

The Financial Conduct Authority and the Prudential Regulation Authority are the independent financial services regulators. They requires us, The Red Rose Friendly Society Ltd., to give you this important information to help you to decide whether our Tax Exempt Endowment 'With-Profits' Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Key Features of The Red Rose Friendly Society Ltd Tax Exempt Endowment 'With-Profits' Plan



This document explains the key features of the **Tax Exempt Endowment 'With-Profits' Plan**. Please read it carefully, and keep it in a safe place. You may want to refer to it in the future.

Its aims

- To provide a 'tax-free' lump sum for you at the end of the specified term of the plan.
- To provide a minimum guaranteed 'tax-free' lump sum benefit for your dependants if you die before the policy matures.

Your commitment

- You agree to pay a fixed monthly premium payable in advance by standing order or direct debit, over a specified number of years or on death.

Risk factors

- The value of your policy on maturity or claim will depend on investment performance.
- Your circumstances may change, forcing you to stop paying premiums.
- Our deductions may turn out to be higher than expected.
- If you encash it during the early years, the surrender/free policy value may be less than the amount you have paid in.
- If you discontinue premiums within the contract period, the amount of life cover could cease or will be reduced.

Questions and answers

What is an Endowment 'With-Profits'?

- It's a fixed term savings plan, which aims to make possible use of a tax advantage available to members of friendly societies
- It gives you life insurance cover.
- It pays out at least a guaranteed minimum amount when it matures, provided all the payments due over the term have been made.

The Red Rose Friendly Society Limited. Parkgates, 52a Preston New Road, Blackburn, BB2 6AH.

Tel 01254 222702. Fax 01254 222705

Established 1863. Incorporated under The Friendly Societies Act 1992. Reg No 43 Coll

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What is a Tax Exempt Endowment 'With-Profits' Plan?

- A Tax Exempt Endowment 'With-Profits' plan, is primarily a savings plan designed specifically to provide a 'tax-free' lump sum at the end of a specified term of years.
- The policy also provides a guaranteed minimum amount of life cover, in the event of your death during the selected term. (The sum payable on death will be equal to the tax free lump sum and any bonuses already added).
- This is a traditional 'With-Profits' policy, which means that regular bonuses are added increasing the overall value up to maturity or earlier death.
- Bonuses under a 'With-Profits' policy, once added, cannot be taken away.
- The policy can be taken out for a fixed term, which may be 10 to 30 years or any term in between from age 17 next to 75 next and must mature no later than 85 next.

Premiums

- The minimum premium payment is £10 a month or £120 per year. If you decide to pay monthly we will collect your payments in advance by standing order or direct debit from your bank. We can collect quarterly, half yearly, yearly or you can pay them by cheque.
- Under current legislation, each person (including children) can save up to £25 a month or £270 a year in a friendly society savings plan free from income tax and capital gains tax liability, see '[Tax](#)'. These are called Tax Exempt Savings Plans. The payment limits apply to all such plans held in the person's own name.

If I can't pay my premiums for a short while, what options have I?

- If you don't pay your premiums, the notice before forfeiture procedure would come into effect. See '[What happens if I stop paying?](#)' If you require further information on this subject, please contact us direct or speak to your financial adviser.

What might I get back?

- You will receive the value of your plan when it ends. This is made up from a guaranteed minimum amount, as shown in your personal illustration, plus the added regular bonuses during the term. There may also be a final extra bonus added, (known as a terminal bonus) but this is not guaranteed.

What life insurance cover is included?

- The Tax Exempt Endowment 'With-Profits' plan provides life cover on your life.
- It would pay out a lump sum if you should die before the plan ends. The lump sum would depend on the value of the bonuses that have been added at that time, but provided we can supply our standard terms to the life cover, it will be at least the guaranteed minimum amount shown on the illustration. We will tell you before the plan starts if special terms apply.
- Once the plan has paid out a lump sum on death, the plan would end and has no further value.

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What happens if I stop paying?

- If you stop before you have made 25 payments, the plan will lapse. Depending on how many payments you have made and your payment amount, it may have a 'cash-in' value. However, this is likely to be less than you have paid in.
- If there is no 'cash-in' value when the plan lapses, you will get nothing back. Provided we have not paid out any 'cash-in' value, you can restart the plan at any time up to 12 months from the date lapsed, by making all the payments due before the end of the 12th month from the date you ceased paying.
- You cannot restart a plan that has been lapsed for more than 12 months.

What if the plan is cashed-in early?

- You must make a minimum number of payments before the plan has a 'cash-in' value.
- You might get back less than you paid in.
- Please refer to your personal illustration for some examples of possible 'cash-in'.

How Flexible is it?

- The Tax Exempt Endowment 'With-Profits' plan is designed for a long term regular fixed commitment. Tax regulations mean you cannot stop payments for periods of time and restart them later.

How will it work for me?

- Within this literature you will find information showing how the Red Rose Tax Exempt Endowment 'With-Profits' plan will work.
- If you have any further queries after reading these Key Features, please contact us direct or speak to your financial adviser.

'Paid-up' values

- Missed premiums may mean that your policy will become paid up with reduced benefits.
- If you discontinue the payment of premiums, and providing 25 premiums have been paid, the policy will be made 'paid-up'. In this instance, the guaranteed minimum sum assured will be reduced in proportion to the ratio of the premiums paid to the total number payable. Any bonuses already added will remain attached, and this value will remain frozen until claimed.
- If you fail to pay premiums despite the receipt of the normal Forfeiture Notice, your policy will become a Reduced Sum 'paid-up' Policy automatically.

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Bonuses

- The Red Rose Friendly Society Limited is a mutual organisation owned by its Members (policyholders) and has no shareholders entitled to receive a share of the profits.
- Reversionary Bonuses, calculated on the basis of investment performance, are added to your policy annually, and once added cannot be taken away. The level of these bonuses is determined following the yearly valuation of the Society by its appointed Actuaries. In addition a Terminal Bonus may be added when your policy becomes a maturity or claim, further increasing your return.

Charges

- The charges, expenses and other deductions are taken directly from the Fund each year before we work out how much is available to add to customers' plans as bonuses.

Cancellation rights

- After your proposal is accepted you will receive a notice of your right to cancel. You will then have thirty days in which you can change your mind.

Tax

- In addition, provided that the policy is fully paid to date, the proceeds are free from United Kingdom liability to income tax and capital gains tax. However, if you surrender the policy or make it 'paid-up' within ten years or three quarters of the term if sooner, then some United Kingdom tax may be payable if the proceeds exceed the premiums paid. There are no guarantees that changes in tax treatment will not occur in the future.

Law

- The Tax Exempt Endowment 'With-Profits' plan is governed by the Law of England, and a court in England or Wales will decide on any dispute.

The Society

- The Red Rose Friendly Society Limited was founded in 1863 for the mutual benefit of its Members. Total funds are now in excess of £18 million. It is incorporated under the Friendly Societies Act 1992.

How to contact us

- If you have a financial adviser, he or she will normally be your first point of contact. We cannot give you financial advice, only information about our products. If you need advice, but do not have an adviser, we can give you details of where to go to find independent financial advice.
- If you have any questions at any time you can phone, send a fax, email or you can write to us.

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Call us on **0800 7310072** during the following times:
Monday to Friday 9.00 am to 5.00 pm

We may monitor calls to improve our service.

Fax number: 01254 222705

Web Site: <http://www.redroseassurance.co.uk>

Email: info@redroseassurance.co.uk

Office address:

**The Red Rose Friendly Society Limited
Parkgates
52a Preston New Road
Blackburn
Lancashire
BB2 6AH**

Your protection

- If you need to complain, first write to us at

Complaints and Compliance Officer,
Red Rose Friendly Society Limited,
52a Parkgates,
Preston New Road, Blackburn. Lancashire, BB2 6AH

- If you are not satisfied with our response, you can complain to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Tel: 020 7964 1000

- We are members of the Financial Ombudsman Services Scheme and a copy of our complaints procedure is available on request.
- If you have a financial adviser, he or she will only recommend products that are suitable for you. You have a legal right to compensation if, at any time, another authority or we decide you have bought a plan that was not suitable for your needs when the advice was given.
- The Financial Services Compensation Scheme covers your plan. This means that, should the Society become insolvent, you'll be covered for 90% of the value of your plan with no upper limit. For information about the Financial Services Compensation Scheme (Tel: 020 7892 7300).

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Terms and conditions

- This Key Features document gives a summary of The Red Rose Friendly Society's Tax Exempt Endowment 'With-Profits' Plan. They do not include all the definitions, exclusions, terms and conditions.

Data Protection Act

- Under the Data Protection Act, you have the right to ask to see any personal information that we may hold about you, and to have any mistakes in this information corrected. You can do this by writing to the data protection officer at our head office. There may be a charge for this.

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