

We want to be comfortable that you understand how the product works. If you do not understand something in this document, please feel free to contact us. Before you decide to proceed, please read the Key Information Document for the Lifetime ISA available on our website.

## Overview

The Lifetime ISA (LISA) is a tax-efficient savings plan, invested in the Metfriendly With-Profits fund. The primary aim is to provide a fund which can be encashed for your first qualifying property purchase or alternatively accessed any time from age 60 to enhance your retirement income.

Contributions are eligible for a government bonus of 25%, added to each payment. This LISA provides you with the opportunity to receive £1000 of government bonuses each tax year (when the maximum allowance of £4000.00 is invested each tax year).

You can make monthly contributions between £100 and £333.33 per month or invest an initial lump sum of £1,200 or more. The maximum overall contribution in the 18/19 tax year is £4,000 which counts towards the overall ISA limit of £20,000. You can stop, start or adjust monthly contributions and also make top-ups into the account (subject to limits).

## Eligibility

Investors must be 18 or over but under 40 and resident in the UK for tax purposes (once opened payments can be made up to age 50).

To save or invest with Metfriendly, you must work or have worked in the police service or be the partner or close relative of such a person.

## Qualifying Property Purchase

The withdrawn funds must be put towards the purchase of a first-time residential property purchase either solely or jointly.

The purchase price is £450,000 or less and the investor will live in the property.

It has been at least 12 months since the first payment into a Lifetime ISA prior to withdrawal.

## Risks

The Lifetime ISA is classed as medium-low risk and returns are based on investment performance. Please note that if you cash in for a non-qualifying purpose, the government will deduct 25% from the withdrawal and Metfriendly penalties may also apply. Therefore, you may get back less than you put in.

Normally the plan value will not be less than the money paid in plus all annual bonus (and higher with the possible addition of a final bonus after four years). However, we reserve the right to apply a Market Value Reduction (MVR) so that the value when you cash in more fairly reflects our performance over the period of investment. On past experience this is only likely to affect withdrawals during the early years (less than four years after the initial investment).

## Bonuses

The government bonus of 25% will be added to each payment into your LISA

At the end of each calendar year, Metfriendly typically add an annual bonus to your investment. Please note that once added, annual bonuses cannot be taken away.

Metfriendly bonuses are compound (you earn bonuses on bonuses). After four years or more, a final bonus would typically be added to the value when you cash it in.

The Lifetime ISA has no set term so you can leave it invested for as long as you wish. Payments can be made up to age 50. You should however consider it a medium to long term investment of at least three years.

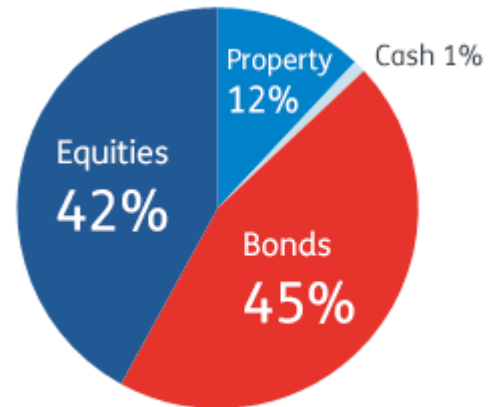
### **Metfriendly With Profits Fund**

The fund is where we invest all our members' money on their behalf. The fund is made up of a mix of assets spread across several investment funds.

All profits are eventually distributed back to our members in the form of annual bonuses and normally a final bonus.

Our assets can rise and fall with the stock-market, although investing in a range of assets does provide some protection to the fund.

Sometimes, however, adverse market conditions (or a poor long-term outlook) may mean it's necessary to lower our bonus rates.



As at 31 December 2017

### **Tax**

There is no liability for Income or Capital Gains Tax during the life of the plan, nor on cashing it in. Your ISA should not be taken into account when completing your Tax Return. However, this could be changed by the Government at any time.

### **Transfers**

You can transfer a LISA to us from another provider and only contributions made in the current tax year (6<sup>th</sup> April to 5<sup>th</sup> April) will count towards your annual limit. For cash, stocks and shares or help to buy ISAs, any transfer value will count towards the current years Lifetime ISA allowance.

You can transfer your accumulated Metfriendly LISA to another LISA provider, but please remember that our ISA is designed as a medium to long term investment.

### **Withdrawing**

You can invest for as long as you want as there is no fixed term or maximum age limit. You can contact us at any time to cash in part, or all, of your plan. Penalties will apply on withdrawals within the tax year of investing and on non-qualifying withdrawals in the next following tax year after investing. The minimum partial withdrawal is £500 and you must leave at least £1,000 invested unless the whole amount is withdrawn.

For qualifying property purchases, funds will be released to the conveyancing solicitor. If you are in the process of buying your first home, please ask your solicitor to get in touch with us as soon as possible.

To make any other withdrawal please call us on 01689 891454. Alternatively, you can e-mail us at [info@metfriendly.org.uk](mailto:info@metfriendly.org.uk) detailing your request.

## **Penalties**

Qualifying withdrawal during same tax year as contribution paid in – 2%.

Qualifying withdrawal during any other tax year/at any other time – No charge

Non-qualifying withdrawal during same tax year as contribution was made - 5% then 25% HMRC withdrawal charge

Non-qualifying withdrawal during tax year next following that during which contribution was made - 3% then 25% HMC withdrawal charge

Non-qualifying withdrawal during any other tax year/at any other time – 25% HMRC withdrawal charge

Transfer of funds invested during current tax year – 5%

Transfer of funds invested in the previous tax year – 3%

During times of adverse market conditions, Metfriendly reserve the right to also apply a Market Value Reduction (MVR) so that the value when you cash in more fairly reflects our performance over the period of investment.

## **Insurance Benefits**

Upon death the current value of your plan will be paid to your estate. If this occurs, neither Metfriendly or HMRC penalty will apply. Also, the death benefit would not be reduced by any applicable MVR.

## **Contact Details**

Address - Metfriendly, Central Court, Knoll Rise, Orpington, Kent, BR6 0JA

Phone – 01689 891 454

e-mail – [info@metfriendly.org.uk](mailto:info@metfriendly.org.uk)

Website – [www.metfriendly.org.uk](http://www.metfriendly.org.uk)

## How to complain

If you have a complaint about any aspect of the service you have received, in the first instance please contact us. A summary of our complaints handling procedure is available upon request.

If you feel your complaint is not dealt with to your satisfaction, you can then contact the Financial Ombudsman Service, Exchange Tower, London, E14 9SR or visit their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk). Complaining to the Ombudsman will not affect your legal rights.

In the event of any complaint, we would treat you as a normal retail customer and not make any assumptions of specialist investment knowledge on your part.

## Compensation

Information on compensation arrangements is available from us.

We are a member of the Financial Services Compensation Scheme.

**Metfriendly** is an insurance provider.

## Law

In legal disputes the law of England and Wales will apply.

Full details of the plan are contained in the Society's Tables and Rules - which evidence the legally binding contract between you and **Metfriendly**.

On taking out any plan, you will be issued with a certificate showing your benefits. As you are then a member of the Society you are subject to our Rules, which are available on the website or on request from us.