

Share in our **success**

Your guide to ProfitShare




We're not your typical financial services company.

As a mutual, we're customer-owned, and we believe you should **share in our success**. So when we do well, so do you.

We'll aim to boost eligible customers' pension savings by adding a share of our profits to their plans each year.

We've called this ProfitShare. And, we're proud to have shared over £1 billion of our profits with qualifying customers since 2017.



How ProfitShare works



We'll review our financial position and performance at the end of each year.



We'll work out if we can award ProfitShare.



We'll add your award to a separate ProfitShare account within your plan.



You'll see the value of your ProfitShare account in your yearly statement, by logging into our online service or by downloading our mobile app.



You can take the value of your ProfitShare account with the rest of your pension savings any time after age 55. This will increase to age 57 from 6 April 2028.

- ProfitShare awards will be based on the value of the pension savings you have invested with us on the date they're awarded.
- Since 2017, we've boosted the pension savings of our unit-linked pension customers between 0.15% and 0.18%. You could get more or less than this and there's no guarantee that we'll be able to award ProfitShare every year.
- ProfitShare awards will be applied as at 1 April each year. Ordinarily, your plan must be in force on 31 December of the previous year. Please note that since this lands on a Sunday this year, we've changed this to the last working day in December. To qualify for an award in April 2024, your plan must have been in force on or before Friday 29 December 2023.
- ProfitShare doesn't count as a contribution, so doesn't affect your annual allowance and the contributions you can make to your plan each year.
- ProfitShare awards will be invested in the same investment choice as your other pension savings.

Meet Harry

To give you an idea of the difference ProfitShare could make, let's introduce you to Harry.



Harry has just joined his employer's pension plan.

- He's aged 30
- He's decided to contribute £230 each month
- He'll transfer £25,000 from a previous pension into his employer's pension plan
- He wants to retire at age 65

The pension savings Harry's able to build up by age 65 depends on how his chosen investments grow each year, as shown in the example opposite.

Harry's projected plan value at age 65

Assumed rate of
investment growth

2.6%

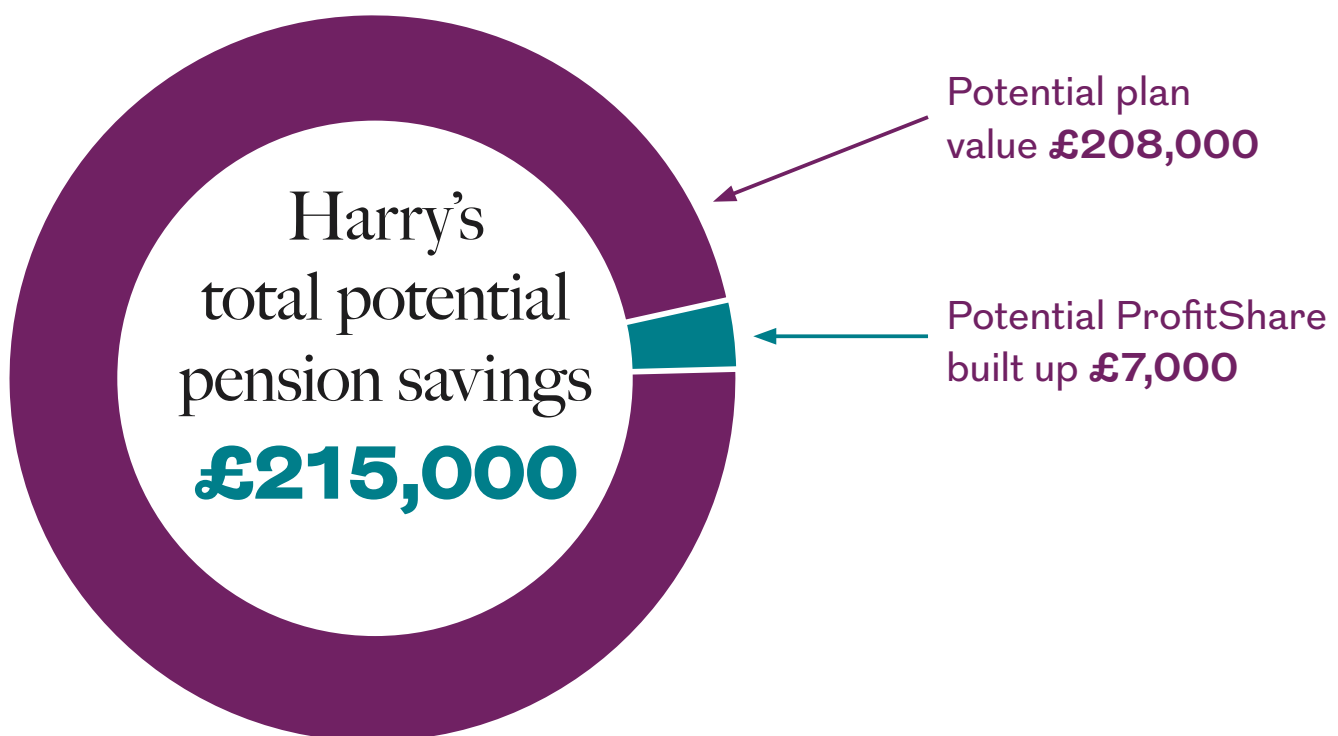
£208,000

These figures aren't guaranteed and are just an example. Harry could get more or less than this. We've assumed he'll increase his pension contributions in line with inflation each year and that he'll contribute until he retires at age 65. We've also assumed we'll apply a yearly management charge of 1% to all his pension savings.

We've assumed that inflation will reduce the buying power of Harry's pension savings by 2% each year. We've allowed for this by reducing the growth rate to 2.6%. This should give a more realistic view of what Harry could buy with his plan if his retirement income was payable today.

Let's assume Harry benefits from a ProfitShare award equal to 0.15% of the value of his plan each year. Let's also assume the value of his investments grow by 2.6% each year.

Impact of ProfitShare for Harry



These figures show that, over time, ProfitShare could increase Harry's pension savings from £208,000 to £215,000, giving him an extra £7,000.

You should remember that this is only an example, ProfitShare and investment returns are never guaranteed. This means that while there's a chance your savings could grow, they could also fall in value. So you could get back less than you started with.

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Download our mobile app

Keeping an eye on your Royal London pension savings has never been easier, thanks to our mobile app. Simple to set up. Quick and secure to access. Not to mention it's helpful features including paying in, viewing the details of your investments, adding your beneficiaries and more.



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