

# The NISA's Important Information

## Important info you need to read

Before applying for the Foresters Friendly Society NISA, please read the Important Information, which you'll find on the next few pages.

The Important Information explains how the NISA 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.



# New Individual Savings Account (NISA) Important Information

## Its aims

- To achieve long-term growth by investing in the Foresters Friendly Society with profits Order Insurance Fund. The NISA 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 provide you with a minimum death benefit of 70% of your investment. This is your initial sum assured.
- 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 NISA.
- To provide you with returns free of Income and Capital Gains Tax under NISA rules.

## Your commitment

- As the Foresters Friendly Society NISA invests in our Order Insurance Fund it is classified as a Stocks & Shares NISA. If you choose the Foresters Friendly Society Stocks & Shares NISA you are then able to take out a Cash NISA with another provider if you wish. However you must not exceed the annual limit across the two NISAs. If this is to be your only NISA during a tax year, you can invest the full annual limit into it. If you open this NISA, you cannot also subscribe to another Stocks & Shares NISA in the same tax year.
- You can contribute either regular monthly amounts or one-off lump sums or a combination of both to your NISA providing you do not exceed the annual limit in any one tax year.
- The minimum monthly contribution payable by Direct Debit is £50 per month.
- The minimum lump sum required to open a NISA 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 NISA, however you should view your NISA as a medium to long-term investment.

## Risks

- 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.
- Your initial sum assured is 70% of your initial investment, any additional contribution increases the sum assured by 70% of each contribution. The addition of bonuses is not

guaranteed and therefore it is possible that the NISA might not receive any annual and/ or final bonus. This would mean you get back less than you have paid in.

- In adverse investment conditions we may apply a Market Value Reduction (MVR). This could mean you get back less than you have paid in.
- The tax rules relating to the NISA may change and depend on your individual circumstances.
- Your circumstances may change forcing you to cash-in your NISA.
- 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 NISA.
- If you withdraw money from your NISA, it cannot be replaced.

## Your Questions Answered

### What is a New Individual Savings Account (NISA)?

A savings account that allows you to save tax efficiently.

### 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 NISA is an investment into a life insurance policy and is categorised as a Stocks & Shares NISA. This means you cannot invest in the Foresters Friendly Society NISA if, in this tax year, you already have another Stocks & Shares NISA with another provider.

### Who is the Foresters Friendly Society NISA suitable for?

Providing you are aged between 18 and 80 and a UK resident for tax purposes, the Foresters Friendly Society NISA may be suitable for anyone who can afford to put the lump sum or monthly contributions aside - perhaps to keep it for a rainy day or for long-term savings objectives. You should think carefully about the risks before deciding whether the NISA is right for you.

### What happens if I cash-in my NISA?

You can cash-in your NISA whenever you want, but you may get back less than you have paid in. The cash-in value of your NISA will depend upon the amounts invested, the amounts you have withdrawn, the sum assured 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 NISA's value. Conversely, in adverse investment conditions we may apply a Market Value Reduction (MVR) to reduce the plan's value to below the sum assured.

### **What is a Market Value Reduction (MVR)?**

This is a deduction to your sum assured we may apply when you make regular or partial withdrawals or fully cash-in your NISA. Its purpose is to be fair to both planholders 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 planholders. This adjustment will reduce the value of your NISA at that time and in some circumstances could mean that you get back less than you have paid in.

### **Where is my money invested?**

Any money you contribute into a Foresters Friendly Society NISA 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 make withdrawals?**

It is possible to make regular (frequent) and partial (one-off) withdrawals from your NISA. Withdrawing money from your NISA will reduce the value of your remaining investment and reduce your sum assured. 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 NISA. The minimum regular withdrawal you can make is £50, so long as the value of the NISA 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 NISA at any time. The minimum withdrawal that can be made is £250 and the remaining value of the NISA 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 NISA?**

Yes, you can transfer into and out of a Foresters NISA. If you wish to transfer a NISA for the current tax year, this tax year's payments will count towards your annual NISA investment allowance and must be transferred in full. If you wish to transfer NISAs from previous tax years this will not count towards this year's allowance and you can choose to move all or part of your balance. Depending on the investment conditions we may apply an MVR when you transfer to another NISA Manager.

### **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 to add to your sum assured. In addition, when you decide to cash-in your Foresters Friendly Society NISA we may add a final bonus depending on the overall investment growth that has been achieved and expenses incurred.

This is different from a Bank or Building Society account where interest is added, because any growth on the investment with Foresters depends on the performance of the underlying fund.

Although in some investment conditions the growth in the NISA 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 NISA might not receive any annual and/or final bonus and so in some investment conditions you may get back less than you have paid in.

### **What happens if I die?**

You may get back less than you have paid in. The death benefit provided by your NISA will be paid to your estate. The guaranteed minimum amount payable on death is the sum assured plus any annual bonuses that have been added, less any withdrawals. The initial sum assured is 70% of your initial investment. Any additional contribution increases the sum

assured by 70% of each contribution. In adverse investment conditions this means that the amount payable could be less than you have paid in. In more favourable investment conditions the amount payable could be greater than you have paid in. The amount payable may be subject to Inheritance Tax depending on the size of your estate.

To enable the tax saving advantages of your NISA to continue, your spouse or civil partner will be able to inherit your NISA allowance up to the total value of your NISA holding(s). For further information contact us using the details on the back page.

## 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 NISA, 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 NISA will be returned, excluding any fee which will have already been paid to your Financial Adviser.

You can cancel your NISA 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 NISA's suitability. You may have to pay a fee for this advice.

### Tax

The tax treatment of the proceeds received from this NISA is determined by the rules governing the operation of all NISAs. These rules and the tax legislation may change in the future. The money invested in this NISA 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 NISAs.
- If any levy is imposed on Foresters Friendly Society under statute or statutory authority.

Three months notice would be given of any such adjustment.

### 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 make the most of tomorrow

## 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](http://www.forestersfriendlysociety.co.uk)**

**Email: [memberservices@forestersfriendlysociety.co.uk](mailto: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).