



Tax Exempt Savings Plan

with Life Assurance

A friendly society tax-free savings allowance

with added protection for you
and your loved ones

- ✓ Save from as little as **£5 per month**
- ✓ Choose how long to save between **10 & 25** years
- ✓ **Guaranteed** final amounts on maturity or death
- ✓ Available from **age 11 to 55** next birthday
- ✓ **Quick and easy** application process



Sheffield
Mutual Est. 1892
For you, your family, your future



Owned by You. Working for You. Trusted by You.

Tax Exempt Savings Plan with Life Assurance

A warm welcome to Sheffield Mutual. We've been helping our members make the most of their money since 1892. We'd love to do the same for you.

As a mutual society with no shareholders, our members are the people we care about the most. Any surplus profit is distributed to provide you with the best possible returns combined with the highest standards of personal service. Building on the experience of our heritage while always looking to the future, we've developed a selection of straightforward trusted savings, investment and protection plans - with a particular emphasis on tax-efficient savings and investment policies.

You also have the peace of mind that we are:

- Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
- A member of the Financial Services Compensation Scheme
- A member of the Association of Financial Mutuals





Take full advantage of your tax free allowance with the added peace of mind that life cover is included

How much can I save in a tax exempt plan?

Under current legislation, the maximum individual investment in a tax exempt savings plan 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 per month, please ask us for details of our Regular Savings Plan or Investment ISA. It is also a “qualifying life policy” and you cannot pay in more than a total of £3,600 in a 12 month period into qualifying policies with Sheffield Mutual or any other life company or friendly society (excluding pure protection policies and protected qualifying policies issued before 21st March 2012).

Who can save in a tax exempt plan?

Anyone 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 plans held with another Friendly Society, but is in addition to your ISA/JISA allowance.

Can I have a plan for a child?

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. If the child is under 11 you may wish to consider our Tax Exempt Savings Plan without life assurance.

Why save with Sheffield Mutual?

As a mutual friendly society with no shareholders to satisfy, we are able to offer special plans that allow you to invest in these tax-exempt funds and receive tax-free returns on maturity.*

We specialise in offering with-profits policies, which offer greater potential returns by investing in a range of different assets - without exposing your capital directly to the stock market.

Where will my money be invested?

The Society invests in a range of different assets with the aim of providing a higher return in the medium to long-term than is achievable with a bank or building society account. Sheffield Mutual's balanced with-profits fund is managed to provide a low to medium risk investment, appealing to individuals with a more cautious approach to investment.

The types of asset 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
- ✔ **Investments** such as Government gilts or corporate bonds, which provide fixed interest
- ✔ **Property** - the Society owns 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 will vary depending on market conditions. We can provide you with a guide to the spread of investments. We seek to adopt an ethical approach to investing and it is our policy not to invest knowingly in industries relating to armaments, tobacco, gambling or pornography.

How are bonuses calculated and paid?

We invest our funds as described above 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.

The Committee of Management then 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, or at all, in future years. However, once bonuses have been added to your policy they will not be taken away, providing the policy runs to maturity, or if you die before the end of term.

Bonuses are calculated at the appropriate rate based on the 'sum assured' (your guaranteed final amount), not the amount of premium paid. On maturity or death, you will receive the 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 you receive your fair share of returns on your policy over its lifetime, an additional terminal bonus may be 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 and, if paid, the rate may vary from year to year.

Are there any guarantees?

Providing the plan runs to its planned maturity date, the Society will, depending on the amount you wish to save and for how long, guarantee a minimum sum assured (final amount).

The final value of your plan will depend upon investment performance, but bonuses are declared by the Society's Committee of Management each year, and these are added to your guaranteed sum assured. Once added, these bonuses cannot be taken away.

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 and a maximum of 25 years. If you are aged 55 next birthday the maximum term will be 10 years.

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 in the amount of any old-age relief or child tax credit being received.

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.

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.

Where can I get further help or information?

Our friendly and knowledgeable staff would be happy to provide you with factual information about the Society's products and services, so you can make your own decision about how to proceed. No advice or recommendations will be given and if you are in any doubt about the suitability of a product, you should seek advice from a suitably qualified financial adviser, which may incur a fee.

Do I need to provide any additional information?

To comply with regulations, the Society will require confirmation of your identification and address. We'll aim to do this using an electronic verification system, but reserve the right to ask for appropriate documentation from you if this is not possible. We don't normally require identity documents from existing members. If the policy is for a child we'll need a copy of their birth certificate.

*All references to taxation are based on the Society's understanding of current tax legislation and practice, which may change in the future.



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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 appropriate application form, medical questionnaire, client agreement, non-advised sale letter 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 made payable to "Sheffield Mutual" for the initial premium if applicable. If you prefer, you can also pay the initial premium by debit card over the phone. You can also apply online at www.sheffieldmutual.com.

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

- ✔ Capital Plan
- ✔ Tax Exempt Savings Plan
- ✔ Regular Savings Plan
- ✔ Investment ISA
- ✔ Investment Junior ISA
- ✔ Investment Bond
- ✔ Income Bond
- ✔ Pension Bond
- ✔ Sheffield Protect – Whole Life Plan

“ An excellent service. Friendly, courteous and helpful staff and a very prompt and efficient service. I would recommend Sheffield Mutual to anyone. ”

Mr B
South Yorkshire

“ Excellent customer service - lovely to have the phone answered by a real person (and someone who knew their stuff too!) ”

Ms L
Oxfordshire

Quick and easy application process, get in touch today:



Sheffield Mutual Friendly Society 3 Maple Park, Maple Court,
Wentworth Business Park, Tankersley, Barnsley, South Yorkshire, S75 3DP



Call our team

01226 741 000

Calls may be monitored and recorded for your protection.
Opening hours: 9am-5pm Mon-Fri



Email us

enquiries@sheffieldmutual.com



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www.sheffieldmutual.com

Online chat available

Issued by Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court, Tankersley, Barnsley, S75 3DP.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 139855).



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All about us...

There are many things our regulators and the law require us to tell you about ourselves – so here we go –

Sheffield Mutual Friendly Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

You can find out more about us by looking at our entry on the Financial Service Register at <https://register.fca.org.uk/> where our registration number is 139855.

We are an unincorporated Friendly Society registered under the 1974 Friendly Societies Act and our number is 810F. For the purposes of the Insurance Distribution Directive we are classified as an insurance undertaking.

Our registered address is 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, S75 3DP

How to contact us

Our telephone number is 01226 741000 and our email address is enquiries@sheffieldmutual.com

Our postal address is 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, S75 3DP

You may contact us in any way which is best for you, whether it is just to get more information or to apply for new policies with us.

About our service

We will always provide you with all the information you need about our products and services. We do that through this brochure, the conversations we have with you and by providing the Key Information Document for the product which you must read. The products Sheffield Mutual Friendly Society provide are the Society's own products.


We are not a financial advice company and we do not make personal recommendations about the suitability of the product for you. Provided we are satisfied that the product meets your demands and needs, and it is not inappropriate for you to buy it, the information we give enables you to take your own informed decision to proceed with the purchase.

Our staff, when they speak with you, ensure that you have all the information you need and are there to answer your questions openly and honestly.

Once a year we will issue you with a Bonus Statement and covering letter which will explain the financial value of your policy with us, how bonuses have been added and any ongoing management costs charged.

Every year we publish on our website at <https://www.sheffieldmutual.com/solvency-and-financial-condition-reports> our Solvency and Financial Condition Report which helps you to understand our financial position and how we manage the risks we face.



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

 **Call our team**
01226 741 000

 **Email us**
enquiries@sheffieldmutual.com

 **Visit our website**
www.sheffieldmutual.com

 **@SheffieldMutual**

 **/sheffieldmutual**

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in relation to long term insurance business.
Financial Services Register No. 139855.
Friendly Society Register No. 810F.

All about us continued...

We strive to always put your best interests before ours and as part of that the Committee has established a Conflicts of Interest Policy to ensure we continuously try to identify any conflicts that may arise between us, our staff and representatives, you the customer and our other business connections. We establish internal processes and procedures to manage possible conflicts and to ensure you will not suffer any detriment or disadvantage should a conflict of interest ever materialise. The full Policy can be sent to you by post on request.

How we remunerate our staff

We take great care to ensure our staff are remunerated in ways which do not create any conflicts of interest for them or you, and we structure their pay so that there is no inducement for poor sales practices.

We do this by paying our staff by salaries with a bonus element for successfully doing their job. These payments are made by Sheffield Mutual Friendly Society. We do not pay individual sales bonuses.

How we remunerate our third parties

When we receive your application for a product which has been referred to us by a third party (such as a financial adviser) we may pay them a referral fee. We may also pay a commission to a financial adviser who has arranged your policy without giving you a personal recommendation and has simply provided you with information about this service and assisted with your paperwork. If we pay such a fee the amount will be advised within your personal illustration before we process your application.

Your financial protection

We are covered by the Financial Services Compensation Scheme (FSCS) who you can write to at PO Box 300, Mitcheldean, GL17 1DY. Telephone 0800 678 1100. Further information is available on their website – <http://www.fscs.org.uk> or by clicking on the “FSCS protected” link on our website footer.

This product is categorised as a long-term insurance policy and under the above compensation scheme this means you are covered for up to 100% of the claim with no upper limit should Sheffield Mutual Friendly Society default. Some of the investments underlying this product are managed on behalf of Sheffield Mutual Friendly Society by professional investment managers, and they use nominees and custodians, in respect of investments purchased and held. The investment managers and their counterparts are not covered by the compensation scheme but were they to default, and this in turn caused Sheffield Mutual Friendly Society to default, then you would still be covered by the FSCS because your contract is with Sheffield Mutual Friendly Society. The FSCS does not cover losses arising purely from investment performance.

Your data protection

We are registered with the Information Commissioners Office and our registration number is Z6719617.

We are totally committed to keeping your data safe and secure and we will only use it for the purposes you agreed to when you gave it to us. Our aim is to always put your interests first and we do that by adhering to the requirements of the General Data Protection Regulation.

Our full Privacy Statement can be found here <https://www.sheffieldmutual.com/privacy> or we will supply a paper version if you ask us to.

Complaints

If you wish to make a complaint about us, or another person who sold or advised you on this product, then please contact us either in writing to: The Chief Executive, Sheffield Mutual Friendly Society, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, S75 3DP, by telephone: 01226 741000 or by email: enquiries@sheffieldmutual.com. A full explanation of our approach to complaints handling can be found on our website at www.sheffieldmutual.com/how-to-make-a-complaint.

If you remain dissatisfied after we have given you our final response you may refer the matter to the Financial Ombudsman Service whose address is The Financial Ombudsman Service, Exchange Tower, London, E14 9SR and telephone number 0800 0234 567 or 0300 123 9123.

With-Profits Information Sheet

What is a with-profits policy?

With-profits is a type of investment plan sold in the UK in which extra amounts may be added to the main benefit (**known as the sum assured**) to reflect profits earned during the course of the contract.

A with-profits policy shares in the profits of the Society through the addition of annual and final bonuses. The amount of bonus will depend on how the investments in the fund have performed while you have been paying premiums into it. Regular or **“reversionary”** bonuses may be added, usually each year, and once declared are guaranteed.

A final or **“terminal”** bonus may be added when the policy is closed after it has run its minimum or set term. The amount of bonus will also depend on the allowance we make for the expenses of setting up and running the policy. The Society is a mutual organisation, which means that there are no shareholders. The Society is, therefore owned by its members, which includes with-profits policyholders.

With-profit funds are typically invested in a mixture of equities, property and fixed income investments (see overleaf). Under poor market conditions a **“Market Value Reduction”** (MVR) may be applied to the value of the policy if it is surrendered at a time when market values are depressed. This is to ensure the fair treatment of policyholders remaining in the fund.



The following policy types are classed as with-profits:-

- ✔ Tax Exempt Savings Plan (TESP) - with or without life cover
- ✔ Regular Savings Plan
- ✔ Investment Bond
- ✔ Income Bond
- ✔ Individual Savings Account (ISA)
- ✔ Junior Individual Savings Account (JISA)



www.sheffieldmutual.com



Call our team **01226 741 000**

Calls may be monitored and recorded for your protection.
Opening hours: Mon 9am-8pm Tues-Fri 9am-5pm



@sheffieldmutual



Email us

enquiries@sheffieldmutual.com



facebook.com/sheffieldmutual



Understanding the with-profits fund

Sheffield Mutual's with-profits fund is managed to provide a low to medium risk investment, appealing to individuals with a more cautious approach to investing. When you invest with us, we pool your money together with other members' in the with-profits fund.

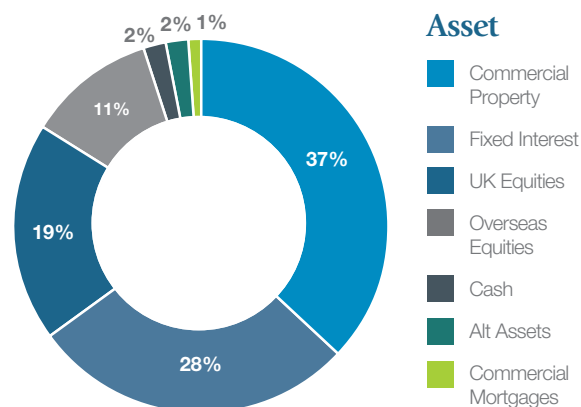
The with-profits fund invests in things like commercial property, shares, fixed interest, cash, bonds and government gilts. With-profits aims to offer a better return than a typical bank or building society account, but is not as risky as investing all your money directly on the stock market as we 'smooth' returns.

Explaining Smoothing

A particular feature of with-profits is 'smoothing'. This is the process where we hold back some surplus profit in good years so we can top up policy bonuses in years where the performance is not as strong. Smoothing aims to even out the short term ups-and-downs that is often associated when investing directly in the stock market and has enabled the Society to maintain stable bonus rates even in volatile markets.

The payment of policy bonuses is not guaranteed and depends on the performance of the with-profits fund.

Asset allocation



As at 31/12/2019

Our strategy is to achieve a balanced return of income and capital growth through a combination of good quality assets. We hold a high proportion of commercial property as we can generate good yields from long-term leases with reputable tenants. We maintain a reasonable exposure to shares in order to preserve the value of investments over time but hold some of the funds in other assets to improve diversification and spread risk.

Glossary / Jargon Buster

Annual Bonus

This is the bonus we may add to your policy each year. It is sometimes called a reversionary or regular bonus.

Assets

These are the investments held within the Society's long-term business fund.

Equities

Another word for "Share". A shareholder's equity is the value of the shares they hold.

Final Bonus

This is the bonus that we may add at the end of the investment. It is sometimes called a terminal bonus.

Market Value Reduction

This describes an adjustment to the value of your policy in adverse investment conditions, in order to ensure you receive your fair share of the fund on surrender or encashment.

Sum Assured

This is the amount shown on your illustration and is the guaranteed minimum you will receive on maturity and death (depending on the type of policy), providing you continue to pay all the premiums due.

Surrender

To cash in your policy before the end of its term.