

keyfacts®

Key features of the PensionBee Personal Pension

The Financial Conduct Authority is a financial services regulator. It requires the Scheme Administrator to give you this important information to help you to decide whether the PensionBee Personal Pension is right for you. You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference. You should be aware that stakeholder pensions are generally available and might meet your needs as well as the PensionBee Personal Pension.

Introduction

Purpose of the document

Please read this document alongside the [Terms and Conditions](#), as well as any literature related to the investments you will select.

You must ensure that you understand the features, benefits and risks of your PensionBee Personal Pension so that you can be sure it will meet your needs and expectations. You should continuously review whether the PensionBee Personal Pension remains appropriate for your circumstances.

The PensionBee Personal Pension is governed by a Trust Deed and Rules. In the event of any discrepancy between this document and the Trust Deed and Rules, the Trust Deed and Rules will prevail.

PensionBee Personal Pension aims

Please ensure you understand the features and benefits of the PensionBee Personal Pension so that you can be sure it will meet your needs and expectations.

The PensionBee Personal Pension aims:

- To help you accumulate your retirement savings in a tax-efficient way
- To give you more flexibility and control in the management of your pension

Your commitment

- It is your responsibility to decide whether to invest in the PensionBee Personal Pension and then which PensionBee investment plan to invest your savings in
- Under current law, you will normally have to wait until you are at least 55 years of age before you will be able to withdraw savings from your PensionBee Personal Pension
- You are responsible for keeping PensionBee up to date with any relevant changes in your personal information
- You are responsible for informing PensionBee if you are no longer entitled to tax relief on your contributions

Please note: Your personal tax circumstances may be different to the general conditions outlined in this document. If you are unsure of your tax circumstances, you should speak with a professional advisor. PensionBee is not authorised to offer you financial advice. Nothing in this document constitutes financial advice.

Risks

- The value of your pension can fall as well as rise and is not guaranteed. You may get back less than you pay in
- The value of your pension at retirement will depend on a variety of factors, including the sum of your transfers and contributions, performance of your pension investments, fees deducted and the timing of your retirement
- Investment markets fluctuate and past performance is no guide to future returns
- Economic factors, such as interest rates and exchange rates, can affect the value of your pension
- Inflation reduces the purchasing power of your pension
- Pensions are long-term investments and are not appropriate for short-term needs
- This service is execution only; we do not provide advice
- Some investments are higher risk - you should ensure you understand the risk profile before selecting a plan
- If you transfer from another provider, your benefits may not be comparable and we cannot guarantee higher returns with the PensionBee Personal Pension
- The tax rules relating to pensions may change, as may tax rates. This may affect the value of your pension and your retirement income
- A personal pension may affect your entitlement to state benefits

How is a PensionBee Personal Pension established?

Application

PensionBee is an online only service and offers an online sign-up process. You may apply to join the PensionBee Personal Pension through our website. New customers are required to transfer at least one existing pension to the PensionBee Personal Pension in order to join.

Transferring your pension(s)

Only eligible pension transfer requests will be accepted by PensionBee and PensionBee reserves the right not to accept a pension transfer. For a list of excluded pensions, please see our Terms and Conditions. PensionBee can only accept transfers as cash from another provider. We are unable to accept assets transferred in specie.

By choosing to transfer your pension(s) to the PensionBee Personal Pension, you are accepting any and all differences between the plans, including benefits and guarantees. There are no guarantees that your new PensionBee Personal Pension will match the benefits of your old pension.

By transferring your benefits into a new PensionBee Personal Pension you may be giving up the rights to guarantees over the kind of benefits you receive, the amount you receive and the level of increases that will be applied to your pension in the future.

Your existing provider may apply a penalty or other deduction in the value of your benefits if it is transferred.

Member contribution eligibility

A relevant UK individual will be eligible to receive tax-relief from the government as long as they are under the age of 75. PensionBee does not accept member contributions that are not eligible for tax-relief.

To be classified as a relevant UK individual you must fit into one of the following categories:

- Those who are/have been a UK resident for tax purposes at some point during the current tax year
- Those who have been a UK resident for tax purposes at some point during the last five tax years and when joining the PensionBee Personal Pension
- Those who have relevant UK earnings subject to income tax
- Those who have a spouse/civil partner with general earnings from overseas Crown employment subject to UK tax

Relevant UK earnings are normally your total taxable earnings from UK employment. Relevant UK earnings can include:

- Salary from employment

- Bonuses
- Profit from self-employment

Relevant UK earnings generally do not include investment income.

Seek professional advice if you are unsure.

What are the terms regarding contributions & allowances?

New contributions

You can contribute into your pension as regularly or as irregularly as you like (or not at all). Contributions can be paid by direct debit or standing order and there are no penalties for ceasing, reducing or altering your pension contributions. Please note that your benefits will be affected by the level of contributions paid and investment growth.

At PensionBee, we only accept personal contributions that are eligible for tax relief. If you are under 75, you can receive tax relief up to the greater of:

- £3,600 (this is the basic amount), or
- 100% of your annual relevant UK earnings

This is subject to the Annual Allowance, which is covered in the next section.

PensionBee can accept regular contributions from employers and may be able to accept contributions from third parties.

We will accept net contributions and reclaim tax relief at the basic tax rate on your behalf. The basic tax rate is 20%. This means that you will receive a 25% tax top-up on your net contributions. For example, if you were to contribute £100 each month, we will reclaim an extra £25 for you, meaning a total of £125 will be added to your savings amount.

Examples:

Monthly payments	Tax reclaimed	Total payment to your pension
£50.00	£12.50	£62.50
£100.00	£25.00	£125.00
£150.00	£37.50	£187.50
£200.00	£50.00	£250.00

Tax relief can take 12 weeks to arrive from HMRC. If you are a higher rate or additional rate taxpayer, you should reclaim further tax relief from HMRC via your self-assessment.

IMPORTANT: Please note that if you registered with HMRC for enhanced protection or fixed protection, the payment of any contribution to the Pension can lead to the loss of this protection – more information on this can be found in the Protection section.

The Annual Allowance

The Annual Allowance is the limit on the amount that can be contributed to your pension per year whilst still receiving tax relief.

Currently, the Annual Allowance is £40,000 for most people. The Annual Allowance will be reduced for those earning over £150,000 at the rate of £1 for every £2 earned over £150,000. Please see the table below for details:

Earnings	New annual allowance
Up to £150,000	£40,000
£160,000	£35,000
£170,000	£30,000
£180,000	£25,000
£190,000	£20,000
£200,000	£15,000
£210,000 +	£10,000

You will not receive tax relief on any amount contributed above the Annual Allowance and will receive an Annual Allowance charge.

The Money Purchase Annual Allowance is lower and may apply in certain circumstances. You can read more about this in the Money Purchase Annual Allowance section further below.

You may be able to “carry forward” your unused Annual Allowance from the previous three tax years, to cover any amount contributed in excess of the Annual Allowance.

“Carry forward” is subject to a maximum of £40,000 from 2015/2016 tax year onwards. To use “carry forward” you must have been a member of a registered pension plan during the applicable tax years. The amount of “carry forward” you can carry is reduced by your Annual Allowance usage during those tax years. If, having made use of “carry forward” you still exceed the Annual Allowance, you will not receive tax relief on any excess amounts and you may have to pay a tax penalty to HMRC.

The rules regarding the Annual Allowance may be subject to change in the future.

The Lifetime Allowance

The Lifetime Allowance is a limit on the amount of pension benefits that can be drawn from pensions – whether lump sums or retirement income – without triggering an extra tax charge.

The current Lifetime Allowance in 2018/2019 is £1.03m and indexation applies every year.

Each time new benefits commence (crystallise) a proportion of your Lifetime Allowance is used up. When you reach your 75th birthday any uncrystallised monies will also use up a portion of your Lifetime Allowance. Some crystallised funds may also use some of your Lifetime Allowance. This limit doesn't include any state retirement pension, state pension credit or dependant's pension you may be entitled to.

Once you have used up your Lifetime Allowance any benefits above the allowance will be subject to the Lifetime Allowance charge.

The charge will depend on how the benefits are paid. If the benefit is paid as income the charge will be 25% (the income is also taxed under PAYE). Alternatively if the excess is paid as a lump sum the charge will be 55%. This tax would be deducted before you receive your benefits.

Protection

If you built up a sizeable pension pot before 6 April 2006 and registered for enhanced and/ or primary protection with HMRC then this may reduce or remove any Lifetime Allowance charge.

This also applies to individuals who registered for Protection when the Lifetime Allowance reduced further post 2006. Payment of a contribution to a registered pension arrangement can cause the loss of certain protections and it is therefore important that you check and understand which protection you have before a contribution is made by you, or on your behalf, to a registered pension.

What are the investment options?

Investment options

All customers can choose between the four available plans:

- Tracker Plan (managed by State Street Global Advisors)
- Match Plan (managed by BlackRock Life Limited)
- Tailored Plans (managed by BlackRock Life Limited)
- Future World Plan (managed by Legal & General)

All money managers are authorised by the Financial Conduct Authority. All Plans are managed in accordance with the objectives of the relevant plan.

Your investment is personal to you. There is no cross subsidy or re-allocation of units or value between customers, either at the direction of or with the agreement of another customer, or through a unilateral decision of the Trustee or Administrator. The same approach to unitisation and customer money determination is applied consistently across all customers. The PensionBee Personal Pension Plans are structured as long-term life insurance policies between the Trustees and the Money Managers due to the tax benefits associated with these arrangements.

Growth within the Pension is free from capital gains tax and income tax. Unused tax credits on UK dividends cannot be reclaimed. If you are required to pay tax in other jurisdictions, such as the USA, you should be aware of your obligations pertaining to that jurisdiction. Be aware that taxation rules can and do change. If you are unsure of the taxation rules that apply to you, you should speak with a professional.

As with all investments, there are risks associated with the investments and it is your responsibility to read the literature accompanying each investment, including the Plan Factsheets, carefully before choosing a Plan. The Plan Factsheets are available on the PensionBee website. In addition to the risks already outlined in this document, there may be risks from reinsurance, derivatives and securities lending. The customer bears all of the investment risks associated with the investment.

Monitoring your investment

To see the value of your pension, you can log in to the BeeHive at any time. Your BeeHive will allow you to:

- View the value of your pension
- View projections of your retirement benefits, known as Statutory Money Purchase Illustrations
- Add new contributions
- Draw down (after the age of 55)

As a PensionBee customer, you will receive an Annual Statement illustrating the projection of your PensionBee Personal Pension. There are a number of factors that can change the total value of your Pension at retirement and should be noted when reviewing the report.

The illustration is based on a number of factors that may change over the course of your lifetime. These include:

- the reduction or ceasing of contributions into your Pension
- the performance of investments held in your Pension
- a change in the fees charged on your Pension (you will be informed should this occur)
- inflation and interest rates

How do I take money out of the PensionBee Personal Pension?

Withdrawing your pension

You can take benefits, whether or not you continue to work, at any time from age 55. You can take your benefits from all, or only part of your Pension. This will allow you to phase your benefits to suit your own personal circumstances.

Your benefits will be determined by the value of your pension at the time benefits commence based on the contributions paid, transfers received, benefits taken previously and the return on your selected Plan. Please see the example below, illustrating how much you may get back when you retire. (In reality you may get back more or less and circumstances may differ).

Years to retirement	Final value / monthly income (based on £250 monthly savings)
5	£18,300 / £50
10	£36,400 / £110
15	£54,400 / £170
20	£72,600 / £220
25	£91,100 / £280
30	£110,000 / £340
35	£129,900 / £400
40	£150,700 / £470

*These calculations are based on a retirement age of 65 years, 5% investment growth and the Tracker PensionBee Personal Pension Plan with monthly savings of £250, on top of which PensionBee claims tax relief on your behalf. These amounts also take into account 2.5% inflation, which reduces the purchasing power of your savings.

In general, from April 2015, there are three options available for withdrawing your pension:

- Flexi-access (the only option available at PensionBee, described further below.)
- Annuity (a fixed annual income that can be purchased with pension savings that provides you with the relative security of a fixed income for the rest of your life. You should note that annuity rates can change over time and may be lower in the future.)
- Uncrystallised Fund Pension Lump Sum or UFPLS (25% of each payment is payable tax free and the remainder is taxed at your marginal rate. You may not be able to take an UFPLS if you have any Protection or other special conditions attaching to your tax circumstances.)

Flexi-access

Flexi-access gives you flexible access to your savings, allowing you to withdraw from your pension using a variety of methods, at a rate that suits your retirement plans.

You may choose to receive a pension commencement lump sum (otherwise known as tax-free lump sum) up to the lower of:

- 25% of the savings designated to provide your benefits
- 25% of your unused Lifetime Allowance

If you are entitled to a protected lump sum of more than 25% in respect of pension rights built up before 6 April 2006 (e.g. as a consequence of registration for enhanced or primary protection), then a pension commencement lump sum of more than 25% may be paid.

A pension commencement lump sum is currently payable tax-free. You cannot take your tax-free cash with the intention of making additional contributions to your pension. This is known as recycling and you may incur a tax charge of between 40% and 55% on the payment (depending on how much tax you have already paid).

The Money Purchase Annual Allowance

Where a 'qualifying payment' under Flexi-access is made, you would become subject to the Money Purchase Annual Allowance limit of £4,000.

Generally, you are subject to the MPAA (MPAA) when:

- Taking income from flexi-access (please note that flexible arrangements at 5 April 2015 were automatically converted to flexi-access)
- Taking an Uncrystallised Fund Pension Lump Sum (UFPLS)
- Taking income from a flexible annuity arrangement
- Converting a capped drawdown arrangement to flexi-access drawdown and then taking income
- Taking a stand-alone lump sum for an individual who has primary protection (and protected tax-free cash)
- Taking income as a scheme pension from a plan with fewer than 12 members

If you do trigger the MPAA under any other pension, then it's your responsibility to inform us of this within 91 days of the trigger. If you are already subject to the MPAA, please supply the date the MPAA first applied to you.

Taxation of pension payments

All pensions paid will be subject to income tax under PAYE. Generally, 25% of your flexi-access is tax-free and the remainder is subject to tax at your marginal rate of tax. We use the emergency tax rate as a default and it is your responsibility to reclaim any additional tax paid from HMRC.

Early withdrawal

We will not facilitate any unauthorised payments from your PensionBee Personal Pension.

However, it may be possible to commence benefits before the age of 55 if you are in serious ill-health. If you are diagnosed with serious ill-health or a terminal illness that means your life expectancy is less than 12 months, and you have not yet started to take benefits, you can choose to take your pension benefits as a lump sum. Taking your benefits early may affect the value of your benefits. If you take benefits earlier than you originally intended, the level of the benefits you can take may be lower than expected and may not meet your needs in retirement. If you take income withdrawals this may erode the capital value of your savings. If investment returns are poor and a high level of income is taken this will result in your Pension falling in value and could result in a lower than anticipated income in the future.

You may also be able to withdraw your pension early if you are in ill health and unable to perform any job. This is subject to our rules and ill health policy, which is available on the website or on request.

Death benefits

Death benefits can be paid as a lump sum or may be applied to provide pension benefits.

Lump sums paid on death are normally free of any inheritance tax but we cannot guarantee that this will be the case. The table below details the tax charges applied on death. If the value of your Pension exceeds your Lifetime Allowance, your beneficiaries may have to pay an additional tax charge.

Payment method	Before age 75	Post age 75
Lump sum	Tax-free	Taxed as income*
Income	Tax-free via an annuity or drawdown (both options available to any dependant or nominated beneficiary)	Taxed as income* via an annuity or drawdown (both options available to any dependant or nominated beneficiary)

*Income is taxed at the beneficiaries' / beneficiary's marginal rate of income tax. A death benefit payment may push the beneficiary into a higher tax bracket. Age refers to the age of the Customer at the time of death.

You may nominate the individuals you wish to receive benefits and your wishes will be taken into account. The amount payable to your nominated beneficiaries will depend on the value of your Pension at the time of death. You may complete a new nomination at any time.

What are the fees? What happens if I change my mind or want to leave PensionBee?

Fees

We do not charge any fees to transfer your pension(s). Once you have a pension balance with PensionBee, the annual management fee will cover the costs associated with managing your Pension and investments. Full details of the fees are set out on our website.

We do not require you to pay your fees in cash. Your fees are deducted daily from your investments by reducing the number of units you own in a particular PensionBee Plan. We take these fees for the duration of your Pension. Fees may vary in the future.

Please see below a table illustrating an example of the effects of fees on your pension savings*:

Years to retirement	Total paid in to date	Return before fees	Final return after fees
1	£3,620	£3,710	£3,700
3	£10,300	£11,100	£11,000
5	£16,400	£18,600	£18,300
10	£29,000	£37,400	£36,400
35	£54,700	£145,100	£129,900

*these calculations are based on a retirement age of 65 years, 5% investment growth and the Tracker PensionBee Personal Pension Plan with monthly savings of £250, on top of which PensionBee claims tax relief on your behalf. Columns 3&4 take into account 2.5% inflation, which reduces the purchasing power of your savings.

In addition, all investments include transaction costs related to the buying and selling of underlying securities (such as shares) in your plan. These include costs such as stamp duty reserve tax or levies charged by the regulatory or tax authorities. These are not fees earned by PensionBee, but the effect of transaction costs is to reduce the performance (or growth) of your plan so it is important that you know about them. Most asset managers, including our asset managers - BlackRock, State Street and Legal & General - now separately disclose these costs. Transaction costs are generally very small in our plans as we work only with the largest asset managers in the world and the maximum cost on any of our plans is 0.06%. To learn more about transaction costs and how they have been calculated, you can download our explanatory paper from our website.

Cancellation period

You have the right to change your mind and cancel your PensionBee Personal Pension. If you wish to exercise this right, you must do so within 30 days of receiving your cancellation notice. If you do not cancel within the cancellation period your pension will continue. You may exercise

your right to cancel by emailing us at contact@pensionbee.com. Please confirm whether you wish to cancel a particular transfer or benefit.

On receipt of your cancellation instruction, the monies will be returned to your previous pension, assuming that they are willing to accept the payment. If they are unwilling to accept the payment you will need to find an alternative registered pension to accept the transfer. It may not be possible to return the exact amount back to the previous pension if the value of your Plan has fallen or risen in the meantime. As with all investments, you may get back less than you paid if your Plan has fallen in value.

Transfer to another pension provider

You can transfer the full value of your Pension to another UK registered pension provider, at any time for free. The transfer can only be made as a cash payment to the new provider.

If you have started to take benefits from your Pension, you must transfer the whole Pension from which you are drawing benefits to your new pension at the same time.

If you have uncrystallised monies under your Pension (i.e. no benefits have commenced) you can choose to transfer all or only part of your Pension to another provider.

Regulatory matters

Client categorisation

We categorise all of our clients as 'retail clients' under the Financial Conduct Authority rules for all services and transactions.

This helps us to make sure that you receive appropriate disclosure documents from us and that you're made aware of everything you need to know in a timely fashion. It also means you get the highest level of protection by getting the clearest explanation of what you're buying.

Advice

PensionBee have not offered you any independent financial advice.

It is strictly your decision whether to use any PensionBee service or whether to invest in and how much to invest in, the PensionBee Personal Pension.

Guidance for over 50s

If you do not have a financial adviser we recommend you use PensionWise, a service provided from the Government that will offer free and impartial guidance.

The PensionWise service is available on the internet, over the telephone and face-to-face for those over 50. Find out how to use this by visiting pensionwise.gov.uk.

Compensation

The FSCS is the UK's compensation fund of last resort for customers of authorised financial services firms; see further at www.fscs.org.uk.

The FSCS covers business conducted by firms authorised by the Financial Conduct Authority and the Prudential Regulation Authority (PRA), the independent watchdogs set up by government to regulate financial services in the UK and protect the rights of consumers.

As the PensionBee Plans are structured as investments in long term unit-linked insurance policies, they are protected by the FSCS for 100% of your proven claims as assessed and accepted by the FSCS (without upper limit).

Additionally, PensionBee is a Financial Conduct Authority regulated entity and accordingly you are covered for claims of up to £50,000 should we become insolvent.

Complaints

We hope you never need to complain as customer satisfaction is very important to us. We pride ourselves on our personal and reliable service, therefore if you do have any cause to

complain to us about the service you are receiving we will ensure that your complaint is dealt with fairly.

You should contact us promptly if you are dissatisfied with any aspect of the PensionBee services. Your complaint will be handled in accordance with the Financial Conduct Authority rules. We treat every complaint very seriously and aim to resolve each complaint fairly and promptly. We have a written policy available on our website about how we deal with complaints.

Phone: 020 3457 8444

Email: complaints@pensionbee.com

Write to: PensionBee, Ground Floor, 50 Southwark Street, London SE1 1UN

We hope to resolve all complaints amicably. However, should we fail to resolve a complaint to your satisfaction or if we fail to do so within eight (8) weeks of receiving your complaint, you can also direct your complaint to the Financial Ombudsman Service. 0800 023 4567 complaint.info@financial-ombudsman.org.uk Financial Ombudsman Service, Exchange Tower, London, E14 9SR

Making a complaint will not affect your legal rights.

Definitions, parties & governing documentation

Definitions

Money Managers

The group responsible for investing your monies in your PensionBee Plan in accordance with the objectives of the PensionBee Plan you invest in, which are currently: State Street Global Advisers (through Managed Pension Funds limited), BlackRock Life Limited and Legal & General. Each of these Investment Managers are authorised and regulated by the Financial Conduct Authority.

PensionBee Personal Pension

The product you will obtain in transferring your existing pensions to PensionBee. The Pension is governed by the Scheme Rules (the “Rules”) as amended by subsequent deeds. We may simply refer to “the/your Pension” or “the/your PensionBee Pension” in this document for your ease.

PensionBee Personal Pension Plan

Your chosen pension investment plan within the PensionBee Personal Pension. The four options currently available are the Tracker, Match, Tailored and Future World Plans. We may simply refer to “the/your PensionBee Plan” or “the/your Plan” in this document for your ease.

BeeHive

The customer area on the PensionBee website. Customers will be given a login which will give them online access to their Account from the very beginning. Through the BeeHive, customers can track the progress of any pending transfers, view their balance and perform other administrative actions.

Parties

Customer

You, must be aged 18 or over, and under the age of 75 to use the PensionBee Services.

PensionBee (Administrator)

PensionBee Limited, a company incorporated and registered in England, registered office at 50 Southwark Street, London SE1 1UN (registered in England, Company Registration No. 9354862) and where referred to in these Terms includes each of PensionBee Limited’s directors, officers, employees, agents, advisors, authorised representatives and corporate

PensionBee is authorised and regulated by the Financial Conduct Authority (Ref: 744931) and registered in England and Wales (9354862).

affiliated entities. PensionBee and its directors, officers, employees, agents, advisors, authorised representatives and corporate affiliated entities shall be entitled to enforce these Terms as if each of them were a party to these Terms. PensionBee is authorised and regulated by the Financial Conduct Authority (FRN: 744931). We may appoint any person (whether connected to PensionBee or not) to assist us or perform any or all of our functions or responsibilities under these Terms, but only if this does not offer you a poorer service and if your rights are not prejudiced by the assignment.

PensionBee Trustees (Trustee)

PensionBee Trustees Limited, a company incorporated and registered in England, registered office at 50 Southwark Street, London SE1 1UN (registered in England, Company Registration No. 10657838). PensionBee Trustees Limited is the Trustee of the PensionBee Personal Pension and is a bare trustee with responsibility for holding the assets of your PensionBee Plan, separate to its own assets.

Governing documentation

The Pension is registered with HMRC under Chapter 2 of Part 4 of Finance Act 2004. It is governed by a Trust Deed and Rules, as amended from time to time. The Trust Deed and Rules are available on request.

The information contained in this document is provided based on our understanding of current law, practice and taxation, which may be subject to change. The law of England and Wales will apply in all legal disputes.