



# Key Features of the **Guaranteed ISA**

The Financial Conduct Authority is a financial services regulator. It requires us, Police Mutual, to give you this important information to help you decide whether our Guaranteed ISA is right for you.

You should read this document carefully so that you understand what you're buying, and then keep it safe for future reference.

## Using this document

You want to know whether our Guaranteed ISA is right for you. That's why we've produced this document, to help you understand exactly what it is, and how it works.

It's important that you know what the risks are before you decide to top up the plan.

### Before you start reading

We refer to 'you', 'we' and 'us' throughout this document. 'You' means the owner of the plan and 'we' and 'us' means Police Mutual. We also refer to the 'plan' throughout the document. The 'plan' means the Guaranteed ISA.

You should read this Key Features Document alongside the:

- Guide to investing in the Life Fund
- Application

When referencing other documents we've used *italics*.

### What to do if you have a question

If there's anything about the plan that you'd like clarified, please call us on 0345 88 22 999.

### Who is eligible for the plan?

This product is closed to new customers, however existing planholders can still top-up their plans.

# Key Features of the Guaranteed ISA (a Stocks and Shares ISA)

## Its aims

Put simply, the plan lets you invest lump sums or regular amounts – or both – during a tax year to grow the total amount over five years or more. It's tax-efficient and comes with the protection of guarantee points too.

## Your commitment

You're not required to invest for any set amount of time, but the plan is designed for money to be invested for at least five years.

## Risk factors

The plan guarantees that you'll get back what you put in, at the very least – but this only applies at guarantee points, which are every five years. If you withdraw your money other than on a guarantee point, you could get back less than you put in.

If you withdraw part of your money, leaving some invested, your guarantee will reduce - see 'What is the Guaranteed ISA?'

Whether your money grows will depend on the performance of our Life Fund. Your plan's value can go up and down.

Also, tax rules may change, which could reduce what you get back.

# Questions and answers

## Do we provide advice on the Guaranteed ISA?

While we're happy to discuss the general features, unfortunately we can't provide you with advice.

## What is the Guaranteed ISA?

- It's designed for people who want to invest lump sums, or regular amounts, or both
- It comes with a guarantee. At the end of a tax year (on 5 April) we'll add up what you've paid in (between 6 April and 5 April) and on 6 April in five years' time we'll guarantee to pay out at least the amount you invested – that's if you haven't made any withdrawals. At this point you can decide to keep some or all of your money invested. We'll lock in any gains and give you a new guarantee for another five years' time. If you withdraw some of your money at the guarantee point we'll reflect this in the new guaranteed amount
- It provides a small amount of life cover during the time you hold the plan - see 'What life cover is included?'
- It's a Stocks and Shares ISA, which means it meets HMRC rules so money grows mainly free of tax and the payout isn't taxed – see 'What about tax?' for details
  - You can only pay into one Stocks and Shares ISA in each tax year
  - Your Annual ISA Allowance (£20,000) can be split between the different types of ISA
  - It's not possible to carry over unused Allowance to another tax year and as the Allowance is personal it isn't possible to hold an ISA jointly with someone else
- You can invest in more than one tax year without having to set up a new plan. You'll get a separate guarantee for each tax year so you may have more than one guarantee running at the same time
- You can save from £40 a month or £1,000 as a lump sum
- You can stop or re-start saving, or change a monthly amount, at any time
- You can make payments directly from pay or pension (in most forces) or by Direct Debit, card, cheque or direct from a bank or building society account

## Transfers-in

- You can also transfer in money held in other ISAs
  - When an ISA is transferred between ISA Managers it keeps its tax benefits
  - You can transfer in all or part of the money invested in ISAs in previous tax years, or all of the money invested in ISAs in the current tax year
  - Transfers of money invested in previous tax years don't count towards your Annual ISA Allowance
  - If you're thinking about transferring a Cash ISA, which usually provides security at all times, remember that with the Guaranteed ISA your money is only guaranteed at the five-year set guarantee points
  - If you transfer in savings from another type of ISA that you have taken out in the current tax year, the transfer will be treated as if you had only invested in a Stocks and Shares ISA. This means you may still be able to take out the other types of ISA in the same tax year, depending on how much of your Annual ISA Allowance you pay into this plan
  - You may lose some growth or interest during the time it takes to complete the transfer and your existing provider may charge you so it's worth checking with them first

## What do you get back?

If you take money out at a guarantee point you'll get the guaranteed amount, plus any investment growth. If you haven't made any withdrawals, this will be at least the amount you invested.

If you take money out other than at a guarantee point, you'll be able to access your plan's current value – this may be more or less than you invested.

If you'd like to learn more about how we work out your plan's value, please read our *Guide to investing in the Life Fund*.

Here's some examples of how it might work in practice for someone who invests their money for 10 years (once charges are taken off):

Amount invested	£100 a month	£3,000	£10,000
If our investments grow at 1.5% a year you could get back	£11,900	£ 3 ,020	£10,000
If our investments grow at 4.5% a year you could get back	£ 13,600	£3,970	£13,400
If our investments grow at 7.5% a year you could get back	£15,900	£5,290	£17,800

How your investment grows depends on:

- How long you invest for
- If you make any withdrawals, and when you make them
- The performance of our Life Fund - see 'Where are your payments invested?'
- The impact of tax - see 'What about tax?'
- Our charges, which may vary - see 'What are the charges?'

Please keep in mind that inflation will reduce what you could buy.

As this is an example, you could get back more or less than this.

We'll send you a statement every year and you can call us on 0345 88 22 999 if you want to know your plan's value at any other time.

## What life cover is included?

We'll pay out a lump sum on death during the time you hold the plan – whichever is the highest:

- 101% of the guaranteed amount, or
- 101% of the current value

The lump sum is normally paid to your estate.

Once we pay out the life cover, the plan ends. It won't have any further cash value.

Surviving married and civil partners (who have not separated from their partner) may inherit the value of their partner's ISA as a one-off Additional Permitted Subscription ISA Allowance. They can choose to invest up to this amount into ISAs in their own name in addition to their own Annual ISA Allowance. We'll provide further details if a claim is made, although it is not currently possible to invest this Allowance with Police Mutual.

## Where are your payments invested?

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.

If you'd like to learn more about this, please read our *Guide to investing in the Life Fund*.

## What are the charges?

We make charges to cover the expenses of running the plan, but don't worry – they're deducted when calculating the value of the plan, so you don't have anything extra to pay. Also, our charges don't reduce the guaranteed value of the plan.

When you begin a plan – and each time you pay into it – we make an initial charge that is taken from each regular payment or lump sum. Together with the annual charge, this is to cover the costs of setting up your plan and the general costs of managing the Fund:

<b>Investment amount</b>	<b>Our initial charge (taken from each payment you make)</b>
<b>Monthly amount</b>	3.5%
<b>£1,000 - £4,999</b>	3.5%
<b>£5,000 - £9,999</b>	3.0%
<b>£10,000 - £24,999</b>	2.5%
<b>£25,000 - £49,999</b>	2.0%
<b>£50,000 plus</b>	1.5%

We also make:

- A yearly charge of 0.5% of your plan's value - spread across each month throughout the year
- A yearly charge of 0.75% taken from the Life Fund's investment return to ensure the guaranteed amount can be paid - spread across each month throughout the year

We review our charges every year – the 'Terms and conditions' section explains when we may make changes.

## How do the charges affect your plan?

Here's some examples of what you might get back from your plan. We've based the information on someone who invests their money for 10 years.

The last two columns assume that investments grow at 4.5% a year:

At end of year	Total paid in to date (£100 a month)	Effect of deductions to date	What you might get back
1	<b>£1,200</b>	£51	£1,170
2	<b>£2,400</b>	£120	£2,390
3	<b>£3,600</b>	£206	£3,640
4	<b>£4,800</b>	£313	£4,940
5	<b>£6,000</b>	£440	£6,280
10	<b>£12,000</b>	£1,452	£13,600

At end of year	Total paid in to date (£3,000 as a single amount)	Effect of deductions to date	What you might get back
1	<b>£3,000</b>	£147	£2,980
2	<b>£3,000</b>	£192	£3,080
3	<b>£3,000</b>	£239	£3,180
4	<b>£3,000</b>	£290	£3,280
5	<b>£3,000</b>	£345	£3,390
10	<b>£3,000</b>	£681	£3,970

At end of year	Total paid in to date (£10,000 as a single amount)	Effect of deductions to date	What you might get back
1	<b>£10,000</b>	£386	£10,000
2	<b>£10,000</b>	£531	£10,300
3	<b>£10,000</b>	£686	£10,700
4	<b>£10,000</b>	£853	£11,000
5	<b>£10,000</b>	£1,032	£11,400
10	<b>£10,000</b>	£2,130	£13,400

Just a gentle reminder that if you withdraw money other than at a guarantee point, you could get back less than you've paid in.

The last line in each table shows that over 10 years the total deductions (charges) could be £1,452 for an investment of £100 a month, £681 for an investment of £3,000 and £2,130 for an investment of £10,000.

In short, deductions over 10 years have the same effect as reducing the investment growth from 4.5% to 2.5% for an investment of £100 a month, 4.5% to 2.9% for an investment of £3,000 and from 4.5% to 3.0% for an investment of £10,000.

## When can you withdraw your money or transfer it?

You can withdraw or transfer out, without charge, some or all of your money at any time, but remember – if you do, and it's not at a guarantee point, you may not get back what you put in.

### Withdrawals

The minimum withdrawal is £50. If you're making regular payments you need to pay in a minimum of £1,000 to make a part withdrawal.

Any money you pay in and withdraw in the same tax year still counts towards your Annual ISA Allowance.

### Transfers out to other ISA Managers

To make a transfer out you'll need to contact your new ISA Manager and they will arrange the transfer for you. If you want to transfer money that you've invested in the current tax year they'll require you to transfer its whole value for that tax year, not just part.

When you make a withdrawal or transfer money out it'll reduce the value of your plan as well as the guarantee. They are linked proportionally, so if you withdraw half of your plan's value, for example, your guarantee will also halve.

Timing matters – if you withdraw some money at a guarantee point, your guarantee will reduce by the same amount you've withdrawn. But at any other time your guarantee may reduce by more or less than you've withdrawn.

Here are a couple of examples:

#### Example 1

- You invest £10,000 and your plan has a guaranteed value of £10,000 at the next guarantee point
- The plan value rises to £12,000 and you decide to withdraw half (£6,000)
- That means your guarantee reduces by half too, becoming £5,000 compared to your new plan value of £6,000

#### Example 2

- You invest £10,000 and your plan has a guaranteed value of £10,000 at the next guarantee point
- The plan value is £8,000 and you decide to withdraw half (£4,000)
- That means your guarantee reduces by half too, becoming £5,000 compared to your new plan value of £4,000

If you invest over more than one tax year, where possible (and unless you tell us otherwise) we'll take a part withdrawal or part transfer from a tax year's investment that leaves you with the highest guaranteed value remaining.

## What about tax?

### **Personal tax**

When you take money out you won't have to pay any capital gains tax or income tax.

There may be inheritance tax to pay if the value of your estate when you die is more than your inheritance tax allowance. It's not possible to put an ISA in trust.

There's a HMRC helpline you can call to check your tax position – 0300 200 3300.

### **Life Fund tax**

The investment growth within the Life Fund is predominantly tax-exempt, but there is an element that is taxable (this is tax that you won't be able to recover).

This information is based on our current understanding of UK legislation. Please bear in mind legislation may change in the future.

# Terms and conditions

We hope you've found all the information useful so far. This Key Features Document, *Guide to investing in the Life Fund* and the *Application* contain legally binding terms and conditions for this plan.

## Plan start date

Your plan starts when we receive the first payment or when we are deemed to receive it based on HMRC ISA Regulations.

## Can you change your mind?

Yes – as long as you let us know within 30 days of receiving your plan documents, we'll give you your money back. You can cancel by calling us or by writing to us. You'll find our contact details at the back of this document.

If you change your mind about making a transfer in, we'll try to return your transfer amount to your previous ISA Manager, although this may not be possible because your previous ISA Manager can choose not to accept it. Alternatively we can help you to transfer out to another ISA Manager.

Please read the 'When can you withdraw your money or transfer it?' section if you decide to withdraw or transfer out after 30 days.

## Proof of identity

To meet money laundering regulations we may check your identity online with a reference agency. The agency will add a note to your credit file to show we've checked, but this information won't be available to third parties – and it won't affect your credit rating.

## Keeping your details up to date

You'll need to let us know if you change your name, move address or if you're no longer resident in the UK or qualify to invest in this ISA. If you become a non-UK resident (if you move abroad, for example) you can keep your ISA (and you can also transfer it), but you can't add any new money to it.

## Management of the ISA

The Manager of the Guaranteed

ISA is Police Mutual Assurance Society Limited, and we manage the plan according to these terms and conditions, the Individual Savings Account Regulations 1998 as amended from time to time (the 'ISA Regulations') and the instructions you give.

Police Mutual, the ISA Manager, may delegate any functions or responsibilities under these terms and conditions to another person, but only once we're satisfied that any such person is competent to carry them out.

## Investment in the ISA

- It's your responsibility not to exceed the Annual ISA Allowance
- You should only invest your own money in this plan
- A plan may be owned or held only as a qualifying investment for an ISA. Your plan will automatically end if it's no longer owned or held as a qualifying investment in the ISA. It will be closed and we'll pay you the plan value
- No part of your plan or the rights conferred by it can be transferred to you (other than the cash proceeds paid to you for withdrawals or on termination)
- No part of your plan can be assigned to anyone else, unless it's transferred from one ISA Manager to another, or if it's to a personal representative in the event of your death
- ISA investments will be and must remain in your ownership. They cannot be used as security for a loan
- Your payments are classed as contributions to a policy of insurance with us. They will be held in your ISA from the date when your first payment is received, or deemed to be received, by us

- If you contribute over a number of tax years, your plan will have a number of separate policies of insurance. The plan number given to you (once we issue your Certificate of Membership) may therefore include separate policies of life insurance. We'll maintain the records of these, although your statements will just include the single plan number

## Withdrawals and transfers out

Subject to the ISA Regulations you can contact us at any time and ask us to:

- close your plan and pay all of the investment value held in the ISA to you (within 30 days)
- withdraw all or part of your investment in the ISA and pay the value to you (within 30 days). Only the cash proceeds can be paid to you
- transfer the whole ISA, or any part of it, with all rights and obligations of the parties, to another HMRC approved ISA Manager who agrees to accept the transfer (within 30 days)

## Deductions

We may deduct from the plan (or any resulting payment or transfer of cash, or shares and other rights):

- Any sums due to us under these terms and conditions, and
- A sum reasonably determined by us to represent any tax liabilities of the plan holder, or those of personal representatives in connection with the plan that we are (or may be) accountable for under the ISA Regulations – except where the plan is being transferred to another ISA Manager

## Termination

We reserve the right to close the plan if:

- a minimum investment of £1,000 isn't reached within three years of starting the plan
- less than £500 remains invested after a withdrawal or transfer out is made (unless you're continuing to make regular payments)
- you make a full transfer out
- you're in breach of these terms and conditions

We'll contact you first. The amount you'll get back will be your plan's value at the time.

## Voiding

We'll contact you if your plan becomes void - this can happen if it fails to satisfy the ISA Regulations. If it's voided it'll automatically end and we'll pay you the plan's value.

## Law

Your plan is governed by the law of England and Wales and is subject to the ISA Regulations. In the event of any conflict between these terms and conditions and the law and the ISA Regulations, the law and the ISA Regulations will prevail.

## Language

All correspondence will be in English.

## How to 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 contact us by phone, email us at [groupcomplaintsteam@pmas.co.uk](mailto:groupcomplaintsteam@pmas.co.uk) or write to us at:

**Group Complaints Team**  
**Police Mutual**  
**Alexandra House**  
**Queen Street**  
**Lichfield**  
**Staffordshire**  
**WS13 6QS**

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**

[financial-ombudsman.org.uk/](http://financial-ombudsman.org.uk/)

The Financial Ombudsman Service opening hours are:

Monday to Friday - 8am to 8pm  
Saturday - 9am to 1pm

Complaining to the ombudsman will not affect your legal rights.

## Compensation

We're covered by the Financial Services Compensation Scheme. If we can't meet our obligations, you may be entitled to compensation from the Scheme. The Guaranteed ISA is a long term insurance product, so this means you're entitled to receive 100% of the whole of the claim.

This service is free to consumers. Further information is available from the Financial Conduct Authority or the **Financial Services Compensation Scheme**:

**Financial Services Compensation Scheme (FSCS)**  
**10th Floor**  
**Beaufort House**  
**15 St Botolph Street**  
**London**  
**EC3A 7QU**  
**0800 678 1100**  
[fscs.org.uk/](http://fscs.org.uk/)

The Financial Services Compensation Scheme opening hours are:

Monday to Friday - 8.30am to 5.30pm

## Variation of the terms and conditions and charges

These terms and conditions, including the charges we apply, may vary as a result of:

- Changes in our products or services, the cost of them, or the way we provide them (including adjusting charges to

reflect the changes in inflation)

- Improvements to our services, such as technological changes
  - Changes we may reasonably make in existing and new activities
  - Changes in the law, or its interpretation, codes of practice or regulations
  - Complying with a decision, requirement or recommendation by a court, ombudsman or regulator
  - Correcting an error
  - Protecting our financial strength in the interests of all our members
  - Harmonising the charges concerned following an acquisition, transfer or merger
- We'll also make changes if they are to your advantage.

All changes to charges are reviewed by our With-Profits Committee, which includes a Chairperson who is independent of the Managing Board. If you'd like to learn more about this, please read our *Guide to investing in the Life Fund*.

If we do make any changes, we'll give you at least 30 calendar days' notice.

## How to contact us

- 1. Call 0345 88 22 999**
- 2. Visit [policemutual.co.uk](https://policemutual.co.uk)**

We're open from 8.30am - 5.30pm Mon-Fri

Write to us at:

Police Mutual  
Alexandra House  
Queen Street  
Lichfield  
Staffordshire  
WS13 6QS



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