

Facilitated Adviser Charge Guide



This is an important document. Please read it carefully and keep it safe for future reference.

About Facilitated Adviser Charges

This guide explains what a facilitated adviser charge is and how it works.

What is a facilitated adviser charge?

A facilitated adviser charge allows you to pay for professional financial advice from your pension pot. As a member of a workplace pension plan, you may require professional financial advice to help you make the most of your savings.

For example, if you wish to:

- Transfer benefits from other pension plans
- Review your investment strategy
- Change how much you pay in
- Pay in occasional lump sums
- Make the most of contribution allowances and tax limits
- Take some money out of your plan
- Review your pension (there doesn't need to be a transaction or change required)

It's between you and your adviser to agree how you will pay for these services. There are a number of options you have, one of them being a facilitated adviser charge.

You can choose to pay your adviser charge by making deductions from your pension pot. We'll then pay this amount to your adviser's firm.

You can use this facility as many times as you like providing:

- the advice relates to your Legal & General pension plan
- it meets the terms and conditions in this guide.

Your adviser must be authorised by the Financial Conduct Authority and registered with Legal & General for us to be able to make the facilitated adviser charge payment.

Facilitated adviser charges are only available on:

- WorkSave Pension Plan
- WorkSave Pension Trust (at the trustees discretion)
- WorkSave Buy Out Plan

You can find out which scheme type you have by visiting your scheme website.

If you take all your pension pot as cash in one go, you'll need to pay your adviser yourself from the proceeds or other savings.

If you transfer your pension pot to another provider, we'll be unable to pay your adviser a facilitated adviser charge.

However, your new provider may be able to do so if they offer facilitated adviser charging too.

Can I use this facility to pay for advice across other products, pension or otherwise?

No, we are not permitted by HM Revenue & Customs to facilitate a charge for advice that does not directly relate to the specific Legal & General pension scheme from which the charge is being taken.

How does the facilitated adviser charge work?

You'll agree an amount with your adviser then complete and sign the Facilitated Adviser Charges Member Authority Form, which you can find by visiting:

legalandgeneral.com/adviserchargeform

You'll need to do this every time you wish to use this facility. If the information you provide is unclear or not on the correct form we may not be able to process your request.

How we deduct the charge

We deduct the charge by selling units from your pension plan on the same day of the month as the one when your plan started. This will reduce the value of your pot accordingly.

If you're invested in more than one fund, charges will be deducted proportionately from each one.

We'll then pay this amount to your adviser's firm. We'll normally make the payment within 30 days of accepting your instructions.

The conditions applying to the deduction of units to pay adviser charges are the same as for annual management charges. Please see your terms and conditions booklet for more details. This can usually be found on your scheme website and is sometimes called a Member or Policy booklet.

If you're in a self-invested fund

If you have a WorkSave Pension Plan and you've made use of the self-investment option, this charge may only be taken from the insured funds element of the plan. If you are not invested in any insured funds you will not be able to use this facility.

Charge cap

If you're a member of a scheme that your employer is using for automatic enrolment and are invested in the default investment option, you can't normally be charged more than 0.75% a year of the value of your fund. This is known as a charge cap.

However, any payments made to advisers from your plan using this facility are excluded from this charge cap as this charge is separate from any product-related charges made by us.

Payments must be fair and reasonable

The payment must be fair and reasonable in relation to the extent and quality of the advice given. We reserve the right to investigate and decline any payments which we consider to be disproportionate, inflated or in any other way unreasonable. In some instances we may contact your adviser to ask for an explanation.

If we're unable to facilitate a payment of the adviser charge, you'll need to arrange a payment directly with your adviser.

Any payments we make which are subsequently deemed unauthorised by HMRC will be reclaimed from the adviser and returned to your pension pot. If this happens you'll need to contact your adviser's firm about paying the adviser charge.

Frequently asked questions

Can I use this facility to pay regular charges for ongoing advice?

The facility was designed to pay occasional charges for personal financial advice. It can't be used to pay regular charges for ongoing advice.

Regular advice would be agreeing to pay a regular (annual, quarterly etc.) fee to the adviser for regularly reviewing your pension.

Occasional advice is for one-off reviews for example, on a pension transfer in, or a review of the member's pension.

This will be for a single fee agreed between you and your adviser.

What happens if I change my mind?

Once we've paid an adviser charge, we can't refund the payment to you. If you change your mind, you'll need to contact your adviser's firm directly.

How do I know how much I've agreed for you to pay my adviser's firm?

On acceptance, we'll confirm your instructions in writing. Confirmation will appear as "One Off Adv Chg" on your pension statement.

How will this affect my entitlement to tax-free cash?

The payment of any adviser charges will not affect the percentage of tax-free cash you can take from your pension pot.

Is this the same as the government's Pensions Advice Allowance?

The government's Pensions Advice Allowance enables members to take up to £500 from their pension pot to pay for professional financial advice.

Such advice may concern pensions and retirement in general and need not be limited to the pension plan in question.

Members can take only one allowance in any tax year and are limited to three allowances (ie £1,500) in total. We do not currently offer the Pensions Advice Allowance and our facilitated adviser charges are an entirely separate matter.

Changing the terms of a facilitated adviser charge

We may make fair and reasonable changes to the terms of your plan from time to time. These could include the terms relating to facilitated adviser charges, as shown in the 'Changes to the terms of your plan' section in your terms and conditions booklet.

We may make changes to the terms of the facilitated adviser charge that applies to your plan as a result of actions taken by, or circumstances that apply to, your adviser. We'll only make changes in accordance with the terms of your plan.

For more information

For more information, speak to your financial adviser or visit:

legalandgeneral.com/workplacepensions

Alternatively, you can call our helpline on **0345 070 8686**. Call charges will vary. We may record and monitor calls.

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