment could either increase or decrease. These investments therefore carry more risk.
5	**Ethical restrictions** The fund is unable to invest in certain sectors and companies due to the ethical criteria used to select investments for the fund.
6	**Exchange rate** The fund invests in securities outside the UK. The value of investments and any income from them may, therefore, decrease or increase as a result of changes in exchange rates between currencies.
7	**Geared investments** The fund focuses on geared investments. Funds which focus on geared investments such as warrants or options carry a higher degree of risk than other equity investments because of the risk of the underlying investments. It is possible that the fund may suffer sudden and large falls in value so that the short fall on cancellation, or the loss of the realisation on the investment could be very high and could even equal the amount invested, in which case you would get nothing back.
8	**High yield bonds** The fund invests in high yield bonds. High yield bonds carry a greater risk of default than investment grade bonds, and economic conditions and interest rate movements will have a greater effect on their price. Income levels may not be achieved and the income provided may vary.

Risk factor	Description of risk
9	**Specialist** The fund is specifically aimed at sophisticated investors and is particularly high risk, because it concentrates on a region that may be exposed to unusual political or economic risks. You should only invest if you are comfortable with the specific risks pertaining to the fund in question.
10	**Income eroding capital growth** The fund focuses on income which may reduce the prospect of capital growth. Any income generated cannot generally be withdrawn from a pension account until retirement and will be reinvested in the fund.
11	**Liquidity** The fund can suffer from partial or total illiquidity, which may lead to considerable price fluctuations and the inability to redeem your investment. This could affect you, for example when you are close to retirement.
12	**Performance charges** The fund makes charges that depend on the fund's performance.
13	**Property funds** The fund invests directly in physical property. Due to the illiquid nature of the underlying assets, there may be delays in completing your instructions to sell. In exceptional circumstances, the manager of the fund has the authority to stop investors from selling some or all of their holdings in the fund. This could affect you, for example when you are close to retirement, as it may be difficult to sell the units you hold in such funds. Any decision to invest in physical property should be carefully considered in line with your planned retirement goals. The value of physical property is generally a matter of a valuer's opinion rather than fact. Property transaction costs are high (typically around 5% or higher due to legal costs, valuations and stamp duty) and as such you may receive a value that is lower than anticipated.
14	**Sector specific funds** The fund invests in specific sectors. Funds which invest in specific sectors may carry more risk than those spread across a number of different sectors. They may assume higher risk, as markets/sectors can be more volatile. In particular, gold, technology funds and other focused funds can suffer as the underlying stocks can be more volatile and less liquid.
15	**Smaller companies** The fund invests in smaller companies. Smaller companies' shares can be more volatile and less liquid than larger companies' shares, so smaller company funds can carry more risk.
16	**Solvency of depositary** The value of the fund may be affected if any of the institutions with which cash is deposited becomes insolvent or experiences other financial difficulties.
17	**Solvency of issuers** The fund invests in bonds and there is a risk that the issuer may default, resulting in a loss to the portfolio.
18	**Volatility** Investments in the fund tend to be volatile and investors should expect an above-average price increase or decrease.

What your pension might be worth

In order to give you an idea of what you might receive from your pension when you retire we have set out some examples in this section.

Quick Read...

- The examples on the following pages of what a pension account could be worth, are based on a number of assumptions - we sometimes call the examples illustrations.
- These are general illustrations and they make certain assumptions about the Plan, the funds available, future returns and economic conditions.
- The illustrations show lower, intermediate and higher rates of return in order to give a range of possible outcomes.
- These examples are not guaranteed, they are not minimum or maximum amounts. You could get back more or less than the amounts shown.
- The rates of return we have used are also shown on the next page. Other pension providers may use different growth rates and charges for their illustrations.

The assumptions we have used in these examples:

- Contributions will continue until the retirement age shown and will increase each year in line with the assumed rise in average earnings. If earnings are above the Plan's earnings limit, total contributions to the Plan will be restricted.
- Contributions are invested into the Plan's default option.
- The table shows the assumed annual growth rates that apply to the different types of funds held by the default option. The illustrations are based on the amount of time each fund type is held within the default option.
- The charges for the Plan and the funds do not increase. This may happen and would have the effect of reducing the figures shown.
- No tax-free cash lump sum is taken on retirement. Under current rules you may take up to 25% of your pension savings as tax-free cash. If you choose to take a lump sum the estimated annual pension figure you will receive will be lower than the estimated figures shown.
- The income from the pension is based on a guaranteed income for life (known as an annuity) being chosen but there are other options available to you. Retirement income may be taxable and the figures shown are before any tax is deducted.
- The pension income we have shown is on an 'escalating' basis. This means the estimated figure will increase each year in line with the Retail Price Index (up to a maximum of 5%). If you choose an annuity that doesn't increase every year your estimated annual pension will be higher than the example figures shown (although it will not increase year-on-year).

Something to note...

If you would like a personal illustration contact our **Workplace Investing Service Centre** on **0800 3 68 68 68** You can also prepare a personal illustration by using our online planning tools at **https://retirement.fidelity.co.uk/tools-calculators/**

- The pension income shown is on a single life basis and so does not include any benefit payable to your widow(er) on your death. If you choose a joint life annuity, the estimated annual pension income will be lower than the figures shown.
- The figures shown are in today's prices (real terms) so you have an idea of what you might be able to buy with your pension income when you retire.
- The tax and pensions legislation currently in place does not change.

We have used the following estimated annual growth figures in our calculations

	Lower	Intermediate	Higher
Growth for an investment in equity (shares) based funds	2.0%	5.0%	8.0%
Growth for an investment in bond based funds	-2.1%	0.9%	3.9%
Growth for an investment in cash or money market funds	-1.4%	1.6%	4.6%
Increase in average earnings	1.5%	3.5%	5.5%
Increase in retail prices	0.0%	2.0%	4.0%

Example 1

The following table shows the future pension of a 30-year-old with initial earnings of £20,000 who joins on 6 April and invests in the Plan's default option. Contributions are assumed to be 9% of salary (this gives a first-year contribution of £150 a month). The saver's salary is assumed to rise each year by the increase in average earnings as shown in the table.

Please note the benefits are proportionate to the contribution. So, for example, paying twice the contribution would give you twice the pension account value at retirement and twice the taxable annual pension for the same investment term.

		Lower rate		Intermediate rate		Higher rate	
Term in years	Retirement age	Plan value at retirement[1]	Taxable annual pension	Plan value at retirement[1]	Taxable annual pension	Plan value at retirement[1]	Taxable annual pension
25	55	£37,900	£474	£69,300	£1,100	£125,000	£2,490
30	60	£44,600	£710	£92,000	£1,800	£187,000	£4,470
35	65	£50,900	£1,050	£118,000	£2,920	£274,000	£7,960

The effect our charges may have on your pension account

The table below shows the value of the pension account after different periods from the date of joining. It is assumed the investments will grow at the intermediate rates of growth and the figure has been adjusted to account for the effects of inflation. The amounts shown are only examples to illustrate the effect of charges and are not guaranteed.

The total annual charge used within the illustration represents the combined charge of the different funds within the Plan's default option. It reflects how long each fund is held within the default option.

In this example, the effect of the charges would reduce the pension account's growth from 2.4% a year to 2.3% a year. The reduction in growth will be proportionate to the annual charges (annual management charge and other charges) of the fund. The current charges for the funds used within the default option are shown earlier in this document.

At end of year	Total paid in to date[2]	Effect of deductions to date	What the value might be[3]
1	£1,586	£3	£1,800
2	£3,194	£12	£3,690
3	£4,827	£28	£5,650
4	£6,484	£51	£7,680
5	£8,164	£81	£9,800
10	£16,947	£363	£21,700
15	£26,395	£914	£36,000
20	£36,558	£1,820	£53,100
25	£47,491	£3,270	£73,500
30	£59,252	£5,450	£97,200
35	£71,903	£8,000	£118,000

Example 2

The following table shows the future pension of a 55-year-old with initial earnings of £30,000 who joins on 6 April and invests in the Plan's default option. Contributions are assumed to be 9% of salary (this gives a first-year contribution of £225 a month). The saver's salary is assumed to rise each year by the increase in average earnings as shown in the table.

Please note the benefits are proportionate to the contribution. So, for example, paying twice the contribution would give you twice the pension account value at retirement and twice the taxable annual pension for the same investment term.

		Lower rate		Intermediate rate		Higher rate	
Term in years	Retirement age	Plan value at retirement[1]	Taxable annual pension	Plan value at retirement[1]	Taxable annual pension	Plan value at retirement[1]	Taxable annual pension
5	60	£12,600	£223	£14,100	£304	£15,800	£409
10	65	£24,400	£561	£30,900	£839	£38,900	£1,230

The effect our charges may have on your pension account

The table shows the value of the pension account after different periods from the date of joining. It is assumed investments will grow at the intermediate rates of growth and the figure has been adjusted to account for the effects of inflation. The amounts shown are only examples to illustrate the effect of charges and are not guaranteed.

The total annual charge used within the illustration represents the combined charge of the different funds held within the Plan's default option. It reflects how long each fund is held within the default option.

In this example, the effect of the charges would reduce the pension account's growth from 1.9% a year to 1.6% a year. The reduction in growth will be proportionate to the annual charges (annual management charge and other charges) of the fund. The current charges for the funds used within the default option are shown earlier in this document.

At end of year	Total paid in to date[2]	Effect of deductions to date	What the value might be[3]
1	£2,378	£5	£2,710
2	£4,792	£21	£5,530
3	£7,241	£48	£8,470
4	£9,725	£88	£11,500
5	£12,247	£139	£14,600
10	£25,421	£582	£30,900

Notes

1. 'Plan value at retirement' refers to the amount that could have accumulated in the pension fund by the retirement age shown in the tables. This figure, adjusted for the effects of inflation, includes the value of all contributions (including transfers) and the investment growth achieved less any charges taken over the period.

2. Total paid in to date refers to the amount of contributions that would have been paid into the pension over the period. This figure is adjusted for the effects of inflation.

3. 'Value' indicates what the pension fund could be worth at the end of the period. This figure, adjusted for the effects of inflation, will include the value of all contributions (including transfers) and the investment growth achieved less any charges taken over the period.

Q&A

More about how the Plan works

In this section we answer the questions you may have when you save for your retirement with us:

- **The first part covers when you first join your Plan.**
- **Secondly, we detail how you can keep track of your pension account over time.**
- **The third part, covers how you can choose to take the pension savings from your account when you decide to take your benefits.**
- **Finally, we answer some general queries you may have regarding your Plan.**

1 Joining and investing in the Plan

What is a personal pension plan?

A personal pension plan is a tax-efficient way to save for your retirement. It is designed to provide you with a sum of money that you can access normally from the age of 55. You can use your pension savings in a number of ways from age 55, although the priority for most people is to generate an income. Your options are covered in more detail in the 'What are my choices when I take my benefits?' section.

The Direct Line Group Personal Pension Plan is a pension plan provided through the Fidelity Investments Personal Pension Scheme. It is an individual insurance policy.

Is this a stakeholder pension?

No, it is not. A stakeholder pension is a plan which meets minimum standards set by the government (such as how much is charged for investing in a fund). Stakeholder pensions are widely available and one may suit your needs at least as well as this plan. However, your employer may not be able or want to pay their contributions into a separate plan or additional plan set up by yourself.

Who can make contributions to my pension account?

Contributions to your pension account can come from:

- you
- your employer, including any salary you have agreed should be invested in your pension account through Salary Sacrifice
- lump sum payments made directly to Fidelity
- transfers of pensions you have previously contributed to.

Once you have joined, contributions made through your employer's payroll system are paid automatically. Any transfers are arranged separately.

What is Salary Sacrifice?

With your agreement, your employer can reduce your salary and then pay this amount into your pension account. This could be for regular contributions or bonus payments. Contributions paid in this way are classed as employer contributions for tax purposes. You are therefore not eligible for personal tax relief on these contributions but Income Tax and National Insurance will be calculated on your reduced salary meaning the overall cost of the pension contribution to you should be lower.

Can I make additional contributions to my pension account?

Yes, you can do this while you are employed by your current employer. There are no limits on how much you can contribute – you can pay in your full annual earnings if you want to. However, please note there are limits on the amount of tax relief you can receive on your contributions (please see ‘What are the tax benefits of investing in the Plan?’ below). You can also find more details in our Contributions Explained leaflet.

Can I transfer another pension plan to this one?

Yes, this is an option in most cases. However, we recommend that you take financial advice before doing so as it is possible you could lose some important benefits offered by your other plan. You can find out more about transferring pensions at: https://retirement.fidelity.co.uk/transfer

What tax benefits will I receive when I invest in the Plan?

As the Plan is set up on a Salary Sacrifice basis, your contributions are paid to your pension account by your company and are classed as employer contributions for tax purposes. You will not be able to obtain tax relief on contributions paid through Salary Sacrifice Your income will be reduced and tax and National Insurance will be calculated on your reduced salary.

Any personal contributions paid in addition to your Salary Sacrifice contributions will qualify for tax relief at the basic rate of tax. This effectively means a £100 contribution only costs you £80. If you pay tax at a higher rate than the basic rate of 20%, you can claim additional relief through your self-assessment tax return or by contacting your local tax office.

There is no limit on the amount that can be contributed to your pension each year, however, there is a limit on how much can be saved into your pensions each tax year while still benefitting from tax relief on your contributions, any employer contributions and any contributions made on your behalf by someone else.

The amount of tax relief you can receive is restricted to:

- 100% of your annual earnings
- £3,600 (including any tax relief) if this is higher than you earn.

In addition, there is an overall limit known as the annual allowance which is currently £40,000 for most people.

The annual allowance applies to all registered pension plans to which you belong and you may be liable to a tax charge if your contributions exceed your allowance.

This allowance could be lower if the following applies to you, although everyone has an annual allowance of at least £4,000:

- If you earn over £200,000 per annum (you can find out more about this by downloading our factsheet on the tapering of the annual allowance from https://retirement.fidelity.co.uk/allowances)
- If you take money from your pension under the pension freedoms (i.e. more than just the tax free part) you may be subject to the Money Purchase Annual Allowance – this is described in more detail in the ‘Taking benefits from your pension account once you retire’ section.

Let’s keep it simple...

Enhanced or fixed protection: the lifetime allowance for pension contributions has been reduced a number of times over recent years. Savers who already had pension savings above or close to the new limits have been able to apply for different types of protection so that they retain the higher allowance. This protection can be lost if further pension contributions are subsequently made by the saver.

Lifetime allowance: this is the total amount you can build up in pension benefits over your lifetime that will enjoy full tax advantages. If you go over the allowance you will generally pay a tax charge on the excess when you take a lump sum or income from your pension pot, transfer overseas or reach age 75 with unused pension benefits.

Marginal rate of tax: this means you only pay the specified tax rate on that portion of your salary. For instance, if your salary puts you in the 40% tax bracket then you only pay 40% tax on the segment of earnings in that income tax band. For the lower part of your earnings, you’ll still pay the appropriate rate of tax (20% or 0%). Tax rates in Scotland are different but work the same way.

The Lifetime allowance

This is the total amount you can build up in pension benefits over your lifetime that will enjoy full tax advantages. If you go over the allowance you will generally pay a tax charge on the excess when you take a lump sum or income from your pension pot, transfer overseas or reach age 75 with unused pension benefits.

For the tax year 2021/22 the lifetime allowance is £1,073,100. This should increase yearly in line with inflation. If you exceed the allowance you pay tax on the excess amount (called the 'Lifetime Allowance Charge'). The charge is 55% if taking money from the pension as a lump sum or at 25% if taken as income. When income is taken, tax is payable on it at your usual rate of Income tax.

Tax on the investments within your pension

The investments held within your pension account are exempt from any income tax and capital gains tax. However, any withholding tax levied on dividends cannot be reclaimed.

How much will any advice cost?

If you choose to seek financial advice your adviser will provide you with details of any costs for their services.

Can I change my mind?

Leaving within the 'opt out' period: If you have been enrolled in the Plan but don't want to remain a member, you can choose to opt out. Any payments which have already been made will be refunded if you opt out within a certain period (please see the letter you received with this document for further details).

If you are considering opting out, you should think about your company's contributions, tax relief and other benefits that you will be giving up (your Plan may offer life cover arranged by your employer, for example). You should also consider other ways to save for your retirement.

You do not need to take any action if you want to remain a member of the Plan.

Leaving outside of the 'opt out' period: If you choose to leave the Plan once the opt out period has ended then your company's contributions (and any other contributions) to your pension account will stop. Any contributions already made into your pension account will not be refunded and will remain invested as before, unless you elect to make a change to your fund choices. You can change your fund choices at any time in the future.

Can I transfer my savings to another pension plan?

Yes, you can transfer to another pension plan at any time. We recommend that you obtain financial advice before you make any decision.

PlanViewer - your secure web service

You can check the progress of your pension account whenever you wish through PlanViewer, your secure web service. It gives you an up-to-date valuation of your account and provides comprehensive information on all the fund choices available to you. You can also switch between funds should you want to make a change to your investment strategy.

PlanViewer is available 24 hours a day, seven days a week at **planviewer.co.uk** (or you may be able to access it through your company intranet).

To login for the first time you will need to register as a new user. You'll need:

- your Fidelity Reference Number, which you can find on letters that we've sent you
- your National Insurance Number
- your personal email address

Scan over the computer screen image for an interactive guide to using PlanViewer.

2 Keeping track of your pension account over time

How can I keep track of my pension account?

There are different ways to stay in touch with your pension account:

- **Your online account:** PlanViewer, our secure online service, lets you check the progress of your account whenever you wish. It allows you to see how much your account is currently worth and shows the change in its value over the course of the last year. It also provides access to up-to-date fund factsheets which detail where your money is currently invested and provides information on where you might want to invest in the future. Simply log in at planviewer.co.uk
- **Your annual pension account summary:** We will provide you with a summary of your pension account on an annual basis. You can also request a summary over any time period and receive written confirmation of your current balance.
- **Phone:** Fidelity's Workplace Investing Service Centre provides a range of services to help you manage your pension account – simply call us on 0800 3 68 68 68 on business days from 8am to 6pm. Our friendly team can give you an up-to-date balance of your account and answer any questions you may have. However, they will not be able to offer you any advice on your Plan.

Can I make changes to my fund choices?

Yes, you can switch your contributions into different funds at any time. This is covered in more detail in the 'Your investment choices explained' section.

3 Taking benefits from your pension account once you retire

When can I take my benefits?

You can usually take benefits from your pension account at any time from age 55 (all in one go or in stages if you wish). If you are hoping to take your benefits sooner rather than later, you should bear in mind that your pension account will have less time to grow.

The standard (default) retirement age for your Plan is 65 However, you can change your selected retirement age at any time by contacting our Workplace Investing Service Centre on 0800 3 68 68 68

What are my options when I take benefits from my pension account?

You now have more choice on how you can use your pension savings than ever before. In fact, you have the complete freedom to spend your savings as you wish from age 55, although generating a retirement income is a priority for most people.

The decision on how you use your pension savings is very important and so we recommend you get guidance or advice to help you with the decisions you need to make.

Pension Wise, a service from the government, also offers free and impartial guidance. You will find their contact details in the 'Useful contacts' section of this document.

When the time comes to take benefits from your pension account, you normally have the option of taking up to 25% of your account as a tax-free lump sum (it may be more or less than this in certain cases). You can then choose what to do with your remaining account (whether you have taken the tax-free lump sum or not):

- **Secure a guaranteed income for life by purchasing an annuity.** This will involve transferring your pension savings to your chosen annuity provider. The rate of income paid to you depends on different factors. The main one is your age when you make the purchase. The older you are the higher the income you receive is likely to be, reflecting the fact that the income will be paid to you for fewer years. You usually cannot change your mind once you have bought an annuity.
- **You can get a flexible retirement income (also known as flexi-access or income drawdown).** This allows you to leave your money invested in your pension account and take regular income or lump sums from it as and when you want. As the money in the account is still invested it still has a chance to grow, but it could go down in value too. The more money you take out each time the less is left to provide future income.
- **You can take your pension as a number of lump sums.** You can leave your money invested in your pension account and take lump sums from it as and when you need, until your money runs out or you choose another option. You can decide when and how much to take out. As the money in the pension account remains invested, it may give it a chance to grow, but it could go down in value too. The more money you take out each time the less money is left to provide future income.

Please note - there is a reduced annual allowance for people who access their pension savings flexibly by taking money out of their savings beyond their tax-free entitlement, or for any income that is not guaranteed through an annuity product. The level for this allowance, known as the Money Purchase Annual Allowance (MPAA), is £4,000 each year, and as the name suggests, this is in relation to your money purchase (or defined contribution) contributions.

You can choose more than one option and you can mix them

You can also choose to take your pension using a combination of some or all of the options over time or over your total pension. If you have more than one pension, you can use the different options for each pot. Some pension providers or advisers can offer you an option that combines a guaranteed income for life with a flexible income.

You do not have to make a one-off decision if you select the second or third option. You retain the flexibility, for example, to use your remaining savings to purchase an annuity at any time.

If the value of your account is small, you can also consider taking all your benefits as a cash sum (this is known as the small pots rule). The value of your pension savings must not normally be greater than £10,000 to qualify for this option.

How much will I receive when I take my benefits?

This depends on the amount you and your employer contribute to your pension account over time, the performance of your investments (after charges) and the options you choose when you come to take benefits from your savings.

Will I be taxed when I take benefits from my pension?

The first 25% of your pension savings can normally be taken tax free. Income payments, including lump sum payments in excess of your tax-free amount, are subject to income tax at your marginal rate of tax (this is the tax band that applies to you once all your income, including your pension withdrawals, has been added together).

Something to note...

Whether you're approaching retirement or already there, we're here to help you through the many important decisions you need to make. We can support you with general guidance or discuss the option of receiving personalised advice. For a full breakdown of all our products, services and charges call us on 0800 3 68 68 73.

Alternatively, the government's Pension Wise service offers free, impartial guidance to help you understand your options at retirement. You can access their guidance online at www.pensionwise.gov.uk or over the telephone by calling 0800 138 3944. You can also choose to use another company or financial adviser to help you with your decisions. You should shop around for the best solution for you.

4 Other questions you may have about your Plan

What happens if I die and still have money in my pension?

The money in your pension account can be paid as a lump sum or used to provide an income for your dependants or other beneficiaries. These payments will normally be paid tax free if you die before age 75 (they will usually be taxed if you die age 75 or over). If your beneficiaries decide to set up a guaranteed income we can send the money from your pension plan to their chosen annuity provider. If they would prefer to take a flexible drawdown income, they may need to transfer your pension to another company.

You can indicate who you would like to receive your pension benefits by completing an Expression of Wish form. This is available in the 'My plan' section of PlanViewer, our secure online account management service.

What happens if I divorce?

The courts may take your pension benefits into account when deciding how to divide your marital assets. The same will apply if a civil partnership is dissolved through the courts.

What happens if I move abroad?

If you emigrate restrictions may apply to the tax relief you receive on any contributions made to your pension account. We can let you know more about this when you tell us you are moving abroad.

How secure is my pension account?

The circumstances in which you will not receive the full value of your pension savings are, in our opinion, very unlikely to occur. Your savings are invested into funds run by Fidelity's life insurance company (FIL Life). These funds then invest into other funds managed by other Fidelity companies or carefully selected external fund providers. However, there is a possibility you may not receive all your savings, for example, should FIL Life or one of the fund providers become insolvent or experience financial difficulties.

What happens if FIL Life becomes insolvent?

In the unlikely event that FIL Life becomes insolvent, or cannot otherwise pay you the full value of your pension account, your savings may fall in value.

What happens if a fund provider becomes insolvent?

We closely monitor the funds and fund providers in which our funds invest. The aim is to safeguard your pension savings as much as possible. However, in the unlikely event that an external fund provider or another Fidelity company becomes insolvent or cannot otherwise pay the full amount due, your pension savings may fall in value.

Will my account be protected if my employer becomes insolvent?

Yes, you are fully protected. Your savings in the Plan are separate from your employer's assets.

Is the Plan covered by the Financial Services Compensation Scheme?

The UK Financial Services Compensation Scheme (FSCS) is an independent body set up by the government and funded by the financial services industry. It pays compensation when it's satisfied that a fund provider can't pay the claims against it because it's insolvent.

In certain circumstances you may be entitled to compensation from the FSCS.

Take a look at these scenarios:

1. If an exceptional event happened to FIL Life

You **would** generally be able to claim compensation from the FSCS. It aims to ensure you get back 100% of any loss with no upper limit.

✓ You **would** be eligible for compensation because you are one of our policyholders.

2. If an exceptional event happened to a fund provider

You **wouldn't** be able to claim compensation from the FSCS.

✗ You **wouldn't** be eligible for compensation because FIL Life is the client of the fund provider. As a 'professional investor' (according to legislation) we aren't afforded the same FSCS protection as an individual investor like you.

These are the current rules. Visit **fscs.org.uk** for further details.

What happens if I need to make a complaint?

We hope this situation will never arise but should you ever need to make a complaint you should read our leaflet 'How we handle complaints'. To obtain a copy, please call our Workplace Investing Service Centre on 0800 3 68 68 68 or write to us at Fidelity International, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP.

However, if you feel that we have not dealt with your concerns adequately you can refer your complaint to either the Financial Ombudsman Service or The Pensions Ombudsman. We will give you details of how you should refer your complaint should the need ever arise.

Some important information about your Plan

About the Fidelity Investments Personal Pension Scheme

The Fidelity Investments Personal Pension Scheme was established by deed poll by FIL Life Insurance Limited. FIL Life Insurance Limited is the scheme administrator. The main business of FIL Life Insurance Limited is unit linked pension insurance. FIL Life Insurance Limited is entered on the Financial Conduct Authority / Prudential Regulation Authority Financial Services Register, number 186526.

FIL Life funds and the underlying funds they invest in

Your pension contributions will be invested in funds offered by FIL Life Insurance Limited. These funds then invest in Fidelity unit trusts and open-ended investment company (OEIC) funds managed by FIL Investment Services (UK) Limited, authorised and regulated by the Financial Conduct Authority. The Cash Pensions Fund invests in the Fidelity Cash Fund, which is a UK-authorised unit trust.

FIL Life Insurance Limited may also invest in funds managed by other fund managers or reinsured by other insurance companies. The name of the external insurance company or fund manager will normally be shown in the name of the fund.

Our liability for losses

Fidelity will not be responsible for losses arising through it providing services under the Plan. Also, for anything it does or omits to do unless that failure is a breach of the Financial Services and Markets Act 2000, the Prudential Regulation Authority / Financial Conduct Authority rules, or is the result of lack of due skill, care and diligence by Fidelity or its employees or agents. Fidelity will not be responsible for losses arising from matters beyond its control, including fire, explosion, war, industrial disputes, or breakdown of equipment.

Law

The establishment of relations with you before the contract is concluded is subject to the laws of England and Wales. Fidelity proposes that the laws of England and Wales will also apply to the contract once it is concluded. The contract is supplied in English and Fidelity will communicate with you in English during the course of the contract. There is no minimum duration of the contract.

Data protection

The personal data that you provide or which is provided about you over the course of your relationship with us will be held on and processed by computer or other means so that Fidelity (or its affiliated, associated companies or agents) can administer the Plan. This may involve the transfer of data by electronic means including the internet and may also include the transfer of data to affiliated or associated companies or agents based outside the European Economic Area. Your information will be held in confidence and will not be passed to any other company without appropriate permission or unless Fidelity is required to do so by law. The exceptions are as follows:

- Where it is necessary in order to administer the Plan.
- When we are provided with updated address details or other information by you or your current employer, we will also update the information kept for any other plans of which you are a member and for which we hold records on our database.
- We may provide some information to your employer to help us administer the Plan.
- At the request of your employer, we may also provide certain information to a financial adviser or a financial adviser who is acting on your behalf. This may be to allow you to receive advice and/or to allow the financial adviser to provide general information to your employer. This will help your employer assess the choice of available funds.

You have the right to obtain a copy of the personal data held about you. Simply call our Workplace Investing Service Centre on 0800 3 68 68 68 to arrange this, although please note you may be charged a fee for this service.

Useful contacts

The Pensions Ombudsman - Early Resolution Service

We hope you will never be in a position where you feel you need to make a complaint. However, should this situation arise, we have full procedures in place for dealing with your complaint. Please call our Workplace Investing Service Centre or write to us to obtain a copy of these procedures or to raise your concerns.

In addition, you can also get help from The Pensions Ombudsman's Early Resolution Service at any time. They can help you with any concerns you may have including any instances of where you feel we have failed to resolve your complaint. They can be contacted at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London E14 4PU

Telephone: 0800 917 4487

Online: pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

The Pensions Ombudsman

The Pensions Ombudsman may be able to investigate any complaint or dispute that the early resolution service is unable to resolve for you. Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended. The Ombudsman can be contacted at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London E14 4PU

Telephone: 0800 917 4487

Online: pensions-ombudsman.org.uk

Email: enquiries@pensions-ombudsman.org.uk

The Pensions Advisory Service

If you have general requests for information or guidance concerning your pension arrangements contact:

The Pensions Advisory Service
11 Belgrave Road
London SW1V 1RB

Telephone: 0800 011 3797

Online: pensionsadvisoryservice.org.uk

Financial Ombudsman Service

If you have a specific complaint about the sale and marketing of a pension plan, you can refer this to the Financial Ombudsman Service. They can be contacted at:

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

Telephone: 0800 023 4567
Free for people phoning from a fixed line (a landline for example)

Telephone: 0300 123 9123
Free for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02

Telephone: +44 20 7964 1000
For calls from outside the UK

Online: financial-ombudsman.org.uk

Email: complaint.info@financial–ombudsman.org.uk

Financial Services Compensation Scheme (FSCS)

Fidelity is covered by the Financial Services Compensation Scheme. If we are unable to meet our obligations you may be entitled to compensation from the Scheme. The FSCS can be contacted at:

Financial Services Compensation Scheme
10th Floor, Beaufort House
15 St Botolph Street
London EC3A 7QU

Telephone: 0800 678 1100 or 0207 741 4100

Online: fscs.org.uk

Email: enquiries@fscs.org.uk

Pension Wise

The decisions you make about your pension savings when you retire are very important. The government offers a free and impartial guidance service to help you understand your options at retirement. This is available through the web, telephone or face to face through government approved organisations such as The Pensions Advisory Service and Citizens Advice Bureau. For more information please contact Pension Wise:

Telephone: 0800 138 3944

Online: pensionwise.gov.uk

Notes

Keeping in contact with us

Please let us know of any change in your personal circumstances or your address so that we can contact you ahead of your selected retirement age.

You can update your address through PlanViewer at planviewer.co.uk. Simply log in with your username and password and select the 'My profile' tab. If you don't have your log in details, please select the 'Can't log in to your account?' link.

Your Fidelity contacts

Phone: 0800 3 68 68 68

Email: pensions.service@fil.com

Web: retirement.fidelity.co.uk

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