



CONSIDER YOUR
OPTIONS BEFORE
ENDING YOUR PLAN

WESLEYAN
we are all about you

You may be able to get cash from your plan without ending your investment.

Ending a plan is not always the best way to get cash quickly. You may not get back what you paid in and you could miss out on an opportunity for financial growth. You may get more out of your plan if you let it run for longer.

You should read this document carefully so that you understand your options, and then keep it safe for future reference.

WHAT TYPE OF PLAN DO I HAVE?

Your options depend on the type of plan you have. We have listed the different plan types below. If you're not sure what type of plan you have you should check your original plan literature or call our Customer Operations Team on 0800 092 1990. Our lines are open from 9am to 5pm, Monday to Friday.

► Industrial branch (IB) plans

We stopped issuing IB plans in 1995. If you have one of these plans, payments would have initially been collected by an Insurance Agent at your door. When your plan matures or a life assured has died, an IB plan pays out a guaranteed sum, plus any bonuses that have already been added.

► **Conventional with profits plans**

Conventional with profits plans pay out a guaranteed sum plus any bonuses that may have been added. You pay into this plan regularly or as a one-off lump sum. A final bonus may also be added when the plan ends. If you cash in a with profits plan early, your bonus will only be based on the amount you have earned up to that date. This means you may get less than if you continued with your plan. We don't guarantee how much we will pay in bonuses because they depend on our future profits.

If you bought your with profits plan from Medical Sickness Society (MSS) before the merger with Wesleyan in 1997 then your plan is classed as an MSS Fund plan. The options outlined in this booklet for conventional with profits plans are available for MSS Fund plans unless we state otherwise.

► **Non-profit plans**

Non-profit plans pay out a guaranteed sum if you die or when your plan matures.

► **Unitised plans**

The money you pay into a unitised plan is used to buy units in a variety of funds. Unitised plans don't always have a fixed term but it is usually recommended that you invest for five years or more.

WHAT ARE MY OPTIONS?

If you're not able to carry on paying into your plan or you need to withdraw some of the money you've invested, there may be ways to do this without cashing in all of your plan. We have listed the different options which may be available to you, depending on your plan type.

1. Stop making payments

The conditions for stopping and restarting payments depend on the type of plan. Details of your plan can be found in the original plan document, or you can ask us for a copy.

You may be able to stop paying into your conventional with profits or non-profit plan without having to cash it in. You will still get some life insurance, but the level of cover may be less.

If you have a conventional with profits plan and stop making payments, you could get lower bonuses or lose them completely.

You can stop and restart paying into IB and conventional plans but you might have to pay any payments you missed and prove that you are in good health. There might also be a limit on your plan which means you are only able to restart payments within a certain time period. For example, on an endowment you may only have 12 months to restart the plan and pay all missed contributions.



On some unitised plans, you may be able to stop making payments and then start paying in again. This is called a payment holiday (see option 4 below).

2. Sell your plan

You may be able to sell your plan through a specialist company. Some companies may offer you a higher value for selling your plan than you would receive if the plan is surrendered. This is because the person who buys the plans from the company pays in for the full term and gets the full value of the plan. However, this option is not available on all unitised plans. You should speak to your Specialist Financial Adviser (from Wesleyan Financial Services) for more information about your plan if you are considering this option. Advice charges may apply.

If you decide that you want to sell your plan, you should speak to an Independent Financial Advisor (IFA). You should always check that an IFA is regulated by Financial Conduct Authority (FCA). The Association of Policy Market Makers (their contact details are below) may be able to help you find a member firm who specialise in the buying and selling of with-profits endowments and whole-of-life plans. Please note this is only a suggestion and not a recommendation.

**The Association of Policy Makers Limited (APMM), One City Place,
Queens Road, Chester, CH1 3BQ. Phone: 0845 643 5849. www.apmm.org**

3. Cash in part of your plan

For unitised plans and lump-sum conventional with profits plans you may be able to cash in some of your plan but this will lower the value of your investment. On some types of plan you may be charged for doing this.

4. Take a payment holiday

You can take a break from paying into some unitised plans, without having to pay any payments you missed. However, you will not be allocated units during the break and any plan fees or management charges will continue. This means the future value of your investment will be lower than if you continued to make payments.

QUESTIONS AND ANSWERS

How do you work out the cash-in value of my plan?

In the first few years of your plan, the cash-in value can be poor. This is because if there are charges, we may take these from the first payments you make. We might also have to take out the cost of providing your life insurance, if this applies to your plan.

You may have been given an estimate of the cash-in values with your original plan documents. Over time, cash-in values can change due to market conditions and our investment performance. If you make payments over a long period of time, you are likely to get a better return. The current cash-in value of your plan is shown on the enclosed quotation with this booklet.

What else should I consider?

- ▶ If your plan includes life insurance, you may have to pay more for the same level of cover in the future if you take out a new plan.
- ▶ If you are using your plan to pay off a mortgage, you should review it regularly. You may need to consider increasing your savings for this purpose if there is expected to be a shortfall which means that the mortgage loan can't be fully repaid. Wesleyan Assurance Society Low Cost Endowments plans guarantee that they will repay the amount of the loan that they were originally set up to cover.
- ▶ If you take out a new mortgage, or you are remortgaging, you may want to use existing plans as security for the new loan.
- ▶ If you cash in a unitised plan, the value of the plan will depend on the value of the units at that time.
- ▶ If you have a unitised plan invested in the Life With Profits Fund and you take money out, we may apply a 'Market Value Reduction' (MVR). An MVR is an adjustment we make which reduces how much you get back at certain times (for example, when share prices are generally low). There is more information in our booklet 'How our With Profits Fund Works (for policies where premiums are used to buy units)'. You can ask us for a copy or get one from our website (<https://www.wesleyan.co.uk/savings-and-investments/with-profits-fund>).

- ▶ If you cash in all or part of your plan or it pays out if you (or someone else covered by the plan) die, you may have to pay some income tax if:
 - ▶ you are a higher- or additional-rate taxpayer, or
 - ▶ you become a higher- or additional-rate taxpayer because of the return on your investment. You should ask your Specialist Financial Adviser for more information. Advice charges may apply.

What should I do next?

- ▶ You should speak to your Specialist Financial Adviser (from Wesleyan Financial Services) to discuss the options available to you. Advice charges may apply.
- ▶ Once you have decided what to do you should contact the Customer Operations Team on 0800 092 1990. Lines are open 9am to 5pm, Monday to Friday.

You can also write to us at our Head Office:

Wesleyan
Colmore Circus
Birmingham B4 6AR

- ▶ For information on financial decisions, MoneyHelper is a government-backed services that gives free and impartial guidance. For details visit moneyhelper.org.uk
- ▶ If you are still not sure about whether to cash in your plan, you should seek independent financial advice. Whatever you decide to do, we will aim to make the process as quick and easy as possible.



We are all about you.

Since we were founded 180 years ago, we have cherished our mutual status. It's an integral part of who we are and with no shareholders, our focus is on members and customers. We work to benefit those who invest in our business. Not only today, but also in the future.

It's why 'we are all about you'.

Wesleyan Group offers Financial Advice: Retirement Planning • Investing • Funding • Insurance
For more information visit **Wesleyan.co.uk/ourcompanies**

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