

# Tax Exempt Savings Plan

## 10 year tax free investment plan



**POIS**  
Post Office Insurance Society

### What's inside

- Your guide to the Tax Exempt Savings Plan
- An introduction to POIS and Foresters Friendly Society
- Important Information of the plan
- Your application form

# Saving made simple

## with the POIS Tax Exempt Savings Plan

It's a ten year savings plan where you can choose to pay contributions monthly from your bank or, to help with budgeting, contributions can be deducted weekly or monthly from your pay. So whether it's putting something away for a special anniversary, the holiday of a lifetime or perhaps to help pay for a child's future university costs, our Tax Exempt Savings Plan is a simple way to make the most of tomorrow.

- 
- Provides a tax free cash sum through regular investing
  - £25 per month (£5.76 per week) paid from your bank or deducted from your pay
  - Invest for 10 years, with the option to extend
  - Contributions invested mainly in shares, to provide the potential for long-term growth
  - Plan includes life cover

Tax rules might change in the future and depend on individual circumstances. As your contributions are invested in a fund which includes stocks and shares, the value of the plan may fall as well as rise and you may get back less than you have paid in.

Please read through this brochure, which explains how the savings plan works, its benefits and risks. Do get in touch if you have any questions. We've also included an application form, so if you decide to take out this plan you can fill it in and send it back to us.

# Tax Exempt Savings Plan

## So how does it all work?

### Saving to suit you

Saving for your future doesn't have to cost much, just £25 per month, that's £5.76 per week. You can pay your contributions monthly by direct debit from your bank. Or better still, to help with budgeting, if you are a Royal Mail employee, or your employer allows, you can pay contributions weekly or monthly through deductions from your pay. What could be simpler!

Available to everyone aged between 16 and 74 years, the Tax Exempt Savings Plan is designed for savers who aren't already investing their £25 per month tax exempt savings allowance with a friendly society.

### A cash sum when you want it

The Tax Exempt Savings Plan is a 10 year savings plan. At the end of the 10 years, you'll have a number of options; cashing in your plan, extending it for a further 10 years or leaving it invested. This provides flexibility and helps ensure you're not tied to saving for too long, just in case your circumstances change. For more information see 'What happens at the end of the term' on page 11.

You can use the money from your plan for whatever you want; a holiday of a lifetime, buying a new car or helping towards purchasing a holiday home. You might even use it to do those home improvements you've always dreamed of. If you take out the plan to save for a child's future, you'll also benefit from knowing the money from the plan will be paid to you, so you can help to decide what it is spent on.



## In-built life cover

A benefit of the Tax Exempt Savings Plan is that life cover is automatically included at no additional cost to you. Provided you keep paying your contributions, if you die, a nominated beneficiary can receive the life cover sum or the value of the plan, if this is higher. For more information on the life cover provided see page 12.

## The potential for growth

The contributions you make will be invested in the POIS Flexible Growth Fund. This fund aims to achieve long term growth by spreading risk across a range of investment types.

For more information about the different types of investments and the POIS Flexible Growth Fund see page 6.

The Tax Exempt Savings Plan is not designed to be a short-term savings plan. As the contributions you make are invested in a fund which holds assets including stocks and shares that can vary in price from day to day, the value of the plan may fall as well as rise and you may get back less than you have paid in. Inflation will reduce what you can buy in the future with the proceeds of the plan.



## It's tax free

The great thing about this type of savings plan is that the final payment you receive will be free of Capital Gains Tax and Income Tax. Only a Friendly Society can give you the additional tax advantages through this type of regular contribution savings plan, under which we don't have to pay tax on the investments in the fund, except for the tax automatically deducted from UK share dividends which we can't reclaim. Because of the favourable tax treatment, the Government has set a maximum limit of £25 per month for each saver.

Tax rules might change in the future and depend on individual circumstances.



## Investments and the POIS Flexible Growth Fund

The aim of the POIS Flexible Growth Fund is to achieve long term growth, whilst spreading risk across a range of investments. It invests mainly in shares, both UK and overseas, along with fixed interest investments, such as Government gilts, and property. The fund may purchase these investments directly or through collectives. It is an actively managed fund.

The contributions you make will be used to purchase units in the fund. The value of the units can go down as well as up depending on the price of the investments in the fund.

### Different types of investment

**Equities** – the fund can invest in shares from both the UK and overseas, including the US, Europe, the Far East and emerging markets. Investing in shares has historically been an effective way of growing capital over the longer term and protecting against inflation.

**Fixed Interest** – also known as bonds. These are loans by the UK Government (called gilts) or a company (corporate bonds). Bonds pay a fixed rate of interest throughout their term or can pay a return linked to inflation. Bonds issued by the Government and larger, credit worthy companies are generally thought to be less risky than investment in shares.



**Property** – the fund does not invest directly in property but may do this through property companies or property funds, where a greater exposure to several properties can be achieved. Property companies and funds mainly invest in commercial property such as offices, retail, leisure and industrial developments.

**Cash** – this can include ‘near cash’ investments such as investments in banks and building societies.

**Collective Investments** – a collective investment enables a number of investors to combine their assets and have these professionally managed by an independent manager. By doing this, investors can reduce risk by spreading their investments more widely than is possible by investing in the assets directly.

Investments in the POIS Flexible Growth Fund will vary, for example as new opportunities arise or if economic conditions or investment markets change. If you would like more information on the investments in the POIS Flexible Growth Fund then see our Fund Fact Sheet which can be found on our website ([www.pois.co.uk](http://www.pois.co.uk)) or by calling 0800 622 417. A guide to ‘How we manage our unit linked funds’ can also be found on the site.

The prices of the POIS Flexible Growth Fund are published daily on [www.pois.co.uk](http://www.pois.co.uk).

You should bear in mind that past performance is not a guide to future performance. As the fund holds overseas assets, the Sterling value of these assets may rise and fall as a result of exchange rate fluctuations.





## POIS and Foresters Friendly Society...ready to look after you and your family

The Post Office Insurance Society, known as POIS, was formed in 1878 and has been providing affordable financial products to Post Office and Royal Mail employees for over 135 years. Now part of Foresters Friendly Society, a well established UK friendly society, Foresters' aim is to be the most member centric financial mutual in the UK. We put our members' interests at the heart of everything we do.

Being a mutual society means we have no shareholders, we are exclusively owned by our members. We are therefore run for the benefit of our members and offer a wide range of services and membership benefits.

# You will have access to loads of unique extras

By taking out a Tax Exempt Savings Plan, you automatically become a Foresters member. And with membership you'll have access to a range of brilliant extras that can give you support and assistance when you need it, including:

## Financial grants for education and health care

Because we're a friendly society with no shareholders, we can provide extra benefits at no extra cost that you won't find from other financial providers. We provide a number of discretionary financial grants to help you to cover the cost of things like higher education, healthcare costs and convalescence assistance.

## Foresters Care

We all know somebody who has been diagnosed with a serious health condition. Usually the treatment received is first class, but often the practical help and emotional support needed by the individual and their family can be missing.

Any member struggling with a serious health condition, or diagnosed with one in the future, can use Foresters Care. Through Foresters Care, you will have access to your own Personal Nurse Adviser who will be there for you to provide practical information and emotional support for as long as you need it.

## Access to your local social Branch

We're about much more than finance, which is why with Foresters Extras you can join one of our 200 regional branches. Each branch organises regular social and community events that you can get involved with.



## Manchester Unity Credit Union

Foresters' members can join Manchester Unity Credit Union (MUCU), a financial co-operative owned and controlled by its members.

The membership benefits we provide aren't regulated and are regularly reviewed by us to ensure they are relevant to our members.

*"A caring, progressive society that supports its members. If you have met a Forester, you know you have met a human being."*

*A satisfied Foresters member, 2016*

# The Tax Exempt Savings Plan

## Important Information

### Important info you need to read

Before applying for the Tax Exempt Savings Plan, please read the Important Information which explains how the plan works, its aims, the commitment you will need to make and the risks involved. It will help you decide if it's a suitable plan for you.

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



## Tax Exempt Savings Plan Important Information

### Its aims

- To enable you to invest tax efficiently.
- To provide you with a tax free cash sum at the end of 10 years.
- To achieve long term growth whilst spreading risk across a wide range of investments.

### Your commitment

- You agree to pay a regular weekly or monthly contribution for 10 years. The TESP is not designed to be a short term investment.
- Current legislation states that the total amount that can be contributed to all Friendly Society Tax Exempt Savings Plan(s) cannot exceed £25 per month for each investor.
- Your contribution is £25 a month and you cannot increase or reduce this amount at any time.

### Risks

- As the contributions you make are invested in a fund which holds assets including stocks and shares that can vary in price from day to day, the value of the plan may fall as well as rise and you may get back less than you have paid in.
- Your circumstances may change forcing you to stop making contributions.
- If you stop making contributions during the first year, the plan will be closed and the value of the plan, if any, will be paid.
- If you stop making contributions after the first year, the plan becomes paid-up. Charges will continue to be taken which increases the chance of the plan falling in value.
- If you do not keep making contributions, we will stop providing life cover.
- Our charges may turn out to be higher than expected.
- Inflation will reduce what you can buy in the future with the cash sum.
- Legislation may change to affect the tax status of the plan and tax rules depend on your individual circumstances.

## Your Questions Answered

### What is the Tax Exempt Savings Plan?

The plan is a tax free unit linked savings plan and is a way of investing over the long term. The money that you invest in this plan is invested in a fund which is

free of tax on both income and capital gains, although dividends earned on the equities within the fund will have been taxed at source and the tax deducted cannot be reclaimed. Contributions must be made for at least 10 years.

The plan also provides life cover. Please see page 12 for further details about the life cover.

### Who can take out a plan?

You can take out a plan as long as you are aged between 16 and 74 inclusively and a UK resident. You cannot hold more than one tax exempt plan with POIS or any other friendly society.

### Where is the money invested?

When you invest money in the TESP you are purchasing units within the POIS Flexible Growth Fund. The aim of the POIS Flexible Growth Fund is to achieve long term growth, whilst spreading risk across a wide range of investments.

For more information on the fund and investments please see page 6.

### What is a unit?

The value of the fund is divided into units. The price of each unit is based on the value of the fund, divided by the number of units in issue. Every contribution you make will buy a certain number of units. The number of units bought will depend on the price of those units on the day the units are bought. The value of the investment is calculated by multiplying the number of units held by the current unit price. The price of the units may go down as well as up.

### What happens at the end of the term?

You have three choices:

1. Extend the plan term by another 10 years.
2. Leave the money invested in the fund until it is needed, but make no more contributions.
3. Cash in the plan.

If the plan hasn't already been cashed in, it will end on the plan anniversary before your 85th birthday.

## What happens if the plan is cashed in before 10 years' contributions have been paid?

If the plan is cashed in before its 10th anniversary, a charge will be deducted before the cash sum is paid to you. The amount of the charge will depend on how long you have held the plan. In the early years, it is possible the Plan value may be less than the surrender charge due. In that instance, no policy value will be paid out, and no further charge will be payable. You may be liable for tax on any growth. For further information, see 'Tax' on page 13.

## What happens if I stop making contributions?

If your salary deductions stop or are suspended, or your Direct Debit is cancelled, you should contact us immediately to discuss your options.

If you stop making contributions, life cover will cease, so, if you die, the only payment made will be the value of the plan. You do however, have 13 months to pay the missing contributions, altogether in one lump sum, and continue paying into the plan. If, at the end of the 13 months, you have not made up the missing contributions the following will apply:

- If you have made less than one year's contributions, or the plan has no value, the plan will be closed. A charge of £125 will be deducted and any remaining balance will be paid to you.
- From year two, as long as there is a value, the plan becomes paid up. This means that it will remain invested with no further contributions being made until it is cashed in. We will continue to deduct charges including the £1.50 monthly administration charge. The plan's value will continue to fluctuate in line with the movement of the unit price. If the value falls to £0, we will close the plan.
- You may be liable for tax on any growth.

## What happens if I die?

If you were to die the value of the plan or, if higher, the life cover will be paid. This will normally form part of your estate and may be subject to Inheritance Tax, depending on your individual circumstances.

## Life cover

Although the plan does not protect against the financial consequences of death, for the plan to qualify for its tax exempt status, life cover is included up to a maximum amount of £2,250.

- It is calculated as 75% of the contributions you are

due to make over the initial 10 year term.

- The amount of life cover is reduced if you apply for the plan when you are aged 56 or over. It is reduced by 2% for each year. For example, if you are 56, you will receive life cover based on 73% of the contributions you are due to make over the initial 10 year term. If you are 57 you will receive 71%.
- As long as you keep making contributions, your life cover continues.
- If you die and the value of your plan is higher than the amount of life cover, we will pay the current value.

If you wish, you can nominate a beneficiary to receive the value of your plan if you die. They can receive up to £5,000 immediately following your death. This can be done without having to wait for your estate to be administered, which can often be a lengthy process at a difficult time. Any excess would become part of your remaining estate and have to wait for probate.

## 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 plan, or the date the notice is received whichever is later, in which to change your mind. If you choose to change your mind a full refund of all monies will be paid. You can do this by completing and returning the cancellation form to us at POIS, 29-33 Shirley Road, Southampton, SO15 3EW.

You can cancel the plan anytime after the 30 days but there is a risk you could get back less than you have paid in.

### Financial advice

We do not offer financial advice. You should contact a financial adviser if you have any doubts about this plan's suitability. You may have to pay a fee for this advice.

### Contributions

Contributions can be made monthly by Direct Debit or weekly/monthly salary deductions for Royal Mail employees or if your employer allows.

Contributions will buy units in the POIS Flexible Growth Fund, the table below shows when these contributions are invested.

Payment type:	Day Invested:
Direct Debit	The collection date
Salary deduction weekly	The last Friday of the month in which the salary deductions are made
Salary deduction monthly	The last working day of the month in which the salary deduction is made

The unit price used to purchase units is the price calculated on the working day before the payment is invested.

### Tax

The fund is free of tax on both income and capital gains, except for tax deducted from dividend income which cannot be reclaimed. The final cash sum you receive is free of tax on both income and capital gains. Under 'qualifying policy' rules, if you do not continue to pay the contributions for 10 years or three quarters of the term of the plan, if this is shorter, the cash sum may be liable to tax. This means that if you were to cash in your initial 10 year plan after seven and a half years, there would be no tax to pay. You should be aware that tax rules might change in the future and depend on individual circumstances.

### Qualifying policies

A qualifying policy is a life insurance plan which meets HM Revenue and Customs rules. Subject to certain conditions, the proceeds of these policies are paid to an individual free of income and capital gains tax. Such policies are regular contribution policies and have a minimum plan term of ten years. There is an annual contribution limit for qualifying policies of £3,600 per individual. This limit applies to policies where you are the beneficial owner i.e. the person who the proceeds belong to, usually the policyholder. If you are a beneficiary of a policy written in trust, then you are also the beneficial owner. Policies which only provide a pay-out on death are not included within the annual limit.

The TESP is classed as a qualifying policy. You must ensure that the £3,600 limit per individual is not exceeded in any one year. If, for example you take out a plan for £25 per month, this will total £300 per year which will count towards your £3,600 limit.

### 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 the plan.
- If any levy is imposed on Foresters Friendly Society under statute or statutory authority.

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:

POIS

FREEPOST RLST-SJZE-BACC

29-33 Shirley Road

Southampton

SO15 3EW

Telephone: **0800 622 417**

Email: **memberservices@pois.co.uk**

**www.pois.co.uk**

### The Direct Debit Guarantee (please retain this Guarantee for your records)



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Foresters Friendly Society will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Foresters Friendly Society to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Foresters Friendly Society or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society.
  - If you receive a refund you are not entitled to, you must pay it back when Foresters Friendly Society asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written notification may be required. Please also notify us.

# Tax Exempt Savings Plan

## Application Form

Please read the Key Information Document and Important Information section before completing this form. Please return your completed form to POIS to proceed with your application. If you already have Tax Exempt Savings Plans (excluding NISAs) with this or any other Friendly Society, you are unable to apply for this plan. Complete in BLOCK CAPITALS in black ink.

### FOR OFFICE USE ONLY

Staff/Int Name

Contact/Int Number

Marketing Code

### 1. Your details

Title

First name

Middle name(s)

Last name

Date of birth

D D M M Y Y Y Y

Minimum age entry 16 years, maximum age entry 74 years

Your NI Number

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

Address

Postcode

Contact telephone

Email

Postcode for place of work

### Payer details (if different from your details)

Title

First name

Middle name(s)

Last name

Date of birth

D D M M Y Y Y Y

Address

Postcode

Signature

### 2. How do you want to make contributions?

Deduction from pay  (complete section 3)

Direct Debit  (complete section 4)

Contributions are collected for 10 years. For deductions from pay, the contributions will be £25 a month if you are paid monthly or £5.76 a week if you are paid weekly. Please note weekly instalments can only be accepted if deducted from your salary and are subject to your employer offering this facility. If you pay by Direct Debit, we will collect your contributions on the 1st working day of each month.

### The Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Foresters Friendly Society will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Foresters Friendly Society to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Foresters Friendly Society or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society. - If you receive a refund you are not entitled to, you must pay it back when Foresters Friendly Society asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written notification may be required. Please also notify us.

# Tax Exempt Savings Plan

## 3. Saving through deduction from pay (complete only if you wish to make contributions through salary deduction and your employer offers this facility)

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.

Full Pay/Pension No.

Are you paid weekly or monthly?

Weekly

Monthly

Name of pay group

Address of pay group (if known)

Postcode

I authorise the deduction of the appropriate regular amount from my pay/pension to cover contributions on this plan in addition to any existing amount paid to POIS on my behalf, or of any requested amount not exceeding the new total deduction. I understand that it will be necessary to exchange information with relevant parties in order to effect and maintain plan contributions. This will include details of any deductions being taken from my salary in respect of POIS plans being disclosed by telephone, mail or email to POIS on their request. I understand that any amendments to my deductions from salary should be arranged by POIS whenever possible.

Signature

Date

## 4. Instruction to your Bank or Building Society to pay by Direct Debit (please do not detach)

### To The Manager

Name and full address of your Bank/Building Society branch.

  

Name(s) of Account Holder(s)

Sort Code

 -  - 

Account Number

Originator's Identification Number

2 5 3 6 8 6

Reference Number (office use only)

### Instruction to your Bank or Building Society

Please pay POIS, a part of Foresters Friendly Society, Direct Debits from the account detailed in this Instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this Instruction may remain with POIS, a part of Foresters Friendly Society, and, if so, details will be passed electronically to my Bank/Building Society.

Signature

Date

Signature

Date

Banks/Building Societies may decline to accept instructions to pay Direct Debits from some types of account, such as a savings account.



# Tax Exempt Savings Plan

## 5. Payment nomination (optional)

Under the Friendly Societies Act 1974 you may wish to nominate any person to receive an amount not exceeding £5,000 of the sum payable at your death from the plan. If the value of the plan at that time is less than the amount you have requested to be paid to your nominee, the value of the plan will be paid. The person nominated may not be an officer or employee of POIS or Foresters Friendly Society unless also a close relative. If you wish to take advantage of this facility please complete the nomination form below. If you marry after making this nomination then the nomination is annulled, and a new nomination should be made. If you wish to revoke the nomination at any time you should apply for the return of this form, and request another form if you wish to make a new nomination.

I hereby nominate

Title   
First name   
Last name

Of (nominee's address)

Postcode

Relationship to policyholder

to receive £

(not exceeding £5,000) upon my death

Witnessed by\*

Title   
First name   
Last name

Of (witness address)

Postcode

Signature

Date

\* The witness must not be the nominee, the policyholder or a relation to the policyholder.

## 6. How we will use your data

The information that you provide on this form will be held by POIS, a part of Foresters Friendly Society, and used to set up and administer the plan 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](http://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](mailto:memberservices@forestersfriendlysociety.co.uk), completing the online form available at [www.forestersfriendlysociety.co.uk/contactpreferences](http://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.

**Please turn over to continue and complete your application**

# Tax Exempt Savings Plan

## 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 wish to apply for the POIS Tax Exempt Savings Plan.**

I have read and understood the Tax Exempt Savings Plan Key Information Document and Important Information section. I confirm that I am a UK resident (excluding Isle of Man and Channel Islands) and I declare that to the best of my knowledge and belief the statements provided on this Application Form are true and correct.

I declare that I do not have any other Tax Exempt Plans (excluding NISAs) with this or any other Friendly Society.

I confirm that, once this plan starts, the combined amount I will then be paying into qualifying plans will not exceed my current annual limit of £3,600.

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 upon request.

I confirm that I have not been given advice by POIS or Foresters Friendly Society in relation to the

Signature

Date

## Apply now to make the most of tomorrow

Send your completed application form to:

POIS  
FREEPOST RLST-SJZE-BACC  
29-33 Shirley Road  
Southampton  
SO15 3EW

Telephone: **0800 622 417**

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

[www.pois.co.uk](http://www.pois.co.uk)

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

POIS is not part of the Post Office or Royal Mail plc. POIS is a part of Foresters Friendly Society which 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).

565/2017/TEPBRO/11/17

