

assign any windfall conversion benefits to the Charities Aid Foundation. This assignment will apply for the first 5 years of membership. Existing members with continuous membership prior to the effective date are not affected. Our Charitable Assignment Scheme leaflet provides full details.

## GENERAL ACCOUNT TERMS AND CONDITIONS VARIATIONS

In view of the unique nature of this account, the following variations will apply to the General Account Terms and Conditions:

4(iii) – Interest will be credited to the account annually on 31 December and rolled up throughout the savings plan period. The accumulative interest will be used to fund or part fund the final year's premium due to Sheffield Mutual.

5c (ii and iii) – Interest will be calculated at bank base rate (variable) minus 0.25%. Following any changes, we will amend the interest rate within 3 working days and notify you in writing within 30 days of the change. Interest rate information in respect of this Sheffield Mutual Friendly Society feeder account will not appear in our Current Interest Rates Summary, branch posters, newspaper adverts or website because this account is available exclusively to fund a Sheffield Mutual Friendly Society Savings Plan.

15f – Any surplus funds available after 10 years and after payment of the final premium will automatically transfer into a Prime Access account.

The Mansfield Building Society is a participant in the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000. Payments under the Scheme are limited to a maximum of 100% for the first £35,000 of an investor's total shares and/or deposits in a society. Most investors are covered, including individuals and small firms. Although most shares and deposits are denominated in sterling, all other currencies are covered. Further details are available on request from the Society.

### Notice:- DATA PROTECTION ACT

Information provided by you on the investment application form will be held by the Society in its computer records and in other ways. It may be used for general business purposes including market research, statistical analysis and to identify other products and services offered by The Mansfield Building Society, its' subsidiaries, or associates, which may be of interest to you. It will not be passed to any other organisation except Sheffield Mutual Friendly Society without your permission.

Member of the Building Societies Association  
Shares and Deposits in the Society are  
Trustee Investments



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MBS/Marketing/Leads/Investment/Pending/Sheffield Mutual Friendly Society Account

**Tax Exempt**  
**10 Year Savings Plan**  
**Feeder Membership**  
**Investment Account**



**in association with**  
**Sheffield Mutual**  
**Friendly Society**

## **WHAT IS THE PURPOSE OF THIS ACCOUNT?**

This account is exclusively designed to provide funding for a Sheffield Mutual Friendly Society Tax Exempt 10 Year Savings Plan (known as the Capital Plan Account). The feeder account will close after 10 years and any surplus funds will automatically transfer into a Prime Access account (or nearest equivalent), to which you can add or withdraw without notice, unless we receive alternative written instructions.

## **HOW MUCH CAN BE INVESTED?**

The Government restricts the amount that an individual can save in a tax-exempt plan because of the tax concessions available. Under current legislation the maximum overall investment limit is £270 per year (when premiums are paid annually) which equates to £2700 over the 10 year period. Under this particular Sheffield Mutual Friendly Society Scheme your initial outlay is £2500. There can be no variations. The first year's premium of £270 will be retained by Sheffield Mutual Friendly Society which means that the balance of £2,230 will be credited to the feeder account with The Mansfield Building Society. The "rolled up" interest from the feeder account may be sufficient to make up the difference between the remaining investment and required premium of £270 in the final year. In the event of a shortfall, you will need to make up the difference from your own resources.

## **ACCOUNT OPENING FORMALITIES**

The tax exempt savings scheme and feeder account are being promoted exclusively by Sheffield Mutual Friendly Society and are not available direct from The Mansfield Building Society. As part of the account opening formalities, you will be asked to produce

satisfactory evidence of identification which is a legal requirement.

## **PREMIUM TRANSFERS FOR 2<sup>ND</sup> AND SUBSEQUENT YEARS**

Fixed amounts of £270 will be transferred annually to your Tax Exempt 10 Year Savings Plan with Sheffield Mutual Friendly Society starting 12 months after the feeder account is opened. Premiums will be transferred on the 15<sup>th</sup> day of the anniversary month. If the "rolled up" interest is insufficient to make up the difference between the remaining investment and the annual premium in the final year, you will be required to make up the shortfall from your own resources by payment direct to Sheffield Mutual Friendly Society. In the event of a shortfall, Sheffield Mutual Friendly Society will contact you direct requesting additional funds. Any surplus funds available after 10 years and after payment of the final premium will automatically transfer into a Prime Access account (or nearest equivalent) unless we receive alternative written instructions.

## **WHAT ABOUT INTEREST?**

Interest will be calculated at Bank Base Rate (variable) minus 0.25%. This formula will be used to calculate interest throughout the 10 year term. Following any changes in bank base rate, we will amend the interest rate within 3 working days and notify you in writing within 30 days of the change. Interest will be credited to the account annually on 31 December after deduction of income tax at the lower rate of 20% or, subject to the required certification, gross. Individuals who are non-taxpayers, and who have not registered to receive their interest without tax deducted, can claim a repayment of the tax deducted at 20% from the HM Revenue & Customs.

Unless an individual is a higher rate taxpayer (see below), tax is currently chargeable on interest at 20%, equal to the tax deduction made. However, in some circumstances, individuals whose total taxable income is only just over the starting point for paying income tax may be able to claim a repayment of the tax deducted from the HM Revenue & Customs. For example, where their non-savings income is less than their personal allowance. Individuals whose taxable income falls within the current basic rate band of 20% will have no more tax to pay on their interest, as the tax deducted from it at 20% will satisfy the tax due. Individuals who are higher rate tax payers will have to pay the extra tax due on their interest (the difference between tax deducted at 20% and the higher rate of 40%).

Tax rates may change during the term of the account.

## **ELIGIBILITY**

The feeder account can be opened in either single or joint names. An adult may pay the subscription on behalf of a child. This is an ideal way to build up a lump sum perhaps as an 18<sup>th</sup> birthday gift or to help with school or university fees.

## **ACCOUNT CONDITIONS**

Due to the purpose of the Feeder Account, no additions or withdrawals are permitted. Closure before the 10<sup>th</sup> anniversary of the account being opened will be subject to the loss of 60 days penalty interest whether or not prior notice is given. We will notify Sheffield Mutual Friendly Society in the event of early closure who will then contact you direct to obtain your further instructions.

## **CHARITABLE ASSIGNMENT**

All new customers opening a savings account will be required to sign a declaration agreeing to