

Legal & General WorkSave

Buy Out Plan

Product Summary: August 2024



Product Summary

This document is intended for professionals only and is designed to provide essential information to assist you in fair value assessment of this product.

Product Governance

The Legal & General WorkSave Buy Out Plan (WBOP) is provided by Legal & General Assurance Society Limited (LGAS), who is also the Scheme Administrator.

LGAS is responsible for making sure the features, services and investment options offered through the Scheme are appropriate for members to invest in. The members are ultimately who we have a direct contractual relationship with.

The Legal & General Independent Governance Committee (IGC) does not hold responsibility for oversight of this product.

Fair Value Assessment

Outcome



Pass

LGAS oversees the Scheme and assesses the product for fair value for members, published annually.

We will update this document if this is no longer the case, at the earliest opportunity.

Assessment approach

We regularly perform fair value assessments across our products and will publish our current fair value assessment outcome annually.

Our approach of assessing fair value of the Legal & General WorkSave Buy Out Plan involves various quantitative and qualitative

metrics to ensure we assess fair value in the round. Where these metrics operate outside of pre-defined thresholds, we will take appropriate action.

Metrics considered in this assessment include:

- Costs and charges
- Fund performance
- Product features and services
- Service standard performance
- Quality assurance
- Vulnerable customer treatment
- Customer feedback and surveys
- Product literature
- Customer communications

Target Market

Criteria	Target market	Potential eligibility
Age	16 – 75 Can remain invested up to 99 years.	
Stage of life	Employees: Who were previously an active member of an occupational DC pension scheme and the trustees discharge their liabilities and transfer the member to a Buy Out Plan. Retirees: An existing member who reaches retirement age and requires the flexibility to take an income via regular and/or single payments as and when required.	Divorce Divorce pension credits can be accepted for the beneficiary spouse (where the trustees have not received any instructions of where the plan should be set up).
Residency	Member residency not assessed. UK trustees of UK registered pension schemes.	
Tax status	Any	If the member has HMRC protections (e.g., protected tax-free cash or protected retirement age), these are retained on being transferred to the WBOP.
Other financial products held	Not applicable	
Customer profile / employment status	Employees (including former): Members of UK registered DC occupational pension schemes in wind up. Retirees: Retired members of UK registered DC occupational pension schemes in wind up, or existing members seeking to retain their pension account in retirement or take a flexible income.	
Financial expertise	No financial expertise is necessary to invest in this product. The decision to purchase this product and the investment selection is made by the trustees with no decision making necessary from the member.	Some level of financial knowledge is required by members to make an active fund choice.

Criteria	Target market	Potential eligibility
Attitude to risk	Members must be prepared to accept some risk to capital.	
Ability of the customer to understand the Product	No prior understanding of pensions is necessary.	
Length of investment	There is no minimum period or term of investment. Investments can be held up to age 99.	
Investment aims	Those seeking to: • Save for retirement. • Provide an income, cash lump sums or a combination of these at any time from retirement age 55 (or earlier where serious ill health or protected retirement age). • Not be reliant on state benefits in retirement. • Grow their investment over the medium to long term. • Provide a potential income or cash lump sum for a spouse, registered civil partner or dependents if they should die before them.	
Required flexibility in retirement planning	Those seeking to: • Take savings in one or more cash lump sums. • Take a flexible regular income. • Consider open market option. • Take a combination of retirement options. • Retain their investments for future growth in retirement. • Purchase an annuity (guaranteed income). • Provide a cash lump sum for a spouse, registered civil partner or dependents if they should die before them.	

Criteria	Target market	Potential eligibility
Customers with vulnerability characteristics	We recognise that all customers within our target market are at risk of becoming vulnerable at any time. They may become more or less vulnerable, and so have an increased or reduced risk of harm or disadvantage throughout their lives. We provide additional support to customers in vulnerable circumstances throughout the life of the product, from enrolment and throughout the servicing journey and use learnings to support and inform future initiatives. • We consider vulnerability in all product design and process improvements. • We consider vulnerability in all communication channels available to customers and focus on using clear/jargon free language. • We have robust oversight and controls in relation to the treatment of customers in vulnerable circumstances. • Vulnerabilities are recorded to ensure this information influences customer support activity. • Training programmes ensure new and existing staff have the skills and capabilities to support customers in vulnerable circumstances. • Robust consumer testing ensures our customers can understand and use the products and services available to them. Intermediaries are expected to comply with their obligations to ensure customers in vulnerable circumstances are treated fairly.	

Product Features

Summary of key member features and services

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| Insured funds | Access to a wide choice of investment options including: <ul style="list-style-type: none">• Legal & General funds such as index-trackers, Target Date Funds, actively managed funds, and our innovative Future World Fund range with its positive ESG stance.• Funds from specially selected external fund managers. |
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| Contributions | <ul style="list-style-type: none">• Transfers-in from an occupational DC pension scheme for deferred members.• Divorce pension credits (where the trustees have not received any instructions of where the plan should be set up). |
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| Fund switching | <ul style="list-style-type: none">• Member can switch existing fund(s) at any time. |
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| Pension access options | <p>As a flexible income:</p> <ul style="list-style-type: none">• Members can use flexi-access drawdown to take regular and/or occasional income payments. <p>Tax-free cash sum:</p> <ul style="list-style-type: none">• Members will normally be able to take a tax-free cash lump sum of 25% of the fund being crystallised. If a member has a protected higher amount, we can accommodate this. <p>As an Uncrystallised Fund Pension Lump Sum:</p> <ul style="list-style-type: none">• From age 55, some or all of a pot can be paid as a lump sum. 25% of the lump sum payment is tax-free with the remaining amount being taxable. <p>As an annuity:</p> <ul style="list-style-type: none">• Members can opt to buy a lifetime or fixed term annuity (guaranteed income) from Legal & General or another annuity provider. <p>Transferring out:</p> <ul style="list-style-type: none">• Option to transfer to another pension provider to access their retirement options. <p>Ill-health / serious ill-health</p> <ul style="list-style-type: none">• If the member is unable to work due to ill-health / serious ill-health, it is possible that they can take their benefits if the HMRC requirements are met. This option does not have a minimum age requirement. |
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Manage Your Account	Allows members the ability to view and manage their pension pot online 24/7.
Online resources and tools	A range of online education materials and useful tools to help members manage their workplace pension. An online financial wellbeing hub which provides practical tools and information to help support with budgeting and planning for key events throughout their lives.
Beneficiary options	Members can tell us who they would like to receive the value of a pension pot in the event of their death. The options are described to the member's beneficiary at the time they claim but include cash lump sum, and guaranteed annuity.
Facilitated adviser charging	A service that enables members to meet the cost of professional financial advice from their pension pots.
Retirement planning advice	We can support members with Legal & General Financial Advice (LGFA) retirement planning advice where they are resident in the UK, have a Legal & General workplace pension pot value of £20,000 or more, and are age 45 or over. Charges will apply. The amount payable will depend on the members' advice needs.

Costs and charges

Summary of costs and charges (Insured funds)

Annual Management Charge (AMC)	This charge covers the cost of running the arrangement. Members will receive a personalised illustration that will show the charges that apply to their arrangement. We work out the charge daily and take it once a month by selling units in the fund or funds they are invested in. This charge can be paid as a separate fee by the employer, or a mixture of employer paid fee and reduced AMC.
Fund Management Charge (FMC)	The FMC is the combined total of the Investment Management Charge (IMC) and Additional Expenses (AE). This charge varies from fund to fund. The FMC is taken by adjusting the unit price of the fund in which you are invested. Depending on the type of plan you have, it could be calculated and taken from the fund either every working day or first working day of each calendar month.
Additional Expenses	Additional expenses are variable expenses which often cannot be known in advance. They consist of things like share registration fees, fees payable to auditors, legal fees, and custodian fees. Additional expenses can vary throughout the year. Additional expenses will be deducted from the fund and will be reflected in the unit price.
Switch fees	Currently, there is no charge for switching and no limit to the number of switches a member can make. Legal & General will notify members in advance if this changes in the future.
Transaction costs	Transaction costs reflect the costs incurred by the fund manager, and paid by the fund, as a result of buying or selling assets. These costs are included within the fund 'dealing price' each day, so they will not be shown as a separate charge on member statements. Transaction costs vary depending on a number of variable factors such as the funds you buy/sell, market valuations, type of underlying assets being traded, and the daily flow of money within the fund. Because of this we are unable to confirm the actual transaction costs applicable in advance.
Retirement planning advice	Additional charges will apply for LGFA services, The amount members pay for advice will depend on their advice needs and will be confirmed by the LGFA adviser to the member. Members can ask us to facilitate payment of financial adviser charges by deducting the value directly from their pension pot. Members must have enough money in their pot to pay for this.



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DC002022 04/23