Key Information Document
Regular Savings plan

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Regular Savings plan manufactured by Police Mutual Assurance Society Limited ("Police Mutual"). Visit policemutual.co.uk or call 01543 441630 for more information. Police Mutual is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Police Mutual Assurance Society Limited is on the Financial Services Register (reference number 110050). This document was produced on 3 June 2020.

What is this product?

Type: Qualifying Policy (With-Profits)

Objectives:

- Put simply, the plan builds up a lump sum over a fixed term - and it provides life cover too.
- You choose a term between 10 and 30 years and how much you want to save regularly as a fixed amount subject to a minimum sum of £7 per week/£30.33 per month.
- You can save directly from pay or pension (in most forces) or by Direct Debit.
- Your money goes into our Life Fund, which holds a range of investments in the UK and overseas in the form of company shares, bonds, property, commodities and cash.
- **Guaranteed amount** - You'll get back a guaranteed amount at the end of the term. This doesn't depend on investment performance - it is based on how much you save, how long you save for and your age when you set up the plan or/and your partner's age if they're covered by it. For those who are 51 or older on their next birthday, the guaranteed amount will be less than has been paid in because of the life cover included in the plan.
- **Additional growth** - You may also get a bonus added to the guaranteed amount, but this will depend on the performance of our Life Fund (see the Guide to investing in the Life Fund).
- We can close your plan if you don't maintain regular payments. If you miss a month's payment, we'll tell you. If you don't make up the payment within 14 days, we'll only pay the cash-in value in the event of a claim. If you still haven't made up the payment after 3 months and 14 days we'll close the plan and pay you the cash-in value.

Intended retail investor:

- This may be your first savings plan or you may have experience of other savings products.
- You'll be looking to build up a lump sum steadily over 10 or more years by saving a set amount. You'd like the protection of a guaranteed sum with the potential for your money to grow.
- The plan is available only to the Police family who are resident in the UK, Channel Islands and the Isle of Man. The minimum age for opening a plan is 16 and the term must end before the 80th birthday of the person(s) it covers.

Insurance benefits and costs:

- Life cover is included as standard and you're covered from when we receive your first premium payment. You can set up the plan to cover you, your partner or both of you. (The plan will pay out once on the death of the first person to die.)
- If a person covered by the plan dies we'll pay the guaranteed amount plus any bonus, normally to their estate. Alternatively, if you set up the plan to cover your partner, the lump sum will be paid to you. Once we pay out the life cover, the plan ends. It won't have any further cash value.
- The cost of providing this life cover varies by age at the start of the plan. The cost of life cover and its impact on the investment return for a typical plan, based on someone who is 41 on their next birthday, saving £1,000 each year over 10 years, with a guaranteed amount of £10,089, can be found in the 'What are the risks and what could I get in return?' section.

What are the risks and what could I get in return?

Risk Indicator

- The recommended holding period is 10 years (or the full term of your plan if you've chosen to save for a longer term).
- The Summary Risk Indicator is a guide to the level of risk of this product compared to other products.
- It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.
- We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact our capacity to pay you.
- You're entitled to receive back at least the guaranteed payout at the end of the term. Any amount over this, and any additional return, depends on future market performance and is uncertain. However, this protection against future market performance will not apply if you cash in before the end of the term or you stop saving. The guaranteed amount varies by age at the outset, the saving term and the amount saved. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section 'What happens if Police Mutual is unable to pay you?'). The indicator shown here does not consider this protection.

Performance Scenarios

- This table shows the money you could get back over the next 10 years, under different scenarios, assuming that £1,000 a year is invested by someone who turns 41 on their next birthday with a guaranteed amount of £10,089.
- The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.
- The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.
- The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Investment: £998 each year **Insurance premium: £2 each year**		**1 year**	**5 years**	**10 years** (recommended holding period)
Survival scenarios				
Stress scenario (based on extreme market conditions and very low investment returns)	What you might get back after costs	£452	£3,463	£10,089
	Average return each year	-54.70%	-11.94%	0.20%
Unfavourable scenario (based on low investment returns)	What you might get back after costs	£547	£4,232	£10,089
	Average return each year	-45.20%	-5.43%	0.20%
Moderate scenario (based on medium investment returns)	What you might get back after costs	£596	£4,619	£11,219
	Average return each year	-40.24%	-2.56%	2.12%
Favourable scenario (based on high investment returns)	What you might get back after costs	£646	£5,036	£12,593
	Average return each year	-35.25%	0.31%	4.19%
Accumulated invested amount		£1,006	£5,107	£10,415
Death scenario				
Life cover payout based on the moderate scenario	What your beneficiaries might get back after costs	£10,089	£10,089	£11,219
Accumulated insurance premium based on the moderate scenario		£2	£11	£23

- The plan is designed as a Qualifying Policy, which means no income or capital gains tax is due at the end of the term or on death. You can save up to £3,600 a year in Qualifying Policies (this limit doesn't apply to ones that were set up before 21 March 2012 or premiums paid before 6 April 2013). We can set up your plan as a Non-Qualifying Policy, but tax may need to be paid on any payout if higher rate income tax is due.
- Some of the investment growth within the Life Fund is tax-exempt because we're a friendly society (we're able to put the first £270 a year you save in friendly societies' Tax-Exempt Savings Policies into this part). Some of the investment growth is taxable. If your plan is a combination of tax-exempt and taxable, we'll set it up in two parts – although you'll receive just one set of plan documents. Your payout will be the same, whether the amount you save is classed as tax-exempt or not, but the tax-exempt returns we receive help to increase the Life Fund's returns, which means we can pay a higher bonus on all plans.
- Please keep in mind that inflation will reduce what you could buy with the amount saved.

What happens if Police Mutual is unable to pay you?

- If we can't meet our obligations, you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS). The service is free to consumers.
- This is a long term insurance product, so this means you're entitled to receive 100% of the whole of the claim.
- Further information is available from the FSCS: 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, 0800 678 1100 (opening hours are: Monday to Friday - 8.30am to 5.30pm), fscs.org.uk/

What are the costs?

- The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.
- The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £1,000 a year. The figures are estimates and may change in the future.

Costs over time (based on the moderate scenario):

Investment: £1,000 each year **Scenarios**	**If you cash in after 1 year**	**If you cash in after 5 years**	**If you cash in after 10 years**
Total costs	£451	£1,156	£1,888
Impact on return (RIY) each year	45.17%	7.48%	2.78%

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return each year.			
One-off costs	**Entry costs**	0.73%	The impact of the costs you pay when entering your investment. We estimate the charge for an average plan will be £129.60.
	Exit costs	0%	The impact of the costs of exiting your investment when it matures. There is currently no end of plan charge.
Ongoing costs	**Portfolio transaction costs**	0.30%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.76%	The impact of the costs that we take each year for managing your investments. This includes the cost of the insurance benefits. We estimate the Annual Charge for an average plan will be £26.28. A Guarantee Charge of 0.50% a year is taken from the Life Fund's return.
Incidental costs	**Performance fees**	0%	This product does not charge any performance fees.
	Carried interests	0%	This product does not charge any carried interests.

- These charges are estimated, please bear in mind that the charges for your plan may be more or less than this.
- If you cash in early we will apply a 5% deduction to the share of the Life Fund that applies to your plan. There is currently no end of plan charge. Please see the section below for further information.

How long should I hold it and can I take money out early?

The recommended holding period has been selected because this plan is designed to pay out at the end of a fixed saving term.

Recommended required minimum holding period: 10 years (or the full term of your plan if you've chosen to save for a longer term).

Changing your mind in the first 30 days	• As long as you let us know by calling us or by writing to us within 30 days of receiving your plan documents, we'll give you your money back.
Cashing in after the first 30 days	• You can cash in your plan before the end of the term, at any time, by calling us or by writing to us. • If you do so, you'll receive the cash-in value of your plan. **The guaranteed amount will not be paid**. The cash-in value depends on the amount you've paid in, the cost of the life cover, how the Life Fund has performed and our charges (as described in the table above). We'll apply a 5% deduction to the share of the Life Fund that applies to your plan. There is currently no end of plan charge (see exit costs above). **This makes it more likely that you'll get back less than you paid in – and in some cases, especially during the early years, you may get back nothing.** • If you cash in within 10 years (or three-quarters of the term, if less) you may have to pay some income tax if higher rate income tax is due (or the withdrawal makes you a higher rate tax payer) or if the plan has been issued on a tax exempt basis.

How can I complain?

We hope you won't ever need to complain about any aspect of the service you receive from us – but if you do, please phone us on 01543 441630, email groupcomplaintsteam@pmas.co.uk, write to us at Alexandra House, Queen Street, Lichfield, Staffordshire WS13 6QS or visit policemutual.co.uk/about-us/feedback. You can ask us for a copy of our complaint handling procedure. If you're not satisfied with our response to your complaint, you can complain to: Financial Ombudsman Service (FOS), Exchange Tower, London E14 9SR, 0800 023 4567 (opening hours are: Monday to Friday - 8am to 8pm, Saturday - 9am to 1pm), financial-ombudsman.org.uk/. Complaining to the ombudsman will not affect your legal rights.

Other relevant information

- You should also read our Terms and Conditions, which we are legally required to provide and the Guide to investing in the Life Fund (both are available online).
- We review and republish all documents regularly - you'll be able to find the latest versions at policemutual.co.uk.
- We'll send you a statement every year and you can call us if you want to know your plan's value at any other time.