

INDIVIDUAL ACCOUNT
SYSTEMS

THE CASHBUILDER
PLAN

HELPING HAND
SAVINGS PLAN

Financial Products

Key Facts





INDIVIDUAL ACCOUNT SYSTEM – IAS

The Individual Account System is for the Grand United Order of Oddfellows Friendly Society Juvenile and Adult Members.

IAS JUVENILE MEMBERSHIP

The Juvenile Individual Account System (TABLE 12 of the General Rules) involves a four-weekly contribution of 2½p up to 6 years, and 5p from age 6 years to age 16 when contributions cease.

The following amounts are deducted from the total contributions in any one year: Up to age 6 years – 5p, aged 6-16years- 10p both for Management Expenses and 11p per annum for Death Fund.

The balance remaining is credited to the Juvenile Sick Fund.

An Individual Account is opened for the Juvenile member and on the 6th birthday the member shall be credited with the sum of 30p and each year, the Individual Account receives an equal share of the residual surplus of the Juvenile Sick Fund, plus interest.

On reaching age 16 years the Juvenile member will receive in full, the balance of the Individual Account and may then apply for Adult membership. Note: If membership is terminated voluntarily before the attainment of age 16 years ALL entitlement to benefits cease and the accumulated Individual account balance is forfeited.

BENEFITS PAYABLE

SICKNESS BENEFIT: After reaching age 6 years and providing 13 four-weekly contributions have been paid, Sickness Benefit is payable at the following rates: 26 weeks at 25p per week, 13 weeks at 13p per week and 13 weeks at 6p per week.

DEATH BENEFIT: In the event of the member's death before age 10 years, ALL contributions will be refunded but after age 10, Death benefits payable are as follows: under age 12 years - £8, age 12 to 16 years £10.

IAS ADULT MEMBERSHIP

Age of entry is from age 16 to 55 last birthday (unless the Lodge Special Rules prescribe otherwise) and as the tables vary from lodge to lodge, only the basic principles are explained.

New members may be admitted as **SIX, TWELVE** or **EIGHTEEN** share members at the discretion of the Lodge Committee of Management. Contributions increase according to the scales based on age next birthday and are at a four- weekly rate.

PLEASE SEE FINANCIAL PRODUCTS TABLE LEAFLET

At age 65 when a member receives the balance of the IAS, shares are no longer applicable but Death Benefit entitlement remains assured.

EXAMPLE ADULT ILLUSTRATION

Adult Individual Account System

Name - A.N Other	Initial Premium - £1.41 per 4 weeks
Age Next – 40	Term – 25 years and 6 months
Birthday	
Start – 16/3/2016	No of shares - 18
Date	

Death Benefit

- *An amount of **£10** will be paid on your death
- * An amount of **£7** will be paid on the death of your spouse
- * At the first valuation following your enrolment, the Death Benefit will be harmonised to the level applicable to existing members of your lodge.

Sickness Benefit

- * For the first **26** weeks of sickness **£9** per week
- * For the next **26** weeks of sickness **£4.50** per week
- * For the next **52** weeks of sickness **£2.25** per week

Sickness Benefit ceases at age 65

What Might I Get Back At Age 65

These figures are only examples and are not guaranteed.

- * All regulated firms use a standard method for illustrations but their rates of return and charges may vary.
- * These figures are not the minimum and maximum amount. What you might get back depends on how your investments grow.
- * You could get more or less than this.
- * Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

* The projections are based on an assumed rate of surplus allocation of £1.35 per unit. Future rates of surplus allocation depend upon the performance of individual lodge's investments and claims experience.

If your investments grew at **2%** a year, you would get back : **£687**

If your investments grew at **5%** a year, you would get back : **£1020**

If your investments grew at **8%** a year, you would get back : **£1570**

You will not receive any benefits if you cease your membership before age 65.

How much will the advice cost

For arranging this policy the Grand United Order of Oddfellows Friendly Society will provide services and benefits worth £60.11

BENEFITS PAYABLE

The package of benefits includes Sickness Benefit, Death Benefits and a Lump Sum payment at age 65 years or earlier if death.

a) SICKNESS BENEFIT

After a new member has been a member for six months and contributions due have been paid, Sickness benefit becomes payable as per the figures quoted below for different shareholding levels.

	6 shares	12 shares	18 shares
First 26 weeks	£3.00	£6.00	£9.00
Next 26 weeks	£1.50	£3.00	£4.50
Next 26 weeks	£0.75	£1.50	£2.25

The entitlement to Sickness Benefit is on a repetitive basis until the member's 65th birthday.

However, if a member has claimed benefit at the full rate and again makes a further claim before 52 weeks have expired, the benefit is classed as a continuing claim until the full entitlement has been paid, and benefit at the next lower rate becomes payable. The similar break periods for claims at half and quarter rates are, 104 weeks and 156 weeks respectively.

When a full cycle of benefits has been paid, entitlement to further payments is suspended for 156 weeks, but after this period if the member

is still unable to work due to illness, entitlement (depending upon the provisions of Lodge Rules) to either a further cycle at the full, half and quarter rates, or a full period at the relevant quarter rate, is restored.

b) DEATH BENEFITS

After a new member has been a member for six months and contributions due have been paid, Death Benefits become payable in respect of his/her death and in respect of the member's spouse.

The benefits vary from Lodge to Lodge but the initial assurances are rates quoted in the Lodge Rules. However, at the next actuarial valuation of the Lodge Death Fund following the member's enrolment, the rates are harmonised to those applicable to all existing members.

These latter rates are usually somewhat higher than basic rates quoted in the Lodge Rules and are only revised if the Actuary calculates there is sufficient surplus at a subsequent valuation to support further increases.

c) INDIVIDUAL ACCOUNT CREDIT

On being admitted, an account is opened in the member's name and each year an appropriation per share is added and interest is calculated on the round pound balance at the previous year end.

The appropriation is the residual balance of the Individual Account Sick Fund, after meeting benefit claims, shared equally between contributing members in proportion to the number of shares they hold and is variable. Interest is at a fixed rate (usually 2%, 3% or 5%),

and this rate will be found by reference to the Lodge Special Rules or, if none in existence, the Order General Rules. However, it should be noted all Lodges have a Reserve Fund enabling stabilisation of the rate of appropriation.

The accumulated balance of the Individual Account becomes payable on the member's 65th birthday or earlier death, or less the previous two years appropriation if membership is terminated if the member is emigrating permanently from the United Kingdom, provided all contributions due to the date of such claim have been paid.

NOTE : If membership is terminated voluntarily before the attainment of age 65 years, all entitlement to benefits will cease and the accumulated Individual Account balance is forfeited.

THE CASHBUILDER PLAN

The easy, flexible way to save and watch your money grow

ITS AIMS

1. To enable you to save regularly in a tax-exempt fund with a tax free lump sum payable after a given term of years.

YOUR COMMITMENTS

1. You agree to pay a regular premium monthly, quarterly, half-yearly or annually for the agreed term.
2. If you cash in within the first few years you may get back less than you have paid in.
3. If you cash in at any time before the full term is up you will be penalised.

RISK FACTORS

1. The proceeds will depend on investment performance. The investment growth may be smaller than assumed in the example quotation shown in this leaflet.
2. Your circumstances may change forcing you to cash in early.

AN EXAMPLE

Name A.N.Other	Start date: 17/01/2015
Age Last Birthday: 60	Monthly Premium: £20
Contract Term: 15 years	Guaranteed Sum Assured: £3833

WHAT MIGHT THE BENEFITS BE AT THE END OF THE POLICY TERM

If investments grow at 2% a year, you would get back £3833
If investments grow at 5% a year you would get back £4190
If investments grow at 8% a year you would get back £5620

These figures are not the minimum and maximum amount. What you might get back depends on how your investments grow. You could get more or less than this. All regulated firms use a standardised method for illustrations but their rates of return and charges may vary.

Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

WHAT HAPPENS IF I CASH IN EARLY

These examples show what you might get back assuming investments will grow at 5% a year. All regulated firms use a standardised method for illustrations but their rates of return may vary and are not guaranteed.

WARNING – THE EARLY YEARS

If you cash in during the early years, you could get back less than you have paid in. The last two columns assume that investments will grow at 5%

Year	Total paid in to date	Effect of deductions to date	What you might get back
1	£240	£124	£121
2	£480	£159	£345
3	£720	£197	£579
4	£960	£240	£821
5	£1,200	£288	£1,070

The later years

10	£2,400	£613	£2,480
15	£3,600	£1,120	£4,190

WHAT ARE THE DEDUCTIONS FOR

The deductions include set up charges, expenses, charges, surrender penalties and other adjustments.

The last line shows that over the term of the policy, the effects of these charges from the Society could amount to £1,120.

Putting it another way, if the growth rate were to be 5%, which in no way is guaranteed, Grand United's charges would have the effect of reducing it to 2.0% a year.

DOES THIS PLAN INCLUDE LIFE COVER?

If death occurs within the term of the plan, your estate will receive premiums accumulated at an interest rate of 3%.

HOW MUCH IS THE FEE FOR ARRANGING THIS POLICY?

For arranging this policy, Grand United Order of Oddfellows will provide services and benefits worth £144.

HELPING HANDS SAVINGS PLAN

The easy way to plan the perfect gift for the young ones

ITS AIMS

1. To take advantage of the tax-exempt privileges granted to Friendly Society members.
2. To provide a child with a tax- free investment and a tax free lump sum payable after 10 years.
3. To provide a tax-free cash sum if death occurs during the contract.

YOUR COMMITMENTS

1. Your only commitment is to pay your stated amount (between £3 and £25) regularly every month, quarter or year for a period of ten years.

RISK FACTORS

1. Your circumstances may change resulting in the early encashment of the policy.
2. The proceeds will depend on investment performance which cannot be predicted. The investment growth may be smaller than shown in the following typical quotation.

AN EXAMPLE

Name A.N. Other	Start date: 17/01/2015
Age Last Birthday: 10	Monthly Premium: £20
Contract Term: 10 years	Guaranteed Sum Assured: £2,000

WHAT MIGHT THE BENEFITS BE AT THE END OF THE POLICY TERM

If investments grow at 2% a year, you would get back £2,200

If investments grow at 5% a year you would get back £2,540

If investments grow at 8% a year you would get back £2,950

These figures are not the minimum and maximum amount. What you might get back depends on how your investments grow. You could get more or less than this.

All regulated firms use a standardised method for illustrations but their rates of return and charges may vary.

Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

WHAT HAPPENS IF I CASH IN EARLY

These examples show what you might get back assuming investments will grow at 5% a year. All regulated firms use a standardised method for illustrations but their rates of return may vary and are not guaranteed.

WARNING – THE EARLY YEARS

If you cash in during the early years, you could get back less than you have paid in. The last two columns assume that investments will grow at 5%

Year	Total paid in to date	Effect of deductions to date	What you might get back
1	£240	£123	£122
2	£480	£156	£348
3	£720	£192	£584
4	£960	£231	£830
5	£1,200	£274	£1,080

The later years

10	£2,400	£552	£2,540
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WHAT ARE THE DEDUCTIONS FOR

The deductions include set up charges, expenses, charges, surrender penalties and other adjustments.

The last line shows that over the term of the policy, the effects of these charges from the Society could amount to £552.

Putting it another way, if the growth rate were to be 5%, which in no way is guaranteed, Grand United's charges would have the effect of reducing it to 1.2% a year.

DOES THIS PLAN INCLUDE LIFE COVER?

If the assured life dies during the term of the contract and is aged over ten, their life assurance or the value of the policy, whichever is the greater, will be paid to the parent or guardian. If death occurs before the child reaches the age of ten, the amount returned will be the premiums paid, or policy value if greater subject to an upper limit of £800

HOW MUCH IS THE FEE FOR ARRANGING THIS POLICY?

For arranging this policy, Grand United Order of Oddfellows will provide services and benefits worth £144.



GENERAL INFORMATION

Grand United Order of Oddfellows Friendly Society was founded in 1798. Total funds are now in excess of £5,000,000 and the Order has branches throughout the UK and overseas. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

CANCELLATION RIGHTS

After your proposal is accepted you will receive a notice of the right to cancel. You will then have 30 days in which you can change your mind.

PREMIUMS

Premiums may be paid by standing order, but missed premiums could mean that your contract is cancelled.

BONUSES

Bonuses calculated on the basis of investment performance are added to your policy following each valuation at the discretion of the Society acting on the advice of the Actuary. Once a bonus is added it cannot be taken away. The bonuses are expressed as a percentage of the sum assured.

CHARGES

Not more than 50% of the first year's premium and 10% of subsequent premiums may be set aside for management purposes in respect of non IAS products. We have taken account of all these charges in the projection tables.

TAX

All premiums are invested free of Income Tax and Corporation Tax, although it is no longer possible to reclaim tax credits in respect of UK dividends. The policy proceeds are normally free of personal liability to Income and Capital Gains Tax. However, a tax liability can arise when the policy has been made paid-up within ten years (or within the first three-quarters of the term if less) and is subsequently surrendered. In

such circumstances tax may be payable on the excess of the proceeds over the premiums paid.

CASHING IN

You can cash in your policy whenever you like, but should remember that if you cash in early you will get back less than you have put in.

LAW

In legal disputes the Law of England will apply.

COMPLAINTS PROCEDURE

If you wish to complain about any aspect of the service you have received, please contact the Grand United Order of Oddfellows Friendly Society. If your complaint is not dealt with to your satisfaction, you can then complain to the Financial Ombudsman Service at; Exchange Tower London E14 9SR – Telephone **0800 023 4567** or e-mail – complaint.info@financial-ombudsman.org.uk Making a complaint does not prejudice your right to take legal proceedings.

IMPORTANT

The information in this leaflet is based on the Society's understanding of current legislation. Any changes in legislation and tax practice could affect the benefits under this policy. Any advice or recommendation in the Society's literature relates only to the products of Grand United Order of Oddfellows Friendly Society. If you have any doubts regarding the suitability of the product, then you should contact an Independent Financial Advisor.

This leaflet is a brief guide to the Key Facts of the product. Full details are contained in the policy document which is the legally binding contract (under the law of England and Wales) between you and Grand United Order of Oddfellows Friendly Society.