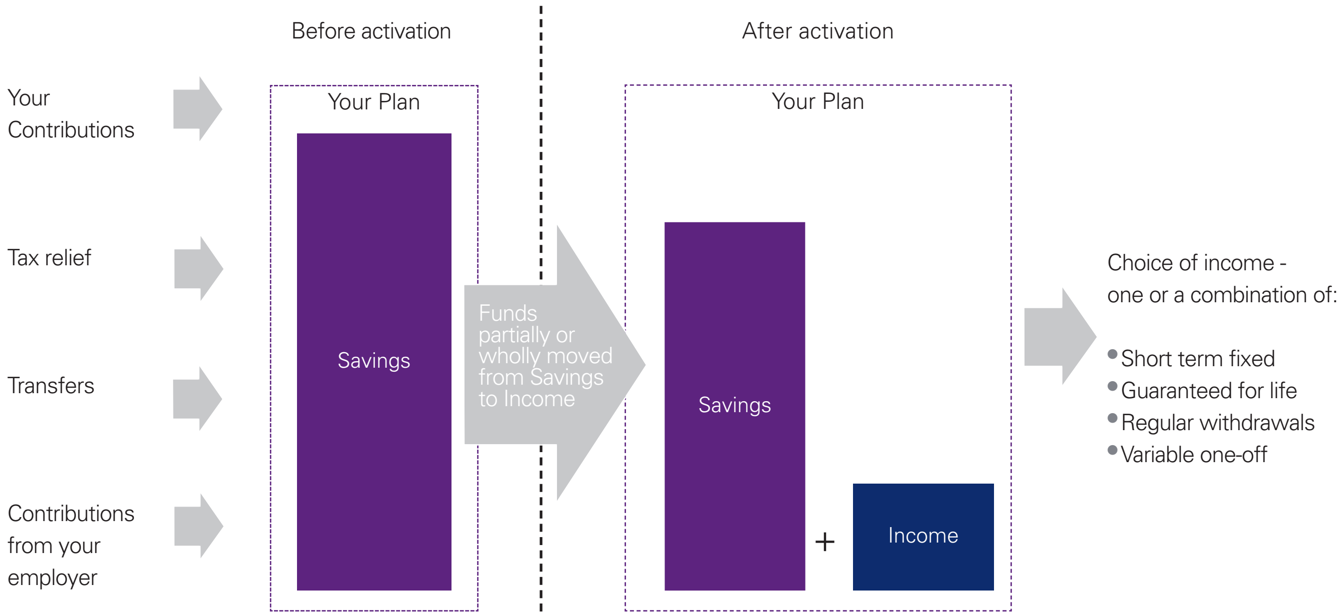
Retirement Plan
Moving from Savings to Income

For professional adviser use only

The Retirement Plan has been designed to meet your clients' needs in each of the key phases of the Retirement Journey. The flexibility offered by the Savings and Income elements of the Retirement Plan makes it simpler for you to provide your clients with the shape of income they need, when they need it, giving them total control over all of their retirement funds, in one place.

Moving from Savings to Income



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Retirement is a phase not a point

Activation - at any point from age 55 up until age 75 your client can activate the Income element of their Retirement Plan by moving funds from Savings to Income.

Flexibility - move funds all at once, or in instalments over a period of time. Helping you and your client to time withdrawals to when best suits them.

Tax-efficient - each time your client moves funds from Savings to Income, they can normally withdraw up to 25% of the value of the amount they move as a tax-free lump sum, with the remainder being used to provide them with a taxable income when and how they need it.

- Transferring funds from Savings to the Income element of the Plan in instalments and using the combination of a tax-free lump sum and taxable income as a withdrawal can be more tax-efficient than activating the Income element on all of your clients' retirement savings at once.
- Example: if a client decides to retire gradually and reduce the hours they work each week for a number of years before retiring completely. In this scenario, using a tax free lump sum and taxed income withdrawals from the Income element of their Plan to supplement their earnings each year may help to reduce their personal liability to income tax or help avoid paying higher rate tax.

Simplicity - your client can hold the same comprehensive range of investments in the Income and Savings elements of the plan, allowing them to continue to adapt their investment strategy around their retirement needs, all within one Plan.

Your client can continue to make tax-efficient contributions and/or transfer an existing pension plan held with another pension company to their Savings.

Important information about the Retirement Plan

Most of the investment choices available under the Retirement Plan do not guarantee what you will get back and your client may get back less than they invest into them.

If your client transfers a pension arrangement built up elsewhere, the benefits may not be comparable. Additionally, once Alico Wealth Management receive your client's application to transfer to the Retirement Plan, your client will have 30 days to change their mind. However, if they choose to cancel and the value of their chosen investment(s) has fallen, they will get back less than they paid in. Your client should also note that the company they are transferring from may not be willing to accept the transfer back.

Withdrawing an income directly from the Income element of your client's Plan will reduce the potential for future growth. If they withdraw more in income than the continuing growth achieved by their chosen investment(s), the Plan's value will fall and the investment growth of their remaining retirement savings may be insufficient for them to maintain their income withdrawals at the level they wish. It could also reduce the money they have available in their Retirement Plan in the future to purchase a lifetime annuity.

There is no guarantee that if your client buys a lifetime annuity in the future with the value of their Retirement Plan that the annuity income that they will be able to buy will be more favourable than now. This may mean that they will receive a lower income in the future than they expected.

Under current HMRC rules, if your client does not take their tax-free lump sum entitlement when available they may lose their entitlement.

The future buying power of the money your client invests will be reduced by rising prices.
Tax rules may change and this may mean that your client will have to pay more tax than they expected.
Government pension policy could change in the future.

Further information on the products in the Retirement Plan can be found in the relevant Key Features Documents and Policy Conditions. Please therefore read this guide in conjunction with these documents, which you can find on our website at www.alicowm.co.uk

Alico Wealth Management
22 Addiscombe Road, Croydon, Surrey CR9 5AZ
T: +44 (0)20 8680 6000 W: www.alicowm.co.uk

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