

Simple tax-free
savings plans

Savings Plans

Key facts and further
information



tfs

Our
members
are going
places

TFS Savings Plan Key facts

Its aims

- To build a tax-free cash sum.
- To allow you to take advantage of your friendly society tax exempt savings allowance.
- To provide a guaranteed tax free cash lump sum for your loved ones should you die during the term of the plan. Death payment for children under age 10 is limited to a return of all contributions paid.

Your commitment

- To pay a fixed regular monthly contribution for the term you selected at the outset.

Risk factors

- The final proceeds of the plan cannot be guaranteed as the return depends on investment performance.
- Your circumstances may change, forcing you to stop contributing to the policy. If you do so you may not get back as much as you paid in.
- Charges under the plan may be changed in the future by the Board of Management acting on the advice of the Society's Actuary.
- The tax treatment of friendly societies may change in the future.

An example

What you might get back after 10 years:

Weekly Contribution: £5.00

If investments grew at 4% a year, you would receive: £2,930

If investments grew at 6% a year, you would receive: £3,240

If investments grew at 8% a year, you would receive: £3,600

- These figures are only examples and are not guaranteed - they are not minimum or maximum amounts. What you will get back depends on how your investment grows.

- You could receive more or less than the figures shown.
- All friendly societies use the same rates of growth for illustrations but their charges vary.
- Do not forget that inflation would reduce what you could buy in the future with the amounts shown.
- The absolute guarantee is that if the plan is held to full term with all premiums paid you will get back at least £1,950.

THE TFS SAVINGS PLAN IN BRIEF

Who can have a TFS Savings Plan?

The Plan is available to anyone, under age 65, associated with passenger transport their friends and family.

When will the Plan Mature?

The plan will mature on the date you selected. It must run for a minimum of 10 years and finish before your 75th birthday.

How are bonuses added to the Guaranteed Sum Assured?

The Guaranteed Sum Assured may be increased by the addition of bonuses. The amount of the bonus is declared each year by the Board of Management. Providing you pay into the plan until the maturity date (or if you die), bonuses added cannot be taken away.

An additional terminal bonus may be added upon death or at the Plan Maturity Date.

What is the minimum or maximum I can save?

The maximum contribution allowable is £5.75 per week or £25 per month. The minimum is £2.30 per week or £10.00 per month.

Contributions are payable by monthly Standing Order or weekly pay deduction.

How are the contributions invested?

The Society invests in a wide range of shares, government stocks (sometimes called gilts) and has cash deposits with leading banks.

The investment aim of the Society is to maximise long-term growth whilst investing in a range of secure investments.

The following table demonstrates the likely effect of charges and expenses over the term of the plan for the example shown opposite.

At end of year	Total paid in to date	Total actual deductions to date	Effect of deductions to date	What you might get back
THE EARLY YEARS				
1	£260	£181	£181	£87
2	£520	£145	£155	£395
3	£780	£215	£235	£616
4	£1,040	£281	£315	£855
5	£1,300	£343	£396	£1,110
THE LATER YEARS				
10	£2,600	£106	£280	£3,240

Assumed that investments will grow at 6% per year.

What are the deductions for?

- The deductions include the cost of life cover, expenses, charges, any surrender penalties and other adjustments.
- The last line in the table shows that over the full term of the plan the effect of the total deductions could amount to £280.
- Putting it another way, leaving out the cost of life cover, this would have the same effect as bringing the investment growth from 6% a year down to 4.5% a year.

How much will the advice cost?

- No advice will be given to you regarding this policy. It is your responsibility to ensure that the plan meets your needs. If advice is required, you should consult an Independent Financial Advisor.
- However, if you were introduced to the Society by a Registered Introducer, such person may be entitled to a nominal fee of £20.00 (net of tax) regardless of the contribution you are paying.

FURTHER INFORMATION

Cancellation Rights

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

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. These bonuses are expressed as a percentage of the sum assured. A terminal bonus may also be paid.

Charges

All charges and expenses as set out in the Society's rules and Tables have been taken into account in the illustrations in this leaflet.

Tax

If the policy is maintained in full force until death or maturity the benefits payable are currently free of all UK income and capital gains tax. In addition, the fund in which contributions are invested is tax exempt and thus free from taxes on income and capital gains, with the exception of tax deducted from dividends on shares.

Law

In legal disputes the Law of England and Wales will apply.

Queries and Complaints

For further information, or if you wish to complain about any aspect of the service you have received, please contact the Transport Friendly Society Limited. If your complaint is not dealt with to your satisfaction you can then complain to the Financial Ombudsman Service (South Quay Plaza, 183 Marsh Wall, London E14 9SR, Telephone 020 7964 1001). Making a complaint will not prejudice your right to take legal proceedings.

Compensation

Information on compensation is available from the Transport Friendly Society Limited on request.

Membership of a Friendly Society

Membership is subject to the Rules of the Society, which may be varied from time to time. The Financial Services Authority monitors all such amendments, as well as the financial strength of societies and has a statutory duty to protect the interests of all members.

The Transport Friendly Society Limited is registered and incorporated in England under the Friendly Societies Act 1992. It is a mutual organisation owned by its members. By taking out a policy you become a member of the Society. The Head Office is at 9 Betterton Street, London WC2H 9BH, United Kingdom. The Society is Authorised and Regulated by the FSA. It is a member of the Financial Services Compensation Scheme.

Please Note

This leaflet is based on the Society's understanding of current law and Inland Revenue practice, which may be subject to change.

This leaflet provides a guide to the key features of the product. Full details are contained in the policy document, which is the legally binding contract between you and Transport Friendly Society Limited.

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