

Guidance note for financial advisers

Lincoln i2Live and commission structures

Lincoln i2Live offers clients the ability to keep a pension fund invested for life. It is therefore very important that customers receive ongoing advice. This means that advisers can retain responsibility for advising on the product and investment portfolio for the remaining lifetime of the client.

In recognition of the requirement for ongoing advice under this type of product, Lincoln recommends that the application of renewal commission is appropriate. However, we also believe that the commission conversation is one for the adviser and the client and that adviser firms should have control of their charging mechanisms.

It should be noted that the standard product charges do not allow for any commission payments. Additional charges will be collected to match any commission paid. Please refer to the appropriate Key Features document and illustration for further details of product charges.

Adviser's obligation to clients

It is the adviser's responsibility to look at all suitable options for their clients and the annual review offers an excellent opportunity to ensure that product solutions continue to meet client needs. The structure of our maximum commission rates have therefore been carefully set to appropriately reflect the time and effort an adviser may typically have to invest in order to set up and maintain a *Lincoln i2Live* product. Whilst we would expect the majority of cases to be set up with an element of renewal commission, some adviser business models may determine that an alternative structure may be appropriate.

The following table illustrates just some of the commission options available. **Other commission options are available on request by calling 0845 071 0200.**

Split of commission		Impact on reduction in yield*
Initial	Renewal (p.a.)	
6.00%	0.25%	1.2%
5.50%	0.25%	1.2%
5.00%	0.50%	1.3%
4.50%	0.50%	1.2%
4.00%	0.75%	1.4%
3.50%	0.75%	1.3%
3.00%	1.00%	1.5%
2.00%	1.00%	1.4%
2.00%	0.50%	0.8%
1.00%	0.50%	0.7%
0.00%	0.00%	0.0%

*Impact on reduction in yield relative to that for nil commission. Based on a male, age 65, £150,000 invested in *i2Live* Drawdown after PCLS. Income of 100% Maximum Supportable Income (with 7% assumed investment return), invested in Lincoln Passive Balanced fund.