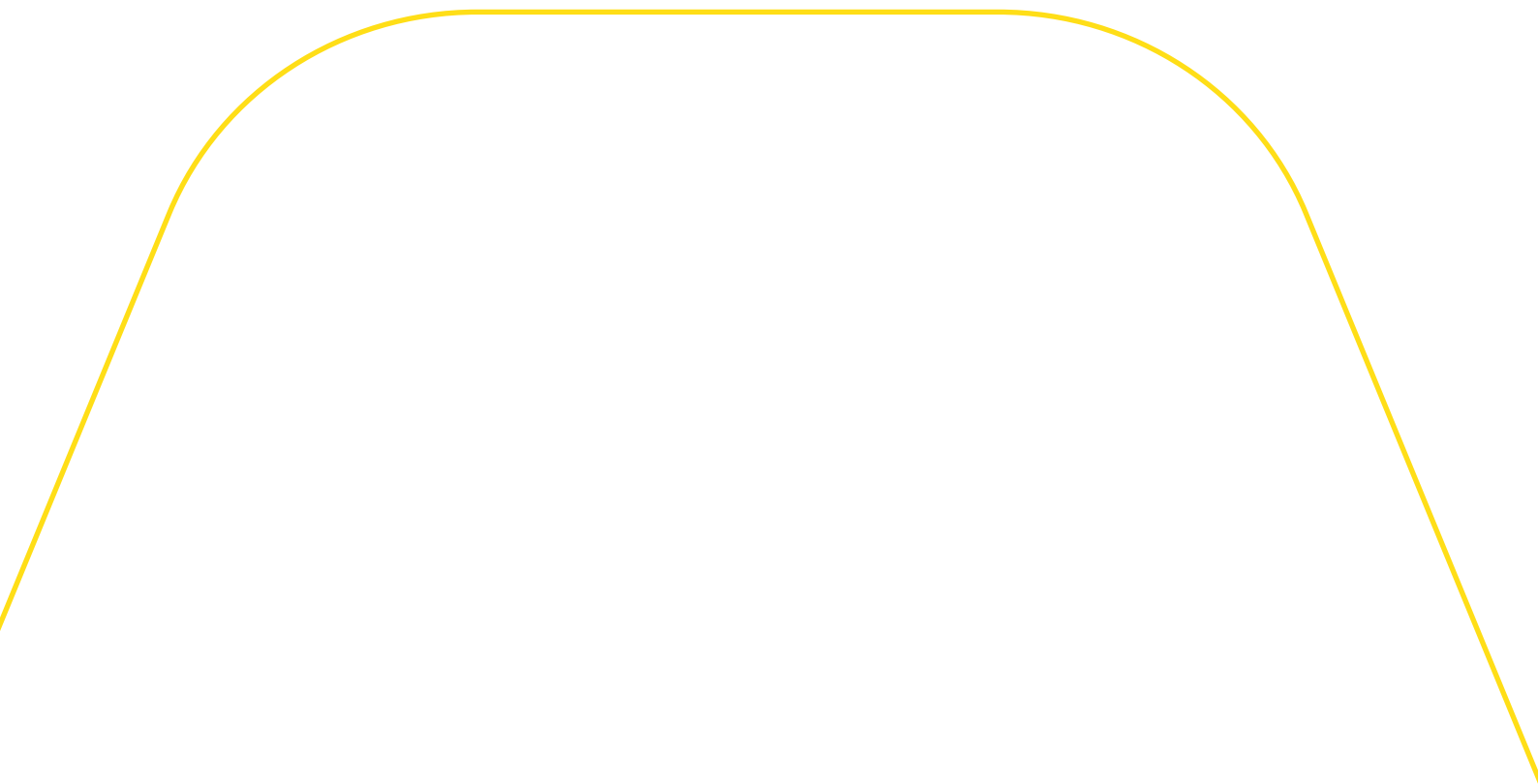


# Key features of the Pension Annuity (including the Enhanced Pension Annuity)



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You'll read references to 'us' or 'we'. This means Aviva Life & Pensions UK Limited, the provider of your plan. Any reference to 'plan' means your plan or policy.

# Helping you decide

The Financial Conduct Authority is a financial services regulator. It requires us, Aviva Life & Pensions UK Limited, to give you this important information to help you to decide whether our Pension Annuity (including the Enhanced Pension Annuity) 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.

The purpose of this document is to help you to make an informed decision. However, we recommend that you seek professional financial advice before you make any decisions about this plan.

Please read this document with your illustration so that you understand what you're buying. The illustration will give you an idea of what you may receive when you retire. You need to be comfortable that you understand the benefits and risks of this plan before deciding whether to buy a Pension Annuity (including the Enhanced Pension Annuity).

## Statement of demands and needs

A Pension Annuity (including the Enhanced Pension Annuity) takes your pension pot and turns it into a guaranteed income for the rest of your life. You'll be paid regularly and you'll pay income tax on the money you receive.

Before buying one, you can normally take up to 25% of your money as a tax-free lump sum. Doing this will reduce the amount of money you have to buy a Pension Annuity (including the Enhanced Pension Annuity), in turn, reducing the income you'll get from it.

You can find out more about your retirement options here <https://static.aviva.io/content/dam/document-library/adviser/annuity/an12270c.pdf>

You should also read and keep safe:

- the terms and conditions

Please contact us using the 'Get in touch' details on **page 16** if you haven't received any of the above.

# What is the Pension Annuity (including the Enhanced Pension Annuity)?

The Pension Annuity (including the Enhanced Pension Annuity) is a plan that provides you with an income for the rest of your life, and is bought with some or all of your pension fund. It can provide a dependant with an income when you die, should you choose this option.

## Is this plan right for me?

- This plan might be right for you if:
  - you've been investing in a UK pension that doesn't automatically pay you an income in retirement.
  - you're between the normal minimum pension age (NMPA) and 90.
  - you want a guaranteed regular income for the rest of your life.
  - you're ready to make a once and for all decision about the income you take in retirement.

## Its aims

- To pay you a guaranteed regular income for the rest of your life.
- To pay an income to a dependant when you die, if you choose.

## Your commitment

- To use your pension fund to buy a Pension Annuity (including the Enhanced Pension Annuity) from us on fixed terms, to last the rest of your life.
- To make a once and for all decision about the kind of income you want as you won't be able to make any changes during your lifetime.
- To ensure you answer any medical, personal or lifestyle questions fully, truthfully and accurately to the best of your knowledge. If you fail to do so, your income may be reduced to our standard rates and any overpayments already made may be recovered.
- To tell us if any of the medical details or other information you give us changes between the time you sign the application form and the start of your plan.
- You must have a pension pot of £10,000 or more, after any tax-free lump sum is taken, to buy this annuity.
- You can usually buy a Pension Annuity (including the Enhanced Pension Annuity) if you're at least the normal minimum pension age (NMPA), and not older than 90. The NMPA is age 55 until 5 April 2028. On and from 6 April 2028 this will be age 57 unless you have a protected pension age. To find out more visit [aviva.co.uk/nmpa](https://www.aviva.co.uk/nmpa)

You should consider seeking financial advice before buying a Pension Annuity (including the Enhanced Pension Annuity).

The income you receive from it could affect your entitlement to means-tested state benefits.

It's important to shop around for the best deal for you. It's possible that you could get a higher income from another provider.

## Risks

- Once a Pension Annuity (including the Enhanced Pension Annuity) is set up, you can't change it, cash it in, or defer payments, even if your personal circumstances change.
- Inflation will reduce what your money can buy in the future.
- There's no protection against inflation unless you choose a Pension Annuity (including the Enhanced Pension Annuity) that increases each year. This could still mean that inflation increases at a higher rate than your income.
- If you die in the early years, the total Pension Annuity (including the Enhanced Pension Annuity) payments you've received may be less than the pension fund used to buy it.
- A dependant won't have any income from this plan after you die if you haven't arranged for your Pension Annuity (including the Enhanced Pension Annuity) to continue.
- If you've provided us with medical information and your doctor is unable to support this information, your annuity income may be reduced to standard rates unless further medical evidence is provided.
- Annuity rates may change after you've submitted your application. This means the income quoted could change between us providing you with an illustration and you taking out your annuity. If this happens and the income you would receive has reduced, we'll contact you.
- The value of your pension fund can fluctuate so the amount you can use to buy your annuity can change as well.

# Questions and answers

## Options and benefits

### How do you calculate my income?

- The amount of income you get from your Pension Annuity (including the Enhanced Pension Annuity) will depend on a number of things when you set up your plan, including:
  - your age
  - your postcode
  - your marital status
  - whether you smoke
  - the size of your pension pot
  - interest rates at the time
  - whether you take a tax-free lump sum
  - the adviser you choose
  - any choices you make about your income.
- If you (or your dependant, if appropriate) have or have previously suffered from cancer, a heart attack, a stroke, have diabetes or any other serious medical condition that could shorten your life expectancy, you may qualify for a higher income. Not all forms of these conditions will qualify.

### What pension income options do you offer?

You can choose combinations of the below options. You can ask for illustrations with different options to see the difference they would make to your income.

- Payments to your dependant;
  - You can choose to take a smaller income at the start, so that an income is paid to a dependant if you die before them.
  - If an income is to be paid to a dependant after you die, the income you receive will take into account their health, as well as your own.
- Guarantee payment periods;
  - This annuity has a one year guarantee as standard (unless the trustees of the registered pension scheme are the planholder or you have extended the value protection period). However, you can choose to take a smaller income that is guaranteed for longer.
  - You can choose at the outset for any income remaining after your death in the guarantee period, to be paid as a continued income.

For more information about this option, please see the **'What is a guarantee period?'** section of this document.

- Value protection;
  - This annuity has value protection as standard for 90 days from the start of the plan. However you can choose to take a smaller income where value protection is extended beyond 90 days.
  - You can choose at the outset whether you wish to extend the value protection for the remainder of your life or for a specified term from the plan start date.

For more information about this option, please see the **'What is value protection?'** section of this document.

- Payment Increases
  - You can choose to take a smaller income at the start, which will normally increase each year. If an income from your Pension Annuity (including the Enhanced Pension Annuity) is to be paid to a dependant after you die, this will normally increase in the same way.
  - Increases to your Pension Annuity (including the Enhanced Pension Annuity) can be:
    - at a fixed rate each year, or
    - in line with the Retail Prices Index (RPI), or
    - in line with the RPI up to a fixed amount. We'll use the RPI figure published the month before the increase is due.
  - If the RPI is negative (deflation), your income will remain level. It will start to increase again once the RPI has risen above the point it was when your income became level. For more information, please refer to the terms and conditions.
  - The government has special rules for increases to pensions from defined benefit schemes that are earned after 5 April 1997. Your illustration will show the details. An example of a defined benefit scheme is a pension linked to your length of service and earnings.
- You don't have to take any options and can choose to take an income that stays the same and stops when you die.

## What is value protection?

- Aviva offers value protection as standard for 90 days from your plan start date. If you die within this period, it pays a lump sum if there are no annuity payments continuing to a dependant. The lump sum will be equivalent to the price paid for your annuity, less any payments already made. This lump sum will replace any guaranteed period payments.
- You have the option to extend your value protection beyond the standard 90 day period by choosing this option on your illustration, this is known as optional value protection. You can choose to protect up to 100% of the price paid for your annuity, less any payments already made. This can be either for the rest of your life or for a specified term beginning at your plan start date.
- Optional value protection will pay a lump sum when you die, if there are no annuity payments continuing to a dependant. If you choose to extend your value protection beyond the standard 90 day period then the standard one year guarantee period will no longer apply.

## What is a guarantee period?

- A guarantee period is a period when the income you set up for yourself will continue to be paid even if you die. Any remaining payments due within the guarantee period will normally be paid as set out in your will and form part of your estate.
- This annuity usually has a one-year guarantee period as standard. However, this may not be the case if your annuity was purchased for you by the trustees of a defined benefit pension scheme.
- You can choose a longer guarantee period of up to 30 years, or 10 years if your annuity was purchased by the trustees of a defined benefit pension scheme.
- If you die after 90 days but within your guarantee period, we'll continue to make annuity payments to your estate or dependants until the end of that period.
- If you choose optional value protection, the standard one year guarantee period will no longer apply.

## Will I have to attend a medical examination?

- No, you won't be required to attend a medical examination. However, we may ask you (or your dependant, if appropriate) to complete a health questionnaire and we may also ask your doctor for a medical report.
- It's your responsibility to provide us with accurate information about your health and lifestyle.
- We may request your permission to approach your doctor or ask you to carry out a medical test to confirm that the information you've provided is correct. If it's discovered that information provided by you is inaccurate, or if a medical test or permission to consult your doctor is refused, this may result in a reduction of the income payments made to you and/or recovery of any payments already made.

## How is my annuity paid?

We will pay the annuity income directly to you after deducting any tax due. Guarantees and any increases apply to your annuity income before tax.

We normally pay annuities by direct credit to your bank or building society account. You can select the frequency of annuities to be paid monthly, quarterly, half yearly or yearly. These choices will affect the amount of income you get.

## What if I have any contracted out benefits?

If you were a contracted-out member of a defined benefits (salary-related) pension scheme, any part you earned before 6 April 1997 may be included in your illustration as a "Guaranteed Minimum Pension".

You can choose combinations of these options.

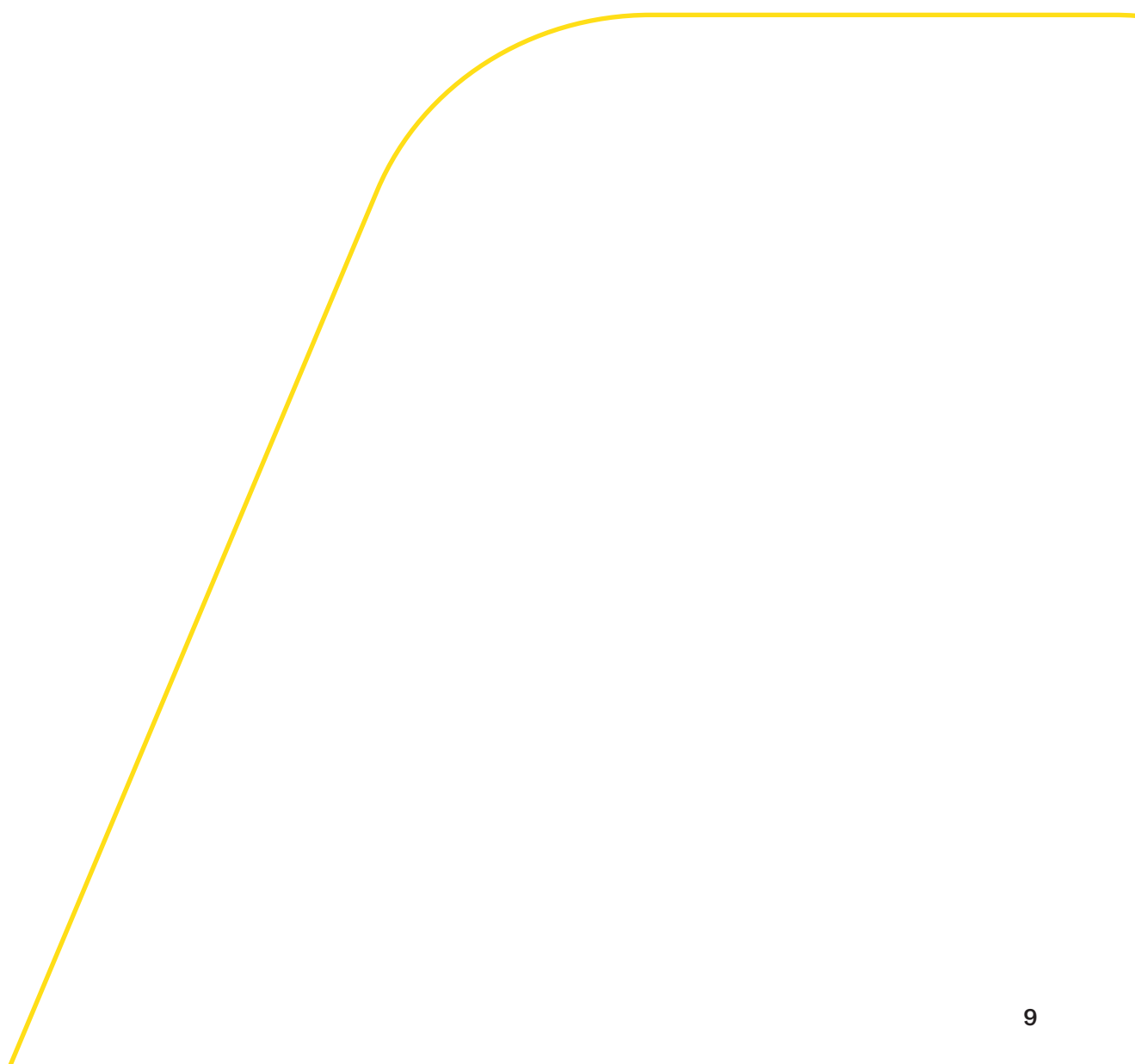
You can ask for illustrations with different options to see the difference they would make to your income.

Please contact us using the details you've been provided or on '**Get in touch**' on **page 16** if you want to find out more.

# Charges

## What are the charges on my plan?

- We use your pension fund to pay our charges for setting up and running your plan. We do this by taking these charges into account when we work out the price of the income.
- The illustration shows how much income your pension fund will buy. No further charges will be taken from your income.
- The cost of advice is covered within the pricing of the annuity and will be shown on your illustration.
- If we need to rewrite the terms of your Pension Annuity (including the Enhanced Pension Annuity) due to any information being incorrect or incomplete, then we'll charge you £40 each time.



## Changing your mind

### Can I change my mind?

- Yes, you have 30 days in which to change your mind, beginning from the date that you receive our confirmation that the plan has started.
- If you decide to cancel your annuity you must buy another product to provide you with an income in retirement either from us or another provider.
- Where you've asked us to pay an adviser charge and this has already been paid it won't be refunded.
- In order to cancel your Pension Annuity (including the Enhanced Pension Annuity) you must:
  - Sign and return the cancellation form within 30 days of receiving it.
  - Return any income payments you've already received from us. If you don't do this, you won't be able to use your pension fund to buy another product to provide you with an income in retirement.
  - Post these to the address given on the cancellation form.
- Please contact us using the '**Get in touch**' details on **page 16** if you don't have a cancellation form.
- If the cancellation form isn't returned, the Pension Annuity (including the Enhanced Pension Annuity) will continue.

## Life events

### What happens to my plan if I die?

- Your Pension Annuity (including the Enhanced Pension Annuity) will end when you die unless:
  - an income is to be paid to a dependant and they are still alive.
  - you have no dependents payable on your plan and you die within the first 90 days of your plan start date. In which case value protection will apply and a lump sum will be paid to one or more beneficiaries, chosen at Aviva's discretion.
  - you have a dependant payable on your plan and you both die within 90 days of your plan start date. In which case a value protection lump sum will be paid to one or more beneficiaries, chosen at Aviva's discretion.
  - you have chosen to extend your value protection period and you, and your dependant if you have one, die within this specified term. In which case any remaining value will be paid as a lump sum to one or more beneficiaries, chosen at Aviva's discretion.
  - you die after 90 days but within your guarantee period. Annuity payments will be paid to your estate or dependant on the plan until the end of the guarantee period.
- **Please see your Terms and Conditions for more details.**

## Taxation

Here is some information based on our interpretation of current tax legislation, which can change. Your tax treatment depends on your main place of residence as advised to us by HMRC and your other individual circumstances.

### What about tax when I take my pension benefits?

- You can normally take up to 25% of your pension as a tax-free lump sum, taking what's left as taxable income.

### How will my pension income be taxed?

- Your Pension Annuity (including the Enhanced Pension Annuity) payments will be treated as earned income and taxed according to your personal circumstances.
- They'll normally be made after the tax payable has been deducted.
- If you've selected an income to be paid to your dependant when you die, this may be subject to income tax. If you die before your 75th birthday and your annuity is defined by HMRC as a Lifetime Annuity, your dependant's income will be free of income tax. Otherwise, their income will be subject to income tax according to their personal circumstances.
- The lump sum value of any remaining guaranteed instalments paid to your or your dependant's estate from your Pension Annuity (including the Enhanced Pension Annuity) may be subject to inheritance tax.
- If you die and value protection benefit is payable to one or more beneficiaries chosen at Aviva's discretion, currently this will normally be free of inheritance tax.

- If you die in the guaranteed period before age 75, then:
  - if the lump sum is payable and your annuity is defined by HMRC as a Lifetime Annuity, it'll normally be paid free of income tax, or
  - if your benefits are provided under a defined benefits arrangement, the lump sum will normally be paid free of income tax, or
  - if payments continue they'll be paid free of income tax.
- If you die in the guaranteed period on or after age 75 your payments will continue and will be taxed at the recipient's marginal rate.
- Your illustration will show which applies.
- If you choose to continue value protection beyond 90 days and a lump sum is payable on death, then:
  - if you die before age 75 the lump sum will normally be paid free of income tax, or
  - if you die aged 75 or over, the lump sum will be taxed at the recipient's marginal rate.
  - if you have a dependant on your plan, the tax treatment of the lump sum will be determined by the age at which you die but the lump sum won't be payable until you've both died, and will take any dependant's benefits paid into account.
- HMRC places limits on the amount of tax-free benefits that can be taken from pension schemes. The limits are called the Lump Sum Allowance and the Lump Sum & Death Benefit Allowance. The limits apply to benefits taken during your lifetime and payable on death. Income tax is payable on benefits taken above these amounts.
- Your remaining allowances reduce each time you take benefits. Your allowances may be higher than the standard amounts if you've been granted one or more of the types of various protections by HMRC.

**You can find more information on tax at [gov.uk/browse/tax](https://www.gov.uk/browse/tax). We strongly recommend you seek financial advice if you think you're affected by tax charges.**

# Further guidance

## Information available to you

- Pension Wise from MoneyHelper is a free, government-backed service offering clear, impartial and specialist guidance on your retirement options. If you're aged 50 or over, this service is available to you. Visit [moneyhelper.org.uk/pensionwise](https://www.moneyhelper.org.uk/pensionwise) or call **0800 138 3944** for full details of the service.
- You should discuss your options with a financial adviser before making a decision. If you don't have one, you can find one at [moneyhelper.org.uk/retirement-adviser-directory](https://www.moneyhelper.org.uk/retirement-adviser-directory). Financial advisers charge for their advice.

## How to complain

- If you've taken a product out with Aviva and are unhappy with the product or the service you received, you can contact us using the **'Get in touch'** details on **page 16**.
- We aim to resolve your complaint quickly. If we can resolve your complaint within three working days following the day we receive it, we'll write and confirm this to you, along with your rights to refer your complaint to the Financial Ombudsman Service (FOS).
- If we don't resolve your complaint within three working days of receiving it, we'll;
  - acknowledge your complaint promptly.
  - assign a dedicated complaint expert to review your complaint.
  - carry out a thorough and impartial investigation.
  - keep you updated as to our progress.
  - do everything we can to resolve things as quickly as possible; and
  - send you a written response within eight weeks of receiving your complaint. This will tell you the results of the investigation or explain why that's not possible.

- Where we can't resolve your concerns, or have been unable to resolve them within eight weeks, you may be able to ask the FOS to carry out an independent review. Whilst firms are bound by their decisions, you aren't. Contacting the FOS won't affect your legal rights. You can contact them on **0800 023 4567** or visit their website at [financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk), where you'll find further information.

## Solvency and 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 [aviva.com/investors/regulatory-returns](https://www.aviva.com/investors/regulatory-returns)

## Compensation

If you've received advice:

- Qualified advisers will recommend that you buy products suitable for your needs. You have legal rights to compensation if, at any time, it's decided that you've bought a plan, as a result of advice from a qualified adviser, that wasn't suitable for your needs at that time.
- Your Pension Annuity (including the Enhanced Pension Annuity) is covered by the Financial Services Compensation Scheme. If we become insolvent and we can't meet our obligations under this plan, the scheme may cover you for up to 100% of any successful claim you make.
- To find more information about the FSCS, including how to contact them via email and webchat:

Website: [fscs.org.uk](https://www.fscs.org.uk)

Phone: **0800 678 1100** or **0207 741 4100**

## 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 when 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.
- Where despite all efforts to manage a conflict of interest, the conflict of interest can't be prevented, we'll disclose it to you before you commit to taking out this product or taking any investment action in relation to it.
- Further details of our conflicts of interest policy are available on request. Please contact us using the 'Get in touch' details on **page 16**.

## Aviva staff payments

- 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 an additional bonus, a proportion of which relates to their sales performance.

## Customer status

- Aviva will treat you as a retail client. This means that you have the highest degree of protection available under the Financial Conduct Authority rules. This includes access to complaints and compensation procedures. However you won't be covered for wrong advice unless this product was personally recommended to you by a financial adviser authorised by the Financial Conduct Authority.

## Terms and Conditions

- This key features document is a summary of your Pension Annuity (including the Enhanced Pension Annuity). For full details please see your Terms and Conditions.
- If you'd like a copy of the full Terms and Conditions, please ask us.

## Law and language

- Aviva and you have a free choice of the law that can apply to a contract. Aviva proposes to choose the law of England and Wales, and by entering into this contract you agree that the law of England and Wales applies. Your contract will be in English and we'll always write and speak to you in English.

## Financial advisers

- Where you've received information or advice from a financial adviser they'll provide you with information regarding their identity, the capacity in which they're acting and their address for future communications.

## Financial Services registered details

- Aviva Life & Pensions UK Limited is a company limited by shares. It's authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is entered on the Financial Services register, number 185896, [register.fca.org.uk](https://register.fca.org.uk)

# Get in touch

Remember, your financial adviser will normally be your first point of contact.

If you have any questions, you can:



Call us on **08000 686 800**

**Monday to Friday 8.30am to 5.30pm**

Calls to and from Aviva may be monitored and or recorded.



Email us at [contactus@aviva.com](mailto:contactus@aviva.com)



Write to us at **Aviva, PO Box 520,  
Surrey Street, Norwich NR1 3WG,  
United Kingdom**

## Need this in a different format?

Please get in touch if you'd prefer this key features document (**AN15036**) in large print, different colour, braille or as audio.

## Want to go paperless?

It's easy to go paperless and manage your documents online, meaning you won't have the inconvenience of storing paper copies.

By **registering with MyAviva**, you'll be able to view your documents instantly in your online Document Library instead of waiting to receive them by post.

## Here's how - just a few simple steps

Simply log in or register for MyAviva by going to [myaviva.co.uk/register](https://myaviva.co.uk/register) or scan the QR code.



Once you've registered and logged into MyAviva, go into 'Your Account', then 'Your Profile', and under 'Preferences' click 'Edit' within the 'Paper or Paperless' box. Then simply choose which documents you'd like to manage online.

Please note, this service is only available to those who can access their documents online through MyAviva. There will be some documents which we always need to send to you by post.

