Sharing the benefits
of healthy investing

Retirement Booster Schedule.

You should read this document together with the *Terms and Conditions* and *Policy Document* for *your plan,* which explains the circumstances in which *we* may change the *Retirement Booster* terms or rates.

In this document *we* have put some words in italics. These words have the same meaning as given in the Glossary section of the *Terms and Conditions* and *Policy Document* for *your plan*.

The rates below apply from:

28 June 2021.

The *Retirement Booster* will apply separately to each *flexi-access drawdown* pot that *you* hold within *your plan*. These rates will apply for 10 years following the start date of the first *drawdown policy year.* At the end of the 10 year period *we* will provide a new set of *Retirement Booster rates*, which may be lower or higher than those shown in this document.

What is the Retirement Booster?

It's an enhancement to the value of the *policy*. The amount of the enhancement depends on the amount of income taken from your *flexi-access drawdown* pot, *your Vitality status* and the value of the *policy* linked to *eligible funds*. The list of *eligible funds* is shown at the end of this schedule.

Is your plan eligible for the Retirement Booster?

All or part of the value of the *policy* will be eligible to receive a *Retirement Booster* if:

- *You* have designated all or part of *your plan* for *flexi-access drawdown;* and
- All or part of the *plan* designated for *flexi-access drawdown* is linked to *eligible funds*.

To calculate the Retirement Booster we carry out the following steps:

STEP 1 – CALCULATE THE PERCENTAGE OF YOUR FLEXI-ACCESS DRAWDOWN POT THAT YOU HAVE WITHDRAWN IN INCOME:

- For each *drawdown policy year, we* will calculate the amount of *flexi-access drawdown* income that *you* have taken from *your plan* during the *drawdown policy year* as a percentage of:
  - the value of the *policy* that had been designated for *flexi-access drawdown* at the start of the *drawdown policy year* after any tax free cash has been paid out, plus
  - any additional money you have designated for *flexi-access drawdown* within the *policy* over the *drawdown policy year* after any tax free cash has been paid out.

If the income percentage you have taken over the *policy year* is less than 1%, then *we* will assume that the income amount and percentage is 1% for the purposes of the rest of the calculation.

STEP 2 – DETERMINE THE RETIREMENT BOOSTER RATE:

- *We* will use your *Vitality status* at the end of the *drawdown policy year* together with the percentage of *flexi-access drawdown* income taken (calculated in step 1) to determine the *Retirement Booster* rate that applies. These rates are shown in the table below.

STEP 3 – CALCULATE THE RETIREMENT BOOSTER AMOUNT:

- *We* multiply the amount of *flexi-access drawdown* income taken over the *drawdown policy year* by the *Retirement Booster* rate.
- *We* will then multiply that figure by the percentage of the *flexi-access drawdown* pot invested in *eligible funds* (based on the average daily value during the *drawdown policy year*).

What are the Retirement Booster rates?

PERCENTAGE CALCULATED IN STEP 1	RETIREMENT BOOSTER RATE			
	Vitality Status			
	Bronze	Silver	Gold	Platinum
0% UP TO 1%	10%	20%	40%	50%
OVER 1% UP TO 2%	7.5%	15%	25%	35%
OVER 2% UP TO 3%	6%	12.5%	15%	20%
OVER 3% UP TO 4%	4%	7.5%	12.5%	15%
OVER 4% UP TO 5%	0%	5%	10%	12.5%
OVER 5% UP TO 6%	0%	2.5%	5%	7.5%
OVER 6% UP TO 7%	0%	0%	2.5%	5%
OVER 7% UP TO 8%	0%	0%	0%	2.5%
OVER 8%	0%	0%	0%	0%

Here's an example of how we calculate and apply the Retirement Booster:

Francesca starts her VitalityInvest Retirement Plan with Healthy Fee Saver and Boosters on 1 October 2020 and invests £200,000, with 75% in *eligible funds* and 25% in *non-eligible funds* (and assuming this proportion stays the same over the duration of her *plan*). Francesca's *Vitality status* is Gold.

On 1 May 2021, Francesca designates £100,000 for *flexi-access drawdown* and takes £25,000 as a tax free cash sum, leaving £75,000 as her *flexi-access drawdown* pot. She then chooses to take regular monthly income payments of £300, payable on the 24th of each month.

The *drawdown policy year* ends on 30 April 2022 and we then calculate the *Retirement Booster* as follows:

STEP 1 – CALCULATE THE PERCENTAGE OF FRANCESCA'S *FLEXI-ACCESS DRAWDOWN* POT THAT SHE HAS WITHDRAWN IN INCOME:

- The amount of income taken during the *drawdown policy year* is £300 x 12 = £3,600. This is 4.8% of the amount designated for *flexi-access drawdown* after the tax free cash sum.

STEP 2 - DETERMINE THE *RETIREMENT BOOSTER RATE*:

- This means that the *Retirement Booster* rate that will apply is 10% (see the rates table above).

STEP 3 – CALCULATE THE *RETIREMENT BOOSTER* AMOUNT:

- *We* multiply the amount of income from step 1 by the *Retirement Booster* rate in step 2:
  - £3,600 x 10% = £360
- *We* then multiply this amount by the percentage of Francesca's *flexi-access drawdown* pot invested in *eligible funds*, averaged over the *drawdown policy year*:
  - £360 x 75% = £270

The *Retirement Booster* amount of £270 is then added to Francesca's *plan* at the same frequency that she is taking her regular withdrawals, which is monthly:

- *We* divide the £270 by 12, which is £22.50
- *We* pay £22.50 into Francesca's *plan* on the 1st June 2022 and then on the 1st of each subsequent month throughout the *drawdown policy year*. These payments are made into the *cash account* after which she can choose to link that money to the *funds* of her choice.

Eligible funds for the Retirement Booster

At present, all Vitality funds are eligible funds for the Retirement Booster.

Changes to eligible funds

The list of *eligible funds* for the *Retirement Booster* may change from time to time. If the list changes then *we'll* publish a new *Retirement Booster Schedule* on our website at vitality.co.uk/invest-literature. *We'll* provide *you* with at least 30 days' notice if *you're* invested in any *funds* that will become non-*eligible funds*.

Notes.

How to contact us.

If there is anything *you're* not clear about, please speak to *your financial adviser* if *you* have one, or *you* can contact *us*.

- Email *us* at invest customerservices@vitality.co.uk
- Write to *us* at VitalityInvest, Sheffield, S95 1DD
- Call 0333 99 60 400. Calls to 03 numbers are charged at local rates.

Call charges may vary, please check with *your* service provider.
We may record or monitor calls to help improve service.
For details visit vitality.co.uk/contact.

If *you* choose to contact *us* by email, there are some security measures that *you* should consider. To find out more about these measures, please visit vitality.co.uk/data-protection. If *you're* unsure if *you* can securely send *us* an email, it's always safer to upload documents to *your* 'My Documents' page on the Invest section of *your* Member Zone, or give *us* a call.
Copies of all documentation can be provided in a variety of formats.
If *you* would like this document to be issued to *you* in a different format please contact *us*.

All documentation and communication will be in the English language.

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