

Create your own marketing letters

The FundsNetwork Pension

Create a marketing letter to be used with our pension client guide, 'Helping you grow your retirement income'.

When creating your own pension prospecting letter for clients, why not make use of the sample wording below, in conjunction with our pension guide for clients. We have highlighted the benefits of investing in a pension from a client perspective, but remember that any recommendation to invest remains with you.

Please also note that it is down to each individual adviser firm to ensure that correct disclosure material has been provided to the client and that the final letter adheres to the regulations/guidelines laid down by the Financial Conduct Authority. The value of investments, and the income from them, can go up as well as down and your clients may get back less than they invest.

1

The importance of pension planning

Making sure you plan for your retirement is essential. If you don't, you could find yourself working for longer than you anticipate, particularly if you are affected by increases to the State Pension Age. A pension is designed to provide you with an income during your retirement and is split into two stages – saving and retirement.

While saving you should aim to increase the value of your pension as much as possible, and when you retire you can use the money you've saved to take a tax-free cash sum and to generate income – either by purchasing a guaranteed income for life, known as an annuity, or drawing a flexible income from your pension savings whilst leaving the rest invested, known as pension drawdown. With pension products you will not normally be able to withdraw your money until you reach age 55.

2

The advantages of investing in a pension

The government encourages you to save for your retirement by giving tax relief on pension contributions. For a basic-rate taxpayer, for every £100 saved, the cost to them is just £80 as the government puts in 20%. At present this benefit is even greater for people in the higher income tax bracket, although this may change in the future. This tax relief is a great help in building up your pension pot prior to retirement and means you are getting more for your money while you are saving. If you invest in a personal pension there is no capital gains tax on growth and no income tax on interest. The value of tax savings and eligibility to invest in a personal pension depend on personal circumstances. All tax rules may change in future.

3

Finding the right pension for you

To make the most of your savings over the long term, you need a pension that offers a wide choice of investments, competitive charges and flexibility in both the saving and retirement phases of your life. I've found that the FundsNetwork™ Pension offers all these things, which is one of the reasons why I am recommending it to you.

4

Cost-effective investing

< paragraph for clients already paying an Investor Fee on another sole account on the platform >

With no set up, annual administration or initial charges, the FundsNetwork Pension is one of the most competitively priced retirement savings products available. The only charges you will pay are an annual Service Fee of 0.25% (calculated against the value of your pension), and any fees you agree with us for the advice and services we provide you and the ongoing charges for the investments you choose. There may also be a charge if you choose investments that have different buying and selling prices (known as dual-priced funds) or if a fund manager levies buy and sell charges, or if you buy or sell investments that are traded on an exchange, such as Exchange-Traded Funds and Investment Trusts.

< paragraph for clients with no other assets on the platform >

With no set up, annual administration or initial charges, the FundsNetwork Pension is one of the most competitively priced retirement savings products available. The only charges you will pay are an annual Service Fee of 0.25% (calculated against

the value of your pension), an annual Investor Fee of £45 (£22.50 collected every six months), any fees you agree with us for the advice and services we provide you and the ongoing charges for the investments you choose. There may also be a charge if you choose investments that have different buying and selling prices (known as dual-priced funds) or if a fund manager levies buy and sell charges, or if you buy or sell investments that are traded on an exchange, such as Exchange-Traded Funds and Investment Trusts.

5

Don't pay anything to move to different investments

What's more, if over time, we decide to change your investment options, the FundsNetwork Pension allows you to do so quickly and cost effectively. You can switch **free of any charges**, allowing you to stay in control of your investments and adapt to the changing markets and your own goals. Furthermore, you also have the flexibility to redirect future payments, without charge, into a different investment option should we decide this to be in your best interests. There may, however, be a charge if you choose investments that have different buying and selling prices, known as dual-priced funds, or if you choose investments where fund managers may levy buy and sell charges. There are also dealing charges when buying or selling investments that are traded on an exchange, such as Exchange-Traded Funds and Investment Trusts.

6

Flexible contribution options

The FundsNetwork Pension offers complete payment flexibility. You can pay regular contributions by direct debit, such as monthly or yearly contributions, and single one-off payments. If you choose to pay regular contributions you can stop, reduce or increase them (within limits) without extra costs or penalties. This gives you the reassurance of knowing you can change how much you are contributing if your income or circumstances change. Additionally, if you have built up retirement savings with another provider, you may also transfer these in.

If you are employed, your employer may also pay into your account, as can other people such as relatives.

7

Pension Cash Account

The FundsNetwork Pension also provides you with access to a Cash Account which enables you to manage your contributions, investments and any fees more easily. This account can also be used, if necessary, to shelter your savings from periods of stock-market volatility. In addition, if when you reach retirement you wish to take income from your pension, this will be paid from this account. We can discuss how you wish to maintain the balance in this account.

8

Flexible benefit options, more choice in retirement

In recent years, budget changes have had a significant impact on the decisions you face at retirement. These changes have provided greater flexibility and choice than ever before, putting you in control of your retirement. Put simply, anyone aged 55 or over can take as much of their defined contribution pension savings as they like – when they like. This is good news. It means we can now design a retirement plan that's right for you and right for your family.

You can choose from a combination of:

- lump sums (with 25% tax free)
- flexible retirement income using pension drawdown
- guaranteed lifelong income (known as an annuity)

We can discuss this in more detail and what options are suitable for you nearer your retirement age.

9

Passing on your pension to loved ones

A pension can also be a tax-efficient way of passing on your savings to your loved ones. If you die before age 75, your beneficiaries can receive your pension pot free of any tax subject to the Lifetime Allowance (LTA), as a lump sum or an income.

If you die after the age of 75, your beneficiaries will be taxed at their marginal rate if they take an income or lump sum from your pension pot.

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Further information

I hope you find this information useful. Please take a look at the enclosed guide, 'Helping you grow your retirement income', which explains the details about the FundsNetwork Pension. If you have any questions before we speak again, then please contact me.