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JUST.

SECURE LIFETIME INCOME

Suitability wording



The information below has been created to assist you when preparing your client suitability reports.

This guide assumes that you've conducted a full fact find with your client, and have made a recommendation for Just's Secure Lifetime Income (SLI) based on your client's circumstances and objectives.

It's designed to give key technical information about the product, provide justifications for why SLI is the appropriate option for your client's needs. It also provides key information on risks and Just's financial status.

This guide is intended to support you with the areas you would need to address in a suitability report/letter for your clients, and you may need to add information from your advice process where necessary. As the circumstances of each client will vary, each suitability report will need to be heavily personalised.



Please note that whilst Just has produced this suitability guide to provide you with access to key information, these are examples only and are not exhaustive. You are solely responsible for ensuring that the content of your recommendations are appropriate for each client and that they meet regulatory requirements.



Client requirements

You must ensure that you understand the SLI plan specifications, as outlined in the SLI Key features document.

It's important that you've explained to your client how the plan works.

At this point you'll have obtained a quote and your client will have submitted medical information.

It's important that the following considerations are established through your fact-finding process. Please note that this is not an exhaustive list and you are responsible for ensuring appropriate advice is given.

Funding the plan

Have you discussed with your client the source of funds for this plan?

Attitude to risk

Have you discussed your client's attitude to risk?

Capacity for loss

Have you discussed your client's capacity for loss?

Review of existing plans

Have you reviewed your client's existing plans with them?

Guaranteed income

Have you discussed your client's requirement for a secure income?

Health and lifestyle

Have you discussed your client's health and lifestyle with them?

Legacy provision

Have you discussed your client's desire or need to provide a legacy for beneficiaries? And how this should be balanced against their income requirements?

Personal tax position – (pre and post crystallisation)

Have you reviewed your client's personal tax situation with them?



Secure Lifetime Income benefits

The paragraphs below detail the main client benefits offered by SLI.

Helps create a blended retirement income

SLI offers your client income security via guaranteed monthly income payments which will be paid for life, irrespective of the performance of the long term invested portfolio.

This allows your client to use the invested part of their SIPP to participate in potential asset growth, take a regular income or make lump sum withdrawals.

If your client's invested SIPP portfolio grows in value, this can provide useful protection against future inflation and provide money for their beneficiaries once they die.

The value of your client's invested portfolio can be used, in part or in whole, to purchase more SLI in the future and improve their level of guaranteed lifetime income.

Provides a guaranteed income for life

SLI is designed to pay a guaranteed income for life, every month until your client dies. The income is guaranteed by Just and SLI is also fully protected by the Financial Services Compensation Scheme.

Withdraw or reinvest income and manage tax liability

The monthly income will be paid into your client's platform cash account. They can also choose whether they want to withdraw or reinvest some or all of this income within their SIPP, making the ongoing management of income tax liabilities more straightforward.

Can reduce the strain of producing income on the long term invested portfolio

The amount of guaranteed income for life paid by SLI could help reduce the need for your client's invested portfolio to produce income and leave more of their invested portfolio available for potential growth.

Can improve the prospects for legacy provision

As more of your client's long term invested SIPP portfolio is free to participate in growth when SLI is purchased, the prospects for improving a legacy to beneficiaries can be improved, depending, of course, on the performance of these assets over time.

Reduces the risk of making unsustainable income withdrawals from your client's SIPP

When investment conditions are more testing – such as periods of market volatility or inflationary pressures, the presence of SLI within your client's SIPP portfolio could help mitigate some of the damage caused by reduction in asset values whilst improving the prospects for a recovery in improving markets.

This is achieved by exposing less of their SIPP portfolio to market movements whilst providing a guaranteed income, set from the outset of their holding, that won't be impacted by prevailing market conditions.

Pays a reducing death benefit for a set period to pass on to beneficiaries

The death benefit progressively reduces down to zero over the first seven years of your client's SLI asset holding. Any death benefit that's due will be paid into their SIPP and added to any unused SIPP assets to be paid to their beneficiaries. They can find more information about the death benefit and how it works in their personal quotation.

Cash-in value if circumstances change

A cash-in value is available for a set period of time, meaning that your client can access a lump sum if their circumstances change significantly (this lump sum will, however, be considerably less than the amount of money that was used to buy their SLI holding).

Can be purchased over time to help reduce their overall risk exposure

If appropriate for your client's needs, they can purchase additional tranches of guaranteed income to further boost and protect their income.



Other Secure Lifetime Income considerations

Why Secure Lifetime Income rather than a traditional pension annuity?

Secure Lifetime Income enables your client to benefit from a guaranteed income for life within their SIPP.

Including a guaranteed income for life within a SIPP comes with other advantages that aren't available from a conventional annuity such as:

- the ability to manage income withdrawals tax efficiently
- more efficiently reducing the strain of producing income from the invested portfolio
- lowering the risk of making unsustainable withdrawals at the wrong time, and
- improving the prospects for an increased provision of a post-death legacy to dependants.

Including SLI within your client's SIPP arrangement also enables them to see all of their SIPP holdings in one place.



Risk warnings

You should be aware of the following risks associated with purchasing SLI.

- Once your client's Secure Lifetime Income has been set up and the cancellation period has ended, they'll no longer be able to receive a full refund of the purchase price. However, the cash-in value will be available for a set period if their circumstances change.

SLI works as part of a long term invested portfolio. There is, however no guarantee that it will provide higher asset values on death as this is dependent on both market performance and how long your client lives.

Similarly, although SLI works to reduce the impact of market volatility, there's no guarantee that their income won't come under pressure. You should work closely with your client to ensure that their income needs are regularly reviewed and considered to be sustainable in the short and medium term.

- If your client chooses to take the cash-in value, the total of this and any SLI payments they've received will, in all circumstances, be significantly less than the purchase price. The exact amount paid will depend on market conditions at the time.
- Depending on when your client dies, the total income received may be less than the purchase price. In other words, until the secure monthly income payments they've received exceed the initial purchase price, the total amount received will be less than the purchase price.
- The income is set at outset and won't change for the rest of your client's life. Inflation means that the real spending power of the income will reduce over time. However, in the event that they want to increase the level of their guaranteed income, it may be possible to purchase an additional plan at that time – depending on the value of their SIPP and their requirements for a guaranteed income.
- SLI can be transferred to another provider as long as your client's new provider accepts it. If their new provider doesn't offer SLI they may need to hold SLI separately with a different provider.



About Just

Just is part of Just Group plc – a FTSE-listed specialist UK financial services company. It was created by the merger of Just Retirement Group and Partnership Assurance Group.

The company focuses on providing customers with financial certainty to help them achieve a better and more secure retirement.

The Group's scalable and responsive operating systems allows it to provide automated underwriting for the vast majority of cases, giving financial intermediaries confidence that they can rapidly get real-time guaranteed prices for their clients.

For more information

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