

KEY FEATURES OF THE REGULAR SAVINGS PLAN

WHAT IS THE PURPOSE OF THIS LEAFLET?

The Financial Services Authority is the independent financial services regulator. It requires us, Sheffield Mutual Friendly Society, to give you this important information to help you to decide whether our Regular Savings Plan is right for you. You should read this document carefully along with the illustration and general product leaflet, so that you understand what you are buying and then keep it safe for future reference.

WHO IS THE REGULAR SAVINGS PLAN SUITABLE FOR?

Individuals who would like to regularly save a set amount over a specified period with a minimum of 10 years, to build a lump sum.

ITS AIMS

- By the payment of regular premiums to build a guaranteed cash sum at the end of the term assuming all premiums have been paid on the due dates.
- To add additional bonuses to the guaranteed sum, though these are not guaranteed and depend on the investment performance of the fund.
- To provide a return of premiums paid plus interest in the event of death before the end of the term.
- To provide access to a range of different assets e.g. Equities, property, fixed interest and cash through a single with-profits fund.
- To give a return of premiums paid plus interest in the event of death before the end of term. The current interest rate is Bank of England base rate + 1% though this could be changed in future by the Society.

YOUR COMMITMENT

- You agree to pay a regular premium i.e., monthly or yearly throughout the selected term, which cannot be varied.
- If you stop paying the premiums at any time the Regular Savings Plan will stop and cannot be reinstated.

RISK FACTORS

- Your circumstances may change and you may no longer be able to afford the regular premiums.
- If you surrender your policy at any time before the end of the term you may not receive as much back as you have paid in. This is particularly relevant during the early years.
- Bonuses will depend on the investment performance of the fund and may not be as high as anticipated.
- Depending on tax legislation at the time you may have additional tax to pay on the proceeds of the policy.
- Inflation may reduce what you could buy in the future.

QUESTIONS AND ANSWERS

CAN I SELECT THE TERM OF MY SAVINGS PLAN?

Yes, you can choose the term over which you would like to save with a minimum of 10 years and a maximum of 25 years.

ARE THERE ANY GUARANTEES?

Providing the plan runs to its intended maturity date the society will, depending on the amount you wish to save and for how long, guarantee a minimum sum assured. The final policy value will depend upon investment performance but bonuses are declared each year and are added to your guaranteed sum assured. Once added these cannot be taken away so that on maturity your policy value will be the guaranteed sum assured plus bonuses accrued.

ARE THERE ANY CHARGES?

Yes, the Society takes a management contribution of 50% of premiums paid in year 1 and in the second and subsequent years 6% of the annual premium amount. These are to cover the cost of expenses incurred in setting up the policy and maintaining it thereafter. The charges are deducted from the overall fund and taken into account when we calculate the level of bonuses we are able to pay.

WHAT HAPPENS IF I STOP PAYING PREMIUMS?

The Regular Savings Plan is designed as a medium to long term savings plan and if you stop making payments, depending upon how long the policy has been running, there may be a surrender value. However, particularly during the early years, this may not be as much as you have paid in. The Society also reserves the right to surrender the policy if premiums are more than three months in arrears.

CAN I MAKE WITHDRAWALS?

No, you cannot make any withdrawals other than by surrendering the policy.

IS THERE A TAX LIABILITY?

The money you save is invested in a fund on which the Society pays tax. Providing the policy runs to maturity, the proceeds are normally free of further taxation. However, you may have to pay tax if you stop paying premiums and/or you cash in your policy before the end of its term. All references to taxation are based on the Society's understanding of current tax legislation and practice, which may change in the future.

WHAT ABOUT PROTECTION FOR MY DEPENDENTS?

There is no life cover with the Regular Savings Plan and in the event of death before the end of the selected term there will be a refund of premiums paid to the date of death plus interest.

HOW WILL IT WORK FOR ME?

Accompanying this leaflet you will find an illustration which shows how the Regular Savings Plan might benefit you and you should read this in conjunction with the Key Features as it contains other important information. If you require a specific illustration please contact us.

OTHER INFORMATION

CANCELLATION RIGHTS

After your proposal is accepted you will receive a notice of your right to cancel. You will then have 30 days in which to change your mind.

PREMIUMS

Premiums are paid monthly or annually. Missed premiums could mean that your policy may lapse with no value.

BONUSES

Bonuses calculated on the basis of the profits of the fund are added to your policy. The bonus rate is decided by Sheffield Mutual Friendly Society acting on the advice of the actuary and is not guaranteed.

LAW

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

LEGISLATION

All or any of the benefits, the premiums, or the policy conditions may be adjusted as deemed appropriate.

- If there is any change in Law or Taxation affecting the policy
- If any levy is imposed on the Society under Statute or statutory authority
- As a consequence of any amendment to General Laws

Notice would be given of any such adjustments.

QUERIES AND COMPLAINTS

For further information or if you wish to complain about any aspect of the service you have received, please contact the Society's Chief Executive at the address shown below. If a complaint is not dealt with to your satisfaction you can then complain to the Financial Services Ombudsman, South Quay Plaza, 183 Marsh Wall, London E14 9SR, or telephone 020 7964 1000. Making a complaint will not prejudice your right to take legal proceedings.

COMPENSATION

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS by visiting www.fscs.org.uk, or by calling 0207 892 7300 or 0800 678 1100.

THE SHEFFIELD MUTUAL FRIENDLY SOCIETY

Was founded in 1892. Total assets exceed £25 million and there are over 20,000 members.

This leaflet is a brief guide to the Key Features of the product.

Full details are contained in the policy document which is the legally binding contract between you and SHEFFIELD MUTUAL FRIENDLY SOCIETY.

Sheffield Mutual Friendly Society

3 Maple Park · Maple Court · Wentworth Business Park · Tankersley · Barnsley · South Yorkshire · S75 3DP

Tel: 01226 741000 · Fax: 01226 741222

Url: www.sheffieldmutual.com · Email: enquiries@sheffieldmutual.com.