

# Stakeholder Pension Plan

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## 1. Introduction

The Open University has a Stakeholder Pension Plan with Prudential to help any employees not covered by Universities Superannuation Scheme save for retirement. The University does not contribute to the Stakeholder plan.

A stakeholder pension is a simple, flexible and value-for-money pension arrangement that will help you supplement retirement benefits provided by the state. Its features include:

- **Minimal charges** - A maximum of 1.0% a year on the value of your fund can be taken for managing the plan. In practice, Prudential only charge between 0.65% and 0.85% depending on the investment options chosen. Information regarding the fund choices available are contained in the Guide to Fund Options which can be obtained by clicking the following link:  
<http://www.pru.co.uk/pdf/kf/SHPS0364.pdf>
- **Flexibility** - You can start or stop or increase or decrease your payments without penalty.
- **Portability** - Most people can keep paying into their stakeholder pension plans throughout their lives, even when they change jobs, become self-employed or are not working.

## 2. Joining the Stakeholder Pension Plan

If you have non-pensionable earnings from the Open University, you may wish to consider joining the Stakeholder Pension Plan.

To set up contributions, contact Prudential direct by calling them on 0345 070 3333. Further information, including some useful tools such as modellers and planners can be found on the following web site:

[http://www.pru.co.uk/retire/retirement\\_zone\\_gppshp/home/](http://www.pru.co.uk/retire/retirement_zone_gppshp/home/)

You will be able to choose how the money in your policy is invested from the range of investment options available. The Open University negotiated special terms for the plan that would not be available if you approached Prudential directly. In addition, you can make contributions by direct debit.

You are not obliged to join the Open University's Stakeholder Pension Plan and can invest contributions directly with any stakeholder provider of your choice or decide not to do anything at all. Please note that the University's Pension Department is not authorised to give individual advice on the Stakeholder Pension Plan because of restrictions imposed by the Financial Services Act.

### **3. Making contributions**

There is no minimum contribution required to start your plan and you can start, stop, increase or decrease your payments at any time without penalty.

### **4. Receiving pension benefits**

You can choose to take your benefits at any time you choose between the ages of 55 and 75. You can use the money that has built up to buy a pension. This will give you a regular income in addition to your state pension.

The details of that pension will depend on the amount of money in your policy and the cost of buying a pension at that time.

Under current legislation, you will have the option of taking up to 25% of your fund as tax-free cash when you receive your pension benefits.

### **5. Contacting Prudential**

For further information from Prudential, go to [http://www.pru.co.uk/retire/retirement\\_zone\\_gppshp/home/](http://www.pru.co.uk/retire/retirement_zone_gppshp/home/) or call 0345 070 3333.