

Investing after they've gone



The inherited ISA allowance plan's Important Information

Important info you need to read

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

The Important Information explains 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

Important Information

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 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 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 died.
- 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

- 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 Inherited ISA Allowance Plan 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 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 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 Inherited ISA Allowance Plan'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.

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 to your sum assured 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.

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 Information Document and Important Information section 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 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 MVR section 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. Depending on the investment conditions we may apply an MVR when you transfer to another NISA manager.

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 to add to your sum assured. 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.

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 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.

What happens if I die?

You may get back less than you have paid in. The death benefit provided by your Inherited ISA Allowance Plan 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.

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, excluding 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.

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.

Inherited ISA Allowance Plan

Application Form

Please read the Key Information Document and Important Information section before completing this form. Please return your completed form to Foresters Friendly Society to proceed with your application.

Please complete this form in BLOCK CAPITALS in black ink

FOR OFFICE USE ONLY

Staff/FA/Int Name

Contact/FA/Int Number

Marketing Code

1. Your details

Title Mr Mrs Miss Ms Other

First name

Middle name(s)

Last name

Address

Postcode

Date of birth

(You must be aged between 18 and 80 to apply. However, if you already hold a Foresters NISA, no maximum age limit will apply.)

Your National Insurance (NI) Number

We require your NI number to process your application. It can be found on a payslip, form P45 or P60.

Home telephone

Mobile telephone

Email

If relevant, preferred branch no.

2. The deceased's details

Title Mr Mrs Miss Ms Other

First name

Middle name(s)

Last name

Address

Postcode

Date of birth

Date of death

National Insurance (NI) Number

Date of marriage or civil partnership

3. Details of the deceased's NISA(s)

If your spouse or civil partner had more than one NISA, please list those for which you wish to use your inherited allowance with Foresters Friendly Society.

Name of NISA provider (if not Foresters Friendly Society)

Provider's address

NISA account no.

4. Details of the deceased's NISA(s) - to be completed by NISA provider

Name of NISA provider (if not Foresters Friendly Society)

Provider's address

Value at the date of death

Stamp

Signature

Date

5. How we will use your data

The information that you provide on this form will be held by Foresters Friendly Society and used to set up and administer the policy for which you are applying and for other business purposes. Further information about how we hold and use your personal information is available on our website (www.forestersfriendlysociety.co.uk/privacy-policy).

Where an application is made via a Financial Adviser (FA), you agree to your details being disclosed to that FA until you instruct us otherwise.

We (Foresters Friendly Society, including your Branch) would like to provide you with information about products, services and events which may be of interest to you. To consent to receive this, please select your preferred option(s) below:

Post Email Text Message (SMS) Phone

You can update your preferences at any time by calling 0800 783 4162, emailing memberservices@forestersfriendlysociety.co.uk, completing the online form available at www.forestersfriendlysociety.co.uk/contactpreferences or writing to us at: Foresters Friendly Society, 29-33 Shirley Road, Southampton SO15 3EW.

From time to time, carefully selected third parties that Foresters Friendly Society work with may like to contact you about products, services and events which may be of interest to you. To consent to receive this, please select your preferred option(s) below:

Post Email Text Message (SMS) Phone

As above, you can update your preferences at any time via the methods provided.



6. Money Laundering regulations

To comply with anti-money laundering requirements, we may verify your identity by carrying out an online check with a credit agency. If the policy is taken out on a joint basis, this applies to both policyholders. The agency will add a note to your reference file to show that an identity check has been made. We may pass information to third parties for the prevention of crime or detection of fraud or where required by law or regulation.

Money laundering checks will take place if you invest a lump sum of £10,000 or more, or your total investment with Foresters Friendly Society exceeds £10,000. Please complete this section if this applies to you.

Employment status:

(e.g. employed, self employed, unemployed etc)

Previous address (if you have changed address in the last 3 months)

The source of the single premium to be invested in this policy (e.g. inheritance, divorce settlement, property sale, etc.)

7. Declaration

This is our standard client agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. If you do not understand any point please ask for further information. I declare that:

- I apply to subscribe to a Foresters Friendly Society Inherited ISA Allowance Plan.
- The subscriptions made, and to be made, belong to me.
- I am between 18 and 80 years old. However, if you already hold a Foresters NISA, no maximum age limit will apply.
- I have not subscribed to another Inherited ISA Allowance Plan in respect of this specific NISA Allowance.
- I am the surviving spouse or civil partner of the deceased.
- I was living with the deceased with the meaning of the section 1011 of the Income tax Act 2007 at the date of the deceased's death.
- Any subscriptions I make will be under the provisions of regulations 5DDA of the NISA regulations.
- I will make any subscriptions within three years of the date of death, or if later, 180 days of the completion of the administration of the estate.

I declare that to the best of my knowledge and beliefs the statements and all of the information provided in this application form are true, complete and correct. I have read and understood the Key Information Document and Important Information section.

I understand that I will be entitled to Foresters Friendly Society surplus in the event of the closure of the Society only after having been a member for five years. I understand that a copy of the Rules and Memorandum are available on request.

I confirm that I have not been given advice by Foresters Friendly Society in relation to the purchase of this plan.

Signature

Date

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).