



Protecting Your Investment

Your Future
is
Our Business

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TAX EXEMPT SAVINGS PLAN
with Life Assurance

Tax Exempt Savings Plan with Life Assurance

Why should I save with the Sheffield Mutual?

The Society has been providing savings and protection policies to its members since 1892, and as we are owned by members and not shareholders, any surplus funds are used for their benefit. In addition, as a Friendly Society we are able to offer special plans that allow you to invest in tax exempt funds*, with the exception of tax credits on dividend income which can no longer be reclaimed, and receive tax free money on maturity*.



Are there any guarantees?

Providing the plan runs to its expected maturity date, the Society will, depending on the amount you wish to save and for how long, guarantee a minimum sum assured. The final value will depend upon investment performance but bonuses are declared by the Society's Committee of Management acting on actuarial advice, each year, and these are added to your guaranteed sum assured. Once added these bonuses cannot be taken away. There may also be a further terminal bonus on maturity but this is subject to investment returns during the period.

Where does the Society invest it's with Profit Fund?

The Society invests in a range of different assets with the aim of providing a higher return in the medium to longer term (5-10 years+) than that achievable in a Bank or Building Society account. We will look to achieve this by maintaining a spread of Investment Assets that will provide low to medium risk making it an option for individuals with a more cautious approach to investing their money.

Examples of the types of assets we invest in are:-

- The shares of UK companies though we may also have a very small exposure to some overseas companies to provide diversity. These provide income from dividends with the possibility of capital growth.
- We also adopt an ethical approach to our share purchases by not including companies who are involved in armaments, tobacco and pornography.
- Investments such as Government Gilts or Corporate Bonds which provide fixed interest.
- Property - The Society owns several properties which provide income from rentals and potential capital growth.
- Fixed interest returns from a small portfolio of Commercial Mortgages.
- Cash.

The proportion held in each of these can vary depending upon market conditions but you can obtain a guide of the spread by contacting the Society's office.



How does the bonus work?

We invest our funds as described in the previous section and receive a return on those investments which can vary from year to year. At the end of March or early April we review the returns achieved during the previous calendar year in consultation with our Actuary, and the Committee of Management declares a bonus rate for each policy type for that period. Obviously the rate varies depending upon overall investment returns and is not therefore guaranteed to be paid at the same rate in future years. However, once bonuses have been added to the policy, providing the policy runs to maturity, they will not be taken away.

Bonuses are calculated at the appropriate rate based on the sum assured not the amount of premium paid and on maturity you will receive the initial sum assured plus bonuses added during the life of the policy.

The Society also tries to 'smooth' returns over the life of the policy by retaining some of the investment return in good years to maintain bonus rates in poorer years. However, to ensure members receive their fair share of returns on their policy over its lifetime, there may be an additional terminal bonus paid on maturity. Payment of this type of bonus depends entirely on investment performance and the rate at which annual bonuses have been added. It is not guaranteed, i.e., if paid, the rate may vary from year to year.

How much can I save in a Tax-Exempt Plan?

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 individual investment is £25 per month or £270 annually. The minimum you can save in the Sheffield Mutual plan is as little as £5 per month or £50 annually. If you would like to save more than £25.00 per month, please ask us for details of our Regular Savings Plan or Stocks & Shares ISA.

Who can save in this Tax-Exempt plan?

Anyone aged between 11 next birthday and 55 next birthday can start a plan or have several plans within the overall maximum levels of £25 per month or £270 annually. The maximum figure includes any tax-exempt savings plan held with another Friendly Society.

Is life cover included?

Yes. The amount of life cover will be the guaranteed sum assured plus any bonuses which may already have been added. This will be paid if you die before the end of the selected term. In order for us to provide life cover we will require you to complete a short medical history questionnaire and we reserve the right to contact your Doctor for further information if necessary. Any undisclosed condition may result in a death claim being invalid.

Can I make early withdrawals?

You cannot make any withdrawals but if your circumstances change, you can surrender your policy. However, the plan is designed for medium to long term investment and the surrender value may be less than the amount you have paid in. You may also be liable for additional tax on any investment gain. The amount of the gain may result in a reduction of the amount of any old age relief or child tax credit being received.

Can I select the term of my savings plan?

Yes, you may choose the period over which you would like to save, with a minimum term of 10 years. If you are aged 55 next birthday the maximum term will be 10 years.

How do I start my plan?

Simply decide how much you would like to save, for how long, and whether you would like to save monthly or annually. You should then study the 'Key Features' literature and, providing you do not need any advice, complete and return the application form and direct debit authority and return them to 'Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, South Yorkshire, S75 3DP', along with a cheque for the initial premium.

Can the Society provide me with advice?

Yes, if you would like one of our financial advisers to see you, either at home or other convenient location, **please write to us at 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, South Yorkshire, S75 3DP or by telephone: 01226 741000 or via email on enquiries@sheffieldmutual.com**



Do I need to provide any additional information?

In order to comply with regulations, the Society will require confirmation of your identification and address. We will therefore ask to see documents such as a passport or driving licence and utility bills or bank statements before issuing a policy.

* Based on the Society's understanding of current legislation and Inland Revenue practice which may be subject to change.

Please ask for details of our other products, which include:

- Capital Plan
- Regular Savings
- Investment Bond
- Income Bond
- Pension Bond
- Stocks and Shares ISA
- Life Assurance
- Sickness and Accident Insurance
- Funeral Expenses
- Child Trust Fund

History of the Friendly Society

The values of Friendly Societies date back 2000 years when Roman legionnaires clubbed together to provide for each other's financial protection. The principle of mutual assistance was developed and by the end of the 18th Century the first Friendly Society Act was introduced to provide a basis for future development.

Times have changed since then but the Sheffield Mutual which was formed in 1892 still operates under the same fundamental basis of providing assistance and benefits to its members.

We offer a range of Savings & Protection policies including Tax-Exempt schemes, a feature unique to Friendly Societies. For further information about Sheffield Mutual Friendly Society and our policies, please contact us.



Sheffield Mutual Friendly Society

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Authorised and regulated by the Financial Services Authority.