

Guaranteed Fixed Term Income Plan

Terms and Conditions

Welcome to Aviva

You can buy a **Guaranteed Fixed Term Income Plan** if you are at least the minimum pension age, which is currently 55 (increasing to age 57 from 6 April 2028). If you have a protected pension age (to find out more visit aviva.co.uk/nmpa) or meet HMRC's rules for taking benefits early due to ill-health you might be eligible to take benefits before the minimum pension age. The maximum age is 90. If the Plan is being bought by a beneficiary, the minimum age is 20, unless a child needs permanent care.

You must be a UK tax payer and must be resident in the UK at the time of application. The UK does not include the Channel Islands, Isle of Man or Gibraltar.

We have accepted a payment from one or more **UK registered pension schemes**. This is shown on the '**Confirmation of your Guaranteed Fixed Term Income Plan**'.

Your plan is written under HMRC's Flexi-access drawdown rules, and is also subject to the rules of the Aviva Personal Pension Scheme, which is a **UK registered pension scheme**. You became a member of the scheme on the **contract date**. We will be happy to send you a copy of the rules if you wish. Our contact details are on the back page.

We may change the rules in the future.

If there is any inconsistency between the rules and this plan document, the rules will override this plan document.

Please read the plan document as soon as you receive it, to ensure it fully meets your needs. If it doesn't, please speak to your financial adviser for guidance, as changes can only be made within the cancellation period. We will send you a replacement free of charge if the error was made by us.

Your plan document consists of both the terms and conditions and the **plan schedule**. The benefits payable are detailed in the '**Confirmation of your Guaranteed Fixed Term Income Plan**' which is attached to and forms part of the **plan schedule**. These give you important information which you may need to refer to in the future. Please keep them in a safe place along with any plan alteration statements showing changes to your plan document. If they're lost there may be a delay in the payment of benefits.

Benefits under this plan will be provided by Aviva Life & Pensions UK Limited.

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(Provides definitions for most emboldened terms used in the body of this document.)

Section 1

General rules applying to this plan

1. The information you gave to us

We rely on the information that is provided to us by you or your adviser. If any of the information provided to us is not true or is not complete, and this might reasonably have affected our decision to provide you with this plan, then we may:

- i. change the terms of this plan, or
- ii. restrict the benefits payable under the plan and seek recovery of any overpayments already made.

2. Dealing with this plan

When we deal with this plan we will explain what we need at the time and will tell you where this information needs to be sent. This may include one or more of the following:

- i. completed form of request or discharge
- ii. this plan document
- iii. proof that any claim under the plan is valid
- iv. death certificate
- v. any documents relevant to this plan
- vi. any other information such as that needed to show that we have authority from the right person(s) to deal with this plan.

3. Law that applies

This plan is issued in England and is covered by English law.

4. Currency

All payments to or by us under this plan shall be calculated in the United Kingdom, in sterling, and paid in sterling from the UK.

5. Payments made by us

In order to ensure that we pay the correct amount to the correct person, or if a change is required to who we are making payments to, 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 the benefits under the plan is entitled to do so.

We will let you know what evidence needs to be provided at the time it's required and will tell you where this information should be sent.

We will make payments by direct credit or any other method we agree. We will not make any payments in cash.

We will pay the pension to the **planholder** as requested.

We may need to change our agreed methods of payment in the future. We will give you at least three months' notice if a change is required.

6. Plan changes

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

- to respond, in a proportionate manner, to changes in the way we administer plans 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 external factors beyond our control mean that only a shorter notice period is possible.

7. Taxation

Benefits under this plan are subject to tax under the relevant legislation. This requires us to apply Pay As You Earn (PAYE) to your regular income payments.

8. No third party rights

Any person who is entitled to payment of a contracted out pension under this plan may enforce their right to receive the pension. Apart from this, the plan doesn't confer any rights on any person or body other than the parties to the contract and 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 plan.

9. Transfer

The benefits payable under the plan cannot be transferred to another insurance company.

If you are also the **planholder**, you cannot transfer ownership of the plan to another person.

10. Early surrender

You can choose to **surrender** your **Guaranteed Fixed Term Income Plan** early, before the end of the fixed term period.

Aviva will accept early surrender at any time after the cancellation period has ended.

All or part of the surrender value of the plan, or all or part of any income payments, may be paid out as a result of a bankruptcy order, or as part of a **pension sharing order** or earmarking order on divorce. An “earmarking order” is a legal arrangement granted on divorce or dissolution of a civil partnership that allows a court to re-direct payment of benefits under a plan as part of the overall settlement.

We'll calculate the surrender value using your future income payments and any **Guaranteed Maturity Value** due to you.

The surrender value takes into account interest rates at the time, so the monetary amount is not fixed at outset.

In any event, the surrender value will be less than any remaining income and any **Guaranteed Maturity Value** otherwise due.

The surrender value quote will be valid for 40 calendar days.

If you opt to surrender your plan, the surrender value will be subject to income tax.

11. Unauthorised payments

No person shall be entitled to receive or benefit from an unauthorised payment as defined in Part 4 of the Finance Act 2004. If an unauthorised payment is made you promise to pay our losses and expenses (if any) for any scheme sanction charge for which we may be liable in respect of it under section 239 of the Finance Act 2004 (as amended from time to time). This shall not apply where the unauthorised payment occurred because of an error or wilful default on our part. This paragraph shall override anything to the contrary in the rest of the plan terms.

12. Eligibility

Regardless of what is set out elsewhere in these terms we will not be obliged to exercise any of our rights and/or comply with any of our obligations under this plan; if to do so would cause, or be reasonably likely to cause, us to breach any law or regulation in any territory.

13. Term of your plan

Your plan has a fixed term with a **start date** and a **maturity date**. We show both of these in the **plan schedule**.

At the end of the term you can:

1. Withdraw the **Guaranteed Maturity Value** as a lump sum
2. Buy another **Guaranteed Fixed Term Income Plan**
3. Transfer the **Guaranteed Maturity Value** to a Flexi-Access Drawdown product
4. Purchase a **lifetime annuity**.

Section 2

Benefits payable

1. Introduction

The benefits payable under the plan are shown in the **'Confirmation of your Guaranteed Fixed Term Income Plan'** which is attached to and forms part of the **plan schedule**.

This section gives more detailed information on some aspects of the benefits that may or may not be applicable to your plan. Each part of this section includes an explanation as to when that part will be applicable. Please refer to the **'Confirmation of your Guaranteed Fixed Term Income Plan'** for the benefits applicable to your plan.

2. Income options

You can opt for:

- i. an income
- ii. an income and a **Guaranteed Maturity Value**
- iii. a **Guaranteed Maturity Value** only, with no income

If you opt to take an income, it will trigger your Money Purchase Annual Allowance (MPAA). MPAA is a limit on the amount you can contribute to your defined contribution pension each year. If you exceed this limit you will be subject to a tax charge.

If you opt for the **Guaranteed Maturity Value**, it does not trigger MPAA.

3. Guaranteed Maturity Value option

If you choose to invest in the **Guaranteed Maturity Value** option, we'll tell you at the start of the plan what the value of your plan will be when it matures.

We invest your money in a range of assets, but your **Guaranteed Maturity Value** doesn't depend on how well these assets perform.

4. Death Benefits

On the death of the **planholder**, a death benefit lump sum will be made available to the **beneficiaries**, chosen at Aviva's discretion. We take account of your wishes when choosing who to pay and you can tell us who you would like us to pay at any time by completing an Expression of Wishes form.

The approach to calculating the death benefit lump sum will be to provide a surrender value based on future income payments and/or **Guaranteed Maturity Value**, taking account of interest rates at the time and over the shorter investment term.

Once the death benefit lump sum is calculated, the **beneficiary** can choose to take their share as one or more of the following options:

- Continue the current payments as a Beneficiary's **Guaranteed Fixed Term Income Plan**
- Withdraw the lump sum amount (may be treated as earned income)
- Purchase a new Beneficiary's **Guaranteed Fixed Term Income Plan** with the lump sum amount
- Purchase a Beneficiary's lifetime annuity
- Purchase a Beneficiary's **Flexi-Access Drawdown** product

There is no proportionate payment payable on death as this will be included in the calculated death benefit value as at date of death.

If a Beneficiary's **Guaranteed Fixed Term Income Plan** or **lifetime annuity** is selected the following criteria apply:

- Minimum Age : 20 years of age (unless a child needs permanent care; medical evidence will be required to verify permanent care)
- Maximum Age : 90 years of age or must be their 90th birthday on maturity at the end of the fixed term

Section 3

Definitions

We have used some technical words in this document. They are explained below.

Actuary

The person holding, for the time being, the office of Actuary to Aviva in accordance with regulations made under the Financial Services and Markets Act 2000.

Application

The form signed by the **planholder** to take out this plan.

Beneficiaries

Any person, or persons, entitled to payment of any benefits on death and may be one or more of:

- Your estate
- any person named in Your will or who may benefit under the laws of intestacy
- Your nominee(s)
- Your surviving spouse or civil partner
- Your children (birth/adoption) not including step-children
- Your parents
- Your siblings
- Your siblings' children
- Your grandchildren
- Your financial dependant(s).

In the list above, 'Your' refers to the last surviving recipient of the plan.

Civil partner

The **policyholder's civil partner** as defined in the Civil Partnership Act 2004.

Contract date

The date the contract comes into force.

Death Benefit Lump Sum

The amount of money available to provide death benefits under this plan. The beneficiary can choose to take their benefits as described in Part 4 of Section 2.

Flexi-Access Drawdown

A form of death benefits that meets HMRC's definition in any of paragraphs 22A, 27E and 27K of schedule 28 to the Finance Act 2004.

Guaranteed Maturity Value

The proceeds payable on your Guaranteed Fixed Term Income Plan at the end of the specified term.

Guaranteed Fixed Term Income Plan

A pension provided from a **UK registered pension scheme**, or from an existing drawdown arrangement, under a 'money purchase arrangement'. The plan is purchased from an insurance company of the **planholder's** choice and must satisfy the conditions set out in paragraph 8A of Schedule 28 to the Finance Act 2004.

HMRC

His Majesty's Revenue and Customs.

Lifetime annuity

An annuity that meets **HMRC's** definition in Paragraph 3 of Schedule 28 to the Finance Act 2004.

Maturity date

The agreed end date of your plan.

Pension sharing order

A legal arrangement granted on divorce or dissolution of a civil partnership that allows a court to divide pension assets between the two parties as part of the overall settlement.

Plan schedule

The schedule enclosed with this document.

Plan start date

The date we received the fully completed **application** and payment unless we agree an earlier date in writing.

Planholder

The legal owner of the plan.

Surrender

End your income plan before your chosen maturity date.

Term

The period of time between the **Plan Start Date** and the **maturity date** of your **Guaranteed Fixed Term Income Plan**. The term can be set in years and months.

UK registered pension scheme

A pension scheme registered under Part 4 of the Finance Act 2004.

Us, We and Our

Aviva Life & Pensions UK Limited.

You (and your)

The **Planholder**.

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Please get in touch if you'd prefer these terms and conditions (**AN21005**) in large print, braille, audio, or in a different colour.

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