Please take some time to read this guide. It's important you understand what this pension product is, and what the benefits and risks involved are. Please keep a copy of this document in a safe place. If you're reading on a screen and anything isn't displaying properly, please ask your employer for a printed copy.

Your company pension scheme

An essential guide for employees

| Retirement | **Investments** | Insurance | Health |

AVIVA

What’s inside

Please be aware that this guide doesn’t provide personalised advice or give personal recommendations. If you need a personal recommendation, you should seek financial advice. Your employer may have lined up a financial adviser that you can speak to. Alternatively, you can visit unbiased.co.uk to find an adviser in your area. An adviser may charge a fee for this service.

If you’re an existing customer and you’ve applied for a transfer-in, additional payments or similar, you can skip ahead to the ‘Important information’ section.

The more attention you give your pension today, the more you could benefit tomorrow.

Introducing your company pension scheme

Dear colleague,

If you want to make the most of your retirement years, it's so important to prepare well.

The simple fact is, the sooner you start putting some money aside for it, the greater your chances of being able to afford the retirement you want. And that's why we're so pleased to introduce our company pension scheme to you today.

A key part of your benefits package

Our company pension scheme is one of the most important parts of your benefits package.

It gives you a way of building up a pot of money that you can use to help fund your retirement. And any money paid in may also benefit from tax relief from the government. Please remember that tax benefits are subject to change, interpretation and depend on the individual's circumstance.

About this guide

Your company pension scheme is run by Aviva, who have many years of experience with pension and retirement plans. They've put together this guide to explain – in plain English – all the essential things you need to know about the scheme. It describes what our company pension is, what your investment options are and what to do next.

What happens next?

You need to read this guide before you join our company pension. Once you have joined, we'll send you a personalised illustration so you can see what your income will be worth in the future. If you decide that this pension is not for you, you will have the right to change your mind.

You can also find lots more information online at
aviva.co.uk/pension-essentials

Your company pension explained – what's in it for you?

Your company pension scheme gives you an easy, hassle-free way to start investing for your life after work. Here's an explanation of how the scheme works and the main benefits for you.

It's a great way to prepare for your future

Whether it's a long way off or just around the corner, one day you'll retire. And if you want to enjoy as good a lifestyle then as the one you have now, you'll need a substantial amount of money to live off. After all, your living costs won't come to an end just because you've stopped working.

Your company pension scheme is a great way of building up a pot of money. It's designed to help you build up a pension pot over a period of time, which you can then use in retirement.

How the company pension scheme works

1. You make payments into your pension plan, and your employer might do, too. You don't pay any tax or national insurance on payments your employer makes, and you get tax relief on any payments you make yourself (see next page for more details).

2. This money is then invested in line with whichever investment option you've chosen.

3. We charge for managing your pension plan and the funds you invest in may have extra charges. These charges will reduce the value of your pension plan.

4. Every year we'll send you a statement showing the latest value of your pension plan, and an illustration showing what you might get at your chosen retirement age. You can also check online by signing up to MyAviva - visit aviva.co.uk/existing-customers/ to find out more.

5. When you reach your chosen retirement age, you can use the money you've built up to provide yourself with retirement benefits. There are various ways of doing this. So we'll write to you well in advance to spell out your options.

For more details about how the scheme works, read the 'Key features' and 'Terms and conditions' later in this guide.

Plus you get all of these benefits

Tax relief from the government

It may sound too good to be true, but the government will actually help you save for your retirement. For every 80p you pay into your pension plan, the government adds 20p in tax relief, boosting it to a total contribution of £1.
For instance:

If you pay in:	**£80**
The taxman adds:	**£20**
So the total into your pension plan is:	**£100**

Your contributions are deducted after tax is calculated, and Aviva claims basic rate tax relief on your behalf and adds it to your pension plan. If you pay tax at more than the basic rate, you can claim even more tax relief when you complete your annual self-assessment tax return.

You're allowed to pay up to £3,600 or 100% of your taxable salary (whichever is higher) into your pension each year. However, there are limits on the amount of tax relief you can get on your payments each year. This is based on current tax rules and tax rules may change in the future. Visit gov.uk for details.

Contributions from your employer

Even better, with some schemes it isn't just the government who will help you out. Your employer might pay in too, – giving your pension plan an extra boost. Your employer will be able to give you details on how they will help with your contributions.

Locked away until at least age 55

Once money is in your pension plan, it normally stays locked away until you reach age 55. So even if you're tempted, there's no way you can spend it. From the age of 55, you have the freedom to use your pension money. The 'Key Features' section of this document outlines your options and we'll write to you before your chosen retirement age to explain these options in detail. You can also find out more in our 'Retirement centre', at aviva.co.uk/retirement/approaching-retirement/

Potential investment growth

The money that goes into your pension plan doesn't just sit in a vault somewhere, gathering dust; it's invested.
This gives it the potential to grow over time, so you could end up with more money than has been paid in.

Just remember that, as with any investment, the value of your pension plan can go down as well as up, so it may be worth less than the amount paid in. It's important to think about the long-term, though. What matters is what your pension pot is worth when you choose to take your retirement benefits.

To find out how much your pension could be worth, please use our retirement planner aviva.co.uk/retirement/tools-and-calculators/my-retirement-planner/

Governed by an Independent Governance Committee

Independent Governance Committees (IGCs) have been set up by workplace pension providers from April 2015, as part of regulatory changes by the Financial Conduct Authority (FCA). The introduction of IGCs provides greater protection for members and are designed to improve the governance of workplace pensions and help ensure value for money. For more details please visit aviva.co.uk/pension-essentials/your-pension-scheme/igc/

Why start now?

You've probably heard this before, but the earlier you start paying into a pension plan, the better. Why? Because if you leave it until later, it's likely you'd have to pay in a lot more of your salary just to build up a similar sized pension pot. It's also true that the longer your money is invested, the more time it has to grow.

And don't forget – the sooner you begin, the sooner you can start benefitting from tax relief.

Deciding where to invest

Not everyone realises this, but the money you pay into your pension plan doesn't go into a savings account of some sort. It's invested, usually into one or more investment funds. And you can decide which ones.

Why your investment matters

Paying into your pension plan is an important first step. But knowing where your payments are invested is important, too. That's because the better this investment performs, the more money you could have when you come to take your retirement benefits. And, of course, the reverse is also true: if the investment under performs, you could have less.

Two things to consider

Your employer's company pension scheme gives you a choice of investment options to pick from (explained overleaf). If you don't pick one yourself, your money will be invested using the default option for this pension scheme. But if you want to make your own choice, here are a couple of things we recommend thinking about first:

1. How much involvement do you want to have?

Are you happy leaving your investment decisions to someone else? Or would you prefer to have full control over how your pension plan is invested? Your company pension scheme gives you two sets of options:

- **Low involvement:** For people who'd rather take a hands-off approach, making few or even no investment decisions. Your money will be invested using a pre-determined investment approach, so the investment decisions are made for you.
- **High involvement:** For people who want to be more involved in deciding how their pension plan is invested, and who want to choose their own investment funds.

We've indicated which options are low-involvement, and which are high, in our descriptions of the investment options available for this scheme (see overleaf).

2. What's your attitude to investment risk and return?

Your company pension scheme offers investment options to suit different types of investor – depending on the investment risk you're comfortable with, and the returns you're looking for.

Generally speaking, the higher risk an investment, the greater its potential for making higher returns. The downside is that its value is likely to go up and down more, so there's a greater chance of losing money (especially over the short term). With lower risk investments there's less chance of you losing money, but the returns they're capable of tend to be lower and could possibly struggle to keep up with inflation.

Risk is the possibility of losing money.

Return is any gain on top of the original amount you invested.

It's important to choose an investment option that's suitable for the level of investment risk you're comfortable with. And remember that whichever option you choose, the value of your pension plan can go down as well as up, and it may be worth less than the amount paid in.

For more information about risk and return, visit our investment centre at aviva.co.uk/pension-essentials

What if I don't make a choice?

If you don't make an investment choice, we'll invest your payments using the default investment option for your pension scheme. Unless your employer tells you otherwise, this will be the Aviva Future Focus 2 Drawdown Lifestage Approach. For details, please visit aviva.co.uk/pension-essentials/investment-centre/investment-options/low-involvement.html

Can I change my mind later?

Yes, you can change your investment choice at any time. You can do this by contacting us (see the 'Key Features' section of this document), or by signing up to MyAviva - visit aviva.co.uk/existing-customers/ to find out more.

The investment options you can choose

You can decide where to invest the money that goes into your pension plan. Here are the options available for your company pension scheme.

The funds you invest in may have extra charges. You can find the details of these charges online at http://www.aviva.co.uk/pension-essentials/investment-centre/

With all the investment options below please remember that the value of investments can go down as well as up, so the value of your pension plan could be less than the amount paid in.

1. The default option

Risk/return rating: Varies, depending on the funds involved
High or low involvement? Low

Overview: Your company pension scheme has a default investment option. Unless your employer tells you otherwise, this will be the Aviva Future Focus 2 Drawdown Lifestage Approach. For details, please visit aviva.co.uk/pension-essentials/investment-centre/investment-options/low-involvement.html

How it works: Your money will automatically be invested in the default option at first. It is a pre-determined investment path on which, at various stages, we'll automatically move your money between carefully chosen funds. With this option we make all of the investment decisions, so you don't have to. You can change your investment option any time after you've joined the scheme by calling our group pension helpdesk on 0800 145 5744 (we're open Monday to Friday, 9am to 5pm).

The good news is that the default option is carefully governed to make sure it remains appropriate for our Company Pension members. We review it at least every 2 years and our Independent Governance Committee ensure that we abide by our duties. For more details please visit aviva.co.uk/pension-essentials/your-pension-scheme/igc/

Your employer may also offer other investment options for you to choose from, which they will tell you more about when they explain the default option to you.

2. Alternative Future Focus lifestage investment approaches

Overview: If the default option is not right for you, but you don't want to pick your own funds, we have a range of investment approaches, where we make the investment decisions for you.

How it works: Our Lifestage approaches are pre-determined investment paths on which, at various stages, we'll automatically move your money between carefully chosen funds. To see our full range, please visit aviva.co.uk/pension-essentials/investment-centre/investment-options/low-involvement.html

3. Choose your own funds

Risk/return rating: Varies, depending on which funds you choose
High or low involvement? High involvement

Overview: The most hands-on investment option you can pick, designed for experienced investors who are comfortable making their own investment decisions.

How it works: Choose up to 50 investment funds – from our full range of 200+ – to create a portfolio that's perfectly suited to you. For details and fund factsheets of all the funds you can pick, visit aviva.co.uk/pensionfund-info.

If you choose this option, it's important you review your fund choices at regular intervals.

How to select your investment option

If you're happy using the default option for this scheme, you don't need to do a thing. Your payments will be automatically invested into the default option.

But if you'd prefer to pick your own investment option, here's what to do:

1. **Choose your investment option.** You can pick from any of the options listed in this section of the guide. For more information about them and the funds available, please visit our investment centre at aviva.co.uk/pension-essentials/investment-centre/
2. **Let us know which option you want to use.** You can do this online at MyAviva aviva.co.uk/existing-customers/. Or you can call our group pension helpdesk on 0800 145 5744 (we're open Monday to Friday, 9am to 5pm). Remember, your money will automatically be invested in the default option at first. You can change your investment option any time after you've joined the scheme.

Not sure which option to pick? You might find it useful to speak to a financial adviser.
Find one near you at **unbiased.co.uk**

keyfacts®

Helping you understand what retirement income you might get

The Financial Conduct Authority is a financial services regulator. It requires us, Aviva, to give you this important information to help you to decide whether our company pension is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

We can't predict the future, but…

We know it's helpful to understand what sort of income you might get from this pension when you retire.

When you're ready to take your retirement benefits, you'll have a number of different options about how you can use your pension pot - including taking a flexible or secure income, a lump sum or a combination of all of these.

How much you'll actually get will depend on the value of this pension at retirement and what payment options you choose.

To give you an idea of what you might get back, have a look at our table below. The monthly incomes we've shown assume you'll choose a secure income – known as an annuity - at age 65. We've shown the payments you could get depending on your current age, and how much is paid into your pension plan each month.

Remember, these figures aren't personalised to you

We've had to make some assumptions to work them out - you can see our assumptions on the next page - but we'll send you a personalised illustration with your pension plan documents.

These figures are examples only - the value of your savings can go down as well as up, and isn't guaranteed.

You might get back less than has been paid in.

	Total starting monthly payments									
Your approximate age now	£100		£150		£200		£300		£500	
	Estimated monthly pension if you retire at									
	Monthly income	Fund value	Monthly income	Fund value	Monthly income	Fund value	Monthly income	Fund value	Monthly income	Fund value
20	£381	£104,000	£572	£156,000	£763	£209,000	£1,140	£313,000	£1,900	£522,000
25	£317	£86,200	£476	£129,000	£635	£172,000	£953	£258,000	£1,580	£431,000
30	£260	£69,900	£391	£104,000	£521	£139,000	£782	£209,000	£1,300	£349,000
35	£209	£55,600	£314	£83,400	£419	£111,000	£629	£166,000	£1,040	£278,000
40	£164	£42,900	£246	£64,400	£328	£85,900	£492	£128,000	£820	£214,000
45	£123	£31,800	£184	£47,800	£246	£63,700	£369	£95,600	£616	£159,000
50	£87	£22,100	£130	£33,200	£173	£44,300	£260	£66,500	£433	£110,000
55	£54	£13,700	£81	£20,500	£108	£27,400	£162	£41,100	£271	£68,500
60	£25	£6,350	£38	£9,530	£51	£12,700	£76	£19,000	£127	£31,700

***For example** – if you're aged 40 and £150.00 is paid in each month, your estimated monthly retirement income could be **£246.00** before income tax. The estimated value of your pension fund could be **£64.400**.*

Our assumptions

- Your monthly payments will increase each year by 4.0%
- You'll get tax relief on your own payments
- You'll invest in our default option
- We won't take any charges for financial advice
- Your pension plan will grow by 2.4% each year, after we've taken inflation into account, but before we take any charges
- We'll take 0.75% from your fund value each year in charges
- Interest rates when you retire will be 1.5% a year
- We've shown these values as they would be worth today, by assuming inflation will be 2.5% a year until you retire

Your retirement income will:

- Be paid every month from the day you retire, for the rest of your life
- Stay the same each month and not increase
- Be paid for a minimum of 5 years

It also won't include a tax free cash payment

If you don't choose how you want to invest your pension plan…

We'll invest your payments in our default option – You can find out more about this and all other investment funds available to you in ***The investment options you can choose*** section of this brochure.

How charges could affect what you get back

Charges can reduce the future value of your pension.

We can't tell you exactly how much you'll pay in charges, as it depends how well your pension plan grows. But to help you understand how much charges might reduce your pension plan value, have a look at our table below.

This shows how much your pension plan could be worth, both before and after we take charges. You can use it to compare our charges to other pension plans.

We've made some extra assumptions for this table:

- You're aged 40 now and retire at age 65
- Your monthly payments start at £150.00 and increase each year by 4.0%

Remember – We'll send you a personalised illustration with your pension plan documents.

These figures are examples only and aren't guaranteed. One of the effects of charges is that you may get back less than you've paid in.

	At end of year	The payments into your pension plan	Before charges are taken	After charges are taken from this plan
Early years	1	£1,779	£1,800	**£1,790**
	2	£3,585	£3,670	**£3,640**
	3	£5,417	£5,610	**£5,540**
	4	£7,276	£7,620	**£7,510**
	5	£9,163	£9,710	**£9,530**
Later years	10	£19,016	£21,300	**£20,500**
	15	£29,612	£35,200	**£33,200**
	20	£41,007	£51,600	**£47,800**
	At age 65	£53,260	£70,900	**£64,400**

You can see that by age 65, our charges could reduce your value of your pension plan from £70,900 to **£64,400**.

Putting it another way…

By the time you're 65, we think our charges could reduce the yearly growth rate for this pension from 2.4% to 1.6%. This is a reduction of **0.8%**.

Your questions answered

Is there something you'd like to know about your company pension scheme? Here are answers to the questions people often ask.

Can I be a member of the scheme?

Your employer will tell you if you're eligible to be a member of the pension scheme. As far as we're concerned, you can join if:

a) You're permanently resident* in the UK, or

b) You or your spouse/civil partner are working overseas for the UK government (a Crown servant).

You need to tell us if:

a) You are no longer permanently resident* in the UK, or

b) You or your spouse/civil partner stop working overseas for the UK government (a Crown servant), or

c) You stop receiving earnings which are subject to UK income tax as this may affect how much you can pay into your plan.

*For these purposes, broadly, we define 'permanently resident in the UK', as living in the UK for all or most of a particular tax year (a minimum of 183 days), and living in the UK when the pension plan starts.

What happens at my chosen retirement age?

When you are ready to take your retirement benefits you will have a number of options as to how to use your pension money.

The 'Key Features' section of this document outlines your options, and we'll write to you before your chosen retirement age to explain these options in detail. You can also find out more in our 'Retirement centre', at aviva.co.uk/retirement/approaching-retirement/

Can I change my chosen retirement age?

Absolutely. Whether you want to bring it forward or move it back, all you need to do is speak to your employer. Just be aware that you can't usually take your retirement benefits before age 55 and with this plan, you must decide how to take your retirement benefits on or before your 75th birthday. If you want to leave your money invested, you'll have two options. You can either decide to take benefits through income drawdown (see the 'Income drawdown' section in the Key Features for details), or you will have to move your pension to a different plan that lets you keep your pension after age 75. If you want to wait to take your retirement benefits until after age 75, we recommend you seek financial advice first.

What happens to my pension if I leave my employer?

Your pension plan belongs to you. So if you move jobs, it moves with you. This means you can carry on paying into it. There will be some limitations on your investment options, though. We can discuss these with you if you leave your employer and want to make some changes.

What is a pre-determined investment approach?

A pre-determined investment approach is a way of investing for your retirement without having to be too hands-on in managing your pension plan. It is a pre-determined investment path on which, at various stages, we'll automatically move your money between carefully chosen funds. For a full explanation of these approaches, please visit our investment centre at aviva.co.uk/pension-essentials/investment-centre/

Your employer will tell you about any other investment option(s) they have chosen for you.

If I choose a pre-determined investment approach, will the funds in it ever change?

They might do. We closely monitor the funds in all our investment approaches. If we find one that isn't performing as it should, we may swap it for a fund that's better suited to the objectives of your investment approach. Certain events in the market can also lead to a fund being closed, renamed or changed.

Usually, we'll only swap funds for similar ones. For example, if one of your funds invests mainly in UK shares, we'll swap it for another fund that invests mainly in UK shares. A low-risk fund won't usually be swapped for a high-risk fund, and vice versa. We will tell you if we change the funds in your investment approach.

What happens to my pre-determined investment approach if I change my chosen retirement age?

This depends on the type of pre-determined investment approach you're invested in.

Lifestage investment approach

If you choose to change your retirement age before taking your benefits, your investments will be automatically rebalanced to the correct funds and proportions for your new chosen retirement age.

Lifestyle and Phased Switching

If you choose to change your retirement age before taking your benefits, your lifestyling or phased switching approach will automatically stop. You can restart the same or another approach if there are more than five years to your new chosen retirement age. For full details, please see the Terms and Conditions.

What happens if I don't take my money at my chosen retirement age?

This depends on the type of pre-determined investment approach you're invested in.

Lifestage investment approach

If you do not take your benefits at your original or chosen retirement age, your plan will remain invested in the funds and proportions appropriate for your original or chosen retirement age. We will continue to rebalance your investments to maintain those proportions.

Lifestyle and Phased Switching

If you do not take your benefits at your original or chosen retirement age, your lifestyling or phased switching approach will automatically stop and no further automatic switching of units will take place.

If you have moved your money to income drawdown, any automatic switching will stop at age 75 (see the 'Income Drawdown' section in the Key Features for more details).

If I want to choose my own funds, how should I decide what to pick?

Whichever funds you pick, it's important that they're suitable for your attitude to investment risk and how close to retirement you are. If you're at all unsure, you should speak to a financial adviser first.

For more information about investments, please visit our Investment Centre at aviva.co.uk/pension-essentials/investment-centre/

We recommend you speak to a financial adviser before you make any decisions. If you don't already have an adviser, you can find one at unbiased.co.uk. A financial adviser may charge a fee for their service.

What happens to my investments if I leave the company?

Your money will stay in the investment option you've chosen if you leave, so long as you don't transfer your pension plan to another scheme. If you'd prefer to move out of your current investment approach, let us know and we'll tell you what your options are.

Can't find the answer you're looking for? For more detailed information see the 'Key features' section, next.

keyfacts®

Key Features of the Company Pension

The Financial Conduct Authority is a financial services regulator. It requires us, Aviva, to give you this important information to help you to decide whether our Company Pension is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Statement of demands and needs

- Your Company Pension is a great way to save for your life after work. It meets your demands and needs for a pension, so you'll have a pot of money to help support you when you retire.
- Your employer sets up your Company Pension and arranges for your regular payments to go directly from your salary to your pension, meaning you don't have to do anything. With money going in every month, you'll gradually build up your pot over your working life.

Its aim

- To build up a pension pot for your retirement in a tax-efficient way.

Your commitment

- To make monthly or yearly payments until your chosen retirement age. Or to make at least one single or transfer payment.
- You're not committed to sending us any payments if you're in an employer scheme where you don't have to make any payment. Instead, your employer may make payments into your plan.
- To keep the plan until your chosen retirement age.
- To invest for the long term, normally until you are at least 55. You don't usually have access to your pension pot before this time.
- To give up your rights in the other pension scheme if you're making a transfer payment.
- To tell us about changes that might affect your plan. Full details of what you must tell us are in the 'Your questions answered' section under 'Can I be a member of the scheme?' on page 10.

Risks

- The value of your pension plan isn't guaranteed. It depends on investment performance which means its value can go down as well as up, and could be worth less than the amount paid in.
- Upon joining your Company Pension, you will receive a personalised illustration. Your personal illustration will give you an example of what you might get back. However, the amount you receive may be lower than that shown in your illustration. This could happen if:
  - you and/or your employer stop or reduce your payments
  - investment performance is lower than illustrated
  - the cost of converting your pension pot into an income for life is more than illustrated
  - you start taking your retirement benefits earlier than your chosen retirement age
  - tax rules change
  - charges increase above those illustrated.
- The investment funds you can choose from have different levels of risk. You can find details of each fund online at aviva.co.uk/pensionfund-info.
- If you make a regular payment, a single payment or transfer your pension plan from another pension scheme to this plan and then cancel the plan within 30 days, we may pay back less than the amount paid in. The transferring scheme may not take back the transfer amount.
- In certain circumstances, we may need to delay payments, transfers and switching funds as outlined in your plan terms and conditions. This could be as a result of adverse market conditions or where it leads to the unfair treatment of other investors.

  The delay may be up to one month for most funds or up to six months if the fund you're invested in can't easily be converted to cash. This includes:

  - A property fund; or
  - A fund that's fully or partly invested in the form of land or buildings.

  In certain circumstances we may further delay the cancellation of units in any investment fund:

  i. To match any delay or suspension imposed by the manager(s) of any entity in which the fund has holdings; or

  ii. where due to exceptional circumstances we reasonably consider that it is in the interests of planholders whose plans are invested in the fund to do so.

After a delay, we will use the unit price that applies at the end of the deferred period. You can find out more about this in the terms and conditions. We'll let you know if and why we need to delay payments, transfers and switching funds.

Risks of transfer payments

- If you're transferring a pension plan from another pension scheme, what you get from this plan at retirement could be very different. Depending on the type of scheme you're transferring from, you may be giving up all or some of the following:
  - a guaranteed retirement income that is linked to your pay when you leave the company
  - guaranteed annuity rates, which could provide you with a higher level of income than may be offered on the open market.
  - an increase in your pension pot between now and when you retire; this could be linked to inflation
  - increases in your retirement income; these could also be linked to inflation
  - a pension which gives you a loyalty bonus
  - enhanced death benefits
  - a pension which lets you retire early
  - a larger tax-free cash sum when you retire
  - life cover.

  A financial adviser can show you what benefits you'd be giving up if you transferred from your existing scheme. As part of this, they can tell you if transferring to this plan is likely to match or exceed those benefits and how charges may differ.
- This plan cannot accept any pension benefits that have already been accessed (known as 'crystallised' funds).

  Transferring pensions is not right for everyone. It could be a complex decision and you need to consider the charges, fund ranges, any valuable benefits that could be lost and any tax implications.

  There's no guarantee that you'll be better off by transferring. Remember that the value of your pension can go down as well as up and you may get back less than has been paid in.
- If you are thinking about transferring your existing pension to us, we strongly recommend you seek financial advice. Your Employer will be able to tell you if a financial adviser is supporting your pension scheme with us who you can speak to. Alternatively, you can find your own adviser at unbiased.co.uk. A financial adviser will charge for the advice they provide.
- If you want to transfer without using a financial adviser, acceptance will be subject to certain criteria. For example, we cannot accept transfers over certain thresholds without advice where you may lose valuable guarantees or benefits that are in place with your existing pension.
- During the transfer process your money will not be invested meaning you will not benefit from any rise in the price of investments during that period.
- Your existing provider may charge you for moving your money, known as an early exit penalty. We will not charge you for transferring to us but your invested transfer fund will be subject to the annual fund charge on your policy.

Questions and answers

What is the Company Pension?

- It's a personal pension plan for individuals under 75, who are permanently resident in the UK, are eligible to join their employer's Group Personal Pension Scheme, and want to invest for retirement in a tax-efficient way.

  For these purposes, broadly, we define 'permanently resident in the UK', as living in the UK for all or most of a particular tax year (a minimum of 183 days), and living in the UK when the pension plan starts.
- It may be suitable for people who are employed or self-employed.
- Your employer can make payments to this plan.
- It's not an occupational pension plan.

How flexible is it?

- You can make one-off payments at any time. You may also make regular monthly or yearly payments. Your payments will be subject to the limits that we set.
- You can increase your regular payments. Your employer may sometimes ask you to pay more into your pension.
- You can reduce your payments, or stop and restart them at a later date. Reducing or stopping your payments might reduce the value of your pension plan. If you want to stop paying you can ask us for more information on how charges might reduce your pension plan.
- You may be able to transfer your pension plan from another pension scheme to this plan. We recommend that you speak to a financial adviser before you do this to make sure it's suitable for you.

What choices will I have when I take my retirement benefits?

This section explains the options you will have when you reach retirement age.

When can I take my retirement benefits?

- We set up your pension plan to provide retirement benefits from your chosen retirement age, but you can take your retirement benefits from age 55.
- People in some occupations, or who can't carry on working because of ill health, may be able to take benefits earlier than age 55.
- Under this plan, you must decide how to take your retirement benefits on or before your 75th birthday. If you want to leave your money invested, you'll have two options. You can either decide to take benefits through income drawdown (see the 'Income drawdown section for details), or you will have to move your pension to a different plan that lets you keep your pension after age 75.

What might I get when I want to take my retirement benefits?

- This will depend on the size of your pension fund and the cost of converting your pension pot.
- The size of your pension fund will depend on how much has been paid in, how long it's been invested for, the investment performance of the funds you choose and our charges.
- Your illustration will give you an idea of what you might get.
- Remember, accessing your retirement benefits will count towards your lifetime allowance (see 'what about tax' for details).

How can I take my retirement benefits?

- When you are ready to take your retirement benefits there are currently a number of different options about how you can use your pension pot, including taking an income, a lump sum or a combination of both of these. We'll write to you before your chosen retirement age to let you know what your options are.
- You should seek guidance, such as Pension Wise, or financial advice before choosing your option(s).

The options available are explained below. You can choose more than one option.

Use your pension pot to buy an income for life (known as an annuity)

- You can normally take up to 25% of your pension fund as a tax-free cash sum and use the rest of it to buy an annuity. An annuity is an insurance policy that will give you a guaranteed income for the rest of your life. Please note, by taking a tax-free cash sum, the amount of income you get will be reduced.
- You can buy an annuity from any annuity provider. It does not have to be purchased from Aviva. It's important to shop around as you may be able to get a higher income. This is especially important if you have certain lifestyles and health factors.
- The income you get will depend on the size of your pension pot and the cost of converting it.
- Once your annuity is set up, it cannot be changed.

Take your pension fund as a cash lump sum

- You can take some or all of your money directly from your pension plan as and when you need it. This is known as an 'Uncrystallised funds pension lump sum' (UFPLS)
- Any money you don't withdraw will remain invested and you can continue to make payments into your plan. The features in this document will continue to apply.
- For each cash withdrawal the first 25% will be tax free, but the remaining 75% will be taxed as income.
- When you take your first withdrawal, you will trigger the Money Purchase Annual Allowance (see the 'what about tax?' for details).
- There are no limits on how much you can withdraw.
- You can take a maximum of six withdrawals per tax year.
- You pension plan will close once you have withdrawn all your money.

Transfer to another pension scheme

- You can transfer your pension fund to another registered pension scheme. Other registered pension schemes may allow additional retirement options.
- Please read the section 'Can I transfer my plan?'

Income drawdown (also known as Flexi-access Drawdown)

You can choose to take income drawdown from this plan, or by transferring it to another pension provider who offers this. It's important to shop around as it could help you obtain better terms. If you decide to take income drawdown from this plan, the following section explains how it works.

- You can move some or all of your existing pension fund to 'income drawdown' and take a tax-free cash sum. Normally 25% of the amount you move will be paid as a tax-free cash sum.
- The amount you move to income drawdown will remain invested until you're ready to start taking income from it. Any subsequent income withdrawals will be taxed as income and the following applies:
  - When you take your first income withdrawal, you will trigger the Money Purchase Annual Allowance (see the 'what about tax?' for details).
  - You can take up to 6 single income withdrawals per tax year. We can't set up income payments that are automatically paid to you on a regular basis e.g. weekly or monthly.
  - There is no limit to how much you can withdraw.
- Any money you don't move to income drawdown will also remain invested and you can continue to make payments in. This money will now be called your 'accumulation' fund.
- Your income drawdown funds and any accumulation funds will stay invested in the same funds your pension plan is invested in when you move your money, with one exception:
  - You're not able to invest any of your income drawdown money in our with-profits funds. Instead we will switch your money into the Diversified Assets Fund I at the time you move into income drawdown.
- You can change your investment funds at any time. If you switch your funds, the change will apply to your whole plan (both income drawdown funds and any accumulation funds you may have).
- You can only move your pension savings to income drawdown before your 75th birthday. However, once your money has been moved to income drawdown, the money can remain invested for the rest of your life.

- At age 75, any lifestage or lifestyling/phased switching will stop. Your investment funds will remain at the end point with no further automatic switching or rebalancing. You need to make sure that your investments are right for you; you should regularly review your existing investments.
- Your original plan charges will continue to apply for all the money that remains invested (income drawdown and any accumulation funds). However, we can't pay any charges for advice to your financial adviser from your income drawdown funds. Adviser charges can only be paid if there's enough money left in your accumulation funds.
- We currently don't make a charge for moving to income drawdown or for making single income withdrawals. If this changes, we will let you know.
- You can still transfer your plan to another provider. The transfer will apply to your whole plan (both income drawdown funds and any accumulation funds you may have). Some providers may not accept this type of transfer.
- You pension plan will close once you have withdrawn all your money.

Can I change my mind about moving to income drawdown?

- Yes. You have 30 days in which you can change your mind about setting up income drawdown. Your 30 days start when you receive confirmation from us that your income drawdown option has been set up. At that time we'll send you a reminder about your cancellation right and a cancellation form to complete if you want to cancel.
- You can only cancel your income withdrawal option and not your decision to take tax-free cash from your plan.
- If you decide to cancel you will have to tell us what you want to do with your money moved to income drawdown. If you don't tell us what to do with your money within 30 days of asking us to cancel, then the income drawdown terms will apply and your cancellation won't go ahead.
- If you don't cancel within the 30 days, your income drawdown will continue as set out in the terms and conditions.

Taking your retirement benefits as lump sums or income drawdown – key risks

- Taking some or all of the money from your pension savings means it can run out - it's not a guaranteed income for your lifetime. Therefore you'll need to think about how you will provide for yourself and your dependants in the future.
- The value of your investments can go down as well as up. You may get back less than the amount that's been invested, so you could lose money.
- You need to make sure that your investments are right for you; you should review your existing investments before you take a cash sum or move them to income drawdown and on a regular basis after that.
- You could get less income than if you used your money to buy an annuity (a guaranteed income for life).
- Any lump sums or income taken will be added any other income for tax purposes. This may mean you move into a higher tax bracket.
- Emergency tax may be applied to your first payment. If this happens, you will have to reclaim any over payment or make up any underpayment. We will let you know how to do this if it affects you.

For more information of the risks associated with all the available options, please see our 'Making sense of your retirement options' document. Please contact us if you would like a copy.

Do I have any other options?

- Other types of pension, including stakeholder pensions, are available and may meet your requirements as well as this plan. The charges under other pensions may be higher or lower than the charges under this plan.
- However, if you choose an alternative pension, your employer may not agree to contribute to that pension plan, so you wouldn't receive any pension contributions from them.
- If you are thinking of making payments into an alternative pension, you may want to get advice from a financial adviser first.

How much can be paid into my plan each year?

- We have minimum or maximum levels for payments and we may change these from time to time.
- While you are a member of your employer's scheme, the minimum regular payments are agreed with your employer. If you wish to continue to make payments after leaving your employer the minimum payment is currently at least £20 a month. If you want to make single payments, the minimum amount you can pay in is £1000. We reduce this to £500 if you've already made a single payment or if you're making regular payments.
- HM Revenue & Customs sets the maximum that you can pay into the plan and still receive tax relief. We only accept payments that qualify for tax relief.
- Your employer will normally pay into this plan. Your employer may also ask you to pay more into your pension later.
- We collect regular monthly and yearly payments by direct debit, and one-off payments by cheque. If you work for an employer, they'll usually take your payments from your salary and send them to us, together with any payments they're making.

What if I stop living in the UK?

- You should let us know if you move overseas, or start working overseas, or work overseas on secondment from your employer, as this may affect how much you can pay into your plan.
- If you are no longer permanently resident in the UK, you may have to reduce the payments you make to your plan. In most cases, your payments must stop after five years.
- We will let you know how your payments are affected, as this will depend on your circumstances at the time.

What about tax?

- You'll get UK tax relief on your payments (up to a maximum limit). Your payments are deducted after tax is calculated, and Aviva claims basic rate tax relief on your behalf and adds it to your pension plan.
- We'll claim the basic rate tax relief for you from HM Revenue & Customs.

  For example, if basic rate income tax is 20% and you pay £80 a month, tax relief would add £20 a month. This means that for every £80 you pay, £100 goes into your plan.
- If you pay tax at higher rates you can claim your extra tax relief through your self assessment tax return.
- You can get tax relief on your gross contributions up to the greater of £3,600 or 100% of your UK relevant earnings.
- If total gross contributions to all your pension plans exceed the annual allowance you may incur a tax charge at your marginal rate of tax. The standard annual allowance is £40,000. If you have an income (including the value of any pension contributions) of over £150,000 and an income (excluding pension contributions) in excess of £110,000 your annual allowance may be reduced.
- Taking certain types of retirement benefit will mean that you will be subject to the money purchase annual allowance (MPAA) of £4,000. You will still have an annual allowance of £40,000 in total, but no more than £4,000 can be paid into defined contribution (money purchase) pensions leaving the balance for other pension savings.
- You may be able to carry forward unused annual allowance from the previous three tax years. You will not be able to carry forward unused annual allowances from previous years to increase the £4,000 MPAA. The provider paying your retirement benefits will tell you if the MPAA applies to you.
- You don't get tax relief for any money you transfer into this plan from another scheme.
- Your pension pot will grow free of UK income and capital gains tax. Some investment returns may be received with tax credits, or after tax deductions, which cannot be reclaimed.
- When you take your pension benefits, you can normally take up to 25% of your pension pot as a tax-free cash sum. You may be able to take more than this if your plan includes a specific type of transfer payment; if this applies to you, we'll let you know.
- You may have to pay income tax on the retirement benefits you take from your pension plan. Income payments and lump sum payments are both treated as income, and therefore the tax you pay will depend on your main place of residence as advised to us by HMRC and your other personal circumstances and may be subject to change.
- If you die before taking your retirement benefits any cash sum we pay will normally be free of inheritance tax.
- This information about tax is based on our understanding of the current laws of England and UK tax practice.

  The tax relief and tax you have to pay may change if you move overseas, or start working overseas, or work overseas on secondment from your employer. Tax rules may change. Future changes in law and tax practice, or your own financial circumstances, could affect your pension, retirement benefits and how much tax you have to pay.
- A financial adviser can give you more details about your tax position.

Where are the payments invested?

- We'll invest all payments in a fund or funds chosen for your pension scheme. Earlier in this guide we told you more about the fund(s) chosen for your pension scheme. You can continue investing in those funds or move your money to another fund or funds. If you want to do this please contact us. We won't charge you for doing this, but we may limit the number of changes you can make.
- Each fund is divided into units of equal value. We use the payments to buy units in your chosen funds. The value of the units will rise or fall depending on the investment performance of the funds.
- If you are invested in a With-Profit Fund this works differently, as it shares out the returns earned by the fund to its investors through a system of bonuses. We may apply a market value reduction if money is moved out of the With-Profit Fund which means we can pay less than the quoted value of the amount taken out. This is most likely to happen following a large or sustained fall in the stock markets or when investment returns are below the level we would normally expect. We explain this in a bit more detail at aviva.co.uk/pension-essentials/investment-centre/
- Regarding income drawdown:
  - You cannot invest any income drawdown funds into the With-Profit Fund (see 'Income drawdown' section for details).
- The funds have different aims and levels of risk. You can find more information about the funds and how many are available to you earlier in this guide, and for more information head online to aviva.co.uk/pension-essentials/investment-centre/
- You can change the funds your payments are invested in at any time. In certain circumstances, we may need to delay switching your funds as outlined in your plan terms and conditions.
- Regarding income drawdown:
  - If you switch your funds, the change will apply to your whole plan (both income drawdown funds and any accumulation funds you may have).

What are the charges?

- We charge for managing your plan. The amount charged depends on the funds your plan invests in as they may have extra charges. You can find the details of these charges online at aviva.co.uk/pension-essentials. These charges will reduce the value of your pension plan. We may increase our charges if the cost of managing your plan increases due to changes in taxation, regulation, the law, and the cost of fund management. We'll tell you if we do this.

- Fund manager expenses may be charged for some funds to cover the costs to the fund manager of running the fund. These expenses are connected with buying, selling, valuing, owning and maintaining the assets in the fund. The charge is made by reducing the price of each unit in the funds. The yearly rate of the fund manager expense charge may vary throughout the year. The charge depends on your choice of funds. To see which funds have this charge please visit aviva.co.uk/pensionfund-info.

- A charge may also be levied if you have received individual advice from a financial adviser and agreed to pay this charge through your plan. These charges will reduce the value of your plan.

- Regarding income drawdown:
  - We can't pay any charges for advice to your financial adviser from your income drawdown funds.

- We'll give you details of the charges for your plan and the effect they have on your fund value.

What happens to the plan if I die?

- If you die before you take all your retirement benefits, we can pay out the value of your pension pot as a cash sum. Alternatively your pension pot can be used to provide an income for your nominated beneficiaries.

- If you've arranged your plan under a suitable trust we'll pay any cash sum to the trustees.

Can I transfer my plan?

- You can transfer the value of your pension plan to another scheme at any time before you start taking your retirement benefits.

- We don't charge for a transfer, but depending on investment performance, the amount transferred may be less than the total payments to your plan.

- Carefully consider if transferring your plan is the right thing to do and compare the features of both schemes. Please speak to a financial adviser if you're unsure.

- Regarding income drawdown:
  - You can still transfer your plan to another provider. The transfer will apply to your whole plan (both income drawdown funds and any accumulation funds you may have). Some providers may not accept this type of transfer.

Can I cancel or opt out of the plan?

- Yes, we'll send you either a cancellation notice or details on how to opt out with your information pack.

- If you receive a cancellation notice, you can change your mind within 30 days from the later of:
  - the day we tell you your plan starts.
  - the day you receive your plan document.

- If you choose to opt out of your pension, you have a month to do so.

- If you decide you don't want the plan, we'll give you your money back. If you've made a single payment or transferred in your pension plan from another scheme, we may pay back less than the payment made if the value of your pension plan has fallen in this period.

- If your plan includes a transfer from another pension scheme, the transferring scheme may not be willing to take the transfer back or reinstate your benefits in their scheme. Your options then would be to transfer to another provider who is willing to accept it or reapply for a transfer to us.

- The cancellation notice will include the address you must send it to if you change your mind about your plan. Alternatively, you can contact us at the address given overleaf.

- Your plan will continue if:
  - we don't receive your cancellation notice within the 30 days
  - you don't tell your employer that you're opting out within a month.

How will I know how my plan is doing?

We'll send you a statement each year showing the payments to your plan and the current fund value.

How to contact us

If you'd like more information about your company's pension scheme, we recommend you first contact your employer, or you can contact us directly using the details below.

If you'd like advice, for instance about how much you should pay into your pension plan or if you're not sure if this product is suitable for you, please speak to a financial adviser.

0800 145 5744
Monday to Friday 9am - 5pm
We may monitor calls to improve our service.

helpdesk@aviva.co.uk

Aviva
PO Box 520
Surrey Street
Norwich
NR1 3WG

Other information

How to complain

- If you ever need to complain, you can contact us at:

Aviva
Customer Relations
PO Box 3182
Norwich
NR1 3XE

Telephone number: 0800 068 6800

Email: helpdesk@aviva.co.uk

- If you are not satisfied with our response, you may be able to take your complaint to the Financial Ombudsman Service.

  The Financial Ombudsman Service can look at most complaints and is free to use. You do not have to accept their decision and will still have the right to take legal action. Their contact details are:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone number: 0300 123 9123 or 0800 023 4567

Email: complaint.info@financial-ombudsman.org.uk

This won't affect your legal rights.

Terms and conditions

- This Key Features document gives a summary of this plan. You should also read the full terms and conditions, which is the next section in this guide.

Law

- The laws of England will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.

- We're regulated by the Financial Conduct Authority whose contact details are:

The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

We are also regulated by the Prudential Regulation Authority:

The Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

Solvency Financial Condition Report

Every year we publish a Solvency and Financial Condition report which provides information about our performance, governance, risk profile, solvency and capital management.
This report is available for you to read on our website at https://www.aviva.com/investor-relations/institutional-investors/regulatory-returns/

Governed by an Independent Governance Committee

Independent Governance Committees (IGCs) have been set up by workplace pension providers from April 2015, as part of regulatory changes by the Financial Conduct Authority (FCA). The introduction of IGCs provides greater protection for members and are designed to improve the governance of workplace pensions and help ensure value for money. For more details please visit aviva.co.uk/pension-essentials/your-pension-scheme/igc/

Potential conflicts of interest

- There may be times when Aviva plc group companies or our appointed officers have some form of interest in the business being transacted.
- If this happens or we become aware that our interests, or those of our officers, conflict with your interests, we'll take all reasonable steps to manage that conflict of interest. We'll do this in a way that treats all customers fairly and in line with proper standards of business.
- Further details of our conflicts of interest policy are available on request.
- Where, despite all efforts to manage a conflict of interest, the conflict of interest cannot be prevented, we will disclose it to you before you commit to taking out this product or taking any investment action in relation to it.

Compensation

- Qualified advisers will recommend that you buy products suitable for your needs. You've got legal rights to compensation if it's decided that you've bought a plan that wasn't suitable for your needs at that time.
- The Financial Services Compensation Scheme (FSCS) provides protection to consumers by allowing them to claim compensation in the event that an authorised financial services firm (such as Aviva Life & Pensions UK Limited) is unable to meet claims made against it.

Whether you qualify for any compensation under the FSCS will depend on the type of investments you hold. This means that if your investments through Aviva Life & Pensions UK Limited are held in external funds, then you would not be eligible to make a claim for compensation under the FSCS in the limited circumstances where the external provider is unable to meet its obligations. Our fund factsheets show whether a fund is an external fund and further details can be found in 'Your Guide to Fund Factsheets'. If you are not sure about the type of funds you are invested in you can call us on **0800 145 5744** or speak to your financial adviser.

Any compensation available under the FSCS will be subject to certain limits. The cover is normally 100% of the value of the claim with no upper limit. For further information, see http://www.fscs.org.uk or telephone 0800 678 1100 or 020 7741 4100.

Client classification

The Financial Conduct Authority has defined three categories of customer. You've been classed as a retail client, which means that you'll be provided with the highest level of protection provided by the Financial Conduct Authority rules and guidance.

Aviva staff remuneration

Aviva staff are salaried and they receive an annual bonus based upon the overall performance of the Aviva Group.

Some members of our distribution team may also receive additional bonus, a proportion of which relates to their sales performance.

Terms and conditions

The terms and conditions that apply to your membership of the Group Personal Pension may affect the scope of the policy that Aviva offers you.

In all cases, this policy will be subject to the rules of the Aviva Personal Pension Scheme.

In the policy 'we', 'us' or 'our' are used to mean Aviva Life & Pensions UK Limited.

Governing documents of the scheme

The Aviva Personal Pension Scheme is constituted under a trust. The rules of the Scheme are held subject to that trust. We may amend the rules and trust from time to time, whether to reflect changes in legislation or changes to the way we administer the Scheme. A copy of the rules and the trust are available on request.

Scheme registration and set up

UK scheme

The Scheme is a registered pension scheme under Part 4 of the Finance Act 2004.

Every effort has been made to avoid inconsistency between the rules and the policy. If there is any inconsistency the rules will override this policy.

Arrangements

Under current legislation, the benefits from each arrangement can be taken at different dates. This allows you extra flexibility when taking benefits from the policy.

Each arrangement is an individual part of your membership of the Scheme. It is separate from all your other arrangements in the Scheme.

The number of arrangements applicable to your policy will be shown on your Member certificate.

The number of arrangements will change if you take part of the benefits from your policy. We will tell you if this happens.

Cash value

The amount raised when units are cancelled is the cash value. The cash value raised when units in the With-Profit Fund are cancelled may make an allowance for final bonus and will allow for any market value reduction when applicable. Details of when we will not apply a market value reduction are given in the description of the With-Profit Fund.

Valuation day

Where we use the term valuation day in this policy, we mean the day on which we recalculate the unit price. We will do this at least once a month.

The unit price is the price used for allocating and cancelling units.

Contracting out and Protected Rights

From 6 April 2012 the Government stopped the ability to contract out for defined contribution schemes. Any funds built up from contracted out payments (known as "protected rights") can now be used in the same way as the rest of the pension fund. However, Aviva still identify these funds separately, and we continue to refer to "former protected rights" and "non-protected rights" in this document. "Protected rights" won't apply to you if you take out a plan after 6 April 2012.

Law that applies

This policy is issued in England under the laws of England and Wales.

Currency and place of payment

All payments to us or by us under this policy shall be in the United Kingdom in the currency of the United Kingdom.

Retail Prices Index

The Retail Prices Index (RPI) means the Index published by the (UK) Office for National Statistics, or any other similar index we choose.

Accurate information

We rely on the information that you or your employer give to us. If any of the information given to us is not true or not complete and this might reasonably have affected our decision to provide you with this policy then we may:

- change the terms of this policy;
- restrict the benefits payable under this policy; or
- cancel this policy and refund the payments paid less our reasonable expenses.

If your policy is arranged and set up based on information provided by your employer, you must check the information in the policy documents we send you. You must contact us within 30 days of the start of your policy if any of the information in the policy documents is not true or complete.

Policy changes

We may change the terms of this policy for any of the following reasons:

- to respond, in a proportionate manner, to changes in the way we administer policies of this type;
- to respond, in a proportionate manner, to changes in technology or general practice in the life and pensions industry;
- to respond, in a proportionate manner, to changes in taxation, the law or interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply;
- to correct errors, if it is reasonable to do so.

If we consider any variation of these conditions is to your advantage or is necessary to meet regulatory requirements, we may make the change immediately and tell you at a later date.

We will tell you in writing of any change we consider is to your disadvantage (other than any change necessary to meet regulatory requirements) at least 30 days before the change becomes effective, unless it is not possible for us to do this, in which case we will give you as much notice as we can.

No third party rights

This policy does not confer any rights on any person or body other than the parties to the contract. No other person or body shall have any rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any terms under this policy. The parties may amend or rescind this policy without reference to, or the consent of, any other person or body.

Payments made to this policy

We accept regular payments and single payments (including transfer payments).

We will only accept member payments that qualify for tax relief.

We will agree a collection date for regular payments with you or, if applicable, your employer.

Minimum or maximum levels for such payments will apply and we may change these from time to time (details available on request).

Minimum levels for payments may be made up from your payments and payments from your employer. You may be required to increase your payments if you are to continue to receive employer payments to your plan. Your employer will tell you if this happens.

We may refuse or restrict the level of contributions to comply with changes in taxation, the laws of England and Wales, or our interpretation of the laws of England and Wales. If we restrict contributions, we will tell you at least 30 days before this affects you, unless it is not possible for us to do this.

Stopping regular payments

Regular payments can stop at any time.

In some cases you may be asked to restart payments before the end of any payment holiday you may have agreed. However, you will be able to stop payments again if you want to.

Leaving the UK

You should let us know if you move overseas or start working overseas, or work overseas on secondment from your employer, as this may affect how much you can pay into your plan.

If you are no longer permanently resident in the UK, you may have to reduce the payments you make to your plan. In most cases, your payments must stop after five years.

We will let you know how your payments are affected, as this will depend on your circumstances at the time.

Transfer payments

This policy may accept transfer payments from the sources set out in the rules. These may be subject to restrictions required by the appropriate government authority. We will confirm the transfer amount we receive to you and tell you how we have dealt with it.

Funds used for this policy

Our With-Profit Fund and a group of investment-linked funds can be used. These may be restricted by your membership of the Group Personal Pension. The number of funds that you can invest in at any one time may be limited. There may be a minimum and maximum number of units that can be held in any fund at one time.

At all times the assets and units of all funds belong to us. We use them to work out the benefits to be provided by this policy.

We can close or merge any existing funds and can change the number and type of funds available. If this affects this policy, we will tell you. We will tell you at least 30 days in advance, unless external factors beyond our control mean that only a shorter notice period is possible. We will tell you of your options when this occurs.

We can also set up new funds at any time.

Investing payments

The investment content of each payment is:

- split and allocated in accordance with the way we are instructed into the appropriate arrangement(s), and
- used to buy units at the unit price in the chosen funds.

The allocation takes place at:

- the next valuation day after we receive a payment, but we reserve the right to use a later unit price if the use of the unit price that we next make available would allow you to use already known market data to your benefit; or
- the date that payment was due, if later.

The investment content of the non-protected rights is split equally between the non-protected arrangements in place at that time.

Default investment approach

If you have been auto-enrolled into the scheme and you have not told us which investment fund(s) you want your payments invested in, we will invest your payments in the default investment approach or default fund that has been selected for you. We will tell you which default investment approach or default fund your payments will be invested in.

The default investment approach or default fund may change in the future as a result of the investment advice that we have obtained, your leaving the employment of your employer or the effect of legislation. In the absence of any investment decisions by you we may redirect or otherwise alter the investments held under this policy in line with this investment advice and any relevant legislation. If this applies to you then further details of the default investment fund or default investment approach you have been placed in will be sent to you.

Investment-Linked funds

(Restrictions may apply as to the availability of these funds.)

Assets

For each investment-linked fund, we decide which assets to include and when to buy and sell them. We do this in line with the fund's investment objectives. Income and gains from these assets are added to the fund. Losses relating to these assets are met from the fund.

We can borrow for the purposes of any investment-linked fund and use its assets as security for a loan.

We can also use financial derivatives, such as futures and options, to assist us in effectively running the funds.

Deductions

We will make the following deductions from each investment fund where we have reasonably incurred or anticipated incurring:

- expenses connected with buying and selling the assets and valuing, owning and maintaining them;
- interest on borrowings;
- taxes, duties, levies and other charges, including our management charges;
- other expenses, taxes, duties, levies or charges which in the opinion of the Actuary should be paid from the fund. (This may include the cost of acquiring, disposing of, maintaining or managing assets of the fund and also other charges on the investment or income of the fund as reasonably determined by us.)

Unit prices

Each investment-linked fund is divided into units. We will value each fund at least once a month.

Each valuation is carried out to fix the buying price and the unit price of units. The unit price will be rounded to the nearest 0.01 pence.

The value of stock exchange investments will be based on quoted prices. The value of interests in land and buildings will be based on the latest valuations we have. However, we may make reasonable adjustments to take account of:

- changes in the prices of land and buildings since the last valuation in line with professional advice;
- regulatory guidance; and/or
- guidance issued by the Royal Institution of Chartered Surveyors (or another equivalent body).

The unit price cannot be more than the maximum unit price. We find this by:

1. valuing the assets of the fund relating to units of that particular type using the prices at which they could be bought plus the buying costs; and
2. dividing this by the number of units of the type in the fund and then rounding to the nearest 0.01 pence.

The unit price cannot be less than the minimum unit price. We find this by:

1. valuing the assets of the fund relating to units of that particular type using the prices at which they could be sold less the selling costs; and
2. dividing this by the number of units of that type in the fund and then rounding to the nearest 0.01 pence

With-Profit Fund

(Restrictions may apply as to the availability of this fund.)

With-Profit unit prices

Each unit of the With-Profit Fund has a unit price, which is normally determined by Aviva on each working day. In any event it is determined at least once in every month. Each unit of the same type will have the same value.

The unit price will increase as a result of the application of the latest regular bonus rate declared by Aviva. We declare regular bonus rates at least once a year but we don’t guarantee to add a regular bonus to your investment each year.

The unit price will be rounded to the nearest 0.01 pence.

Final bonus

We may pay additional sums when units are cancelled in accordance with the way in which we manage the With-Profit Fund. Details of how this is done are currently set out in the ‘Principles and Practices of Financial Management for Aviva Life & Pensions UK Limited Old With-Profits Sub-Fund and New With-Profits Sub-Fund’. This is currently summarised in ‘A guide to your with-profits investment and how we manage our With-Profit Fund - for customers investing through pension plans’. Both of these items will be available on request for as long as they are maintained.

Market value reduction

In order to ensure fairness of treatment between policyholders in the With-Profit Fund, on the cancellation of units in this fund we may reduce the value of your pension fund by applying a market value reduction. We'll only apply a market value reduction where the actual investment return of the With-Profit Fund, from the date we allocated units of that fund to your policy to the date we cancelled those units, is low in comparison to that credited to those units by Aviva through increases in the unit price and by the application of the final bonus rates.

Before the cancellation of units in the With-Profit Fund we will give you written notice if a market value reduction is to be applied. Where you have been notified that a market value reduction is to be applied, you may ask us not to proceed with the cancellation unless you will shortly attain the maximum age by which you must take retirement benefits in line with the Scheme rules.

We may apply a market value reduction when units are cancelled from this fund except:

1. if benefits are being taken at the original retirement date or at the maximum age you can take retirement benefits in line with the Scheme rules providing:
   a. the units being cancelled have been held in the With-Profit Fund for a continuous period of at least five years; or
   b. the units being cancelled relate to continued regular payments at the rate in force five years before the original retirement date; or
   c. the units being cancelled relate to increases in the regular payments referred to in b. above, that are due to automatic increases, either in line with increases previously agreed by us, or due to a change in earnings where regular payments are based on a percentage of earnings.
2. because of your death;
3. to pay for charges.

It should therefore be noted that a market value reduction can still apply at the original retirement date.

Further details about:

- how we increase the price of the with-profit units;
- how this price relates to the underlying performance of the investments we hold under the fund;
- when and in what circumstances we will increase their cash value by applying final bonuses

are currently available in 'A guide to your with-profits investment and how we manage our With-Profit Fund - for customers investing through pension plans' and 'Principles and Practices of Financial Management for Aviva Life & Pensions UK Limited Old With-Profits Sub-Fund and New With-Profits Sub-Fund'. Both of these items will be available on request for as long as they are maintained.

Changing investment funds

Throughout the term of the policy you can change the investment funds in which your payments are invested and tell us to redirect future payments into new funds. You can only change investment funds after your first payment is applied to your policy.

By writing to us, you can request that different types of payments are invested in different funds. Your choice may be limited. Any request you make to switch between funds will apply equally to all arrangements of the same payment type.

Once we have received your request, units are switched by cancelling at the unit price enough units to raise the cash value you requested. After we have taken away any switch charge, the rest of this cash value will be used to allocate units at the unit price in the other fund(s) you have chosen.

If one of the Lifestyling or Lifestaging approaches is chosen, all investments must be moved to the agreed funds and this section will no longer apply.

Lifestyling

Lifestyling is a choice of investment fund(s) from the start to the end of the contract. As you get closer to your chosen retirement age, it allows you to progressively move to different types of funds, which are designed to help prepare your pension pot for how you intend to take your retirement benefits.

The fund(s) will be determined on the date the lifestyling approach starts. We may restrict the funds that can be used under this approach.

Payments will be invested in the funds and in the proportions shown in the policy features. We will automatically redirect all payments at the dates shown.

When payments are redirected we will also start to switch existing units.

Switching units

The number of units to be switched from the fund(s) will be calculated each month as the number of units in a fund divided by:

- the number of calendar months remaining to the original or chosen retirement date, if different; or
- the next payment redirection date, if earlier.

The calculation will:

- include any units that have been allocated in that fund for further payments;
- exclude any units cancelled to pay charges.

Switching will apply equally to all arrangements with the same original or chosen retirement date, if different. If the retirement dates are different for any non-protected and protected rights payments lifestyling will operate separately for each.

Units will be switched by cancelling units in the existing fund(s) and using the cash value obtained to allocate units in the new fund(s). Both the cancellation and allocation of units will take place using the unit price fixed on:

- the same day of each month as the original or chosen retirement date, if different; or
- the next valuation day if that day is not a valuation day.

Stopping a lifestyling approach

You can stop a lifestyling approach at any time. We will stop switching units and no future payment redirections will take place.

You may wish to change funds or redirect future payments in a different way to the lifestyling approach. If you do this, the approach must stop.

Changing your retirement date

If your retirement date changes, the Lifestyling approach will automatically stop. You can restart the same or another lifestyling approach if there are more than five years to your new retirement date.

Lifestyling charges

There is no charge if a lifestyling approach is chosen at the start of this policy. If you start or stop the original or any other available lifestyling approach during the policy term we will treat this as a change. Two free changes will be available throughout the policy term.

At January 1995 the charge for the next ten changes was £20.00. We can increase this charge on each policy anniversary. It will not be more than £20.00 multiplied by the RPI on 1 September before the policy anniversary and divided by the RPI on 1 September 1994.

For the 13th change onwards the charge will be the greater of 0.5% of the cash value of the whole fund and the charge above.

Lifestage investment approach

A lifestage investment approach is an investment option that actively shapes how your money will be invested. As you get closer to retirement, your money is automatically and gradually moved into different types of funds, to help prepare your pension pot for how you intend to take your retirement benefits.

Payments

Payments will be invested to ensure a gradual movement between the funds and in the proportions selected. We calculate how far you are from retirement in order to ensure the correct allocation of units for your lifestage investment approach.

Existing investments

We will also rebalance your existing investments to ensure that they remain in line with the correct allocation of units for your lifestage investment approach and that there is a gradual movement of money between investment funds.

This means we will sell existing units and purchase new units in accordance with the different funds and proportions selected. The number of units to be switched will be calculated by checking how far you are from retirement and determining the correct proportion of units for each fund based on your lifestage investment approach. The frequency (either monthly or quarterly) of rebalancing is shown in the policy features.

Units will be switched by cancelling units in the existing fund(s) and using the cash value obtained to allocate units in existing and or new fund(s) in order to match the correct proportion of units for your lifestage investment approach. Both the cancellation and allocation of units will take place using the unit price available on the same day of the month, which will be the date your birthday falls. If we do not have unit prices available on that day we'll use the nearest previously available unit price.

If the retirement dates are different for any non-protected and protected rights payments the lifestage investment approach will operate separately for each.

Selecting a different Lifestage investment approach

You can select a different Lifestage investment approach to more closely reflect your personal circumstances.

If you move to a different Lifestage investment approach we will rebalance your existing investments to reflect the approach you have selected and how far you are from retirement. Once the initial rebalancing is completed we ensure that it remains in line with the correct allocation of units for your Lifestage investment approach and that there is a gradual movement of money between investment funds.

Stopping a lifestage investment approach

You can stop a lifestage investment approach at any time.
We will stop switching units and no future contribution redirections will take place.

You may wish to change funds or redirect future payments in a different way to the lifestage investment approach chosen. If you do this, the lifestage investment approach must stop.

Changing your retirement date

If you choose to change your retirement date before taking your benefits, your investments will be automatically rebalanced to the correct funds and proportions for your new retirement date.

If you do not take your benefits at your original or selected retirement date, your policy will remain invested in the funds and proportions appropriate for your retirement date.
We will continue to rebalance your investments to maintain those proportions.

Leaving your employer

If you leave your employer you will continue to be invested in your existing lifestage investment approach. You can stop the lifestage investment approach at any time and invest in alternative funds. However, if your existing Lifestage Investment Approach is a bespoke approach created by your employer, then if you choose to leave it you will not be able to go back into it at a later date.

Phased switching

Phased switching automatically switches your investment(s) as you get closer to your chosen retirement age.

It allows you to progressively move to different types of Funds, which are designed to help prepare your pension pot for how you intend to take your retirement benefits.

This option can apply if there are at least five years to your retirement date.

Start of phased switching

Units will be switched from each of the investment funds chosen to the fund(s) shown in the Policy features. Switching will start from five years before the original or chosen retirement date, if different.

Switching will apply equally to all arrangements with the same original or chosen retirement date, if different.

If the retirement dates are different for any non-protected and protected rights payments, phased switching will operate separately for the non-protected and protected benefits.

Future payments will not be automatically redirected when phased switching starts.

Switching units

The number of units to be switched from the chosen fund(s) will be calculated each month as the number of units in a fund divided by the number of calendar months remaining to the original or chosen retirement date, if different.

The calculation will:

- include any units that have been allocated in that fund for further payments;
- exclude any units cancelled to pay charges.

Units will be switched by cancelling units in the existing fund(s) and using the cash value obtained to allocate units in the new fund(s). Both the cancellation and allocation of units will take place using the unit price fixed on:

- the same day of each month as the original or chosen retirement date, if different; or
- the next valuation day if that day is not a valuation day.

The number of calendar months to the original or chosen retirement date, if different, will not be more than 60.

The investment content of payments that are paid after phased switching starts will be allocated to the funds you have chosen.

Changing your retirement date

If, when we have started to switch units, we agree a different date from which retirement benefits will be paid and there are less than 60 calendar months to that date the automatic switching of units will stop.

If, when we have started to switch units, we agree a different date from which retirement benefits will be paid and there are more than 60 calendar months to that date the switching of units will stop and, unless you tell us not to, we will start to switch units again when the number of calendar months to the new agreed date reaches 60.

Stopping phased switching

If you tell us to, we will stop switching units under this option. You can also cancel phased switching before we have started to switch units.

If you choose one of the lifestyling or lifestaging investment approaches, phased switching will no longer apply.

Important note about lifestyling/lifestaging/phased switching (‘auto-switching’)

- An auto-switching investment approach is a pre-determined investment path where we’ll move your money automatically and gradually between funds as you get closer to your chosen retirement age – you don’t make any of these investment choices.
- We will automatically move your money on set dates, regardless of market performance and economic conditions at that time. As a result, it may not move at a time that gives you the best return on your investment.
- These investment approaches work based on the age you’ve told us you want to retire at. If you decide to take your retirement benefits from your pension pot earlier or later than your chosen retirement age, it may be worth reviewing how your money is invested.
- If you intend to change the way you take your retirement benefits or how you invest your money, we recommend you speak to a financial adviser to go over your investment choices.
- If you’re close to your chosen retirement age, there may be less chance for investment growth because you have less time to invest.
- Because we invest your money for growth in the early years, and aim to prepare for your retirement in later years, you could receive a lower return from the funds we move your money into than from the funds you were previously invested in. There’s also a greater possibility that the investment returns on the funds we move your money to may not cover your charges.
- Please remember, the value of your pension pot can go down as well as up, and is not guaranteed – you might get back less than the amount paid in.

- Whether an auto-switching investment approach is right for you will depend on your individual circumstances, so we recommend you speak to a financial adviser.

Cancellation of units

Cancellation of units takes place using the unit price that we:

i. next make available depending on the time the request (together with all our reasonable requirements) is received by us, but we reserve the right to use a later unit price if the use of the next available unit price would allow you or someone acting on your behalf to use already known market data to your benefit; or

ii. next make available on the day you specify if this day is later than the day above; or

iii. next make available on the day on which a cancellation is necessary under the terms of this policy.

The amount raised when units are cancelled is the cash value. The cash value raised when units in the With-Profit Fund are cancelled may make an allowance for final bonuses and will allow for any market value reduction if applicable. Details of when we will not apply a market value reduction are given in the description of the With-Profit Fund.

We can delay the cancellation of units in any investment fund for up to one month. Where a fund invests directly or indirectly in land or buildings we may delay it for up to six months.

Cancellation of units in a fund may be delayed, where we consider that it is reasonable to do so having regard to all the relevant circumstances. We are only likely to consider it reasonable to do so where it is in the interests of the relevant investment or property funds, policyholders in general or individual policyholders, or we are unable to readily realise investments in the investment or property fund. Examples of this may include where:

(i) there is a stock market crash;

(ii) there is a failure in infrastructure, such as the effect of a computer virus in the stock trading system;

(iii) there is physical damage arising from events such as a terrorist attack, an explosion or flood;

(iv) we reasonably consider there is no suitable market upon which to sell the asset(s) of a fund;

(v) there is any interruption of a stock exchange which materially affects the pricing of the units;

(vi) the sale of the asset(s) of a fund would lead to unfairness of treatment between policyholders.

We will tell you if and why a delay is necessary.

Where the unit price depends on the value of a fund that is outside our control, we can delay cancellation until we receive that value.

If we do delay, then the cancellation will take place on the next valuation day after the period of delay has ended, using that day's valuation figures. We will not delay the cancellation of units if a payment is due under the rules, other than a transfer payment before retirement.

In certain circumstances, we may further delay for such period as may reasonably be required, the cancellation, valuation, switching, surrender or any other dealings with the units in or valuation of any fund to either:

(i) match any period of delay or suspension imposed by manager(s) of any entity in which you have funds invested, or

(ii) where due to exceptional circumstances we reasonably consider that it is in the interests of planholders whose plans are invested in the fund to do so.

Cancellation of units to pay for charges will be proportionate between all investment funds in which units have been allocated. We will cancel the units bought most recently in a fund first.

Where applicable, if at any time charges still applying cannot be met by cancelling units, this policy will end without value.

Charges

Allocation Rates

A formula is applied to your payment(s) to determine the amount used to purchase units in your chosen investment fund(s). This formula is known as the Allocation Rate. Where the amount used to purchase units is less than the amount you have paid, the difference is used to pay commission to your Adviser.

If your Adviser changes the amount of commission paid, then the Allocation Rate may also change. Any revised Allocation Rate will apply to all your future payments.

The Allocation Rate applied to your initial payment(s) is shown in the Policy features.

Annual Fund Charge

This may be made up of an Annual Management Charge and an Annual Fund Charge Adjustment, if applicable. The Annual Fund Charge is the charge that is applied to the policy. Information about these two elements of the annual fund charge are set out below.

Annual Management Charge

On each valuation day we will deduct a management charge from each investment fund.

The annual rate of the management charge for each fund is set from time to time. The amount of the management charge on a valuation day is:

$$\frac{A \times B \times C}{365}$$

A = The rate of charge

B = Value of fund used to calculate the maximum buying price

C = Number of days since the last valuation day

There will be no double charging if a fund invests in units of another of the funds available for this policy.

A similar charge is allowed for when we declare bonus rates for the With-Profit Fund.

We may vary the Annual Management Charge, for any of the following reasons:

- to reflect, in a proportionate manner, changes in costs relating to taxation, the law or decisions or recommendations of an Ombudsman, regulator or similar person;
- where there are changes in the costs of fund management; or
- to reflect changes in the costs, which we reasonably incur in carrying out the administration of this policy.

We will write to you at least 30 days before the change has any effect on you.

Annual Fund Charge Adjustment

The Annual Fund Charge Adjustment is a positive or negative adjustment to the Annual Management Charge. This is dependent on whether the Annual Fund Charge is greater or less than the Annual Management Charge; for example if the Annual Management Charge is 1% and the Annual Fund Charge is 0.75% the Adjustment is 0.25%.

If this adjustment is negative, units will be added to the policy each month beginning one month after the Start date. This will be done proportionately between all funds in which units have been allocated.

If this adjustment is positive, units will be cancelled from the policy each month beginning on the Start date. We will cancel the units bought most recently in a fund first.

The amount of the Annual Fund Charge Adjustment calculated each month

will be:

$$\frac{A \times B}{12}$$

A = The rate of adjustment

B = Cash value of fund

For units in the With-Profit Fund, the value may make an allowance for final bonus.

Different Annual Fund Charge Adjustments may apply to:

- funds built up by different types of payments;
- each different single payment and/or transfer payment if made at different times.

Fund manager expense charge

A fund manager expense charge (FMEC) may apply for some funds. It covers the fund manager's expenses connected with buying, selling, valuing, owning and maintaining the assets and is taken, generally each day, by reducing the unit price for the fund. It will change in the future when the expenses charged to the fund changes. You can find the details of these charges online at aviva.co.uk/pension-essentials.

Charges for advice deducted and paid to your/the scheme adviser

A charge may be levied if you have received individual advice from a financial adviser and agreed to pay this charge through your plan.

You will see this deduction or these deductions on your Annual Benefit Statement.

Other charges

If we repay some of the payments in accordance with the rules or this policy we may make a reasonable charge to cover our additional costs.

If we agree to provide you with a service which is not within the range of services normally involved in running this policy we may make a charge. We will tell you how much this will be and how you can pay it.

Retirement benefits, death benefits and transfer payments

Date retirement benefits become payable

The date(s) when retirement benefits were originally due to be paid is shown on the Member certificate as the original retirement date.

If you change the date, your new retirement date will be shown as your chosen retirement date. You may be able to choose to take retirement benefits from separate arrangements at different times.

When you start taking retirement benefits from an arrangement we may refuse to accept further payments to that arrangement.

In order to ensure that we pay the correct amount of benefit to the correct person we will ask for certain information or documentation to be provided to us.
This information or documentation may include a birth certificate, marriage or civil partnership certificate, bank account details and evidence that the person claiming any benefit under the policy is entitled to do so. We will let you know what evidence needs to be provided at the time it is required and will tell you where this information should be sent.

The retirement benefits available

If you are alive on the original or chosen retirement date, if different, and all our reasonable requirements have been met, then the cash value obtained by cancelling units allocated to each selected arrangement will become payable.

This will be calculated at the unit price fixed on:

- the original or chosen retirement date, if different; or
- the next valuation day if that day is not a valuation day.

If all our reasonable requirements have not been met by the original or chosen retirement date, if different, then the cash value will be calculated and payable at the unit price fixed on:

- the next valuation day after all our reasonable requirements have been met; or
- the last day on which you can take benefits in line with the scheme rules, if earlier, or the next valuation day if that day is not a valuation day.

The cash value will be used to provide retirement benefits in accordance with the rules.

At retirement, the rules that then apply may allow part of the fund within each arrangement to be taken as a lump sum.

The restrictions on how and when benefits can be paid are in the rules.

If you choose to take benefits as an Uncrystallised Funds Pension Lump Sum or Income Drawdown then the terms and conditions on page 32 will apply.

The amount of death benefits payable

We will pay benefits if any arrangement still exists when you die before your original or chosen retirement date, if different. The amount will be the cash value obtained by cancelling units allocated to all remaining arrangements, calculated at the unit price fixed on the next valuation day after we are told of your death. We will not make any payments until all our reasonable requirements have been met.

The rules may allow for the total cash value to be paid as a lump sum.

Instead of the lump sum payment, you may choose to use the cash value to buy a pension for your spouse, Civil Partner and/or dependants under the rules. You must tell us about this choice in writing before your death.

To whom we will pay lump sum death benefits

If any lump sum(s) are payable and at that time we are satisfied this policy is written under a trust where no beneficial interest in a death benefit could be payable at your direction to:

- your estate; or
- your personal representatives; and
- your estate or personal representatives were not the sole object of the trust at its inception

we will pay the money to the trustee(s) of that trust.

However, if we are not satisfied there is such a trust we will pay the lump sum(s) at our discretion to, or for the benefit of, any one or more of:

- any person or persons, including trustees, whose names you have given us in writing;
- your widow, widower or surviving Civil Partner;
- your children including adopted children;
- your estate.

Transferring your funds

Where permitted in accordance with the terms of the rules you can transfer your rights to another scheme. We will cancel all the units from the agreed arrangements and transfer the cash value to the other scheme.

We may delay the cancellation of units for the reasons stated in the ‘Cancellation of units’ section above.

We will not make any payment until all our reasonable requirements are met.

Please look at the ‘Cancellation of units’ section for details of when units will be cancelled.

Uncrystallised Funds Pension Lump Sum and Income Drawdown

If you choose to take benefits as an Uncrystallised Funds Pension Lump Sum or Income Drawdown then the terms and conditions below will apply.

Defined terms

"Accumulation Funds" means your uncrystallised funds. This is the part of your policy you have not designated as available for Income Drawdown.

"Act" means the Finance Act 2004

"Crystallised" means part or all of your plan has been used to provide benefits and has been tested against the Lifetime Allowance.

"Designate/Designated" means the method by which you make some or all of your policy available for Income Drawdown.

"Income Drawdown" means the method by which you can draw income directly from your policy after you've Designated some or all of your policy as available for Income Drawdown.

"Income Drawdown Funds" means the part of your policy which contains any money you have Crystallised by Designating as available for Income Drawdown.

"Lifetime Allowance" means the government limit on the amount of pension savings you can use to provide pension benefits before additional tax charges may apply.

"Tax-Free Cash" means for the purposes of this amendment document, your Pension Commencement Lump Sum which is the tax-free lump sum paid to you from your policy when you Designate your funds as being available for payment through Income Drawdown.

"Tax Year" means a period of 12 months running from 6th April to 5th April in the following year.

"Terms and Conditions" means the terms and conditions provided to you when you started your policy and any subsequent amendments, including this amendment document.

"Uncrystallised Funds Pension Lump Sum" means a type of lump sum payment that may be made from your Accumulation Funds where you have reached age 75 and which is described in paragraph 4A of Schedule 29 of the Act.

Taking an Uncrystallised Funds Pension Lump Sum from your Policy

You can choose to take benefits in the form of an Uncrystallised Funds Pension Lump Sum at any time from age 55, or such other minimum pension age as may be specified by legislation from time to time, (or earlier if (1) we consider that you are suffering ill-health and are entitled to receive your benefits before age 55 or (2) you have a protected pension age and are entitled to receive your benefits before age 55). All income payments from an Uncrystallised Funds Pension Lump Sum will be made in sterling.

Uncrystallised Funds Pension Lump Sums will be paid subject to the following conditions:

- the maximum amount that you can take as an Uncrystallised Funds Pension Lump Sum is the entire value of your Accumulation Funds;
- a maximum of 6 Uncrystallised Funds Pension Lump Sums can be paid to you during any 12 month period without a specific charge being made for these withdrawals. Any further withdrawals may result in a charge being made. The charge if any, will be determined by us and will reflect the cost we reasonably incur in carrying out your request. If a charge applies we will provide details of this to you before processing your withdrawal request and ask for your confirmation to go ahead with the withdrawal;
- your Uncrystallised Funds Pension LumpSum will be funded by deducting a proportionate amount from any former protected and/or non-protected rights. If you have invested in more than one fund a proportionate amount will be deducted from each of your funds, with units in funds other than the With-Profit Guaranteed Fund being cancelled on a last in first out basis. Units in the With-Profit Guaranteed Fund will only be cancelled once all other units have been cancelled; Units will be cancelled once we have received your instructions and any other documentation that we may reasonably require to proceed and using the unit price available on the date all requirements have been received. For example it may be necessary for evidence of identity to be sent to us where you have changed your name. We will tell you what documentation we need when you contact us about your request to take benefits. Normally we will require your instructions to be in writing but reserve the right to accept verbal instructions subject to our agreement:

- there is no cancellation period associated with the payment of Uncrystallised Funds Pension Lump Sums;
- the payment of Uncrystallised Funds Pension Lump Sums can't be reversed;
- any integrated life cover that you're currently entitled to under your policy will end and will no longer apply.

We reserve the right to vary the conditions that apply in relation to the payment of Uncrystallised Funds Pension Lump Sums in accordance with the amendment provisions of the Terms and Conditions.

Charges related to the payment of Uncrystallised Funds Pension Lump Sums

There are currently no specific charges that apply to the payment of Uncrystallised Funds Pension Lump Sums (unless you take more than 6 Uncrystallised Funds Pension Lump Sums during a Tax Year). However, any potential charges or costs that could impact your pension fund under the Terms and Conditions will continue to apply. For example:

- the payment of an Uncrystallised Funds Pension Lump Sums could incur early exit charges in respect of the units that are cancelled;
- the reduction in your pension fund could mean you no longer qualify to receive large fund rebates and/or loyalty units;

(the above list is not exhaustive and other charges or costs could also be incurred depending on your circumstances and the funds that you have invested in).

We will provide you with details of any charges or costs that will apply when you take an Uncrystallised Funds Pension Lump Sum.

We reserve the right to vary the charges that apply in relation to the payment of Uncrystallised Funds Pension Lump Sums to respond, in a proportionate manner to changes in the costs which we reasonably incur in carrying out administration of Uncrystallised Funds Pension Lump Sums.

We will write to you at least 3 months before the change has any effect on you.

Your investments and Uncrystallised Funds Pension Lump Sum

Taking an Uncrystallised Funds Pension Lump Sum will impact your pension fund and the investments that are held under it.

If automatic switching applies to your policy this will continue to apply to funds remaining in your policy if you take an Uncrystallised Funds Pension Lump Sum. Automatic switching is where units in one fund are cancelled and new units are purchased in a different fund usually to prepare your pension pot for how you intend to take your retirement benefits. Different terms are used to describe this in different product terms and conditions. Examples of the terms used are Lifestyling, Phased Switching and Lifestaging strategies. If you change your selected retirement age at the same time as taking an Uncrystallised Funds Pension Lump Sum this may result in your automatic switching option ceasing or an automatic switch of your investments on the day of the change if a Lifestaging option applies in line with your Terms and Conditions.

You are responsible for reviewing any changes that are made to your pension fund (including changes to the investment composition and any lifestyling/switching arrangements) as a consequence of you taking an Uncrystallised Funds Pension Lump Sum. It is your responsibility to ensure that your pension investments remain suitable for your needs.

A market value reduction could be applied and/or final bonus may be added if you cancel units in a with-profits fund in order to take an Uncrystallised Funds Pension Lump Sum. A market depreciation discount may be applied if you cancel units in the Pension Assured Fund in order to take an Uncrystallised Funds Pension Lump Sum. Information about market value reduction and market depreciation discount is set out in your Terms and Conditions.

Taking a Tax-Free Cash payment and starting Income Drawdown from your policy.

You can choose to take benefits in the form of Income Drawdown at any time from age 55, or such other minimum pension age as specified in legislation from time to time, (or earlier if (1) we consider that you are suffering ill-health and are entitled to receive your benefits before age 55 or (2) you have a protected pension age and are entitled to receive your benefits before age 55). All income payments from your Income Drawdown funds will be made in sterling.

To take benefits under Income Drawdown you will first need to Designate some or all of your policy funds as available for Income Drawdown. When you do this a Tax-Free Cash payment may be paid to you which cannot exceed limits set by HMRC.

With the exception of any investment in a with-profits fund or the Pension Assured Fund the remaining Income Drawdown Funds after deduction of any Tax-Free Cash will stay invested in your selected funds and will be available for you to withdraw as income in future. You may also switch between funds where permitted under your Terms and Conditions subject to the following exclusion. You will not be able to invest any Income Drawdown Funds into a with-profits fund or the Pension Assured Fund.

On designation of investments in a with-profits fund or the Pension Assured Fund the remaining amount, after deduction of any Tax-Free Cash, will be switched out of these funds and into the Diversified Asset Fund I. On switching out of a with-profits fund a market value reduction could be applied and/or final bonus may be added. A market depreciation discount could be applied if you have invested in the Pension Assured Fund. Uncrystallised Funds will not be affected and may be invested in a with-profits fund or the Pension Assured Fund where these are available. Information about final bonus, market value reduction and market depreciation discount will be provided in your Terms and Conditions if your policy allows investment in a with-profits fund or the Pension Assured Fund.

Tax-Free Cash will be paid from Accumulation Funds and Income Drawdown payments will be made from Income Drawdown Funds.

Tax Free Cash will be funded by deducting a proportionate amount from any former protected and/or non-protected rights. If you have invested in more than one fund a proportionate amount will be deducted from each of your funds, with units in funds other than the With-Profit Guaranteed Fund being cancelled on a last in first out basis. Units in the With-Profit Guaranteed Fund will only be cancelled once all other units have been cancelled. If you have invested in more than one fund Income Drawdown payments will be funded by deducting a proportionate amount from each fund, with units being cancelled on a last in first out basis. Units will be cancelled once we have received your instructions and any other documentation that we may reasonably require to proceed. For single income payments and Tax-Free Cash payments the unit price available on the date all requirements have been received will be used. For example it may be necessary for evidence of identity to be sent to us where you have changed your name. We will tell you what documentation we need when you contact us about your request to take benefits. Normally we will require your instructions to be in writing but reserve the right to accept verbal instructions subject to our agreement.

Your policy may be split into a number of parts, called arrangements. You may have a number of uncrystallised arrangements. When you crystallise funds, these will be held in one arrangement. Any further funds that are crystallised will be held in this arrangement.

You may only Designate funds for Income Drawdown before your 75th birthday. You cannot hold any Accumulation Funds on or after your 75th birthday and cannot make any further payments in (either single, regular or transfer payments).

If you do not contact us before your 75th birthday and have some Accumulation Funds remaining, we will Designate the remaining funds to Income Drawdown the working day before your 75th birthday on your behalf.

When you Designate to Drawdown any integrated life cover that you’re currently entitled to under your policy will end and will no longer apply.

If you wish to transfer your rights under the plan to another pension scheme after Designating to Drawdown we will cancel all the units from Income Drawdown funds and Accumulation Funds and transfer the cash value less any deductions made in accordance with the Terms and Conditions.

Taking Income Drawdown withdrawals from your policy

You may take withdrawals subject to the following conditions:

- withdrawals may be taken as single income payments. We do not currently apply a minimum payment amount but it may be necessary to do this in the future to respond, in a proportionate manner, to changes in the costs which we reasonably incur in carrying out administration of income withdrawals. We will write to you at least 3 months before the change has any effect on you;
- when you first Designate funds to Income Drawdown you will be provided with a cancellation period of 30 days from the date you receive confirmation from us that Income Drawdown has been set up. This is to allow you to consider if you want to proceed. If you exercise your right to cancel, any Income Drawdown withdrawals you have received should be returned to us. If you do not return withdrawals to us the cancellation will not be effective. You can only cancel your income withdrawal option and not your decision to take Tax-Free cash from your plan. If you decide to cancel you will have to tell us what you want to do with your money moved to Income Drawdown. If you don’t tell us within 30 days of asking to cancel, then the Income Drawdown terms will continue as set out in these terms and conditions;
- except for a cancellation within the cancellation period the payment of withdrawals under Income Drawdown cannot be reversed;

- a maximum of 6 single income payments can be paid to you during any 12 month period without a specific charge being made for these withdrawals. Any further withdrawals may result in a charge being made. The charge, if any, will be determined by us and will reflect the cost we reasonably incur in carrying out your request. Where a charge applies we will provide details of this to you before processing your withdrawal request and ask for your confirmation to proceed.

We reserve the right to vary the conditions that apply in relation to the payment of Income Drawdown in accordance with the amendment provisions of the Terms and Conditions.

Charges relating to Income Drawdown

There are currently no specific charges that apply in relation to the payment of withdrawals under Income Drawdown (unless you take more than 6 single income payments during any 12 month period). However, any potential charges or costs that could impact your pension fund under the Terms and Conditions will continue to apply. For example:

- the payment of a withdrawal could incur early exit charges in respect of the units that are cancelled;
- the reduction in your pension fund could mean that you no longer qualify to receive large fund rebates and/or loyalty units;

(the above list is not exhaustive and other charges or costs could also be incurred depending on your circumstances and the funds that you have invested in).

We will provide you with details of any charges or costs that will apply when you take withdrawals under Income Drawdown. We reserve the right to vary the charges that apply in relation to the payment of withdrawals under Income Drawdown to respond, in a proportionate manner to changes in the costs which we reasonably incur in carrying out administration of income withdrawals.

We will write to you at least 3 months before the change has any effect on you.

Designating funds to take Income Drawdown – Your investments

Designating funds to Income Drawdown can have an impact on your pension fund and the investments that are held under it, including automatic switching. Automatic switching is where units in one fund are cancelled and new units are purchased in a different fund, usually to help prepare your pension pot for how you intend to take your retirement benefits. Different terms are used to describe this in different product terms and conditions. Examples of the terms used are Lifestyling, Phased Switching and Lifestaging strategies. If automatic switching applies to your policy this will continue to apply if you Designate funds to Income Drawdown. This means switching will continue in the same way as if you have not taken benefits. If you change your selected retirement age at the same time as designating to Income Drawdown this may result in your automatic switching option ceasing or an automatic switch of your investments on the day of the change if a Lifestaging option applies in line with your Terms and Conditions.

All automatic switching will cease when you reach your 75th birthday. This means that your pension fund will stay invested in the final funds for your automatic switching profile, but all automatic switching will cease.

You are responsible for reviewing any changes that are made to your pension fund (including changes to the investment composition and any lifestyling/switching arrangements) as a consequence of you Designating funds to take Income Drawdown. It is your responsibility to ensure that your pension investments remain suitable for your needs.

Adviser charges and Fund Based Commission

Adviser charges are payments that are made to your financial adviser from your policy on your instruction to pay for advice and services that have been provided to you by your adviser.

If you have instructed Aviva to deduct and pay adviser charges from your Accumulation funds, these will continue to be made from your Accumulation Funds where there are sufficient funds to cover such payments.

If the option is available for your plan, you can set up a new instruction to Aviva to deduct and pay adviser charges from your Income Drawdown Funds. We'll do this by cancelling units from your Income Drawdown Funds. We will confirm to you the date the charge/s is due to be deducted when we set it up.

No Fund Based Commission will be paid in respect of Income Drawdown Funds.

Find out more

We hope you've found this guide useful. If you'd like to find out more about your company pension scheme, head to aviva.co.uk/pension-essentials.

There you'll find:

- more about your investment options
- tips on how to make the most of your pension
- and much more.

Get in touch

If there's something you want to know about your company pension scheme, you should ask your employer first. If you'd like to speak to us directly, please use the contact details below.

Call 0800 145 5744

Email helpdesk@aviva.co.uk

Write to Aviva
PO Box 520
Surrey Street
Norwich
NR1 3WG

Lines are open Monday to Friday, 9am to 5pm.
Calls may be recorded to make sure we're doing a good job.

Need a Braille, large-type or audio version?

You can order our literature in Braille, large font or audio.
Just call **08000 686 800** or email **helpdesk@aviva.co.uk** and tell us:

- the format you want
- your name and address
- the name or code of the document. The code is usually in the bottom left hand corner on the back of most documents.

Aviva Life & Pensions UK Limited. Registered in England No 3253947. Aviva, Wellington Row, York, YO90 1WR.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
and the Prudential Regulation Authority. Firm Reference Number 185896.
Member of the Association of British Insurers

aviva.co.uk

AVIVA