

The inherited ISA allowance plan's key features

Important info you need to read

Before applying for the Foresters Friendly Society Inherited ISA Allowance Plan, please read the Key Features, which you'll find on the next few pages.

The Key Features explain how the plan works, its aims, the commitment you will need to make and the risks involved and will help you decide if it's suitable for you. It also includes information on bonuses and how we aim to grow your money.

This section is full of really important information and will hopefully answer any questions you might have.



Inherited ISA Allowance Plan

Key Features

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Foresters Friendly Society, to give you this important information to help you to decide whether our Inherited ISA Allowance Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Its aims

- To achieve long-term growth by investing in the Foresters Friendly Society with profits Order Insurance Fund. The Inherited ISA Allowance Plan aims to provide you with more than you may reasonably expect to get back over the long-term from a deposit based Cash NISA.
- To add to the value of your investment by way of the addition of bonuses, which are intended to be added on a yearly basis, with a possible additional bonus being paid at the end of the Inherited ISA Allowance Plan.
- To provide you with returns free of Income and Capital Gains Tax under Inherited ISA Allowance Plan rules.

Your commitment

- As the Foresters Friendly Society Inherited ISA Allowance Plan invests in our Order Insurance Fund it is classified as a Stocks & Shares NISA. If you open this Inherited ISA Allowance Plan with us there is no impact on any other ISAs/NISAs you hold in your own name. You are entitled to contribute an additional allowance up to the value of the NISA held by your Spouse or Civil Partner on the date they die.
- You can contribute either regular monthly amounts or one-off lump sums or a combination of both to your Inherited ISA Allowance Plan providing you do not exceed your inherited ISA allowance amount.
- The minimum monthly contribution payable by Direct Debit is £50 per month.
- The minimum lump sum required to open an Inherited ISA Allowance Plan is £500 and you are able to make top ups of at least £250 thereafter.
- There are no restrictions on the amount of time you keep your money invested in the Inherited ISA Allowance Plan, however you should view your Inherited ISA Allowance Plan as a medium to long-term investment.
- You will not be able to make further deposits into your Inherited ISA Allowance Plan once you have reached the inherited allowance and/or 3 years after the date of death, or if later, 180 days after completion of the estate.
- The Inherited ISA Allowance Plan will automatically stop accepting contributions after 3 years and, if the completion of the estate takes longer, Foresters will need to see evidence to allow further deposits. If your Spouse or Civil Partner died between 3rd December 2014 and 5th April 2015, the three year period starts on 6th April 2015.

Risks

- In adverse investment conditions we may apply a Market Value Reduction. This could mean you get back less than you have paid in.
- Bonuses will depend on the future investment performance of the Order Insurance Fund, as well as any deductions and how Foresters Friendly Society decide to distribute any profit.
- The addition of bonuses is not guaranteed and therefore it is possible that the Inherited ISA Allowance Plan might not receive any annual and/or final bonus.
- The tax rules relating to the Inherited ISA Allowance Plan may change and depend on your individual circumstances.
- Your circumstances may change forcing you to cash-in your Inherited ISA Allowance Plan.
- Our deductions may turn out to be higher than expected.
- You should be aware that inflation will reduce what you can buy when you cash-in your Inherited ISA Allowance Plan.
- If you withdraw money from your Inherited ISA Allowance Plan, it cannot be replaced.

Your Questions Answered

What is an Inherited ISA Allowance Plan?

If your Spouse or Civil Partner died on or after 3rd December 2014 you're entitled to inherit an additional tax free ISA allowance. The allowance is up to the value of your Spouse's or Civil Partner's NISAs on the date that they die.

The Foresters Friendly Society Inherited ISA Allowance Plan is a Stocks and Shares NISA that we have set up specifically to accept contributions as part of a NISA allowance which has been inherited from a deceased Spouse or Civil Partner.

What are the tax rules that apply?

(All tax years start on the 6th April and end on the 5th April the following year).

Within a tax-efficient NISA you can invest in one or both of the following two forms of savings with any provider:

- An investment in stocks and shares or as part of a life insurance policy.
- A cash deposit account.

The Foresters Friendly Society Inherited ISA Allowance Plan is an investment into a life insurance policy and is therefore categorised as a Stocks & Shares NISA. You can continue to hold your own NISAs as per the relevant NISA rules in conjunction with any Inherited ISA Allowance Plans.

Who is the Foresters Friendly Society Inherited ISA Allowance Plan suitable for?

Providing you are aged between 18 and 80 the Foresters Friendly Society Inherited ISA Allowance Plan may be suitable for you. If you already hold a Foresters NISA no maximum

age limit will apply. Unlike normal NISAs you do not have to be a resident in the UK for tax purposes to be eligible for the Inherited ISA Allowance Plan. However, you must hold a UK bank account to be able to make contributions into the plan.

You may only apply for an Inherited ISA Allowance Plan in the event of the death of your Spouse or Civil Partner, if:

- a. the surviving Spouse or Civil Partner was living with the deceased at the date of death and was not separated under a court order, deed of separation or in circumstances where the separation was likely to be permanent.
- b. the deceased held a NISA at their date of death.
- c. the date of death was on or after 3rd December 2014.

You do not need to inherit the money from your Spouse or Civil Partner's NISA to be eligible. You can use your own money to open the account and you don't have to wait for the NISA to be closed or repaid.

What do I need to do before I can use an inherited ISA allowance?

Please ensure that the death of your Spouse or Civil Partner has been registered with each NISA provider they held a NISA with before you apply to open a Foresters Friendly Society Inherited ISA Allowance Plan.

Does the inherited ISA allowance affect my current NISA allowance?

No, this is a one off additional allowance and does not contribute to your normal individual NISA allowance.

What happens if I cash-in my Inherited ISA Allowance Plan?

You can cash-in your Inherited ISA Allowance Plan whenever you want, but you may get back less than you have paid in. The cash-in value of your Inherited ISA Allowance Plan will depend upon the amounts you have invested, the amounts you have withdrawn and any annual bonuses that have been added. Depending on the investment returns that have been achieved and our costs, in favourable investment conditions we may also add a final bonus to the plan value. Conversely, in adverse investment conditions we may apply a Market Value Reduction to reduce the plan value.

If you close or transfer your Inherited ISA Allowance Plan before you fully use your inherited ISA allowance, you may only use the remaining allowance with Foresters Friendly Society.

What is a Market Value Reduction (MVR)?

This is a deduction we may apply when you make regular or partial withdrawals or fully cash-in your Inherited ISA Allowance Plan. Its purpose is to be fair to both policyholders leaving the fund and those staying by ensuring that the cash-in value is not unfairly higher than the market value of the plan's assets

and that a fair share is left for the remaining policyholders. This adjustment could have the effect of reducing the value of your Inherited ISA Allowance Plan at that time and in some circumstances could mean that you get back less than you have paid in. We will never apply an MVR on death.

Where is my money invested?

Any money you contribute into a Foresters Friendly Society Inherited ISA Allowance Plan is invested in the Order Insurance Fund. This is a with profits fund. By spreading the money paid into the fund across a number of different types of investments you benefit from the exposure to a range of asset classes which may include equities (company shares), fixed interest bonds (government and company), property and cash. A further advantage of this approach is that if the return of any one particular asset type is poor, your investment may be protected from the full impact of this fall as the other assets forming part of the overall investment may perform better. Thus the fall in value of one asset class (e.g. shares) may be cushioned by the potentially better performance in another asset class (e.g. property).

How do I open an Inherited ISA Allowance Plan?

Please read the Key Features document and complete the Inherited ISA Allowance Plan application form. Before we can open the policy we will need to contact the deceased NISA's providers for further information, which will include confirmation of the value of the deceased's NISAs at their date of death.

Contributions can only be made once we have accepted the application and received confirmation from the deceased's NISA providers of the further information required.

What documentation will be required to open the Inherited ISA Allowance Plan?

Foresters Friendly Society is required to verify your identity and address before we can accept your application. We will make electronic checks with a credit agency. In some situations we may not be able to verify your details and we will write to you to request further documentation.

All applications will need to be submitted with the original or certified copy of the:

- Marriage or Civil Partnership Certificate
- Death Certificate

Should you have any additional queries please contact Member Services on 0800 783 4162.

How do I make withdrawals?

It is possible to make regular (frequent) and partial (one-off) withdrawals from your Inherited ISA Allowance Plan. Withdrawing money from your Inherited ISA Allowance Plan will reduce the value of your remaining investment. We may change the minimum withdrawal amount at any time. If this happens, we will give you reasonable notice. In adverse

investment conditions we may apply a Market Value Reduction at withdrawal. See the section above for details.

- Regular Withdrawals

After two years, you can make regular withdrawals from your Inherited ISA Allowance Plan. The minimum regular withdrawal you can make is £50, so long as the value of the Inherited ISA Allowance Plan after the withdrawal is at least £500. You can make regular withdrawals on a monthly, quarterly, half yearly or annual basis. If you decide to change the withdrawal amount or stop the withdrawal, you must contact our Claims team to provide one month's notice.

- Partial Withdrawals

You can make partial withdrawals from your Inherited ISA Allowance Plan at any time. The minimum withdrawal that can be made is £250 and the remaining value of the Inherited ISA Allowance Plan after the withdrawal must not fall below £500.

To make a withdrawal please contact our Claims team on 0800 101 8312.

Can I transfer my Inherited ISA Allowance Plan?

Yes, you can transfer your plan to another provider at any time just like a normal NISA, as long as the new NISA provider allows it.

However, if you transfer before you have used all your inherited allowance you will not be able to make further contributions to the new provider. You will however, be able to make further contributions to the Foresters Friendly Society plan which can then subsequently be transferred to the new provider.

Foresters will accept transfers from another provider as long as they meet the plan conditions. As above Foresters Friendly Society will only be able to accept the transfer amount and no additional contributions can be added unless transferred from the previous provider.

How are bonuses decided?

Depending on how the underlying assets in the fund perform, and the costs incurred, at the end of each year we aim to declare an annual bonus. In addition, when you decide to cash-in your Foresters Friendly Society Inherited ISA Allowance Plan we may add a final bonus depending on the overall investment growth that has been achieved and expenses incurred.

Bonuses are added as a result of the growth performance of the underlying fund. This is different from a Bank or Building Society account or Cash NISA where your savings can grow as a result of the interest added to your account. Although in some investment conditions the growth in a Foresters Friendly Society Inherited ISA Allowance Plan might not be as much as that on an interest-paying account, investing in this way means there is the potential for growth over and above the level which might be achieved on interest-paying accounts.

The addition of bonuses is not guaranteed and therefore it is possible that your Inherited ISA Allowance Plan might not receive any annual and/or final bonus.

Typical example

Single contribution Inherited ISA Allowance Plan

What you might get back after 10 years

Initial investment of £5,000	If cashed in?	On death?
If your investment grew at 2% a year you might get back	£5,000	£5,050
If your investment grew at 5% a year you might get back	£6,710	£6,780
If your investment grew at 8% a year you might get back	£8,950	£9,040

- These figures are only examples and are not guaranteed. They are not minimum or maximum amounts. What you could get back depends on how much is actually invested and for how long, how the investment grows and on the tax treatment of your investment.
- You could get back more or less than this.
- The yearly growth rates are our reasonable estimate of what the investment returns could be and are subject to the maximum rates specified by the Financial Conduct Authority.
- Do not forget that inflation will reduce what you could buy in the future with the amounts shown.

How will the charges affect my investment?

There is an Annual Management Charge which is initially set at 2% of the value of your Inherited ISA Allowance Plan, which will be taken into account when applying bonuses. This may change but it will never exceed 3% of the value of your Inherited ISA Allowance Plan in any one year. The charges are designed to cover our costs for administering the Inherited ISA Allowance Plan on your behalf. The effect of the charges on an initial investment of £5,000 assuming growth of 5% a year is as follows:

Single contribution Inherited ISA Allowance Plan

At end of the year	Total paid in to date	Effect of deductions to date	What you might get back
1	£5,000	£100	£5,150
2	£5,000	£208	£5,300
3	£5,000	£324	£5,460
4	£5,000	£449	£5,620
5	£5,000	£585	£5,790
10	£5,000	£1,420	£6,710

If you cash-in you could get back less than you have paid in.

What are the deductions for?

- The deductions include the cost of expenses, charges, any surrender penalties and other adjustments.
- The charges, expenses and other deductions used in this guide are best estimates based on current experience. They could vary in the future.
- The last line in the table shows that over 10 years the effect of the total charges could amount to £1,420.
- Putting it another way, this would have the same effect as bringing investment growth down from 5.0% to 3.0% a year.

If you would like an illustration specific to your own circumstances, please contact us.

What happens if I die?

The death benefit provided by your Inherited ISA Allowance Plan will be paid to your estate. The amount payable on death is 101% of the contributions you have paid in plus any attaching bonuses and any final bonus less any withdrawals. The amount payable may be subject to Inheritance Tax depending on the size of your estate.

Further information

Cancellation rights

After your application is accepted you will receive a statutory notice of your right to cancel. You will then have 30 days from the commencement date of the Inherited ISA Allowance Plan, or the date the notice is received, whichever is later, in which to change your mind.

- If this was a non-advised sale a full refund of all monies will be paid
- If this was an advised sale where an adviser fee was paid from your investment, all the money invested into the Inherited ISA Allowance Plan will be returned, which excludes any fee which will have already been paid to your Financial Adviser.

You can cancel your Inherited ISA Allowance Plan by completing and returning the cancellation form to Foresters Friendly Society, Foresters House, 29-33 Shirley Road, Southampton, SO15 3EW.

Financial advice

We do not offer financial advice. You should contact a Financial Adviser if you have any doubts about the Inherited ISA Allowance Plan's suitability. You may have to pay a fee for this advice.

Tax

The tax treatment of the proceeds received from this Inherited ISA Allowance Plan is determined by the rules governing the operation of all Inherited ISA Allowance Plans. These rules

and the tax legislation may change in the future. The money invested in this Inherited ISA Allowance Plan is currently invested in a tax exempt fund, although dividends earned on equities within the fund will have been taxed at source and that tax cannot be reclaimed.

Law

This contract is governed by English Law. We will communicate with you in English.

Legislation

All or any of the benefits, the contribution or the plan conditions may be adjusted as deemed appropriate:

- If there is any change in law or taxation affecting Inherited ISA Allowance Plans.
- If any levy is imposed on Foresters Friendly Society under statute or statutory authority.

Three months notice would be given of any such adjustment.

Queries and complaints

For further information or queries on Foresters Friendly Society products or services please contact the Member Services Department, by tel: 0800 783 4162, email: memberservices@forestersfriendlysociety.co.uk or at the address at the back of this document. If you wish to complain about any aspect of the service you have received, please contact Foresters Friendly Society. If a complaint is not dealt with to your satisfaction you can then complain to the Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR, tel: 0800 023 4567, email: Complaint.info@financial-ombudsman.org.uk. Making a complaint will not prejudice your right to take legal proceedings.

Compensation

The Financial Services Compensation Scheme (FSCS) covers this plan. You may qualify for compensation from the Scheme if we are unable to meet our obligations. You can get further information from us or from the FSCS (www.fscs.org.uk).

Client categorisation

We are required under the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) rules to categorise our clients. All of our clients are categorised as 'Retail Clients', which affords our clients the highest level of protection under the FCA and PRA rules.

Apply now to invest after they've gone

Send your completed application form to:

Foresters Friendly Society
FREEPOST RLST-SJZE-BACC
29-33 Shirley Road
Southampton
SO15 3EW

Telephone: 0800 783 4162

Visit: www.forestersfriendlysociety.co.uk

Email: memberservices@forestersfriendlysociety.co.uk

Monday - Friday, 9am - 5pm (excluding Bank Holidays)

Information, including a copy of this document, is available in large print, audio and Braille upon request.

Foresters Friendly Society is the trading name of The Ancient Order of Foresters Friendly Society Limited which is an Incorporated Friendly Society (Registration No. 511F) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Registration No. 110029).