

## KEY FEATURES OF THE STOCKS & SHARES ISA

### 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 Stocks & Shares ISA 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 IT SUITABLE FOR?

Individuals of 18 or over who would like to save or invest for a minimum of three years in a product which has tax advantages under current legislation.

### ITS AIMS

- To provide a straightforward way of investing a monthly or annual amount to build a lump sum with low to medium risk.
- To provide access to a range of different assets, e.g. equities, property, fixed interest and cash through a single with profits fund.
- To add bonuses to your investment.
- To provide proceeds that are paid tax free.
- To give you the option to vary your contributions (subject to ISA limits) if your circumstances change.

### YOUR COMMITMENT

- To pay a regular monthly premium between £30 and £850 or single premiums with a minimum initial investment of £300 and subsequent additions of no less than £100 up to a maximum investment of £10,200 in any one tax year.
- You can withdraw your investment at any time but you should see it as a medium to long term plan from which withdrawals will be made infrequently.
- By investing in a Sheffield Mutual Stocks & Shares ISA you will not be able to start a Stocks & Shares ISA with another provider during the same tax year.

### RISK FACTORS

- Your circumstances may change forcing you to cash in early and you may not get back as much as you have paid in.
- Future bonuses are not guaranteed and will depend on the investment performance of the fund.
- A market value reduction may be applied if you withdraw early and the investment returns are less than profits already added.
- The Government could change the way in which ISAs are taxed which may result in the amount which you get back being reduced or that you may have additional tax to pay.

## QUESTIONS AND ANSWERS

### CAN I SELECT THE TERM OF MY STOCKS AND SHARES ISA?

There is no specific term but to take full advantage, investing in this type of policy should be viewed on a medium to long term basis.

### CAN I STOP PAYING PREMIUMS?

Yes, you can stop or vary the level of premiums during a tax year. However, if you do not make a payment in the whole of a tax year and you wanted to start again you would have to make a new application.

## WHAT HAPPENS IF I DIE?

On early death the Society will pay 101% of the policy value to either the surviving spouse or the individual's estate. Interest will be credited tax free up to the date of death but from then until the date that the money is paid it will be subject to tax at the rate applicable at the time.

## ARE THERE ANY CHARGES?

Yes, the Society will deduct 2.5% of the value of the policy fund in year 1 and 1.5% each year thereafter to cover administration expenses. The annual charge is normally deducted from the declared annual bonus rate before it is added to your policy.

## IS THERE A TAX LIABILITY?

One of the benefits of an ISA is that all the money you receive from it will be completely free of tax and where applicable does not need to be entered on your tax return. Investment income (except the tax credit on dividend income which cannot be reclaimed) and Capital Gains made to the fund are currently tax-free, but this information is based on current tax legislation which may vary in the future.

## HOW WILL IT WORK FOR ME?

Accompanying this leaflet you will find an illustration which shows how the ISA 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.

### 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

All or any of the benefits, premiums or policy conditions may be adjusted in the event that

- There is a change in law or taxation affecting the policy
- Any levy is imposed on the Society under statute or statutory authority
- There is an amendment to general legislation

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

### MARKET VALUE REDUCTION

This could reduce the amount we pay out if you close, transfer or withdraw funds from your ISA at a time of adverse investment conditions. Its purpose is to ensure that you receive your fair share of the fund value at the time when you close, transfer or withdraw from your ISA, which will ensure remaining policyholders are not disadvantaged.

### QUERIES AND COMPLAINTS

For further information or if you wish to complain about any aspect of the service you have received, please contact the 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](http://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.

#### Sheffield Mutual Friendly Society

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