Marketing

Tax Exempt Savings Plan with Life Insurance

Tax-free savings with added protection for you and your loved ones

Sheffield Mutual
Est. 1892

Tax Exempt Savings Plan with Life Insurance

Only available through friendly societies, our Tax Exempt Savings Plan with Life Insurance (TESPWL) allows you to save tax-free in addition to your ISA/JISA allowances

- Save from £5 to £25 per month or between £50 and £270 per annum tax-free
- A guaranteed tax-free lump sum on maturity or death plus possible bonuses
- Peace of mind that your loved ones will be taken care of
- Anyone can have a plan who is aged between 11 and 55 (on their next birthday).

Why Sheffield Mutual?

You may not have heard of a friendly society before, but they have existed for hundreds of years and were originally founded to provide benefits to people with limited resources in times of need with funeral and sickness benefit schemes.

Whilst times have changed, the ethos of providing products to improve the financial wellbeing of members remains true to Sheffield Mutual today.

We're run purely for the benefit of our customers (who we refer to as members), whilst providing a friendly alternative to banks and building societies. With no shareholders, any surplus profit is distributed to provide you with the strongest returns possible combined with the highest standards of personal service and ethical business practices.

Risks you should be aware of:

- If you surrender the plan before maturity (which is the term you select when first starting the plan), you may get back less than you have paid in
- Tax treatment depends on individual circumstances and may be subject to change in the future
- Acceptance of plan is subject to underwriting
- Bonuses are not guaranteed

A great way to save tax-free with the added benefit of a minimum guaranteed payment on death or maturity

How much can I save in a tax exempt plan?

Under current legislation, the maximum an individual can save 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.

Who can save in a tax exempt plan?

Anyone can start a plan or have several plans within the overall maximum levels (mentioned above). 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 and 55 next birthday can start a plan or have several plans within the overall levels of £25 per month or £270 annually. If the child is under 11 you might want to consider our Tax Exempt Savings Plan (without life insurance).

If saving for a child, on maturity or surrender the payment is made to the child as the beneficiary of the policy.

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 longer term (five to ten years+) than may be achievable with a bank or building society account. We will look to achieve this by maintaining a spread of investment assets that will provide a medium to low risk making it an option for individuals with a more cautious approach to investing their money.

Types of assets we invest in are:

- **Shares of companies** we have exposure to UK based and overseas companies to provide diversification. Shares provide income from dividends with the possibility of capital growth.
- **Fixed interest investments** such as government gilts and corporate bonds.
- **Property** the Society owns a property portfolio which provides rental income and offers potential capital growth.
- **Cash.**

The proportion held in each of these will vary depending on market conditions. You'll be pleased to know that we seek to adopt an ethical approach to investing and it is our policy not to invest knowingly or directly in industries relating to armaments, tobacco, gambling or pornography within our with-profits fund.

How is the bonus rate calculated?

Instead of interest, we aim to pay bonuses on all of our with-profits saving/investment products.

We invest our funds as described above and receive a return on those investments, which can vary from year to year. In March we review the returns achieved during the previous calendar year and declare a bonus rate for each product type for that period. 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 plan they will not be taken away, providing the policy runs to maturity or you die before the end of the 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.

We also try to 'smooth' returns over the life of the policy by retaining some of the investment return in good years to maintain bonus rates in less positive years. However, to ensure you receive your fair share of returns on your policy over its lifetime, an additional final 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. We will send you a statement every year (usually in March).

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 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?

This might seem like an obvious question, but yes, life cover is included with this plan. The amount of life cover will be the guaranteed final amount 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 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.

What about membership?

When you open a policy with us, you will automatically become a member of the Society (adult policyholders only). As well as being able to have your say on how the Society is run each year, you will also have access to various discretionary benefits when available, such as optical and dental grants as well as exclusive access to a range of discounts and offers.

What is a qualifying policy?

A qualifying policy is basically a life insurance policy whose terms meet a set of certain conditions. These include rules about the policy term, regularity and level of premiums paid and the minimum final amount.

Our TESPWL is a "qualifying life policy" with a special tax status. You cannot pay in more than a total of £3,600 in a 12-month period into any qualifying policies you may have, either with us or any other life company or friendly society (excluding pure protection policies and protected qualifying policies issued before 21 March 2012).

Will I be accepted?

The Tax Exempt Savings Plan with Life Insurance is designed for applicants in good health at the outset. The medical questionnaire you complete during your application will be sent to our underwriter who will either approve you on the standard terms/sum assured quoted to you, reduce your sum assured due to medical history/lifestyle or reject the application. We will notify you via your preferred contact method to discuss if required.

Where can I get further help or information?

Need some further assistance? Our knowledgeable team would be happy to provide you with factual information about our products and services, so you can make your own decision about how to proceed. However, we are unable to give any financial advice or recommendations on the suitability of our products. If you are unsure, you should seek advice from a 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. If the policy is for a child (min 11 next birthday) we'll need a copy of their birth certificate.

How do I start my Tax Exempt Savings Plan with Life Insurance?

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 read the 'all about us' section in this booklet, 'with-profits information' sheet and the Key Information Document and, providing you do not need any advice, complete and return:

- **The application form**
- **'Is this product right for me?' questionnaire**
- **Client agreement / non-advised sale letter**
- **Direct Debit Mandate (if applicable)**

to the address on the back on this brochure along with a cheque made payable to "Sheffield Mutual" for the initial premium if applicable. If you prefer, you can make your first payment by debit card over the phone, or you can make a payment directly into our bank account (please see our website for account details). You can also apply online at **www.sheffieldmutual.com**.

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

- **Tax Exempt Savings Plan**
- **Children's Tax Exempt Savings Plan**
- **Regular Savings Plan**
- **Children's Regular Savings Plan**
- **Investment ISA**
- **Investment Junior ISA**
- **Investment Bond**
- **Children's Investment Bond**
- **Income Bond**
- **Capital Plan**
- **Whole of Life Plan**

All about us...

Sheffield Mutual Friendly Society Ltd 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 incorporated Friendly Society registered under the 1992 Friendly Societies Act and our number is 810F. For the purposes of the Insurance Distribution Directive we are classified as an insurance undertaking. For FSCS purposes our products are classed as a long-term insurance.

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 741 000 and our email address is **enquiries@sheffieldmutual.com**

Our postal address is **Sheffield Mutual Friendly Society, 3 Maple 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 make your own informed decision to proceed with the purchase.

Our team, 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 our Solvency and Financial Condition report on our website, the report can be found under the Corporate and Governance section.

We strive to always put your best interests first and as part of that the Board has established a Conflicts of Interest Policy to ensure we continuously try to identify between us, our directors, our employees 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 team

We take great care to ensure our employees 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 employees salaries with a bonus element for successfully achieving business wide targets. 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 noted 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.

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 eligible claims may 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 Data Protection Act 2018.

Our full Privacy Statement can be found here **www.sheffieldmutual.com/privacy-policy** 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, Tankersley, Barnsley, S75 3DP, by telephone: 01226 741 000
or by email: **enquiries@sheffieldmutual.com**. A full explanation of our approach to complaints handling can be found on the Help and Support page of our website.

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.

Quick and easy application process, get in touch today:

www.sheffieldmutual.com

enquiries@sheffieldmutual.com

Call our team on **01226 741 000**

Calls may be monitored and recorded for your protection

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

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Issued by Sheffield Mutual Friendly Society. Sheffield Mutual is the trading name of Sheffield Mutual Friendly Society Limited, 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley S75 3DP. The Society is incorporated and registered under the Friendly Societies Act 1992 (register no 810F) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register Number 139855).

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September 2022

Sheffield Mutual

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With-profits information sheet

Understanding your with-profits policy

A with-profits policy is a savings plan that aims to grow your money by sharing in the profits of our with-profits fund. Some of our products, including our Tax Exempt Savings Plan and Investment Bond, include a guaranteed minimum amount payable at maturity (known as a sum assured) on which bonuses are calculated. For Income Bonds, ISAs and JISAs, bonuses are calculated on the initial investment. We aim to add bonuses annually to increase your policy's value.

How your policy grows

Your policy can benefit from two types of bonuses:

- **Regular (annual) bonuses** – Added each year (if declared) and once added, they cannot be taken away.
- **Final (terminal) bonus** – May be added at maturity to provide you with a fair share of the profits earned by the with-profits fund since your policy started. Terminal bonuses are not guaranteed and may not always be payable. The Board reviews bonus rates regularly.

Smoothing: Reducing ups and downs

We use a process called smoothing to help keep investment returns stable. In good years, we may hold back some profits to support bonuses in less positive years, helping cushion your savings from market ups and downs.

Please note: bonuses are not guaranteed and depend on investment performance.

What is a Market Value Reduction (MVR)?

If markets are down and you withdraw early, we may apply an MVR. This helps protect those staying in the fund and ensures fairness to all members. MVRs are only used in exceptional circumstances and can change depending on market conditions.

Why choose Sheffield Mutual?

We've been helping people save with confidence for over 130 years. As a mutual, we're here to serve our members - not shareholders. That means we focus on fairness, long-term value, and personal service.

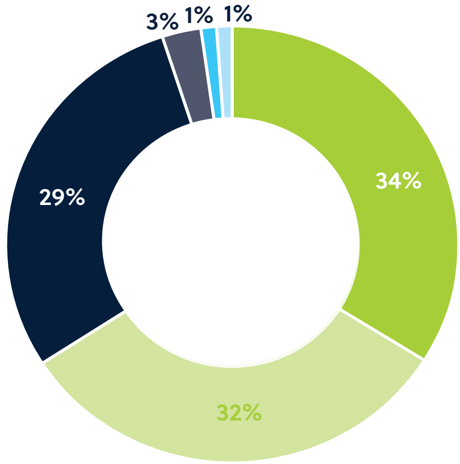
Because at Sheffield Mutual, we're here to serve you, not profit from you.

Where your money is invested

Your savings are pooled with other members' and invested in a balanced mix of:

- **Commercial property**
- **Equities (shares in companies)**
- **Fixed interest (government gilts and corporate bonds)**
- **Cash (including money markets)**

This diversified approach helps reduce risk and aims to deliver better long-term growth than a typical savings account.



Fixed interest	34%	Cash	3%
Equities	32%	Alternative assets	1%
Property	29%	Mortgages	1%

As at 31/12/2025

The following policy types are classed as with-profits

- **Tax Exempt Savings Plan**
- **Regular Savings Plan**
- **Investment Bond**
- **Income Bond**
- **My ISA**
- **Investment Junior ISA**

www.sheffieldmutual.com

enquiries@sheffieldmutual.com

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August 2026