

We want you 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 (KID) for the Monthly Savings ISA available on our website.

### **Overview**

The Monthly Savings ISA is a tax-efficient savings plan, invested in the Metfriendly With-Profits fund.

The minimum monthly contribution is £50 per month or £30 if the escalating premium option (Metfriendly Escalator) is chosen.

The maximum annual contribution is the current ISA limit of £20,000 (£1,666.66 per month). The limit does not apply to previous years' ISA transfers.

It is important to note that you can only subscribe to one Stocks & Shares ISA in a tax year (6<sup>th</sup> April to 5<sup>th</sup> April) and total contributions must not exceed the maximum allowance. However, you can also pay into our Lump Sum ISA as well as make regular premiums into our Monthly Savings ISA.

To be eligible, investors must be 18 or over and resident in the UK for tax purposes.

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

### **Metfriendly Escalator**

If the Metfriendly Escalator is selected at any time, then premiums automatically increase by a pre-determined sum selected by the applicant. The minimum increase in monthly contribution is £10, with the increase taking place on the 6<sup>th</sup> of April starting from the next calendar year.

The Metfriendly Escalator can be switched on or off at the request of the plan holder. The Metfriendly Escalator will be switched off if the contributions would exceed the annual ISA limit. In this instance the premium would be set to the maximum permitted.

### **Risks**

The Monthly Savings ISA is classed as medium-low risk and returns are based on investment performance. Please note that if you cash in during the early years, 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 bonuses. However, we reserve the right to apply a Market Value Reduction (MVR) during a period of adverse investment experience 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. Any MVR would not apply to death claims, only on voluntary cashing-in.

### **Bonuses**

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.

Bonuses are compounded, so that in subsequent years you earn bonuses on bonuses. After three complete tax years, final bonus would typically be added to the value when you cash it in.

The ISA has no set term so you can leave it invested for as long as you wish. You should however consider it a medium to long term investment of at least five years.

Any payments made to customers by way of an annual or final bonus must reflect the way in which the value of the With-Profits fund has performed throughout the period of investment.

### **Metfriendly With Profits Fund**

With-profits investments are a method of providing a saver with access to a fund which aims to provide consistent, stable returns on savings over the medium to long term.

### **How does the With-Profits Fund work?**

The premiums we collect from with-profits members are pooled together into Metfriendly's With-Profits fund. We use three fund managers to manage most of the with-profit assets. These include bond funds, a cash fund, a multi asset fund and property funds. Approximately half of the fund's return-seeking assets are invested in a "multi-asset" fund with a broad spread of investment risk, approximately a third in corporate bonds with the remaining assets invested in three different commercial property funds and cash.

By spreading our investments this way, Metfriendly is not solely dependent on one market. For instance, if the value of the stock market were to go down but other investments go up then one effect would offset the other.

### **Smoothing**

We aim to avoid large changes in the amounts paid on comparable plans from year to year. This is known as "smoothing" and is designed to protect members from some of the sudden movements in the stock-market. In practice, smoothing means that we hold back some of the high investment returns from the good years and use them to boost with-profits payments in years when returns are lower.

### **Guarantee Period**

The Guaranteed annual bonus rate applies to contributions made in the tax year of commencement. After this, annual bonus rates will be declared at the end of each calendar year and will apply to contributions received, with no advance guarantee. Please see our website for further details.

### **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.

A payment on death would be paid into your estate which may be subject to Inheritance Tax.

This information is correct to the best of Metfriendly's knowledge at the time of printing; however, any aspect of tax treatment could be changed by the Government at any time. In case of doubt you are strongly encouraged to seek advice on tax matters.

### **Transfers**

You can transfer a Cash, Stocks & Shares or Innovative Finance ISA to us from another provider and only contributions in the current tax year (6<sup>th</sup> April to 5<sup>th</sup> April) will count towards your annual limit.

### **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 your plan. Penalties will apply for withdrawals within

24 months of commencement. The minimum partial withdrawal is £500 and you must leave at least £1,000 invested.

To make a full or partial withdrawal please call us on 01689 891454. Alternatively, you can e-mail us at [info@metfriendly.org.uk](mailto:info@metfriendly.org.uk) from your police e-mail address detailing your request and providing bank or building society account details (in your name) where the funds can be paid.

Requests received by midday Friday are normally credited to your account the following Wednesday. Where there is an intervening public holiday, different arrangements may apply.

### **Charges**

Charges apply on the withdrawal or transfer of funds during the first 24 months of opening the plan.

0 – 12 months	5%
13 – 24 months	3%
Thereafter	0%

However, 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, withdrawal charges will not 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 Metfriendly'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 Metfriendly you are subject to our Rules, which are available on the website or on request from us.